



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

THURSDAY, 1 JUNE 2017

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 1 June 2017

Members in attendance: Senators Carol Brown, Cameron, Duniam, Hinch, Kakoschke-Moore, Leyonhjelm, McCarthy, Polley, Pratt, Reynolds, Rhiannon, Roberts, Siewert, Smith, Waters, Watt.

SOCIAL SERVICES PORTFOLIO

In Attendance

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

Senator Seselja, Assistant Minister for Social Services and Multicultural Affairs

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, General Manager, Face to Face Services Division

Ms Kate Hay, Acting General Manager, Child Support Smart Centres Division

Mr Chris Horsley, General Manager, Service Strategy and Transformation Division

Mr Bill Volkers, General Manager, Smart Centres Division

Ms Malisa Golightly, Deputy Secretary, Integrity and Information Group

Ms Karen Harfield, General Manager, Information, Debt and Appeals Division

Mr Jason McNamara, General Manager, Integrity Modernisation Division

Mr Craig Storen, General Manager, Customer Compliance Division

Mr Mark Withnell, General Manager, Business Integrity Division

Ms Andrea Quinn, Assistant Commissioner, Taskforce Integrity

Dr Jill Charker, Deputy Secretary, Programme Design Group

Ms Maree Bridger, General Manager, Child Support and Redress Division

Ms Janine Pitt, General Manager, Participation and Disability Division

Ms Melissa Ryan, General Manager, Older Australians Division

Mr George Thiveos, General Manager, Families Division

Ms Susan Cartwright, National Manager, Institutional Redress Branch

Mr Paul Creech, National Manager, Education and Job Seeker Contact Branch

Ms Laura Gannon, National Manager, Disability Branch

Ms Sue Kitchin, National Manager, Child Support System Redesign Branch

Mr Dennis Mahony, National Manager, Child Support Program Branch

Ms Joanna Stanion, National Manager, Working Age Programmes and Compliance Branch

Ms Caroline Edwards, Deputy Secretary, Health and Aged Care Group

Ms Kirsty Faichney, General Manager, Health Programmes Division

Ms Melissa McClusky, General Manager, Health Service Delivery Division

Ms Linda Young, Acting General Manager, Aged Care and Industry Programmes Division

Mr Jonathan Hutson, Deputy Secretary, Enabling Services Group
Ms Annette Musolino, Chief Counsel, Legal Services Division
Ms Cathy Sear, General Manager, Communication Division
Ms Jenny Teece, General Manager, Whole of Government Coordination 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 Strategy Division
Mr Gary Sterrenberg, Chief Information Officer
Mr Mark Jenkin, Chief Financial Officer
Mr Shane Bennett, General Manager, Service Strategy

Department of Social Services**Executive**

Mr Finn Pratt, Secretary
Ms Barbara Bennett, Deputy Secretary, Families and Communities
Ms Felicity Hand, Deputy Secretary, Disability and Carers
Mr Michael Lye, Chief Operating Officer and Deputy Secretary, Corporate and Delivery
Ms Serena Wilson, Deputy Secretary, Social Security

Cross Outcomes

Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services
Mr Paul McBride, Group Manager, Welfare and Housing Reform
Mr Philip Brown, Acting Group Manager, Policy Office
Mr Peter Qui, Group Manager, Information Management and Technology
Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services
Mr Iain Scott, Group Manager, Community Grants Hub
Mr Richard Baumgart, Branch Manager, Program Strategy
Ms Tracey Bell, Branch Manager, Communication Services
Ms Tiffany Blight, Branch Manager, People Services
Mrs Christine Bruce, Branch Manager, Program Relationships and Design
Ms Tracey Carroll, Branch Manager, Budget Development
Mrs Tracy Creech, Branch Manager, Selections and Establishment
Mr Tim Crozier, Acting Branch Manager, Policy Strategy
Mr David Dennis, Branch Manager, Policy Evidence
Mr Michael Gately, Branch Manager, Corporate and Data Services
Mr Alan Grinsell-Jones, Branch Manager, Legal Services

Ms Tracy Hobden, Branch Manager, Financial Management and Procurement
Mr Greg Keen, Branch Manager, Whole of Government Grants Coordination
Mr Murray Kimber, Branch Manager, Investment Approach Taskforce
Ms Kathryn Mandla, Branch Manager, Policy Systems
Ms Lyn Murphy, Branch Manager, Property Security and Business Continuity
Ms Jillian Moses, Branch Manager, Social Security Analytics
Ms Marian Moss, Branch Manager, Government and Executive Services
Ms Carolyn Paterson, Acting Branch Manager, Organisation Strategy Services
Mr Warren Pearson, Acting National Manager, Delivery Strategy and Operations
Mr Matthew Roper, Branch Manager, Assurance and Performance
Mr Adam Rowland, Executive Manager, National Centre for Longitudinal Data
Mr Stephen Sheehan, Branch Manager, Financial Accounting
Mr Robert Stedman, Branch Manager, Program Systems and Support

Outcome 1

Mr Philip Brown, Acting Group Manager, Policy Office
Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services
Ms Cath Halbert, Group Manager, Payments Policy
Mr Evan Lewis, Group Manager, Multicultural, Settlement Services and Communities
Mr Paul McBride, Group Manager, Welfare and Housing Reform
Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services
Ms Tracey Bell, Branch Manager, Communication Services
Ms Tracey Carroll, Branch Manager, Budget Development
Mr Tim Crozier, Acting Branch Manager, Policy Strategy
Ms Anita Davis, Acting Branch Manager, International and Means Test Policy
Mr Russell de Burgh, Branch Manager, Pensions and Integrity
Mr David Dennis, Branch Manager, Policy Evidence
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Mr Matthew Hardy, Branch Manager, Family Payments and Child Support Policy
Mr Murray Kimber, Branch Manager, Investment Approach Taskforce
Ms Kathryn Mandla, Branch Manager, Policy Systems
Ms Emma Kate McGuirk, Branch Manager, Work and Study Payments
Ms Mary McLarty, Branch Manager, Eligibility and Participation Policy
Ms Jillian Moses, Branch Manager, Social Security Analytics
Mr Sidesh Naikar, Branch Manager, Housing Policy
Ms Yvette Sims, Branch Manager, Multicultural and Communities
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
Mr Iain Scott, Group Manager, Community Grants Hub
Ms Sharon Bailey, Branch Manager, Settlement Policy
Mr Richard Baumgart, Branch Manager, Program Strategy
Ms Tracey Bell, Branch Manager, Communication Services
Ms Flora Carapellucci, Principal Advisor, Families
Ms Tracey Carroll, Branch Manager, Budget Development
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Ms Brooke Hartigan, Acting Branch Manager, Redress Taskforce
Mr Mathew Johnston, Branch Manager, Redress Taskforce
Ms Kris Cala, Branch Manager, Children's Policy
Mr Leo Kennedy, Branch Manager, Settlement Support
Ms Kathryn Mandla, Branch Manager, Policy Systems
Mr Chris Mitchell, Executive Manager, Humanitarian Settlement Program 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
Ms Yvette Sims, Branch Manager, Multicultural and Communities
Mr Stewart Thomas, Branch Manager, Housing Programs and Homelessness

Outcome 3

Mr Peter Broadhead, Acting Group Manager, Disability Employment and Carers
Mr Scott Dilley, Chief Finance Officer and Group Manager, Finance and Services
Ms Margaret McKinnon, Group Manager, NDIS Market Reform
Ms Janean Richards, Chief Legal Counsel and Group Manager, Corporate Services
Ms Julie Yeend, Acting Group Manager, NDIS Transition Oversight
Ms Tracey Bell, Branch Manager, Communication Services
Mr Adrian Brocklehurst, Branch Manager, Quality and Safeguards Implementation
Ms Tracey Carroll, Branch Manager, Budget Development
Ms Anne-Louise Dawes, Branch Manager, Program Transition
Mr Chris D'Souza, Branch Manager, Disability Employment Services
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Mr Andrew Hatch, Acting Branch Manager, Transition Oversight and Governance

Ms Nerida Hunter, Branch Manager, NDIS Financial Policy and Performance
Mr John Riley, Branch Manager, Market Oversight
Mr Bruce Smith, Branch Manager, Quality and Safeguards Policy
Ms Sharon Stuart, Branch Manager, Disability and Carer Policy
Ms Deborah Winkler, Branch Manager, 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 Tracey Bell, Branch Manager, Communication Services
Ms Tracey Carroll, Branch Manager, Budget Development
Mr Alan Grinsell-Jones, Branch Manager, Legal Services
Mr Sidesh Naikar, Branch Manager, Housing Policy
Mr Stewart Thomas, Branch Manager, Housing Programs 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, Participation and Planning
Ms Vicki Rundle, Acting Deputy Chief Executive Officer, Markets and Support
Mr Grant Tidswell PSM, Chief Operating Officer

Committee met at 09:00

CHAIR (Senator Duniam): I declare open this hearing of the Senate Community Affairs Legislation Committee, and I welcome Senator the Hon. Zed Seselja and officers of the Department of Social Services. We are in continuation from yesterday, kicking off with outcome 4, housing.

Department of Social Services

[09:01]

CHAIR: Minister, you have an opening statement, I understand.

Senator Seselja: I do, with your indulgence, Chair. Thank you for having us. I want to make an opening statement in relation to housing. The Commonwealth understands that housing is fundamental to the wellbeing of all Australians. Housing is a driver of social and economic participation; it promotes better employment, education and health outcomes. So, as part of the 2017-18 budget, the government announced a comprehensive housing affordability plan designed to improve housing outcomes for Australians through unlocking supply, creating the right incentives and improving outcomes for those most in need. The government's measures are intended to make more homes available for Australians by collaborating across all levels of government to increase the supply of housing and to make

housing more affordable for Australians in all parts of the housing market, from first home buyers and renters to those in need of crisis accommodation and at risk of homelessness, to improve the access of Australians to secure stable and more affordable housing. The overall aim is to see a more responsive housing market. As part of this plan, the Commonwealth will invest more than \$870 million in additional housing, and homelessness funding over the next four years. The measures announced by the government will be progressed across a number of portfolios.

The ones that I appreciate you are likely to be most interested in today, given their impact on the Social Services portfolio, include a new National Housing and Homelessness Agreement, a bond aggregator through a new National Housing Finance and Investment Corporation, support for the Homes for Homes initiative and social impact investments. The government have been very clear that we want better outcomes for housing and homelessness funding than are currently being achieved through the National Affordable Housing Agreement. I have spoken before at Senate estimates about how states, territories and stakeholders have all expressed a desire to see better outcomes from this agreement, and it has failed to meet expectations. It is important to remember that, according to the 2016 COAG report on performance, three out of four NAHA objectives were not being met. Instead of a 10 per cent reduction in the proportion of low-income rent to households experiencing rental stress, there has been a seven per cent increase; instead of a seven per cent reduction in homelessness, there has been a 17 per cent increase; and there is no evidence of a 10 per cent increase in the proportion of Indigenous Australians who own their own home.

The government therefore announced that it will work with the states and territories to reform the National Affordable Housing Agreement and provide ongoing indexed funding for a new National Housing and Homelessness Agreement from 2018-19. The NHHA will combine funding currently provisioned under the national affordable housing specific purpose payment and the National Partnership Agreement on Homelessness. In the housing and homelessness ministers meeting last November, state and territory ministers said that they wanted the NPAH extended to five years. We have done better than that; it will now be part of the in-perpetuity housing agreement and it will be indexed. That means that the government will provide an additional \$375.3 million over the forward estimates from 2018-19 to fund ongoing homelessness support services, with funding to be matched by the state and territory governments. The government will also provide \$6.5 million over four years from 2017-18 to the National Competition Council to assist with the implementation and ongoing assessment of performance under the NHHA.

In conclusion, this is part of a broader package, as I said at the start. I have touched on some of the initiatives that are in the housing package as it applies to DSS. We will obviously be keen to take questions in this area and engage, but thank you very much for this opportunity.

CHAIR: Thank you. Would you like to table a copy of that statement?

Senator Seselja: It was longer than I thought it was, so I have only read about half of it. It would be misleading perhaps to table the entire statement, parts of which I did not read, but I am happy to give the secretariat the whole and they can perhaps table the bits that I have marked.

CHAIR: You can mark the page where you finished and then we will circulate it. That will be great; thank you.

Senator Seselja: I am very happy to do that.

CHAIR: Secretary, do you have anything to add this morning?

Mr Pratt: No, thank you.

CHAIR: Senator Cameron.

Senator CAMERON: Mr Pratt, could you take us through the machinery-of-government changes that may arise from this announcement and tell us what the implications are for your department?

Mr Pratt: I am not anticipating any machinery-of-government changes as a result of these announcements. There are a significant set of initiatives across the Treasury portfolio and the Department of Social Services and in some other areas. I am not expecting that will lead to any organisational changes, at least at this stage; it is, of course, open to government to do that at any time. We will, of course, work very closely with our colleagues in related departments on these initiatives and also with the state and territory governments.

Senator CAMERON: Who will be the lead agency for negotiating with the states on the new NHHA?

Mr Pratt: That will be Social Services, with the minister.

Mr McBride: Details of that process are still being worked out, but we anticipate having a key role in that process.

Senator CAMERON: Mr Pratt says that Senator Seselja will be doing it and you are saying that it still has to be worked out?

Mr Pratt: To clarify, I may have been a little definitive there. It is still to be worked out and it is yet to be determined exactly who will take the lead on this.

Senator CAMERON: Being definitive is good but you are not as definitive now.

Mr Pratt: I am less definitive than I was a few moments ago.

Senator CAMERON: I could not understand. What I am trying to get is some idea of who will be negotiating this. If you cannot tell me at this late stage, I am not surprised. What is your understanding, Senator?

Senator Seselja: Bear with us for one moment. I think there was a bit of confusion in that answer. We discussed this at the recent housing ministers' meeting which was held in Adelaide. Because there are a number of reforms that go beyond Social Services when it comes to not just the new National Housing and Homelessness Agreement but those that go well beyond, in areas around land supply, infrastructure, taxation and the like, the Treasurer has, I understand, written to state treasurers to engage with them. So the Treasurer will be taking the lead role. Obviously, Christian Porter and I, in our roles in DSS, will be playing our roles along with housing ministers in the states but feeding into that broader negotiation and discussion.

Senator CAMERON: So it is a multi-tiered approach, is it?

Senator Seselja: It is. I did not go into all of the detail of some of the other things that were outlined in the budget, but a number of the housing affordability measures that were outlined in the budget go well beyond the Department of Social Services' responsibilities.

Senator CAMERON: How will the left hand know what the right hand is doing?

Senator Seselja: By working very closely together. In the lead-up to the budget, the Treasurer and, of course, his assistant, Michael Sukkar, took a lead role in a number of measures, and there are a number of ministers who have some responsibility in this space, including Minister Porter, of course, Assistant Minister Taylor and me—along with Assistant Minister Sukkar and the Treasurer.

Senator CAMERON: Mr Taylor, I understand, is the minister for cities.

Senator Seselja: Cities—that is right.

Senator CAMERON: So you have maybe five ministers involved in this?

Senator Seselja: It naturally goes across a number of portfolios. I could take you through some of those measures that we have announced in the budget that go well beyond this area.

Senator CAMERON: I am well aware of that. That is why I am asking the question.

Senator Seselja: Yes, indeed. Given that you are well aware of it and I know that you were asking questions of Treasury earlier in the week and, through that and through the announcements in the budget and through your discussions in that forum, obviously you would have seen that a number of these measures go across different areas of government necessarily.

Senator CAMERON: You are saying that the Treasurer will be the coordinating senior minister.

Senator Seselja: He is the senior minister and, as I say, he has written to state treasurers to commence that process. State housing ministers along with Commonwealth housing ministers met recently and we discussed some of these and we discussed a way forward.

Senator CAMERON: We have started off with a bit of confusion. I am not sure that we actually have a process that will resolve that confusion, but never mind. The aggregate supply targets for new housing under the National Housing and Homelessness Agreement, which you say will commence in 2018-19, as identified in the budget papers, is a priority issue. Will these targets include targets for public housing and affordable rental housing?

Senator Seselja: I will ask Mr McBride to answer in more detail. But you would be aware that these negotiations will take place on a bilateral basis. So there will be a good-faith negotiation between the Commonwealth and states and territories. States and territories will all have different needs, different challenges, and those discussions will lead to bilateral agreements. But I will ask Mr McBride to expand.

Mr McBride: It is anticipated that would be the case. The budget documentation acknowledged there would be broad aggregate supply targets but they will also look at supply targets in sub-segments of the market and it is likely that that will extend to the affordable and social housing sector.

Senator CAMERON: It is likely that it will extend to that. Is that your definitive response?

Mr McBride: It is anticipated. These are the—

Senator CAMERON: It is likely and it is anticipated. That means that you do not know. Is that really what you are telling me?

Mr McBride: We are yet to commence the negotiation process with the states but the priority areas include public housing and the social housing market. If we are going to have indicators and performance targets against those, then it would naturally flow that we would expect to have some level of supply targets.

Senator CAMERON: What is the Commonwealth target? What do you want to achieve from it?

Mr McBride: Part of that negotiation process will involve getting baseline data so that we have a better understanding of—

Senator CAMERON: But, unless you have put documentation out that is not correct, the baseline data is identified in your policy papers, is it not?

Mr McBride: I have said that there will be aggregate supply targets and targets in sub-segments of the market. Where the need in those sub-segments is most prevalent—and we do not have a good understanding of that or of the states' understanding of that—we will be sitting down with the states trying to understand where they think the pressure points are in their market to get a reasonable read of the baseline data on those sub-segments of the market. From there, we will be in a position to work out what a reasonable future-looking supply target will be.

Senator CAMERON: I reckon that will be the next *Yes, Minister* response: 'That will be okay.' You have identified the shortage in affordable rentals as 271,000, have you not?

Mr McBride: Yes.

Senator CAMERON: If you have a look at your own documents, you have identified over a quarter of a million shortage in affordable rental housing. How are you dealing with that? How will you reduce that figure? That is what I am asking.

Mr McBride: A number of the budget measures are looking at the affordable housing market. There are the supply targets, including sub-segments of the market. There is the bond aggregate—

Senator CAMERON: What is the supply target for affordable rental?

Mr McBride: As I have said, it will be different from state to state; it will depend on each state's position in the market and how they intend to achieve improvement. Some states have low levels of community housing; some have higher levels of public housing. Some have a reasonable affordable housing stock; some do not. Some have that stock but people are not getting access to it. We have suggested that this is best done through a bilateral process because each state is in a different position.

Senator CAMERON: Who has the affordable stock that is not being accessed? Which state has that problem?

Mr McBride: Certainly, New South Wales and Victoria. There was a paper done by someone at a university in New South Wales, Judith Yates, who said that there is a problem with a lack of affordable housing stock. But even with that affordable housing stock, people who have the means to rent at higher levels in the rental market are the ones who are taking

that stock. It is one thing to have the stock, but who lives in that stock is another thing. At this stage a lot of that stock that could be taken up by people who need affordable housing is actually being taken up by people who could arguably afford more.

Senator CAMERON: There is the push down from the high level to the low level that you have indicated, but isn't that a factor of capital gains tax and negative gearing, which are actually making housing less affordable? People are going down the property ladder, if you like, to get affordable housing and pushing people out. That is what you have just described, really.

Mr McBride: I am not sure that they are the causal factors.

Senator CAMERON: You are not sure. Everybody else seems to be sure except the government.

Mr McBride: It is the fact that some people choose to rent at a lower rent than they can afford so that they can spend money on other things.

Senator CAMERON: Like saving for a deposit so that they can compete against people that get capital gains tax and negative gearing benefits. Is that one of the factors?

Mr McBride: I think we would be second guessing people's attitudes.

Senator CAMERON: I do not think that is second guessing at all. Isn't that just the reality?

Mr McBride: People are saving for a deposit and deposits are more difficult to achieve, given the price rises—

Senator CAMERON: Is it your position that capital gains tax and negative gearing have nothing to do with increasing housing prices?

Mr McBride: I do not have a position, Senator.

Senator REYNOLDS: Senator, you are asking questions—

Mr McBride: Capital gains tax and negative gearing are questions for Treasury.

Senator CAMERON: Chair, can I indicate that, when I am asking an individual officer, I am asking the department.

Senator REYNOLDS: I was just asking for clarification, Senator Cameron.

Senator CAMERON: I thought the senator would understand that by now; obviously not.

CHAIR: Thank you, and the officer has answered, so we will continue.

Senator REYNOLDS: I can see that you are off to a pleasant start this morning, Senator Cameron.

CHAIR: Order!

Senator CAMERON: You were the one who intervened so stupidly. I cannot help that.

Senator REYNOLDS: Senator Cameron, we have only been going for 20 minutes and you are already into insults. This is going to be a long day.

CHAIR: Order!

Senator CAMERON: Mr McBride, with the 271,000 shortage, what reductions do your policies bring about?

Mr McBride: They are the processes that we are working through; there has been no change. As I said before, with the affordable housing stock, part of the problem is that people are not getting access to it. So the measures that allow the community housing sector to grow—because that is a sector that can determine who gets into their housing stock—will help that problem. So you have the bond aggregator, you have the managed investment trusts, you have the CGT discount acceleration, you have the infrastructure funding that will help, and you have the city deals from New South Wales for Western Sydney. With the inclusion of rezoning as a key consideration in the new National Housing and Homelessness Agreement, all of those measures will add to that stock of affordable housing. As for how many people will take up the bond aggregator and, therefore, what level of stock growth we get, we are not in a position to judge that yet. But all of those things will contribute to—

Senator CAMERON: But people do not take up the bond aggregator, do they?

Mr McBride: No, but in the community housing sector, that will be potentially the growth engine for the stock of affordable housing and the funnel to make sure that the right people get into affordable housing.

Senator CAMERON: What is the government's estimate of the funding gap for, say, a social security recipient to get into a house?

Mr McBride: I am not sure what you mean by 'funding gap'.

Senator CAMERON: There is a funding gap.

Mr McBride: A gap between what and what?

Senator CAMERON: It is a well-established position in the housing area that there is a funding gap for those who are on social security actually being able to get into a house. The funding gap is even in the social housing sector—to be able to afford to build a home for someone on, say, Newstart. You have heard that, haven't you?

Mr McBride: There are two ways. When we are looking at the community housing sector, we have to make sure that the rents they get and the contribution they get from CRA give them enough revenue to be able to support—

Senator CAMERON: That is the funding gap.

Mr McBride: So that is the gap. What I thought you said was: for someone on Newstart, what is the gap there? So are you talking about—

Senator CAMERON: No, it is the gap that the social housing groups have in trying to build a home, based on someone on Newstart. There is not enough income to incentivise the social housing sector to build a house for someone on Newstart. That is what they have been telling me. Have they been telling you that as well?

Mr McBride: That is probably true of people on Newstart. But the social housing sector has a mixed rental model. They will charge some people a percentage of their income, and that tends to be at the lower income level—people on Newstart. But they charge some people a percentage of market rent and they charge some people almost full market rent. So the sector has a mixed rental model and that will help cross-subsidise those that—

Senator CAMERON: Tell me who has been advising you that that cross-subsidisation is sufficient to build new stock of housing for Newstart recipients, because I have not heard it from anyone.

Mr McBride: As part of the bond aggregator process, Treasury, through the affordable housing task force, have Ernst & Young and others involved to work out whether there is a viability gap across the sector and whether they will be able to sustain the returns that will be required for a bond aggregator to succeed. That process is still underway and we expect it to report mid-year.

Senator CAMERON: I have been engaging with some of the biggest social housing providers in the country, some of the most successful, and they are advising me that there is no way they can bridge that gap, even with cross-subsidisation. Have you been advised of that as well?

Mr McBride: Some are more optimistic than others. Some of them are—

Senator CAMERON: Who is optimistic? Tell me who says they can do this, because I have not come across one.

Mr McBride: At the moment they have to be profitable, and—

Senator CAMERON: Can you tell me who is optimistic in telling you that they can do this? I want to go and find them, because I have not been able to find them yet.

Mr McBride: We have been speaking to a number of them, including the umbrella groups. We are still working through the bond aggregator process—

Senator CAMERON: But you have said that some were optimistic that they could do it. I need to know who they are.

Mr McBride: I think both of the major umbrella groups, PowerHousing and CHIA, are optimistic that the bond aggregator process will reduce their costs and improve viability.

Senator CAMERON: But that is a different proposition—

Mr McBride: So they are optimistic, but we still have to work through—

Senator CAMERON: Mr McBride, you said you were aware that there were some groups who were optimistic about bridging the funding gap for Newstart.

Mr McBride: No, I did not say that.

Senator CAMERON: I have spoken to CHIA, I have spoken to PowerHousing; I have spoken to all of the big people in this area and they are not confident that that can be done.

Mr McBride: I did not say that. As I said before, it is a mixed rental model. Those people on Newstart who are paying a percentage of their income arguably would not cover the costs of housing. But, in a mixed rental model across the sector, where there is implicit cross-subsidisation, with the bond aggregator process, there is an optimism. As I said, Treasury is going through a process to work out whether that is realistic or whether there is a funding gap and what has to be done to—

Senator CAMERON: I am putting to you that the social housing groups are telling me that they cannot bridge the gap. Are you saying something different?

Mr McBride: No. I am saying that they are optimistic that, once we go through this process and work out a viability gap, they will be in a better position post the bond aggregator than they are in now. So the bond aggregator will reduce their funding costs and improve their viability, and that gives them grounds for optimism; that is what I am saying. How far it

reduces that funding gap and how much it improves their viability by is the process that we are going through now.

Senator CAMERON: In terms of finding a target for public housing and affordable rental housing, you cannot give me that target, can you?

Ms Wilson: Not at this stage because, as Mr McBride identified, it is something that will be negotiated with states and territories and needs to respond to the diverse and specific situation in each of those jurisdictions.

Senator CAMERON: Now we have a new voice. Ms Wilson, do you know of any social housing groups that can bridge the gap by using the bond aggregator and can afford to put Newstart recipients in new housing?

Ms Wilson: I understand that a task force has been established to look at the proof of concept of the contribution that a community housing bond aggregator would make. Part of the work of that task force will be to look at the proposition about what models would better improve the viability and the potential for growth in the community housing sector. I have not engaged with individual organisations in respect of that issue. Certainly, that will be something for that task force, which is comprised of the Secretary of the Treasury, John Fraser, the current CEO of the Community Housing Industry Association, Ms Peta Winzar, and Mr Stephen Knight, who has previously been the CEO of the Treasury Corporation of New South Wales and a previous member of the Australian Office of Financial Management advisory board, and he has extensive experience in debt capital markets. The three of these, I am sure, will be consulting widely and will be able to report to government on whether there is strength in the proof of concept for a community housing bond aggregator and the contribution that it could make to growing the supply of affordable housing in the community sector.

Senator CAMERON: That is a completely different proposition from what I am putting to you. Nobody argues that the bond aggregator is not a reasonable proposition to reduce costs, but what I am putting to you is that it will not reduce costs enough to bridge the funding gap for social security recipients. Have you heard that?

Ms Wilson: I do not know that anyone is expecting that this mechanism would completely address the issue of the affordability for a person on Newstart.

Senator CAMERON: Now we are getting somewhere.

Ms Wilson: As Mr McBride identified, many of the community housing providers have a mixed tenancy model, and it is through cross-subsidisation and charging near-market rents or market rents for some of their tenants, pro rata market rents for others and income-based rents for the balance that they get a funding stream, a revenue stream, that enables them to offer affordable community housing to that mixed tenancy base.

Senator CAMERON: But that is exactly what Mr McBride has said already, and it does not answer the question about how the bond aggregator will deal with social security recipients and put them into housing. It does not do it, does it? That is the point I make and that is the point that has been made to me. Why can't you just concede that point?

Ms Wilson: If it grows supply then there will be the potential to have more affordable housing available to people on income support.

Senator CAMERON: How much more?

Ms Wilson: That is something to be worked through. The proof of concept—

Senator CAMERON: You have not got a clue, have you? You really do not know. I do not know why you just cannot concede what the housing industry are telling me. They must have told you the same thing.

Mr McBride: What we have said repeatedly is that, through the Treasury-led process, we are looking at whether, in the world of a bond aggregator, there is a viability gap that would limit the sector's growth and, if so, whether we should do something about it. But that work is not complete and, because that work is not complete, we cannot give you the definitive answer.

Senator CAMERON: So it has taken you all this time to accept that there is a funding gap and you are going to try and do something about it.

Mr McBride: No. We are exploring whether and to what extent there is a funding gap and what has to be done about it.

Senator CAMERON: Okay. I have just scraped the surface and I have lost the call, but I will come back.

CHAIR: Senator Rhiannon.

Senator RHIANNON: I want to go to issues to do with housing in the Northern Territory. By how much does the Northern Territory's funding increase from 2017-18 to 2018-19 with regard to affordable housing and homelessness services?

Mr Pratt: Just to clarify, are you asking the question in relation to the current National Partnership Agreement on Homelessness?

Senator RHIANNON: Yes.

Mr McBride: Just homelessness?

Senator RHIANNON: And housing affordability.

Mr Pratt: Is your question in relation to the National Partnership Agreement on Remote Indigenous Housing?

Senator RHIANNON: When I looked under 'Northern Territory Remote Aboriginal investment—Remote Australia Strategies Component', I could not find anything about housing and homelessness in it. It talks about outcomes in other areas, but it does not cover homelessness. That is why in my own calculations, trying to work this out, I have not included that.

Mr Pratt: There are three elements to the government's agreements with the Northern Territory. One is the NAHA, the National Affordable Housing Agreement, which includes a component for homelessness. Nationally, that component is roughly about \$250 million, so the Northern Territory will get a share of that. Secondly, we have the National Partnership Agreement on Homelessness, which is nationally worth about \$115 million from Commonwealth resources, and it is matched by state and territory governments. Then there is a third component, which is the National Partnership Agreement on Remote Indigenous Housing, which is administered by the Prime Minister's department. It would be helpful to know which of those components you are seeking advice on.

Senator RHIANNON: To work this out, I looked at page 44 of Budget Paper No. 3. For the 'national' Northern Territory, it has \$5.4 million allocated. On page 42, Budget Paper No. 3 still, in regard to national affordable housing the SPP component comes in at \$13.6 million. Then, on page 12, I notice that it comes in at \$19 million, which I was guessing was a combination of those two figures. That is what I want to ascertain. That is why I asked: how much does the Northern Territory's funding increase from 2017-18 to 2018-19? I have looked at the figures and I am trying to check out how you are doing it.

Ms Bennett: The \$5.4 million you have mentioned is the component of the National Partnership Agreement on Homelessness, which at this stage is a one-year transitional funding and it is also based on a matching with the states. So, of those elements that the secretary has announced, the figure that you have of \$5.42 million is accurate under the national partnership agreement which, as explained by Mr McBride, is a transitional funding. The new arrangements will be put in place after July 2018. So it is one-year funding that is recorded in those papers of \$5.42 million. In addition to that, there will be some supplementation that comes under the Social and Community Services, SACS, supplementation and that has not quite yet been determined. As I have said, it is also a matched component with the respective state or and territory. So that is that \$5.42 million bit.

Senator RHIANNON: I am trying to ascertain whether there has been an increase—

Ms Bennett: No. It is the same as it was the year before because it is transitional funding for one year until the new arrangements. It is the homelessness component only specifically under the National Partnership Agreement on Homelessness. In addition, there is further money under the national housing agreement that is tagged. Mr McBride can go into that in a bit more detail.

Senator RHIANNON: When you say 'national housing agreement', are you referring to the National Affordable Housing Agreement SPP?

Ms Bennett: Yes.

Mr Pratt: SPP is the mechanism for paying—

Senator RHIANNON: Yes. That is down there as \$13.6 million, and that is what gives us the \$19 million listed in table 2.1.

Ms Bennett: Correct.

Mr Pratt: Correct.

Ms Bennett: As the Commonwealth contribution only.

Mr Pratt: Correct.

Senator RHIANNON: Going back to my question, 'Does the Northern Territory's funding increase?' it would appear that it does not increase; it has either flatlined or, in real terms, it has gone down. Is that correct?

Mr Pratt: No, that is not quite the case. In relation to the homelessness partnership, yes, that has stayed the same. The affordable housing agreement, though, is subject to indexation each year.

Mr McBride: The decisions taken in the budget will lead to homelessness funding being indexed in the future. Historically, that has not been indexed funding; it has just been \$115 million a year. It will be rolled into the new National Housing and Homelessness Agreement

and both components will now be indexed going forward. So in the future, year on year, both those components will grow.

Senator RHIANNON: But my question was just comparing 2017-18 to 2018-19. We have just gone through the figures, and I cannot see how you can identify where the increase is.

Ms Wilson: There is indexation applied to the National Affordable Housing Agreement. It is a wage cost index—

Mr McBride: It is WCI 1.

Ms Wilson: Yes, WCI 1, wage cost index 1. So that will be embedded in the National Affordable Housing Agreement—

Senator RHIANNON: So we have all agreed with what the \$19 million is. The \$19 million is not an increase. If there is additional money available, can you identify where that is in the budget papers?

Mr Thomas: If you look at Budget Paper No. 3, as you have been, the National Partnership Agreement on Homelessness payment for the Northern Territory in 2017-18 is \$5.4 million. That is on page 44.

Senator RHIANNON: We have gone through that one, yes.

Mr Thomas: Then, on page 42, is the national affordable housing SPP.

Senator RHIANNON: That is \$13.6 million.

Mr Thomas: If you add those together—

Senator RHIANNON: Nineteen?

Mr Thomas: Nineteen. On page 43 you will see that the funding for the Northern Territory under the NHHA, the National Housing and Homelessness Agreement, is \$19.2 million.

Senator RHIANNON: So you are saying that there has been a \$200,000 increase.

Mr Thomas: That is right.

Senator RHIANNON: What percentage is that?

Mr Thomas: I am sorry; I do not have a percentage.

Senator RHIANNON: It does not sound like very much, does it?

Ms Wilson: But that reflects the indexation that is in the agreement.

Senator RHIANNON: That was going to be one of my questions: what is the level of indexation that you are using?

Ms Wilson: It is wage cost index 1.

Senator RHIANNON: According to the Australian Institute of Health and Welfare, in 2015-16 one in 30 people in the Northern Territory received homelessness assistance. That compares with what is coming in at a national level of one in 85. So there is such little money, Minister: \$19 million and an increase of only \$200,000. Depending on which indexation you take, as you know, you could interpret that as having gone down. For the Northern Territory, this is really serious.

Senator Seselja: Is there a question there, Senator Rhiannon?

Senator RHIANNON: Are you trying to argue that there has been an increase in funding for the Northern Territory, considering the high level of homelessness, that it is staying the same, or that it has gone down?

Senator Seselja: I think the officials have set out that it is increasing.

Senator RHIANNON: It is increasing because you have used one specific indexation, which could be interpreted as it having just stayed flat.

Senator Seselja: No. There are a couple of things to point out here. One is that the Partnership Agreement on Homelessness was an expiring agreement. It was not funded beyond the forward estimates when we came into government and in past years we have extended it for a year or two. If you were to look at last year's budget and at the forward estimates in terms of the Partnership Agreement on Homelessness, and if you were to look at the out years, no money was set aside. In this budget we have taken what could have been an expiring agreement and incorporated it into the broader National Affordable Housing Agreement, which is indexed, and therefore put into perpetuity—as the states and territories have called for and as many in the sector have called for—this funding, which was not there before. We have had to find that money. It is also indexed because it is part of an indexed agreement. So, whichever way you cut that up across the nation, including in the Northern Territory, it is a significant increase in what would have been there and what had been budgeted by previous governments of both political persuasions. We have secured that funding in the long term and given it growth which it did not have before.

Senator RHIANNON: Considering that the real number of people who are homeless in the Northern Territory has been increasing, when you look at the figure of \$19 million, with only a \$200,000 increase, it is a tragic situation, Minister.

Senator Seselja: I think I have answered comprehensively in terms of what we are doing extra just on this. In terms of what is being done specifically for Indigenous housing and remote housing, I do not have responsibility for that. That is obviously a question for Minister Scullion. I could not answer as to what the numbers are on that. But in relation to the area I have set out, we have delivered money that was not there. As I said in my opening statement, this is also part of a much broader set of measures where we are working with the states and territories and taking a range of measures across the spectrum from homelessness through to affordable housing to make sure that more housing is available for more Australians, whether they are at risk of homelessness or whether they are renting or whether they are looking to purchase.

Senator RHIANNON: To remind you of your opening statement, you talked about your commitment to the wellbeing of all Australians. This does not address the wellbeing of all Australians; it falls short.

Senator Seselja: Officials have just handed me the Northern Territory figures when it comes to the national partnership on remote housing; I will just get the right figures—

Ms Bennett: It is on page 44 of Budget Paper No. 3.

Senator CAMERON: Why doesn't Ms Bennett just answer?

Ms Bennett: Page 44 of Budget Paper No. 3—as the minister pointed out, this is with Prime Minister and Cabinet—shows that, for 2017-18, it is \$137.1 million for the national

partnership on remote housing. Northern Territory Remote Aboriginal Investment and Remote Australia Strategies receive \$50.9 million of Commonwealth funding.

Senator RHIANNON: The national partnership on remote housing is clearly housing: \$137 million. But, with the strategies one, are you referring to the Northern Territory Remote Aboriginal Investment and Remote Australia Strategies component?

Ms Bennett: They are the two components.

Senator RHIANNON: There are two components. When I have looked at those components, I have not found the word 'housing' mentioned. They mention outcomes in schooling, health, community safety and job creation. I cannot find housing.

Ms Bennett: As I have said, these questions belong to PM&C. I am reading directly from Budget Paper No. 3, page 44:

The Commonwealth will provide funding to improve public housing in remote communities by investing in housing works and removing asbestos from community buildings. This funding will also support a sustainable, professional and accredited Aboriginal interpreter service.

This funding complements the funding to be provided under the National Partnership on Remote Housing.

Senator RHIANNON: Is that the one under 'strategies'?

Ms Bennett: That is under 'strategies'; I only have an excerpt from it. I suggest that you refer those questions to Prime Minister and Cabinet.

Senator RHIANNON: Yes; fair enough.

Ms Bennett: It is referenced on page 44 of Budget Paper No. 3.

Senator Seselja: I think the broader point, though, from those figures, and as Ms Bennett has pointed out, is that the detailed interrogation of those figures is for another department. But if you are looking at the Northern Territory and isolating it when it comes to housing and saying, 'Well, there's \$19 million'—which I think you pointed to—in terms of the specific measures that DSS has responsibility for, given the specific challenges in the Northern Territory, which you rightly point to, the vast bulk of the spend when it comes to housing for the Northern Territory does not come in DSS; it comes through other parts of the Commonwealth budget.

Senator RHIANNON: Going back to some general questions, can I confirm that funding for the new National Housing and Homelessness Agreement starting in 2018-19 is intended to replace funding for the national partnership on homelessness and national affordable housing specific purpose payment?

Senator Seselja: It effectively rolls the two into one; that is the intent. At the moment, we have those two separate agreements. One was in perpetuity; the NAHA was in perpetuity and indexed. The NPAH, as it was before the announcements in this budget, was an expiring agreement and was not ongoing and was not indexed. To answer your question, yes, we have taken those two agreements and rolled them into one and quarantined the homelessness part—the old NPAH funding—but put it into one agreement which has the benefit of being ongoing, which the sector has been calling for, and being indexed.

Senator RHIANNON: Is it intended to replace funding from any other source?

Senator Seselja: Any other source? What do you mean? It is intended to be—

Senator RHIANNON: Is there anything else being brought in?

Senator Seselja: No. It is those two agreements.

Senator RHIANNON: If it is no, in relation to a state and territory breakdown, does it then follow that, if we add the figures from NPAH and NAHSPP in 2017-18 and compare that to the breakdown of the NAHA for 2018-19, we should be able to determine how the housing and homelessness funding for each state and territory has increased to 2018-19? Is that correct?

Senator Seselja: I will ask Mr McBride to elaborate.

Mr McBride: Broadly speaking, yes. 2018-19 will start to factor in the indexation changes of homelessness. But part of the agreement under the new National Housing and Homelessness Agreement will require the states to offer up plausible ideas to receive that funding and, were they not to, some of that funding would be at risk. Were the states all to collectively come up with credible spending strategies, then that funding allocation would reflect the new agreement, yes.

Senator RHIANNON: I was trying to work it out by comparing apples with apples.

Mr Pratt: Was your question in respect of homelessness?

Senator RHIANNON: No, it was in respect of the new agreement. We have had these two agreements and you have brought them together. I was trying to compare that. But you have confirmed my question about the comparison being correct. I think I will go back and read it and see how I go. I am still working out how we compare it. Just going back to indexation, Ms Wilson indicated the indexation that was being used. Do you use one form of indexation across everything?

Ms Wilson: Across all these agreements, I think, except for health and schools, it is fairly constant. This is really a question for Treasury. But my knowledge is that, across the specific purpose payments—all the national agreements—except for in schools and in health, which have their own indexation factors, there has been a pretty constant approach to indexation, which is wage cost index 1. But that is really a question for Treasury.

Senator RHIANNON: Back to the states, do any states or territories see their funding increase by less than that indexation from 2017-18 to 2018-19?

Dr Baxter: No.

Senator RHIANNON: So nobody sees a decrease?

Dr Baxter: No. As Mr McBride pointed out, going forward under the National Housing and Homelessness Agreement there may be provision where some states, depending on the proposals that they put up for the spending of that money, may be liable to receive more or less. But at the moment the notional allocation is the same, with a slight increase relating to indexation and the SACS award as well.

Senator RHIANNON: Can you explain that a little more? You got to a point where you said it could be more or it could be less, so it sounds like there is a chance that it could be less.

Dr Baxter: No. At the moment the notional allocation is based on the previous allocations under those agreements. But as Mr McBride pointed out, there may be potential, depending on the ideas that states put forward for the spending of that money, both under the main component of the National Housing and Homelessness Agreement and the part that is

specifically allocated to homelessness, for states to put forward ideas for the spending of that money. Under the main body of the spending, they will put forward proposals about how it could be spent and, if those are not met or if there is not agreement about the ideas that are put forward, there may be some potential to look at whether the states are then allocated all of that proportion of the money or whether that is used in other ways.

Senator RHIANNON: So it is really up to the states; that is what you say?

Dr Baxter: It is a negotiation. It will be a negotiation between the states and the Commonwealth, with the states putting forward ideas under those identified priorities about how their component of the money could be spent. If there is not able to be agreement reached or if there is agreement reached about certain priorities and targets and then those are not met, there may be potential for some of that money to be looked at to be used for other priority projects. Depending on negotiations with the states and territories, that could be in other states or it could be for different projects in that particular state.

Senator RHIANNON: Just going back to affordable housing, what is the latest available data on the shortage of affordable housing?

Ms Wilson: If you look at the budget documentation, the one total under 'guaranteeing the essentials for Australians', on page 20 it cites the most recent figures, which show that there is a shortage of 271,000 affordable and available homes for low-income households.

Senator RHIANNON: I want to compare that because the last national Housing Supply Council report that I found, for 2013, estimated that the shortfall in affordable housing available to the bottom 40 per cent at 539,000 properties. Are we comparing the same things there and saying that there has been a decrease, or has it just been worked out in different ways so that we have arrived at a different figure?

Mr McBride: I would have to have a look at how the Housing Supply Council came up with that figure. It is unlikely to have decreased by that order of magnitude. So I suspect that it was a different way of measuring it.

Senator RHIANNON: This is what I am trying to explore because 'affordable housing' is such a fluid term used by governments in a whole number of ways et cetera.

Mr McBride: Correct.

Senator RHIANNON: This is literally what I am trying to explore. Could I ask what your definition of affordable housing is? The one that I come across for much of the sector is that it is generally regarded as housing available to households in the bottom 40 per cent of income paying less than 30 per cent of their income on rent.

Mr McBride: That is for rental stress, yes.

Ms Wilson: That is a rental stress definition.

Senator RHIANNON: Is that the definition that you work off?

Ms Wilson: For rental stress. That is a rental stress definition.

Mr McBride: There is a similar stress indicator for people purchasing their own home but that is the rental stress definition that we use, yes.

Senator RHIANNON: For the figure of 271,000 that you have come up with, what is your definition of affordable housing?

Mr McBride: That is a Treasury number and I am not sure what measuring—

Senator RHIANNON: Seriously, you must have a definition of affordable housing on the tip of your tongue.

Mr McBride: We use that definition in determining rental stress.

Senator RHIANNON: What, the one that I just read out?

Ms Wilson: For rental stress, yes.

Mr McBride: If I was better at maths—in 2013-14, the proportion of low-income rental households experiencing rental stress was 42 per cent. That is about 31 per cent of the market rent and, of those—no, I cannot get you that. I am sorry, I would have to spend time with a calculator to be able to work out that number. In the break I can check with Treasury how they came up with that number.

Senator RHIANNON: I think I am out of time. I will then think about my next questions. I actually have more; so I will hang around and come back for another turn.

Senator REYNOLDS: I would like, I think, a bit of historical context. Looking at today's proceedings, it would be a little interesting. I wonder whether you could go through a little more about the NAHA. Could you give us a bit of information about what the NAHA was designed to do, what was the intention of the program?

Mr McBride: There are a number of key goals.

Senator Seselja: There are a number of aims in NAHA. I have certainly put on the record and my predecessors have put on the record, and I think most people in the sector would agree, that it has not met its aims. I will take you through some of the goals in NAHA, what it was designed to achieve and what the actual experience has been. There was supposed to be a 10 per cent reduction in the proportion of low-income renter households experiencing rental stress; there has been a seven per cent increase instead. A seven per cent reduction in homelessness was one of the goals of the NAHA and there has been a 17 per cent increase. There was a goal of a 10 per cent increase in the proportion of Indigenous Australians who own their own home; there has been no evidence to suggest that that has been met. The fourth goal, I think, has shown some progress and that is in relation to overcrowding in Indigenous homes. I do not have that one in front me. One of the four goals showed some progress; the other three, I think, showed us going, unfortunately, in the opposite direction. What we are seeking to do by making a pretty significant extra Commonwealth investment is work with the states and territories. They have most of the levers when it comes to housing and homelessness. But we certainly pull our weight, if you look at the amount that the Commonwealth invests not just in this agreement, the \$1.3 billion plus the \$150 million that is being rolled in and then growing; we, of course, have \$4½ billion in Commonwealth rent assistance, which is a very substantial level of support for those people who are doing it tough, particularly those who are at risk of homelessness or people who are experiencing rental stress. You have asked for the historical and that has been the historical. I do not think it has been a positive story, but that is not to say that there has not been—

Senator REYNOLDS: A very expensive lesson in what does not work.

Senator Seselja: Indeed. I think the lesson that I have learned from it—I think there were ministers in former Labor governments post this agreement that would have, I think, shared a

similar view to me—is that I do not think there was enough in the agreement when it came to transparency to say, 'Look, we are going to commit this amount of money and we want the states to demonstrate what they will be doing in this space.' We know that the states do a lot. They have to; it is their primary area of responsibility. But as for making sure that it is as effective as possible, that is where we want to get to. We want to have the bilateral negotiations and say, 'Yes, we will have fewer Australians experiencing homelessness, we will have fewer experiencing rental stress, but we want to make housing more affordable across the board.' There are a range of other measures in the budget that I have pointed to which go to that end as well.

Senator REYNOLDS: How was the NAHA supposed to be measured? What were the measurement criteria?

Senator Seselja: I might ask Mr McBride to elaborate. Certainly, whenever I have had briefings on this and gotten into the detail of this agreement, my understanding is that it has been very difficult. Apart from those sorts of headline measures which I have pointed to, which largely have not been achieved, it has been difficult to get transparency even on outputs.

Senator REYNOLDS: In terms of monitoring state and territory performance?

Senator Seselja: At one level, you have the outcomes. We could have a debate about there being other factors, of course, that go to some of those outcomes. But even if you were to look at outputs, there is nothing in that agreement that was signed in 2009, I think, that would suggest there were going to be X number of additional public housing properties or X number of additional community housing properties. There is nothing in that to look at and say, 'Well, are you achieving those outputs?' That would, of course, be assisting in those outcomes which would be seeing fewer people in rental stress and fewer people at risk of homelessness.

Senator REYNOLDS: I guess, cynically, if you cannot measure it, you cannot be held accountable for it either.

Senator Seselja: As I say, I do not think I am Robinson Crusoe in believing that there were a number of flaws in that agreement. Our job now is to improve it significantly by working with the states and territories. We really want to do that in good faith. We recently had a very productive meeting with housing ministers where we put to them a number of the budget measures. The communique that came out of that meeting demonstrated—this was with both Labor and Liberal housing ministers from around the country—broad approval that a number of the things that had been asked for were there. But there is now a negotiation process, and we very much want there to be accountability. I think taxpayers are very happy for us to invest in housing.

Senator REYNOLDS: There have to be some results for the money.

Senator Seselja: I do not think there are many Australians who would say, 'You shouldn't be working with the states and territories to help people at risk of homelessness or people in rental stress.' I think virtually all Australians would agree with that proportion, but they would want to see value for that investment, and that is what we are seeking to achieve.

Senator REYNOLDS: What lessons have been learned out of what I would characterise as a very expensive failed trial? While it was expensive, in your negotiations with the states

and territories, what are some of the lessons learned from the failed program that will now go into the new approach?

Senator Seselja: For me, the point that you made earlier in your question, in terms of being able to measure, is absolutely critical. It is about having transparency, having clear measures that are signed up to by each of the states and territories saying what they are going to produce, having the Commonwealth coming in and partnering with them, and being able to measure them and being held accountable for that. We are making a significant additional investment in housing and homelessness in this budget, not just in DSS but beyond that. That is something that I am very proud of, and I think we as a government should be very proud of it. The last thing that we would want is to see more money being spent but it not delivering good outcomes for Australians who are—

Senator REYNOLDS: For the previous program, we have talked about \$1.3 billion. What were the financial arrangements? Was that in the forward estimates at the time and beyond, or was that just a one-off funded program?

Senator Seselja: There are two components to what we have now put together. When we came to government, there was, as I said, NAHA, which had been there since 2009. That is an ongoing funding arrangement, so that is right out through the forward estimates and beyond, and it is indexed. That is one component; that is NAHA, which we have just spent a bit of time talking about. Then there was the specific agreement on homelessness. Of course, NAHA has a homelessness component but there was an additional one. From memory—and one of the officials can correct me—certainly, when we took office in 2013, it was funded until the end of 2013-14, if I remember correctly.

Senator REYNOLDS: So it was not funded through the forward estimates at the time?

Senator Seselja: No, it was not funded beyond 2013-14. Then there were—

Senator REYNOLDS: Just to be clear: that is not the NAHA; that is the additional homelessness program that the previous government had not funded through forward estimates?

Senator Seselja: That is right, circa \$115 million or so, which is matched by the states under that agreement. That was due to expire in 2013-14. There were a couple of extensions subsequently. That causes challenges. The sector, obviously, for planning purposes, was calling for five years in order to have certainty. I think that is what the states and territories called for in November, when we had the meeting; they called for five years so that there would be some funding certainty. What we have outlined in this budget is to bring it into the NAHA, which is perpetual, so there is obviously that certainty going forward. And it obviously benefits them from indexation. Whereas previously it was just year to year or a couple of years ahead, we know that it will be there in perpetuity and it will be indexed. So that is significant funding for those—

Senator REYNOLDS: A final point on that. As part of this new program, for states and territories in particular, that certainty is very important. Particularly when developing housing stock and implementing these policies, you do not want to be having uncertainty year by year. Is that correct? Have they indicated that that is important?

Senator Seselja: Very much so. They indicated that very clearly—I think I have the communication somewhere. At the November meeting they were very strident in calling for some funding certainty. That was three years—

Dr Baxter: Five.

Senator Seselja: Yes, it was five. They called for funding certainty and the sector called for funding certainty. They said that five years was funding certainty, and we have delivered in perpetuity. So I think that we have certainly responded.

Senator REYNOLDS: And the quid pro quo is that they now have to deliver, and their feet will be held to the fire to actually deliver this—

Senator Seselja: That is right. The challenge now is to make sure that not only is the money allocated, which it is, but also that it is well spent, and spent effectively, so that we can leverage the community housing sector and the private sector in delivering affordable housing across the board.

Senator CAMERON: I might take up one of those issues. Who can tell me what the cuts were to NPAH in the 2013-14 budget?

Mr McBride: I am not aware that there were any.

Senator CAMERON: There was \$44 million.

Mr Pratt: There was a reduction in that partnership to remove the funding provided to the states for a capital component.

Senator CAMERON: How much was that? \$44 million?

Mr Pratt: My recollection is that it was \$35 million or something in that order. That is a faint recollection.

Senator CAMERON: Rather than what we have just heard about funding certainty, there was actually a cut in the 2013-14 budget in terms of affordable housing?

Mr Pratt: It was the capital component.

Senator CAMERON: Yes; so there was a cut by the coalition government?

Senator REYNOLDS: Of a program that the states and territories were not delivering.

Senator CAMERON: We should just get that on the record.

Senator Seselja: For the record, that funding of the former Labor government which you refer to, would not have been there beyond 2013-14—the capital component or the rest. It was not allocated.

Senator REYNOLDS: Is that because the previous government had not funded it past the forward estimates?

Senator Seselja: So, for each year that we have delivered beyond 2013-14—

Senator REYNOLDS: It is a bit hard to deliver something, Doug, that you did not put money in for.

Senator Seselja: It has gone from zero, under Labor's plan, to around \$115 million or \$117 million, and now that will be indexed in perpetuity.

Senator CAMERON: So, now that we have got the record straight, that the first action of a coalition government was to cut funding, we might move on.

Senator REYNOLDS: Of a program that you had not funded in the first place, Senator Cameron.

CHAIR: Order!

Senator REYNOLDS: My apologies, Chair.

CHAIR: They are accepted.

Senator CAMERON: She is very excitable today. I want to go to an article in the *Sydney Morning Herald* back on 11 April 2017. I do not have it, so I apologise. I am sure you are aware of the broad issues there. A draft report was released by IPART back then—Mr McBride, I am sure that you are aware of it—that found that public housing residents could not afford to pay more than they already do. This was a New South Wales government analysis under the then Premier, Mike Baird. It identified a gap of \$950 million a year that needed to be filled to prevent the state's existing public housing system from eroding further. I am trying to get some idea about the scope of the problem that we are trying to deal with here. Are you aware of that report, Mr McBride?

Mr McBride: I looked at it at the time. It has been a while, but I am certainly aware of it, yes.

Senator CAMERON: But you did not argue with that at the time; the federal government did not make any comment about those figures being wrong. So New South Wales, on its own, has to find \$950 million a year just to keep the existing public housing up to a reasonable standard. That is what they have said. Senator Reynolds talks about putting the states' feet to the fire, but there are already huge problems in the states and they would have limited capacity to actually deal with some of these issues, wouldn't they?

Mr McBride: New South Wales are a great example of using what capacity they have. They have looked at their public housing stock and there is a mismatch between the stock and the people who are now in the stock because public housing was built largely for families and it is now often taken up by single people or single people with one or two children; and a lot of that stock is ageing. New South Wales have been using—I cannot remember the name of the fund, but effectively they have been recycling their stock, with more densification and newer stock. Within the constraints that are in the public housing model, because rents are not enough to cover maintenance and recurrent expenditure, they have been doing quite interesting things to use the asset base that public housing provides to address some of the issues that that report raised.

Senator CAMERON: With these interesting things that they are doing, by how much has that reduced the public housing waiting list in New South Wales?

Mr McBride: I do not have those numbers with me, but they probably—

Senator CAMERON: I can tell you that it has not.

Mr McBride: If public housing is cheap but the stock is small, relative to the number of those people who want to get into it, that will always be an issue. What it will do, and what they have done with some of their stock transfers to the community housing sector, is to improve on where they were a few years ago.

Senator CAMERON: When that stock is transferred to the social housing sector, there is a flow-on effect to the Commonwealth, isn't there?

Mr McBride: We pay rent assistance to the community housing sector.

Senator CAMERON: How much is the increase in rent assistance? From the interesting things that the New South Wales government has been doing, how much has that added to Commonwealth costs?

Mr McBride: I had those numbers with me the last time we gathered, but I did not bring them here. They are not alarming, but they are not insubstantial. I can take that on notice because we have done that calculation; I just do not have it with me here today.

Senator CAMERON: Again, because there are so many disparate areas of housing in this government, we have to go to different portfolios. What is the increase per annum in Commonwealth rent assistance?

Mr Pratt: It is probably somewhere between seven and eight per cent.

Mr McBride: Over a 10-year average, it would be about seven or eight per cent. Over the last few years, it has actually been—

Senator CAMERON: Per annum?

Mr McBride: Over the last few years, it has been substantially less than that. It has been probably about—

Senator CAMERON: Part of that is as a result of the transfer of public housing?

Mr McBride: No. That would have made a minor contribution. It more reflects the number of people who are in receipt of rent assistance and the fact that, because rent is going up, more and more people are going to the maximum rate of rent assistance. Although stock transfer has a contribution to that cost, that contribution is minimal.

Senator CAMERON: Just to maintain their existing stock, do you agree that there is a \$900 million cost to the state government?

Mr McBride: We have not done that forensic analysis of the New South Wales government. All I can rely on, as you did, is that IPART report. They are some of the discussions we will be having once we get into the bilateral discussions with New South Wales and other states.

Senator CAMERON: They do not appear to be very healthy, in terms of the economic situation, on public housing, do they?

Mr McBride: Most public housing models, if you ignore the Commonwealth and state subsidies, lose money.

Senator CAMERON: I notice that there is an article in the press today that says the New South Wales government will be giving an exemption on stamp duty for properties up to \$650,000. Have you read that article?

Mr McBride: I did not see that.

Senator CAMERON: Wouldn't that just add to housing prices?

Mr McBride: Stamp duty to everyone?

Senator CAMERON: Yes; for first home buyers on properties up to \$650,000.

Mr McBride: It depends on what the demand response is.

Senator CAMERON: The demand response in the past has been that housing prices have gone up, haven't they?

Mr McBride: Certainly, there are indications that, when we have given first home buyers additional money through the grants process, they have flowed through to prices. I am not sure that the same analysis has been done on stamp duty concessions.

Senator Seselja: It is one of the reasons that, when the Commonwealth has looked at this, it has very much looked at the supply side as well. We cannot control, obviously, what the states do for first home buyers in terms of some of those measures, but we certainly are encouraging them, and there are a number of measures in this budget to encourage states and territories, to have more land released so that there is a more responsive market when it comes to responding to the needs of not just first home buyers but across the market.

Senator CAMERON: The article this morning also says that there could be changes to the first home buyer grant on properties of up to \$750,000. Wouldn't that exacerbate the problem of housing prices again? I go back to what you were describing earlier about people getting pushed out of the housing market.

Mr McBride: I have not seen the details of that proposal, but historically first home buyer grants have been proven to lead to increased prices.

Ms Wilson: In the absence of supply responses.

Mr McBride: In the absence of supply or other responses. If there is a supply response, then less so.

Senator CAMERON: There are some complex problems.

Mr McBride: Indeed.

Senator CAMERON: Your measures are intended to make more homes available by collaborating across all levels of government. It seems to me that there is still a problem with collaborating within the federal government.

Mr McBride: No; I think we collaborate very well.

Senator CAMERON: It is just that there are so many different issues in different places and uncertainty about who does what.

Senator Seselja: I do not think there is uncertainty about who does what. As pointed out, the government does not see this as something that can simply be done exclusively through the public housing sector, exclusively through the community housing sector or exclusively through homelessness services. There is a range of measures. The very discussion you have just had with Mr McBride goes to the point that land supply is very important; infrastructure development to support land supply is important. There is a range of other factors; finance and things like bond aggregators are designed to address that. So I do not accept that assertion. You are right that it is complex, and right that various arms of government respond to it.

Senator CAMERON: The National Housing and Homelessness Agreement budget measure identifies renewal of public housing stock as a priority issue. What is meant by 'renewal of public housing stock'?

Mr McBride: Once again, the reasons why we are going down the bilateral path is that it will be different for different states. I mentioned the stock mismatch with the inhabitants

before; that will be one of the things they will be addressing. Some of the stock is old and decrepit and will need to be knocked down. You have small houses on big blocks, so there will be room for densification. Once again, we would like to go to the states and say, 'We want renewal. What are your best ideas and what best fits with your market and your situation?' We are hoping that the states will drive and own that reform.

Senator CAMERON: So you do not have any specific issues that you can advise me on with what you describe as 'renewal'?

Mr McBride: A lot of the states are doing it differently.

Senator Seselja: To be fair, Mr McBride just pointed out a couple of areas which point to renewal. But the other point in a negotiation is for us not to dictate to the states and territories exactly what they will do. We have set out some broad parameters, some broad areas, which we think will be fruitful for negotiations and will be helpful in making housing more affordable, but it is not a prescriptive list. If it were a prescriptive list, then it would not be a negotiation.

Senator CAMERON: So would renewal of public housing stock take into account the \$950 million a year that is needed to prevent the state's existing public housing system from eroding further in New South Wales? Would that be part of renewal?

Mr McBride: That will be part of the broader negotiation for new housing.

Senator CAMERON: What is the government's view on what you would do about assisting New South Wales to find that \$950 million per annum?

Mr McBride: They already put a lot of money into public housing and they put the Commonwealth money that we give them under the NAHA into public housing. They have recognised the need for renewal within their stock and they are taking measures to address that already. So, as part of the bilateral negotiations, we will be interested in whether they agree with the \$900 million.

Senator CAMERON: It is their report.

Mr McBride: Yes, and in their proposals to address that—as I have said, they are pursuing interesting initiatives—and in their long-term strategy. From that, we will start working out where the Commonwealth money is best placed, and that will be part of the bilateral negotiation process.

Senator CAMERON: The executive officer of Shelter New South Wales, Mary Perkins, said that the significance of the IPART's report was that it recognised that the public housing system could not continue to be managed by the existing funds made available to it. Have you considered that as an issue across the country, but particularly in New South Wales?

Mr McBride: I acknowledge that most public housing models lose money. Part of the budget process and part of the budget response and part of the negotiation on the housing and homelessness agreement will be to acknowledge all those sorts of things and look where the Commonwealth can best place that money and get a better understanding of the state's position and where they want to go and see if their responses to their problems are credible. That is the nature of the negotiations that we are about to go into.

Senator CAMERON: What is your total funding for NPAH per annum now?

Mr Pratt: It is 1.3. NHHA or NPAH?

Senator CAMERON: NHHA, the new NHHA.

Mr McBride: It will be that plus the 115 rolled in and then indexed; so it will be pushing towards 1.5.

Senator CAMERON: So you could spend more than that. You could actually spend \$950 million of that in New South Wales alone to deal with this issue that you call renewal.

Senator Seselja: But it is not the Commonwealth's role to fund every aspect of the New South Wales state government's responsibilities.

Senator CAMERON: I am not proposing that. I am just trying to get an understanding from the government as to whether they appreciate the scale of the problem before you start talking about putting the state government's feet to the fire.

Senator Seselja: We appreciate the scale. But if you want to isolate 1.3 billion plus the homelessness funding, implicit in that is the suggestion that that is all we are doing in this space, whereas we are doing much, much more in this space. The Commonwealth rental assistance is the most significant example of that, at around \$4½ billion a year, which makes a very significant, ongoing, growing contribution to the states' ability to manage their stock and helps people suffering from various forms of rental stress or housing stress to get assistance. The 1.3 plus the 115 for homelessness is but one aspect of a Commonwealth spend that is over \$6 billion per annum.

Senator CAMERON: That just reinforces the point I am making: there is a huge issue out there, and I do not know that you have the answers to it. You said in your opening statement that housing is fundamental to the wellbeing of all Australians. What does the budget do to focus on housing people with high needs, the working poor, people on income support and people who are on public housing waiting lists?

Senator Seselja: I will ask officials to add to this answer but the discussions we have been having point to that very cohort. We are looking at getting funding certainty, which was not there at all, for people who are at risk of homelessness or who are suffering homelessness, for people in rental stress, through these agreements. There is the ongoing contribution through COAG looking at measures to assist first home buyers, infrastructure, deals with the states, cities' deals, working with the states to open up and unlock more supply, the housing bond aggregator. There is a range of measures, a significant number of measures. You mentioned earlier one of the providers; PowerHousing.

Senator CAMERON: You raised PowerHousing.

Senator Seselja: No, I did not raise PowerHousing.

Senator CAMERON: I think Mr McBride did.

Mr McBride: I think we both mentioned it, Senator.

Senator Seselja: You mentioned something when you were talking about the funding gap. They represent 29 of Australia's largest tier 1 community housing providers. In their response to the budget, they said that the budget leaves no-one behind in opening up measures to support the homeless, first home buyers, investors, seniors and impact investing to finally tackle the provision of affordable housing, with community housing providers being central to the task. So there is a recognition that the Commonwealth, through a range of measures in this budget, is putting a serious amount of money and a serious amount of effort into doing our bit

and working with the states and territories in their efforts to make sure that housing is as affordable as it can possibly be.

Senator CAMERON: That is all very interesting—

Senator Seselja: It is not just interesting—

Senator CAMERON: The question I asked was: where does the budget focus on the working poor and the people on income support who are on public housing waiting lists?

Senator Seselja: In a number of those measures the cohort you refer to is very central.

Senator CAMERON: Is there any funding in your budget proposals to make up for shortfalls in investment by the states in public housing stock?

Senator Seselja: Again, I will ask officials to expand on this answer, but the new NHHA is helping the states in their role in looking after public housing. We have seen a change in the way that states do public housing. You have identified some of the challenges. We do not underestimate those challenges, we do not suggest that states are not taking measures to try to address those challenges, but we are very much doing our bit, and increasingly doing our bit in this budget through a range of measures. The discussion we have been having with NHHA very much will go to a number of those measures, which will include the renewal of public housing stock.

Senator CAMERON: Can you tell me what they are then, and how this will renew public housing stock?

Senator Seselja: We are probably going over the same ground, but I will ask Mr McBride to expand.

Mr McBride: That was one of the priority areas announced as part of the proposal to go forward with the new NHHA.

Senator CAMERON: But how does it work? How do you increase public housing stock?

Mr McBride: We want to increase stock that is available to people at below market rents.

Senator CAMERON: So it is not about public housing stock?

Senator Seselja: Under the agreement the former Labor government signed, the amount of public housing stock went down; that is what happened.

Senator CAMERON: But I am interested in how you are fixing that. It is your budget.

Senator Seselja: But going to the answer that was just given, it has been recognised that it is about social housing stock in that regard, and that includes the community housing sector. I make no particular criticism that the amount of public housing stock has gone down; the states have to justify whether that mix is right. At the same time, in all of the states, I think, and across-the-board the overall numbers of community housing developments have been going up. So we have seen a change in that mix. But in terms of the cohort you talk about, that group of vulnerable Australians, community housing and public housing have the capacity to house those Australians and to look after them. There is always an ongoing debate about the best way to do that. But there is less public housing stock than there was, certainly, years ago—and there is more community housing stock. As people move into the community housing sector, we have a range of measures which support that, the CRA being the most

significant, but also the bond aggregator, in order to bring private finance into that. I will ask Mr McBride to expand if there is anything I have missed.

Mr McBride: No. I think that covers it well.

Senator CAMERON: I am still not sure—I still have not heard—where the budget focus is to help people on income support who are on public housing waiting lists. The bond aggregator on its own will not do that, will it?

Ms Wilson: There are a range of measures that are about boosting supply or addressing supply blockages. The bond aggregator is a mechanism that is focusing on trying to attract more finance, as you know, to the community housing sector to boost the potential for them to grow. But there are a range of other measures, a number of which are outside this portfolio. For example, the housing package for western Sydney as part of the City Deals will be focused on accelerating housing supply in western Sydney through planning and zoning reforms. They are crucial for growing supply. The National Housing Infrastructure Facility is looking at a range of financial instruments to address specific obstacles within the housing supply chain, including the development of Commonwealth land. There are further options that are going to be explored for improving available information on Commonwealth land holdings and working with states and local governments to improve available information on land holdings that could be used that may be surplus to needs of governments and could be used for a basis for the development of affordable housing projects.

Apart from the NHHS, which locks in in perpetuity and indexes the previously uncertain funding for homelessness, there are a range of mechanisms which will focus on broader housing supply, which, as you acknowledged at the outset, is crucial because, if you do not have the supply for the middle ring of the market, then people get pushed down. So growing that broader housing supply will take pressure off public housing lists, we hope.

Senator CAMERON: How much funding is allocated for the housing package for Western Sydney and the City Deals?

Ms Wilson: This is really a question for Prime Minister and Cabinet and Treasury. I acknowledge that they are outside our portfolio, but I think there is \$45 million available to accelerate housing supply in western Sydney by focusing on planning and zoning reforms.

Senator CAMERON: That is not your area?

Ms Wilson: No, it is not. I acknowledged that at the outset. I said there are a range of measures outside this portfolio that are focused on housing supply.

Senator CAMERON: What progress have you made with the states and territories against the outcomes agreed to in NPHA?

Ms Bennett: Are you referring to the NPHA or the—

Dr Baxter: The agreed outcomes going forward for the new National Housing and Homelessness Agreement?

Senator CAMERON: Either.

Dr Baxter: I think Mr McBride mentioned earlier that we are at the very beginning stages of those negotiations with states and territories. We are still at the very, very early stages of those discussions. So there are currently no agreed outcomes.

Senator CAMERON: Do you have a plan B if you cannot get bilateral agreements in some states?

Dr Baxter: Certainly the early signs of discussions we have had, as the minister and Mr McBride mentioned earlier, were very encouraging, that states were willing to have those discussions. At this stage we are looking forward to having the negotiations with states and very much hoping we will be able to land some agreements.

Senator CAMERON: But what happens if you cannot? Is there a plan B?

Mr McBride: This is for the broader housing agreement?

Senator CAMERON: The overall housing agreement, yes.

Mr McBride: There is the prospect that, if the states individually cannot come to the Commonwealth with credible ideas, they run the risk of losing money. I think also there are incentives built into the negotiation process that lead us to be confident we will be able to land that negotiation.

Senator CAMERON: So there are penal provisions?

Mr McBride: There is the prospect of penal provisions.

Senator CAMERON: The prospect of penal provisions against the states.

Mr McBride: I guess what we found from the previous agreement was that we had no way of leveraging the states to change their behaviours or do—

Senator CAMERON: If you implement penal provisions against the states, what are the implications for the working poor and people on Commonwealth benefits?

Mr McBride: Ideally nothing. We are confident the states will come to the table with credible ideas. Most of the states are doing credible things already, and we are confident they will come to the table and we will be able to negotiate a bilateral agreement. But if not—

Senator CAMERON: But given the evidence is that we do not know with penal provisions, I am asking: what are the implications of those penal provisions for the working poor, working class families, and people in housing units?

Mr McBride: Under the existing NAHA there is scope to reallocate funding from state to state. So that mechanism exists already. It is a continuation of that mechanism. And what it would mean is that some states would get more money vis-à-vis other states.

Ms Wilson: So those that perform better—

Mr McBride: Those that perform better or come with credible options will get more money and the people that you are concerned about in that state would do well until the other states came to us with credible options.

Senator CAMERON: What happens to the working poor and social service recipients in the states that do not reach agreement?

Mr McBride: We are confident they will. But as I said, that mechanism is in the existing agreement and has been since 2009. It has not been triggered, and we are optimistic that it will not have to be triggered.

Senator Seselja: And the implications for the working poor, and others, of the failure of the former agreement are that many of those people have gone backwards. That is what we are trying to address here. It has not been as effective as it should have been, and what we are

seeking to do is make it effective. Holding the states to account is an important part of that. The implications we envisage will be that there will be more affordable housing than there is now. So more Australians will be able to have a roof over their head and have less housing stress than they do at the moment.

Senator CAMERON: By holding the states to account, you are actually holding the working poor to ransom, are you not?

Senator Seselja: No, we are not. Actually, the overall spend will continue to increase. If states do not reach what they are meant to, that spend will continue around the country. We are not going to spend less as a result. I am certainly not going to sign up to an agreement where we have a situation that sees these indicators go backwards. I just do not think it is acceptable that we say it is okay that we have had this flawed agreement and we are not going to do anything about it. One of the ways you do it is through transparency and accountability.

Senator CAMERON: In public housing rental stress is 0.7 per cent and in community housing it is 4.4 per cent. The biggest factor in rental stress is the private rental market being unable to provide affordable renting for low-income households. What does this budget do for that issue?

Ms Wilson: We talked previously about a range of measures that are focused on growing supply. The overall supply is crucial in terms of providing a range of dwellings at different price points in the market.

Senator CAMERON: There were some announcements in the budget about social impact projects. What will they add to this housing supply?

Ms Wilson: They are really experimental and they are focused in two areas. One is homelessness and one is broader. There has been \$10 million provided in addressing homelessness.

Senator CAMERON: Through social impact projects?

Ms Wilson: Yes.

Senator CAMERON: What are these social impact projects? What will this \$10 million do? Can you describe how this works?

Ms Wilson: The proposition is that they would work with states who have been running a range of social impact bonds and other forms of Social Impact Investing to look at proposals that would, I guess, test the evidence about what are the best ways of working with people outside government, in the philanthropic community and private sectors, to focus on more innovative ways of helping people move from homelessness into more secure housing tenure. Some of them have been bond mechanisms, others have been exploring different forms of Social Impact Investing, and the desire of the commonwealth is to partner with states and territories to develop an evidence base about the sorts of approaches that are effective in addressing homelessness and the risk of homelessness.

Senator CAMERON: Presumably this is an investment. How do you generate returns through this process?

Ms Wilson: The returns have often included a return that is, if you like, a dividend for investors achieving targets that have been identified by the partners as part of the project for achieving outcomes: sustaining people out of homelessness, supporting them into more secure

housing, which can be a basis for employment that then supports their capability in paying rent. The sorts of outcomes vary from project to project but they often have a flow of dividend or a return on capital when those outcomes are achieved. That can be in the form of a bond, that can be the mechanism—

Senator CAMERON: But I am asking: how do you get that? What generates the return on the capital?

Senator Seselja: Depending on the scheme, these have operated, I think, in the UK, New South Wales. I think South Australia might be exploring it. Someone might correct me on that. My understanding is that the government agrees to the bond and the return, if the outcomes are achieved by the investors. There is a program put forward, for instance, to look at people transitioning out of the justice system. That would be one option. They might be at risk of homelessness, might be at risk of recidivism, a range of things. It is effectively an agreement where the government might pay out a return to the investors, and the government, in turn, would have saved a significant amount of money because if people are not going into the justice system or are not going into homelessness or are not going into other areas in the health system, mental health areas, there is a saving to the community more broadly. And so you get private sector investors.

There is certainly an appetite for investment in these mechanisms from parts of the private sector who see it as part of their contribution. It is not just necessarily about the return but it can be as part of their contribution to their communities to invest in these kinds of worthy projects. I do not think I have misdescribed it in anyway there but I will be corrected if I have.

Senator CAMERON: When will consultations with the states and territories to design the social impact investments occur?

Ms Wilson: We have not nussed out the exact process. We have had ongoing discussions with states and territories for some time about Social Impact Investing and where there might be opportunities for collaboration. There are existing forums of ministers and officials where Social Impact Investing has been broadly discussed, and we now have the opportunity to seek ideas from the states in respect of this funding to advance some particular projects.

Senator CAMERON: So the concept has not been fully nussed out as you—

Ms Wilson: The process for advancing it has not been fully nussed out. We are expecting to receive approaches from states and territories who want to partner with us in this area. And previously we have not had a funding mechanism to provide for that, although we have had some useful discussions to date.

Senator CAMERON: Is there any idea how many dwellings might result from this?

Ms Wilson: It would depend on the specific nature of the project as to whether it is dwelling focused or whether it is about stabilising somebody in a housing situation such that they are now in a more fortunate position to be able to advance their training or their employment and stay independent in the community without the need for ongoing support. Some of them are dwelling focused and some of them are about the support services that you wrap around a dwelling that might be already being provided to enable a person to not fall into homelessness, to maintain a tenancy, to take up training and the like. So they are quite diverse.

Senator CAMERON: And there is \$10 million across the country for this?

Ms Wilson: Yes. As we said, it is an initiative which is experimental.

Senator Seselja: It is a pilot. No-one is selling it as the main response of the government to homelessness. It is looking at innovative approaches which have been tried in other parts of the world and, indeed, in parts of Australia. Obviously, if it is deemed a success, it may well see further investment.

Senator CAMERON: When will the first round of the NRAS funding or program expire? Is NRAS still with you guys?

Mr Thomas: Yes, it is.

Senator CAMERON: So you have got responsibility for NRAS?

Mr Thomas: Yes, I do.

Senator CAMERON: When will that first round begin to expire?

Mr Thomas: I believe the first incentives will start to come off in August next year.

Senator CAMERON: August next year?

Mr Thomas: A very small number.

Senator CAMERON: When that incentive expires, there is no obligation on the owner to continue to provide submarket rents. What process will be put in place where NRAS incentive holders can withdraw their dwelling from use as an affordable rental? What is happening after that?

Mr Thomas: The government's commitment to NRAS goes through until 2026, maintaining a 10-year incentive. As the 10-year anniversary of the incentive comes up, those dwellings will no longer attract an NRAS incentive.

Senator CAMERON: What happens to the people in those homes?

Mr Thomas: The developers and the owners of those dwellings will then determine what arrangements will apply.

Senator CAMERON: Has the government made any attempt to extend the NRAS subsidy for those owners to make sure people are not thrown on the street?

Mr Thomas: The government's decision is that the NRAS incentive will finish in 2026.

Senator CAMERON: Yes, but some of them expire, as you say—

Mr Thomas: Dwellings attract an incentive for 10 years. The last dwellings will come off in 2026.

Senator CAMERON: How do you deal with the ones that are going to expire in the next 18 months? What happens to those people?

Mr Thomas: That would be a matter for the owners of those dwellings.

Senator CAMERON: Have you made no attempt to try and negotiate ongoing tenancies?

Mr Thomas: No, Senator.

Senator CAMERON: So it is just—

Mr Thomas: A large proportion of those dwellings are held by the not-for-profit community housing sector.

Senator CAMERON: But some are not, and some people will end up having to pay extra rent or people will take a capital gain and sell the place. What happens then?

Mr Thomas: As it stands now, owners of NRAS dwellings, or approved participants and the owners of those dwellings, are able to withdraw them from the scheme at any time.

Senator CAMERON: What happens to the individuals? You have made no analysis of that?

Mr Thomas: No.

Senator RHIANNON: By how much does the Northern Territory funding increase—or does it increase—from 2017-18 to 2018-19? When I asked the question earlier you brought into the discussion the national partnership on remote housing. That ends in 2017-18, so we should remove that from the answer.

Mr Pratt: My point in raising that was that it is not something which is administered by the Social Services portfolio. It is administered by the Prime Minister's department, so we cannot comment on that.

Senator RHIANNON: I am not asking for a comment; I am just asking for an answer to this question: by how much does the Northern Territory funding change from 2017-18 to 2018-19—coming back to the figures that we discussed? From what I can see, the figures do put up in lights that there is a scandal here. I want to check that with you. We went through the figures before about the \$19 million. We have come to the figure of \$19.2 million, as the figure I was looking at on page 12 had been rounded down. On page 14 it is shown as \$19.2 million. The difference between \$19 million and \$19.2 million is about a one per cent increase. When we discussed this, my recollection is that it was said that that is the wage price index—

Ms Wilson: Wage cost.

Senator RHIANNON: Wage cost?

Ms Wilson: I think it is the wage cost index.

Mr Pratt: And it is a Treasury index, which you should ask Treasury about.

Senator RHIANNON: I want to get the amount. The wage price index is coming in at 1.9 per cent. That is why I was concluding—

Mr Pratt: But they are different things, Senator.

Senator RHIANNON: Yes, I know. I heard you differently. I thought you said wage price.

Ms Wilson: No, it is wage cost.

Senator Seselja: To settle the issue, I am sure Treasury would be able to provide you with what the wage cost index is and how that has been applied. If there is any discrepancy in those figures, I am sure you could then figure it out, but I do not know; I do not have that.

Senator RHIANNON: You do not have the wage cost index in your head?

Senator Seselja: In my head? No, I do not.

Senator RHIANNON: Nobody does?

Ms Wilson: No, I am sorry. We can take that on notice for you.

Senator RHIANNON: Either way, Minister, while we are waiting for those figures to come through, this is such a minimal increase. I am surprised that you are not acknowledging that \$19 million is not much money. We know that only one in 30 people in the Northern Territory receive homelessness assistance.

Senator Seselja: I have to go back to my earlier point, Senator Rhiannon, that it is a significant increase. Previously, in the out years, when it came to the homelessness component for the Northern Territory and across the country, there was zero. So we have significantly increased what was going to be there. I have pointed to the history; I do not need to go over the history again. There was an expiring agreement that was due to end in 2013-14. We have now put it in perpetuity. So it is money that had not been budgeted that we have found from other parts of the budget that would not otherwise have been spent on homelessness, whether it is in the Northern Territory or around the country.

Senator RHIANNON: Minister, you started off with your statement about being there for the wellbeing of all Australians, yet even on the figures that you are now appearing to stand by and be proud of, you cannot provide assistance just for homeless people, let alone for people to get a home. Do you agree with that?

Senator Seselja: Sorry, I did not hear a question. I was not sure what the question was.

Senator RHIANNON: You referred in your opening statement to the commitment in terms of work around housing, about the wellbeing of all Australians, with the emphasis on 'all'. With respect to the figures that we have before us about the Northern Territory, we cannot assist people to get a home, and we cannot even provide assistance for everyone who is homeless. So how can you stand by the statement that these figures are adequate for the Northern Territory?

Senator Seselja: There are a couple of points to make in that regard. Firstly, there is a question which could be put regarding any portfolio, in any area of government activity: could you be doing more? Are you doing everything to address the issue at hand? You could always make an argument that if you spent double, triple or five times what you are spending in any given area, you could do more. We all acknowledge that. But there are fiscal constraints. Within those fiscal constraints we have been able to find money that was not previously there and we have budgeted and secured funding in perpetuity for homelessness funding on top of the affordable housing money.

I make the specific point in relation to the Northern Territory, as evidenced by those figures, that identifying one area of Commonwealth spending on housing and homelessness in the Northern Territory is particularly misleading, because we know that, because of the particular challenges in the Northern Territory, the vast bulk of spending in this area and others comes in other parts of government spending. That has been identified by officials. We can talk about what is in our portfolio, and we have secured ongoing funding which was not there; so I do maintain that that is a significant boost and a significant increase—

Senator RHIANNON: Significant?

Senator Seselja: From zero. That is what was in the out years. That is what we inherited in the out years for homelessness—

Senator RHIANNON: No, I ask you to stick to the question, Minister.

Senator Seselja: Well—

Senator RHIANNON: Seriously, you are dealing with people's lives.

Senator Seselja: Senator Rhiannon, you may not like the answer, but—

Senator RHIANNON: Of course I do not like the answer because—

Senator Seselja: That is fine, but I will finish the answer, whether you like it or not.

Senator RHIANNON: It is tough on people.

Senator Seselja: It is not. The point I made, and the point which you are ignoring, is that the vast bulk of Commonwealth spend in the Northern Territory does not come through DSS; it comes through other programs, as has been pointed out to you. They are substantially more and they take account of the particular needs of the Northern Territory—particularly the remote needs and particularly the fact that we have a high Indigenous population. That is definitely taken into account by the Commonwealth in all sorts of other areas—

Senator RHIANNON: You have picked up Senator Cormann's disease of answering the question that is not asked. The question that was asked was about a comparison between 2017-18 and 2018-19. I have now clarified—and this is from the ABS—that the wage cost index is similar, in terms of methodology, to the wage price index. So the wage price index was 1.9 per cent. The increase that you are showing here in your figures is one per cent, which means there has been an overall decrease.

Senator Seselja: It is over one per cent and—

Senator RHIANNON: It is not over one per cent; it is actually under one per cent, if you want to do the maths.

Senator Seselja: Sorry, what were the figures?

Mr Pratt: I think it is a mathematical—

Senator RHIANNON: Yes, I apologise; it is slightly over. We are talking about \$200,000 to \$19 million. So it is slightly over one per cent.

Senator Seselja: So that is over one per cent.

Senator RHIANNON: I apologise.

Senator Seselja: My maths is correct. Putting that aside—

Senator RHIANNON: But it is still a decrease. You have to acknowledge that it is a decrease.

Mr Pratt: No.

Senator Seselja: It is not a decrease.

Senator RHIANNON: Compared to the wage cost index.

Senator Seselja: Again we need to separate the two parts we are dealing with.

Senator RHIANNON: The wage cost index, Minister, is 1.9 per cent—

CHAIR: Senator, we should allow the minister to answer.

Senator Seselja: You have pointed to the over one per cent increase, and there are two elements to what you are talking about. We had a homelessness element which was not indexed and expired. To the extent that that would not have been there and that is put in, that is an increase. That is an increase on money that simply was not there. It was not budgeted for

until this budget. Then we have the fact that the homelessness funding, even when it was extended, did not have indexation applied to it.

What we have now is the ongoing NAHA, which has been there for a number of years, and that component will continue, and continue to be indexed. Now we have homelessness funding, which, as of the end of the next financial year, would not have been there, and which will now be there, and will be indexed in the same way that the former NAHA is indexed. Those two components point to an increase in terms of what would have been there, an increase in actual dollars, and money that for the first time gives certainty to those homelessness providers in the Northern Territory and around the country, when, under previous arrangements, they had no certainty going forward.

Senator RHIANNON: Minister, the certainty that they have been given is that the figure is going down, because we have now got it before us—\$19 million to \$19.2 million.

Senator Seselja: That is not true.

Senator RHIANNON: Your increase is just over one per cent and the wage cost index is 1.9 per cent. Those are the facts that are before you, but you are answering different questions to avoid the facts. It is like you are the emperor with no clothes.

Senator Seselja: You have brought together two different parts of an agreement. I have explained those two different parts of the agreement. If officials have anything to add to that answer, I am happy for them to expand.

CHAIR: I would add that we are a couple of minutes away from the tea break. Senator Cameron has indicated he has concluded his questions on housing. Would you like to return after the tea break, Senator Rhiannon?

Senator RHIANNON: No, I have finished. I just wanted clarification. It is disappointing, Minister; all you need to do is to acknowledge that, for the first year, it is not keeping up. You could even say something good like, 'Next year we'll ensure that the full indexation is passed on,' but you have failed in this first year.

Senator Seselja: That is not true.

Mr McBride: But indexation for the homelessness component kicks off in 2018-19. So homelessness funding has already been agreed to run to the end of 30 June next year on a non-indexed basis, which is the basis on which homelessness funding was always put forward. From 2018-19 it will be not only perpetual but also indexed for the first time.

Ms Bennett: However, it should be noted that it does receive an additional \$2.2 million in the social and community services supplementation. So there was an increase in total Commonwealth investment this year versus last year.

Mr Pratt: A last point, Senator: I think, with great respect, that your methodology is incorrect in that you have compared apples to oranges. You have compared the future national housing and homelessness agreement money with the former NAHA SPP money, and they are two different things. One includes a component which is not yet indexed, as Mr McBride has pointed out. The other is entirely indexed each year, in the same way that all of the agreements are indexed. I think your maths—

Senator RHIANNON: Could you take on notice to set out where the mistake has been made? In my earlier question I gave you the page numbers for where the amounts were, what

I was comparing it to and what the indexation was. Could you set out, in response to my question, by how much the Northern Territory's funding changes from 2017-18 to 2018-19?

Mr Pratt: We will seek advice from Treasury on how the indexation has worked, on an apples with apples comparison, between those two years.

Senator RHIANNON: Okay. You will set out what the change is?

Mr Pratt: Yes.

Senator RHIANNON: Thank you very much.

Proceedings suspended from 11:00 to 11:26

CHAIR: We will commence consideration of outcome 2: Families.

Senator KAKOSCHKE-MOORE: If it assists, there are three areas I would like to ask questions on this morning. The first is in relation to the cashless debit card trial. The second will be in relation to 1800RESPECT. The third area I would like to cover is the DSS support programs for people who are victims of trafficking. It is a bit of a broad range.

Senator Seselja: Can I say, Senator Kakoschke-Moore, you are an example to other senators in setting out where you would like to go. We should encourage more of that!

Senator KAKOSCHKE-MOORE: Let's get started then. First I turn to the cashless debit card trial. Some of the recent times we have been here I have asked questions around the department's awareness on the issue of grog running, particularly in South Australia. Would you say that grog running is having a negative effect on the outcomes of the cashless debit card trial?

Dr Baxter: We are certainly aware that there are some instances that we have been made aware of where there is grog running occurring, particularly in one of the trial sites. We are not aware of that having had a significant impact on the results of the trial to date but that may be a question you would like to address, if you have other questions about the evaluation, to our evaluation area, who I think are here.

Senator KAKOSCHKE-MOORE: Something that has occurred to me was that one of the aims of the trial was to reduce the harms associated with the abuse of alcohol. So limiting a person's ability to purchase alcohol will certainly contribute to that. But the free availability of alcohol, particularly through grog running in these communities, I am concerned, is undermining the effectiveness or potential effectiveness of the card.

Dr Baxter: We are not aware of any but I will refer that question to Ms Mandla, who has been running the evaluation for the trial.

Ms Mandla: We have already put out an interim report from the evaluation which showed that the early preconditions for the outcomes that the trial is seeking to achieve appear to be on track and working well, including a reduction in the consumption of alcohol.

I have not heard any specific issues with drug running in the wave 1 report, bearing in mind that the evaluators are currently undertaking the second wave of fieldwork. I think they are finishing up in Ceduna now and are just about to get underway in east Kimberley. When the final report comes out, I am sure issues that might be impacting on outcomes of the trial would be picked up in that report.

Senator KAKOSCHKE-MOORE: But you have not seen or you have not heard directly any concerns about alcohol being essentially smuggled in boots of cars into the community and then sold on the black market?

Ms Mandla: I have not heard anything from the evaluators.

Ms Bennett: Without the evaluation it is too early to see if that may have been a distorter in the outcomes. As the fieldwork is being undertaken at the moment, that may come up in some of the interviews with people in the community, and that would be taken into account in the evaluation. The two issues are, firstly, that it is happening, and, secondly, you are asking whether there is an impact and how do we take account of the impact when we are doing the evaluation. Obviously, if there is something like that which is, for want of another term, a black swan, or something that has come up, the evaluation would allow us the opportunity to take those sorts of issues into account when we look at what the future of the cashless debit card is. Knowing about it, if it is right and if there is an impact, is really important, because it helps us to shape how we might design some future options.

Senator KAKOSCHKE-MOORE: If, as a result of the evaluation that is taking place and the report that is compiled as a result of the information that you have gathered, it becomes apparent that grog running is an issue, how would you approach that? Would you have conversations with the state governments about their laws and how the state government laws could be strengthened?

Ms Bennett: I think it is about all of those issues. You would obviously engage with the communities as well. Certainly, you would be looking at what support you could get from state-based police and state governments and then take that into account. Is part of it that it was too close or should there have been a broader reach about some of those protections and services? The point about the trials and the evaluation is to see as it evolves what things we should take into account in any future consideration, what we can learn from the things that we did. So it is really about a constructive bit to be added into future thinking, not necessarily to say this was good or that was bad. It is about how we can take what the lessons are, build on those areas that were a success and maybe modify other areas where there is scope to make changes and to take other matters into account.

Senator KAKOSCHKE-MOORE: The issue of grog running is something that I raised in estimates in September last year, and I have raised it directly with Minister Tudge as well. I am a little concerned to hear that it seems to be brand-new news today when it is something that has been raised over the past nine months.

Ms Bennett: It is very difficult to determine anecdotal information and try and work out what might factually be happening. It is not that it is an issue of news; the question that you were asking went to how it would be impacting, and we do not know at this stage, until we have the evaluation. They are two separate questions—other than knowing what might be happening in a community. So your suggestion that this is a surprise is not what I thought we were talking about, which was about asking whether this could distort or change what the outcomes are in the evaluation. We do not know yet because we are still doing that fieldwork. If it does, as I said, knowing that information is really important so that we can look at how that might be considered in a future state or what the design parameters might be.

Senator KAKOSCHKE-MOORE: With the fieldwork that is being undertaken at the moment, and given your answer just then that the grog running issue is something that has been brought to the department's attention, do you know if any specific questions have been asked of community leaders, groups and those in Ceduna around grog running?

Ms Bennett: I would have to take that on notice. I think it is more that we have heard things, and we hear things at other times. Sometimes it is about what is missing. It is a matter of, 'They said, they said,' and how you actually get to the nut of what that is—

Senator KAKOSCHKE-MOORE: How do you test that, from the department's point of view?

Ms Bennett: Our evaluation might help us—those interviews and the fieldwork.

Ms Mandla: Broadly, the evaluation will try to pick up what we call circumvention behaviours. In the interviews, questionnaires and surveys, there are a range of questions that the evaluators are asking about the impact of the trial and certain behaviours that come to light.

Ms Bennett: It will not necessarily say, 'Do you know about grog running?' but it might ask questions about reduced alcohol consumption.

Senator KAKOSCHKE-MOORE: Do you ask where they are getting alcohol from? If it is coming in through the boot of a car rather than being purchased at a bottle shop, I am worried that—

Ms Mandla: With the interviews, they will ask questions to try and get as much information as possible. They have a range of techniques which they use. If I heard from a friend of a friend that something occurred then generally they will ask a range of questions to try to ascertain it, and see whether there is a consistent trend in answers. If one person says something and they find that 20 other people in the community are saying the same thing, it is getting a bit more validation of the claim being made.

Senator KAKOSCHKE-MOORE: How many people are involved in this fieldwork? Is there enough consistency amongst the people asking the questions that they would indeed pick up if 20 people are saying the same thing?

Ms Mandla: There are quite a few people being interviewed in the communities. The evaluators are trying to get as much of a statistically significant sample as possible before drawing their conclusions, particularly for the final report. I was just checking the progress of the Ceduna interviews. I know for the second wave they have interviewed a lot more people than in the first wave. I will look at my figures; I think they are aiming for about 240. But I think they have done a bit better than they expected, to get the sample size they needed.

Senator KAKOSCHKE-MOORE: Are these surveys being conducted further afield, in Oak Valley and Yalata, or just in Ceduna?

Ms Mandla: I understand that they are in a few locations in Ceduna, but people from the surrounding areas are being interviewed as well.

Senator KAKOSCHKE-MOORE: So the surveys have gone to Yalata and Oak Valley?

Ms Mandla: I would have to check that.

Senator KAKOSCHKE-MOORE: If you could, please.

Ms Mandla: I can take it on notice, unless I find it earlier. I have seen it in this big pack somewhere.

Senator KAKOSCHKE-MOORE: Thank you. I would like to know if the surveyors have gone out to these communities, and also a little bit of information about what training they have, particularly around language and culturally sensitive ways of interviewing, just to make sure that all the information can be picked up in the course of these interviews.

Ms Mandla: On your question on the surveyors, I know that Orima Research, the evaluators, have brought in more senior and experienced surveyors and overseer staff, to make sure that the quality of the interviews and surveys is to the standard that they expect.

Dr Baxter: I have some extra information on the issue of the impact of grog running and the background regarding liquor restrictions. The team that we have working on the cashless debit card does work very closely with the local community. Mr Reed can tell you more about information we have received about grog running and what we have done with that.

Senator KAKOSCHKE-MOORE: Thank you; fantastic.

Mr Reed: When we have received anecdotal information about grog running, we do liaise with the South Australia Police and the South Australian government because they also have liquor restriction responsibilities. So there is a process where we raise those issues with relevant stakeholders.

Senator KAKOSCHKE-MOORE: How many times have you raised the issue of grog running with South Australian authorities?

Mr Reed: I will probably have to take that on notice.

Senator KAKOSCHKE-MOORE: If you could. I would like to know the number of occasions and when it was raised.

Mr Reed: Yes.

Senator KAKOSCHKE-MOORE: My concern is that when I have raised these issues with the South Australian government—and I have not really got a response yet—the information that is being fed back to me is, 'There's some licensing restrictions,' but the licensing restrictions do not necessarily go to the issue of grog running. I would be very interested to hear what specific feedback you are giving the South Australian government.

Mr Reed: Yes, I will take that on notice.

Senator KAKOSCHKE-MOORE: Turning to another area, can you tell me how much funding the human trafficking support program receives this year and then over the next four years?

Ms Carapellucci: Funding for the support program is \$1.055 million per year from 2015-16 to 2017-18. That is the usual funding. In April 2017 the Minister for Social Services approved further supplementation of \$371,000 in 2016-17 and \$663,997 in 2017-18. The Red Cross, who administer the program, have been advised of this increase, and we are currently working with them to determine the variation to the grant funding agreement.

Senator KAKOSCHKE-MOORE: Was this supplementary funding granted with a particular type of trafficking in mind? I know that when we talk about trafficking there is a very broad range of victims. You could be talking about victims of labour trafficking and

labour exploitation or sex trafficking. Can you tell me a little bit more about the supplementary funding and its aims?

Ms Carapellucci: It is not targeted at a particular type of trafficking, but it was in recognition of the general pressures that the support program is under. Part of that is through an increase in the proportion of clients who are victims of forced marriage and their more complex needs, particularly if they are minors. But there are no restrictions on that funding; it is basically for the Red Cross to use as appropriate.

Senator KAKOSCHKE-MOORE: Do you have any information about the number of people that have been assisted through these programs? In particular, you just mentioned victims of forced marriage. It seems that that has been a pressure point for service delivery, so I would like to know a little bit more about that, please.

Ms Carapellucci: I have some high-level statistics from 2004 to end of March 2017, and then I can break those down further from 2009, when the Red Cross took over the program, because they were able to provide more detailed data. Between 2004 and 31 March this year the support program assisted 341 people. Of those, 191 were referred for exploitation in the sex industry and 150 were referred for forms of exploitation outside the sex industry.

Going now to the data from 2009, when Red Cross took over, between 2009 and end of March 2017 the total number of people supported on the program was 254. Of those, 117 were referred for exploitation in the sex industry, five for personal forms of sexual exploitation, 56 for commercial forms of labour exploitation, 29 for personal forms of labour exploitation, 40 for forced marriage and seven for other types of exploitation, including organ removal.

Senator KAKOSCHKE-MOORE: What is the difference between personal forms and the more generic term you used before? You said 117 were referred because they had been exploited in the sex industry but five were personal forms of sex industry exploitation.

Ms Carapellucci: That could be, for example, where someone comes out on a spouse visa but then it turns out that it is not a legitimate marital relationship and that the person has been brought out for a personal form of sexual exploitation.

Senator KAKOSCHKE-MOORE: Those are the ones where there might have been a degree of deception regarding the purpose that the person was coming to Australia for?

Ms Carapellucci: Yes.

Senator KAKOSCHKE-MOORE: Could you give me an example of a personal form of labour exploitation?

Ms Carapellucci: It could be a similar kind of thing—someone who might, for example, come out on a spouse visa and then work on their spouse's farm for no pay in less than ideal conditions.

Senator KAKOSCHKE-MOORE: Do you have a breakdown of those people that were assisted—how many of those people were located in South Australia?

Ms Carapellucci: We do have that data but I do not have it with me today. I can take that on notice.

Senator KAKOSCHKE-MOORE: That would be fantastic; thank you.

Ms Carapellucci: I will put a caveat around that. I will only be able to give you an overall figure for South Australia. From memory, the number is relatively small, so I cannot break it down into the different categories because that risks identifying individuals.

Senator KAKOSCHKE-MOORE: I understand. You may need to take this on notice as well: what is the longest period of time a person has been supported through the human-trafficking support program?

Ms Carapellucci: I will have to take that on notice, but there is not a set time limit for the support. One of the conditions for participation in the program is that the person is willing to take part in a criminal justice process against the alleged perpetrator.

Senator KAKOSCHKE-MOORE: So you need to agree to take your perpetrator through court to get the support?

Ms Carapellucci: Yes, and because that could take several years, the person would therefore be eligible to stay on the program for however long that process takes.

Senator KAKOSCHKE-MOORE: I am thinking about the examples you gave. I know this is a hypothetical, but if somebody came out on a spouse visa, found themselves in circumstances they did not anticipate at all when they came here but they did not want to bring charges against their ex-partner or their ex-employer, would that person then not be able to get access to support through this program?

Ms Carapellucci: It is sort of a stepped process through the program. People initially come in on what is called the assessment and intensive support stream, and that is 45 days of support. Then some people are eligible for another stream, which is the extended intensive support stream. In those initial stages the Red Cross, the caseworker and the other support workers would work with the person to determine what they wanted to do—whether they were willing to participate in a justice process, whether they wished to go back into the Australian community, or whether they wished to go back home. They would have that support to do whatever they wished to do. So it is not as if they are kicked out of the program as such. There is also then a transition support stream. So that is another period of time where the person is supported as they are transitioning out of the program.

Senator KAKOSCHKE-MOORE: I have a number of other questions here, but they are statistical in nature, so I will probably put them on notice. But you may have this particular statistic here: how old was the youngest person that this program has supported?

Ms Carapellucci: Again, I will have to take that on notice.

Senator KAKOSCHKE-MOORE: Thank you.

Senator REYNOLDS: I have a quick question on this issue, just listening to Ms Carapellucci's response. You might know that the Joint Standing Committee on Foreign Affairs, Defence and Trade has just started an inquiry into modern slavery. We had Kevin Hyland, the UK Anti-Slavery Commissioner, this week giving evidence. A lot of the issues you are talking about in relation to trafficking are absolutely salient to modern slavery, because trafficking is obviously a precursor to modern slavery. Secretary, have you been asked to put a submission into the inquiry in terms of this component?

Mr Pratt: I do not recall having received a request for a submission. Whether we might do so anyway is something we will have to consider.

Senator REYNOLDS: Just listening to the questions and answers, I think that would be highly relevant and very useful. It is not necessary to take it on notice, but if you would not mind just looking into that further?

Mr Pratt: Certainly, Senator.

Senator KAKOSCHKE-MOORE: Which is not to confuse that particular inquiry with the trafficking inquiry.

Ms Bennett: They are mutual—I think we have made a submission to that one.

Senator REYNOLDS: All this is part of raising awareness of these issues. There is the issue of trafficking, but we have all categories of modern slavery in Australia. Obviously, they have come to law enforcement's attention—

Ms Bennett: It would probably be a very similar submission because it is talking about the types of services we provide, which have been provided for the trafficking inquiry.

Senator KAKOSCHKE-MOORE: The rest of my questions on this area I will put on notice because they are statistical, but I still have 1800 RESPECT questions to ask. Can I do that now?

CHAIR: Yes.

Senator KAKOSCHKE-MOORE: In relation to 1800RESPECT, I think the tender was going to be finalised in the middle of May. Has that tender has been finalised at this stage?

Dr Baxter: I can advise you that on 25 May, 2017 MHS did advise the department that they had agreed to an extension of the current contract with Rape and Domestic Violence Services Australia. That was to ensure that callers continued to have full access to that trauma specialist counselling while they conducted negotiations in good faith to finalise the outcome of the tender. So we were aware that there had been some preliminary assessment done and that they were now moving into the negotiation phase.

Senator KAKOSCHKE-MOORE: How long was that extension granted for?

Dr Baxter: That is a 120-day extension.

Ms Bennett: That runs from when the contract expires, which is the end of June, which means it is to 31 October.

Senator KAKOSCHKE-MOORE: With this extension, has anything changed in terms of the conditions—

Ms Bennett: No, the contract will be under exactly the same terms as the previous agreement.

Senator KAKOSCHKE-MOORE: Going back to the 1800RESPECT service, it has been put to me that the way the service has been set up is that a counsellor who was there to answer calls for another support service—for example, a gambling helpline—could be answering calls to the 1800RESPECT number. Is that correct?

Dr Baxter: I can assure you, Senator, that all of the counsellors who answer calls for the 1800RESPECT line have been specifically recruited for that purpose. They have the requisite three-year training. They also are required to have two years of counselling experience and to have undertaken the in-house trauma-informed domestic violence training that MHS has established. If they meet those criteria and are also able to, in down times, answer calls for

other lines that MHS runs, such as beyondblue, I understand they are able to be deployed to that. But anyone who answers a call for the 1800RESPECT service must meet those minimum criteria of training, qualifications and in-house training.

Senator KAKOSCHKE-MOORE: If a person has been hired specifically for 1800RESPECT, obviously they are the preferred person to answer the call. But what if somebody has been hired to answer calls to the gambling helpline? While they both may have the same level of training and experience, they have specialised in different areas of counselling. Could that 1800RESPECT operator answer a call to the gambling helpline, and vice versa?

Ms Bennett: No. I think the answer to that is only those with the relevant qualifications can answer 1800RESPECT. They can answer other lines, but people answering other lines cannot answer 1800RESPECT.

Dr Baxter: That is our understanding.

Senator KAKOSCHKE-MOORE: It has been put to me that that has happened, so I would like to get a guarantee that the people who answer 1800RESPECT are only those who have been hired specifically for the purpose of answering those calls.

Ms Bennett: With those qualifications.

Senator KAKOSCHKE-MOORE: With those qualifications.

Dr Baxter: We can certainly get that double-checked and get that back to you in session.

Senator KAKOSCHKE-MOORE: Thank you. If counsellors have been hired for the primary purpose of answering the calls to another helpline but have answered 1800RESPECT calls, how many times that has happened?

Dr Baxter: We will see if we can get that material, but that may be one that we need to take on notice. We have certainly been given assurance by MHS that only people who have those minimum qualifications, experience and in-house training are able to answer the calls for 1800RESPECT.

Senator KAKOSCHKE-MOORE: And been brought on specifically for 1800RESPECT, because the callers to 1800RESPECT will be looking for quite different help to the callers who are calling the gambling helpline.

Dr Baxter: That is certainly our understanding, and we will check that.

Senator PRATT: I might finish with questions on 1800RESPECT. I have noted what you have said about the qualifications of those people answering 1800RESPECT calls. How many male counsellors answer 1800RESPECT calls?

Dr Baxter: I do not have that information with me. I can take that on notice.

Senator PRATT: Does that mean you do not know how often male counsellors would be required to answer calls for 1800RESPECT, or how many male counsellors have answered calls?

Dr Baxter: No, I cannot tell you how often a male counsellor has answered 1800RESPECT calls. I can tell you that of those counsellors who have been recruited for the front-line first responder service for 1800RESPECT, the vast majority are women. But I do not have the exact number, so I would need to take that on notice.

Senator PRATT: Does the department have a view about the appropriateness of male counsellors answering calls on this line?

Dr Baxter: No, we do not have a departmental view on it, but I do know that the clinical protocols have been established in close cooperation and consultation with the clinical advisory group. I understand that they did communicate some views on that, and that the outcome of that was that the vast majority of counsellors who answer 1800 calls are women. But I do not have the exact numbers to hand.

Senator PRATT: That does seem slightly contradictory in that the department does not have a view but the advice you have taken has given you a view.

Dr Baxter: No, I was referring to the advice that MHS took from the clinical advisory group, which includes a broad range of people working in the sector and also with interested groups like women with disabilities and transgender. We have reviewed the clinical protocols that were developed in consultation and very close collaboration with that group, and we were satisfied that they represented a very good response for a first responder service. But the department itself does not have a view about whether men should be able to answer the calls.

Ms Bennett: At the first responder point.

Senator PRATT: So what would you do if 50 per cent of the calls were being answered by men? I am not saying they are, but surely you should be listening to that advice about those clinical protocols—

Dr Baxter: Absolutely. We receive information through MHS, and through a range of public sources as well, about material and things that are happening in the 1800RESPECT service. Should there be an event that caused us concern—having 50 per cent men answering calls may be something that, on the advice of the clinical advisory group, may not be appropriate—then we would have discussions with MHS about why that had occurred, the appropriateness of it and whether we could take steps to rectify it. But it has not arisen to date.

Senator PRATT: Has there been any feedback about whether men answering calls has presented an issue for individual clients?

Dr Baxter: I can take that on notice.

Senator PRATT: How many complaints about 1800RESPECT have been received in the quarterly report provided to the department by Medibank Health Solutions due in April 2017?

Dr Baxter: Which quarter are you asking about?

Senator PRATT: As I understand it, there was a report due in April 2017, but you should probably also have data since last August.

Dr Baxter: Yes, we do have data from last August. MHS reports that 72 complaints were received about 1800RESPECT from 16 August, 2016 to 31 March, 2017. That is very low compared to the total number of interactions offered. It equates to less than one per cent of total interactions. In the same period, MHS also reported receiving 55 unsolicited compliments for that period. MHS also advise that their investigations of those complaints reveal that seven complaints were substantiated following investigation.

Senator PRATT: Are you able to tell us what the nature of those complaints was?

Dr Baxter: I am checking whether I have any data breaking down the complaints. I do not. I can tell you in general terms that some of those complaints have related to the trauma

counselling aspect of the 1800 service. Some have related to the front-line aspect. Some of them relate to policy issues that are not to do with the provision of service, and some of them relate to service issues. But I do not have a breakdown of the exact numbers that fall into each of those categories.

Senator PRATT: If you could take that breakdown on notice in terms of complaint type and what those different complaints relate to, that would be helpful. When you say that seven complaints were substantiated, were they in relation to trauma counselling

Dr Baxter: Again, I would have to take that on notice, which category they fall into.

Senator PRATT: What can you tell me about the kinds of issues raised in those complaints?

Dr Baxter: I will get back to you tomorrow, Senator. I have given you the general breakdown from having reviewed complaints data previously, but I do not have the material in front of me.

Senator PRATT: In asking this question, I am not interested in the breakdown. As you are someone with oversight of this, I am interested in the nature of the issues raised and how they have been responded to.

Dr Baxter: I can tell you that MHS has a very robust complaints management system in place, and that they are all recorded and tracked. Efforts are made to resolve those complaints within seven days and to investigate and see if those complaints are substantiated. The complaints that I have reviewed have covered a range of issues from dealing with the service that was delivered either by a trauma specialist counsellor or by a first responder through to—

Senator PRATT: When you say a complaint about a trauma specialist and that they might not have responded appropriately, in what way might their response have not been appropriate?

Dr Baxter: I am really talking in general terms because I do not have the material in front of me. But it may be that someone has not been satisfied with the way they have been dealt with by a trauma specialist counsellor or a first responder. I have seen complaints where people have indicated that they did not feel that the issue that they brought was dealt with appropriately. Perhaps they did not feel that the manner the person brought to the fore was not appropriate or that they were not referred to the right services. But I do not have the detail of those complaints in front of me, I am sorry.

Senator PRATT: As someone with oversight, as a group manager of this, how are you working to resolve whether they are dealt with adequately if you have to rely on having that information in front of you to explain whether that was adequate or not?

Dr Baxter: We have regular discussions with MHS about all of their processes, including their complaints management process. We go through examples of complaints that have been made. We talk about how those complaints have been resolved. We seek quarterly figures. We also have conversations about how general issues with the implementation of the service are going. Where we receive information directly through DSS, we also provide that information to and test that information with MHS. As I say, we have been satisfied that the processes they have indicated to us that they are using to deal with those complaints are satisfactory, that they are centrally recorded, that their clinical protocols go to ensuring that those complaints are being dealt with appropriately. That is part of what previously the

Clinical Advisory Group and in future the new Sector Advisory Group will be reviewing on an ongoing basis to ensure complaints are dealt with in an appropriate manner.

Senator PRATT: And the clinical and sector advisory groups are clearly independent from the contractor?

Dr Baxter: They are. That is right.

Senator PRATT: And independent from—

Dr Baxter: The Independent Clinical Advisory Group was set up specifically for the establishment of the triaging service. It included a range of people who had expertise in the sector and also expertise with particular groups. Now that the triaging service has been implemented, there is going to be a move to a broader Sector Advisory Group and there will also be governance processes where DSS itself is going to be working with both MHS and RDVSA, the provider of the trauma specialist counselling, to ensure that we are satisfied that every aspect of the service, both at the first responder end and at the trauma specialist end, is being undertaken in ways that we are satisfied would meet community expectations and the terms of the contract.

Senator PRATT: Clearly, the trauma-informed care response needs to be embedded within the clinical protocols?

Dr Baxter: Absolutely. We have reviewed copies of those clinical protocols. It is absolutely premised on a trauma informed care, even at the first response level. First responder training is based on trauma informed practices. That means people are given specific training about what it means to interact with someone who has undergone trauma and how to deal with them in a sensitive way that takes account of some of the range of symptoms that that person may be exhibiting. It is different and distinct from trauma specialist counselling, which goes in great detail to helping to process the trauma that they have been through.

Senator PRATT: What actions have you or Medibank Health Solutions taken when complaints have been substantiated in terms of either inappropriate referrals or inappropriate response to trauma?

Dr Baxter: There are a range of actions that are taken. There are some that relate to systems, such as the IT system. Where there have been those complaints, they are investigated and an internal IT fix has been put in place, and we have been made aware when that has occurred. In other cases the outcome has involved training or counselling for staff, extra training or counselling for staff. Where, either through the complaints process or through the very rigorous quality assurance process that is undertaken of listening to recordings of at least one per cent of calls every month, issues are identified with how people take a call or how they respond, then that person may either receive training or they may receive counselling, like formal counselling, if it appears that they have not behaved appropriately. Should it be substantiated that they have behaved inappropriately in that call, then disciplinary action and all of the pathways that they may take may also be involved.

Senator PRATT: Thank you for those answers. I have questions about other aspects of outcome 2. I am happy to keep going in terms of moving on to those.

CHAIR: We may as well move on and then at 12.15, Senator Pratt, I will move to Senator Siewert and then come back to you later.

Senator PRATT: I will start with questions on the Strengthening Communities budget measures, including some questions about funding.

Ms Bennett: Could you give us a moment for the right staff to come in, because we are moving about a bit.

Senator PRATT: I will start with a broad overview of the budget line items. I can see in the 2017-18 budget the component expenses for Strengthening Communities has more than doubled, if you go to page 67 of the 2017-18 budget.

Ms Bennett: That increase was in relation to the announcement about digital literacy, and that has been brought into that program.

Senator PRATT: Are you able to break down for us, please, the line item components of that?

Ms Bennett: What it reflects is a \$60 million on Strengthening Communities. My colleagues can go with you through all the components.

Ms Sims: In the 2017-18 year, there is \$10 million for volunteer grants. Digital literacy for older Australians is \$24.75 million.

Senator PRATT: And that is money that came from where?

Ms Sims: That was an election commitment.

Senator PRATT: So it is new money that has not come from anywhere else?

Ms Sims: No.

Senator PRATT: What was the previous amount of money for digital literacy for older Australians?

Ms Bennett: It is a new initiative. It was an election commitment. There was a small amount of money available for broadband for seniors, which was a ceasing program.

Senator PRATT: How much was in broadband for seniors?

Ms Bennett: In 2016-17, it was just over \$1 million.

Senator PRATT: Do go on.

Ms Sims: There is also the Australian longitudinal data of \$7.98 million. There is the remainder of the Strengthening Communities activity grants of \$3.5 million, and then the Strong and Resilient Communities grants of \$13.87 million.

Senator PRATT: That is helpful. Does that mean that in the combined grants stream within Strengthening Communities, which, in the redesign, are being joined together in one bucket, the quantum of money is the same?

Ms Bennett: There has been no reduction.

Senator PRATT: What is the quantum of money that will be attributed to the redesign bucket of money, the Strong and Resilient Communities redesign?

Ms Sims: Annually there is around \$18 million for the Strong and Resilient Communities plus \$10 million for volunteer grants. That is the same each year.

Senator PRATT: It is \$24 million for digital literacy for older Australians?

Ms Bennett: It is \$24.750 million.

Senator PRATT: I have now got some questions about the redesign. Is the redesign still on track to be completed for commencement on 1 January 2018?

Ms Bennett: Yes, it is.

Senator PRATT: When are you intending to announce the new grant round?

Ms Bennett: We have not got an absolute date yet, but soon.

Senator PRATT: This financial year?

Ms Bennett: Yes, we hope, which we have explained to you previously. We have a centralised grant administration process, and these things are about scheduling. We are very close, but we are looking at the scheduling, how it sits with a number of other programs. We obviously understand that it has to be soon to have it in place by 1 January next year.

Senator PRATT: I have heard that the redesign is giving some consideration to some of the feedback from the sector in the consultations.

Ms Bennett: That feedback was taken into account, yes.

Senator PRATT: Can you give us some information on the kind of feedback that you have received about the redesign?

Ms Sims: We received feedback on the most important characteristics of a socially cohesive and fully participating society, the best ways for organisations to collaborate and longer term funding. We also got some information on some ideas for the research component, which will come out later in the year.

Senator PRATT: What were people saying about the best ways to promote a cohesive society in terms of their critique of what the government put forward? What were stakeholders actually saying to you?

Ms Sims: They identified community drive, vision and culture as the most important characteristics.

Senator PRATT: Can you break this down perhaps by letting us know what things they liked about the redesign and what things they did not like about the redesign?

Ms Bennett: We can take that on notice. But there was certainly a bit of feedback about the priority obviously must be to try and give communities and individual areas a bit more flexibility on how they come up with those challenges of disunity, disengagement and intolerance. It is not a one-size-fits-all approach. That is allowing those organisations to look at what is happening in their specific community and to bring forward when we enter into that process of ideas that are targeted specifically to what their needs are. And they will be different needs in communities that could reflect their different multicultural mix, different social economic arrangements. That was an important component of that feedback.

Senator PRATT: Could you give some examples of the kind of feedback received from multicultural organisations?

Ms Bennett: We will take on notice some of the information you have asked about—what did they like, what did they not. We will have a look how we can pull those conversations together in some descriptor of what they thought has worked, what they would like to see into the future. I do not know if we can break it down to multicultural communities, but we will have a go at that.

Senator PRATT: Some organisations that are currently funded are worried about their future funding opportunities and whether they will be able to do the same kinds of things that they currently do under this program. Are you able to outline yet what kinds of activities have been historically eligible that may not be eligible under the new program?

Ms Bennett: There are two things. The existing program's history sits about 1992. That is a long time not to have a look at whether there are different ways or how we can encourage different innovation. That is one component. The other thing is that, in relation to a number of the redesigns which we have talked to you about before—the list of redesign projects that the department has—we have needed to ensure that we have a head of power that allows Commonwealth expenditure in those areas, which is obviously linked to government spending money that it is allowed to spend.

There will obviously be a change when you are looking at a new program, when you are seeking innovation, when you are looking at community groups that may not have been funded and who have a different way or who may be new entrants into that space and may be doing different things. While there has been no reduction in the money, it does mean new ideas will come up and there will be different priorities from the community. It may mean that some organisations that had been previously funded may not be successful, but it may allow new organisations that have not been there before.

We can certainly take it on notice and explain what the difference is between the past and the new. I am hesitant to do it just before we open up because we need to make sure that everybody gets the same information at the same time. As I said we are hoping that the new grant round will be opened up shortly, and that will coincide with us providing the answers on notice. We will be able to map for you the past arrangements for those things, because this new redesign does combine a few activities together. We will be able to tell you what the new arrangements are versus the past.

Senator PRATT: I certainly have further questions, but I appreciate that I do not have the call.

CHAIR: Senator Siewert, we will go to you, which will take us through to the lunch break at 12.30.

Senator SIEWERT: Before I start on some of my other questions, I want to check which particular program we do redress under.

Ms Bennett: We could do redress now. It is under families.

Senator SIEWERT: It is under 2.1?

Ms Bennett: Yes.

Senator SIEWERT: I will start with the cashless welfare card.

Ms Bennett: Okay.

Senator SIEWERT: I do have questions on redress as well. First off, I want to check some of the data. I want to say thank you very much for this very comprehensive table. It is really appreciated and it makes it much easier to ask the questions I need to ask.

Ms Bennett: That is the income management table?

Senator SIEWERT: The income management table, yes. I should have said cashless welfare card and income management. Can I first go to the cashless debit—I will use your

language—card funding. In the table you have provided the funding for 2015-16 and 2016-17 but not 2017-18.

Ms Bennett: We will be able to answer that question, but at the time of the budget there are always a number of areas which are not included or not available at a point in time because there are negotiations and arrangements going on. I do not know where we have got to, to be able to explain that full amount, but I will ask Mr Reed to go into that.

Mr Reed: The reason it is not for publication in the 2017-18 year is because a component relates to the expansion of the cashless debit card, which is commercial-in-confidence.

Senator SIEWERT: I am getting a little bit frustrated. We had the same thing with drug testing. These are major, controversial programs, the funding of which we are not told about.

Ms Bennett: Senator Siewert, it is not that it is not being told; it is the point in time about not talking about it. It would be very inappropriate, while you are in a negotiation, to forecast what the price of something would be before you have actually got that, because it puts us in a losing negotiating position. It is not that it will not be available; it is just the point in time while that information is available. We expect it will be resolved very quickly, but it is not an unusual practice.

Senator SIEWERT: It will not be resolved in time for us to consider the legislation, because presumably you will not be signing any contracts until the legislation goes through.

Ms Bennett: We—

Senator SIEWERT: Or will you?

Ms Bennett: We certainly expect to have it resolved—certainly, by the time we take it on notice, we will have the answer to that.

Senator SIEWERT: Ms Bennett, will the information be available before we are expected to vote on this measure?

Ms Bennett: I certainly hope so. If we can provide it earlier to the committee, we will provide it.

Senator SIEWERT: That implies that you will be signing a contract before the legislation goes through?

Ms Bennett: No, it is about us being able to explain what these arrangements are. You asked a question about what the funding is for that point in time. I am not going to answer those questions about where we are with that at the moment. What I am saying is that when we are clear what the 2017-18 expenditure is, we will provide that, if it is available, before the questions on notice are due. We will provide that information at that point in time.

Senator SIEWERT: You made a point about procurement and not releasing information when you are going through that process. How can you tell us that information, if you are still undergoing the procurement process?

Ms Bennett: Certainly, with our department, in the way that we manage contracts, there are always arrangements which would allow for a contract to not proceed if there were issues that came up. It exists at times in contract arrangements; it can be when there is a change of policy by government or a change of government. So we are not in a position to give you the answers to those questions at the moment. As I said we have until 22 June for questions on notice. If we have the answer to those questions earlier—

CHAIR: The 21st.

Ms Bennett: 21 June. We will provide them as soon as they are available and not wait until the due date for those questions.

Senator SIEWERT: Thank you. Is there something different about the two new trials for the cashless welfare card that would require a significantly different ballpark figure for the contracts that you need?

Ms Bennett: Firstly, there has been no decision made as to where the two new sites will be. Obviously, with that decision, and depending on what we have learned, on the community, on the issues that might be confronted and on what type of other services might be needed, there will be some variations. It is yet to be determined; there could be changes made that might impact on what the final funding allocation is. But until those factors are decided, we cannot be certain exactly what the final budget is and how that will be split.

Senator SIEWERT: Do you intend making the decision on the trials in the near future?

Ms Bennett: It is a decision for the government as to where the sites are.

Senator SIEWERT: Can we tease that out a little bit more? You just told me that you may be able to get us the information on the contracts.

Ms Bennett: No, what we said was—

Senator SIEWERT: The cost, sorry.

Ms Bennett: We said that we might be able to explain to you what the allocation is for 2017-18 after we have undertaken some further work. There are components in all of this, but we are hoping that we might know what the budget is when there are some contractual decisions or indications about what the costs of the contractual arrangements are. When there are decisions about future sites, the funding for the 2017-18 year will be able to be completed. But we do not have those pieces of information available at this point in time.

Senator SIEWERT: I understand that you do not have those pieces of information. I am trying to go now to the stepped process. You said, as I understand it—

Ms Bennett: Dr Baxter has just made the point that there are two bits. We have moved a little bit, because you have talked about the extension. We may be able to have information on the extension in Ceduna and east Kimberley sooner, because of the other elements, as to where the new site is. So it may come in two components.

Senator SIEWERT: With the funding that you have listed here in terms of 2017-18, in the table you have cashless debit card funding, the trial, and you have 2015-16, 2016-17 and 2017-18. What is that figure? I made the assumption that it was expenditure in 2017-18 for all the cashless debit card.

Mr Reed: That is right.

Ms Bennett: That is right.

Mr Reed: Two components.

Ms Bennett: There are two components. There is the extension of the existing trials and there are two new testing sites. At the bottom of this table you have an overarching envelope, which includes the continuation of income management for two years, as announced in the budget.

Senator SIEWERT: But the income management funding is listed separately to the cashless debit card.

Ms Bennett: Yes.

Senator SIEWERT: I do want to come to income management.

Ms Bennett: What I am saying on that table is that it gives as much information as is available at this point in time. It is just that component of the cashless debit card, which we have explained has two elements—one is the continuation of the two trial sites and one is the unknown factor of the location of the two further testing sites.

Senator SIEWERT: You can tell us, as you have just outlined, by the 22nd, if not before, about the extension, not the other two trial sites; is that what you are saying?

Ms Bennett: That is what we are saying.

Senator SIEWERT: So that will be dealt with in two separate pieces of legislation?

Ms Bennett: I do not know. That depends on when the legislation comes up, on what decisions and on where we are at the point of the decision-making. Obviously, at the very least it will be about the extensions, and we will have to look at where we are with the other two sites.

Senator SIEWERT: I am trying to work out what is happening, when you are doing what, what information we will have when we are asked to vote on the legislation, and whether you are doing amendments that deal with both of these circumstances or legislation that deals with them separately.

Dr Baxter: There are disallowable instruments to extend the two sites. That part has already been done. We only need those instruments in order to extend the sites. We will work on the legislative amendments that need to be made for the second part.

Senator SIEWERT: By the time you do the legislation for the second part, the trials, you will be able to tell us how much it is going to cost?

Ms Bennett: We expect that we would be able to do that. Obviously, to introduce the legislation for the next two sites, we would know where the next two sites are, and the costs associated with that.

Mr Pratt: My colleagues will correct me if I am wrong, but I think the steps will be that we need a government determination of the new sites. Once that has been determined, that will identify what the conditions are in both the sites and for the people who will be part of those trials. That will then factor into the negotiations with the card providers about the costs to do that. Clearly, if it is done in the middle of a big city, it will be very different from if it is in a regional area or a remote area. They could be quite different costs. So that is what will determine the cost of that. Our expectation would be that we would know that before the legislation would be introduced.

Dr Baxter: The government has said that it would like to see the first of the expanded sites up in about September. So we would need to have legislation in place before that. That is probably the best indication we can give you at this point.

Senator SIEWERT: Thank you. In terms of the trial sites, under the current legislation there are up to three.

Dr Baxter: The instruments.

Senator SIEWERT: Under the instruments, there are three sites. The new expansion talks about two. Do those two include the one that was never established, the third site? Is that still in play, plus two more?

Ms Bennett: No.

Senator SIEWERT: That is what I want to be clear about.

Mr Pratt: It is the current two and another two.

Senator SIEWERT: So the original third one is off the table? The total will be four?

Mr Pratt: Yes.

Ms Bennett: That is correct.

Senator SIEWERT: It has not been clear in the material I have seen. Thank you for that. You just said in terms of the trials that it could be in a big city and you have not determined, by the sound of it, who would be covered. So we are not necessarily talking about the same parameters as for the other two trial sites?

Mr Pratt: That will be up to government.

Senator SIEWERT: So that is in play. There could be a scenario where we are talking about a different cohort?

Mr Pratt: Possibly, yes. The government has not taken any decisions at all on where the new trial sites will be.

Senator SIEWERT: Okay. I have been given the eye. I did not say 'evil eye' this time!

CHAIR: No, you have refrained from that. I am pleased.

Proceedings suspended from 12:30 to 13:30

CHAIR: We will kick off again and commence with questions from Senator Leyonhjelm.

Senator Seselja: Mr Pratt has some additional information for Senator Pratt and the committee.

Mr Pratt: In relation to a few questions about 1800Respect, there are a couple of comebacks. One is there are no male counsellors answering calls on 1800Respect. We can also confirm that specialist gambling counsellors do not answer 1800Respect calls.

Senator PRATT: I appreciate the feedback to us in a timely way on both matters.

Mr Pratt: It is a pleasure.

Senator LEYONHJELM: I asked at the previous estimates some questions about the violence against women campaign. I am assuming I have the right people.

Mr Pratt: Yes.

Senator LEYONHJELM: I asked in particular about the research that informed that campaign. That research was undertaken by the TNS consultancy. It stated, without giving any citations, and I quote here:

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.

At the last estimates, I put a question on notice for a citation about disrespect and gender inequality being the heart of the issue. The question—I did ask it at the last estimates—was taken on notice. In response, I received a reply in SQ17/150 that was six paragraphs. The first four paragraphs advise of ABS statistics indicating more partner violence against women than against men. I assume the department is not intending to argue that these statistics are measures of disrespect or gender inequality or show that disrespect and gender inequity are at the heart of the issue. Am I right in that assumption?

Ms Bell: The campaign is based on a range of research, including international and domestic research. It includes the World Health Organisation's *Preventing intimate partner and sexual violence against women: taking action and generating evidence* as well as ANROW's research for the Australian Bureau of Statistics Personal Safety Survey. A variety of these research pieces go to one of the key elements of violence against women, being disrespectful behaviour and gender inequality, which is why the campaign takes a primary prevention approach to these issues in order to break the cycle of violence.

Senator LEYONHJELM: Well, you did not quite answer my question, but you did refer to the WHO report. Your written answer on notice referred to the WHO report. Your answer cites studies supporting violence against women as a consequence of gender inequality. Are you arguing that the WHO report indicates that, of all the factors, gender inequality is the heart of the issue?

Ms Bell: No. In the campaign, we do not argue that gender inequality and disrespectful behaviour are at the heart of the issue. They are one of the contributing factors. The COAG decision, when the campaign was commissioned, supported that premise. However, it is not the only contributing factor to violence against women.

Senator LEYONHJELM: What else does the WHO report suggest is responsible for violence against women?

Ms Bell: I actually do not have the full details of that report with me. I will have to take that on notice.

Senator LEYONHJELM: Well, I might know the answer to that before you need to take it on notice. The WHO report lists individual factors—low income, low education, sexual abuse, parental violence, antisocial personality, harmful use of alcohol, illicit drug use and acceptance of violence. It lists relationship factors—multiple partners and fidelity and low resistance to peer pressure. It lists community factors—weak community sanctions. And it lists poverty and societal factors—traditional gender norms and social norms supportive of violence. So in none of those does it actually nominate gender inequality as a key contributor. The sixth paragraph in your response refers to an unpublished 2007 paper by Michael Flood and a report of a survey by VicHealth, which was commissioned by your department. The lead author is named as Anita Harris. I am assuming you are familiar with both of them. Did the unpublished paper by Michael Flood support the contention by TNS consultancy that disrespect and gender inequality were more important contributors? Did it compare them to other contributors, such as poverty, alcohol abuse and drug abuse?

Ms Bell: Senator, I am not aware it gave it any greater importance in that research, but it is, once again, one of the contributing factors, which is why the campaign has focussed on it.

Senator LEYONHJELM: Did you have a copy of that 2007 paper by Flood when you prepared your response to my question on notice?

Ms Bell: My understanding is that we did because it was part of the desktop analysis done in 2015.

Senator LEYONHJELM: Are you able to provide a copy to the committee?

Ms Bell: I can take that on notice.

Senator LEYONHJELM: Thank you. Did the survey compare the contribution to violence against women of disrespect and gender inequality against other factors, such as poverty, alcohol abuse and drug abuse?

Ms Bell: Are you referring to the ABS survey?

Senator LEYONHJELM: No. The VicHealth survey that you cited in your response to my question on notice. The lead author is named as Anita Harris.

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

Senator LEYONHJELM: You will have to take that on notice. In fact, we found that the survey only measured reported attitudes to violence—attitudes, in other words. I do not think it substantiates the argument, but you can take it on notice as to whether you think it determined or indicated any relative importance of those contributors. I would like to go a little further into that survey. That survey, which you cited as a reference source and to underpin the violence against women campaign, states that it is an area of concern that only 60 per cent of young people agree that violence against women is common. That raises the question: can you definitively say that violence against women is common?

Ms Bell: The 2017 national community attitudes survey found a strong relationship between attitudes to gender inequality and attitudes to violence. Some of the research showed that one in four young people is prepared to excuse partner violence and one in five believes there are circumstances in which a woman bears some responsibility for the violent behaviour. That research formed the basis of the primary prevention approach for the campaign when we targeted the influences of 10 to 17-year-old children.

Senator LEYONHJELM: I guess the question, though, is whether violence against women is common. If it is not common and if there is a perception that it is not common, you could hardly expect young people to say that it is. I mention that because the most recent ABS Personal Safety Survey indicates that 1.5 per cent of women reported experiencing violence by a partner or ex-partner during the previous 12 months. I suppose it depends on your definition, but I am not sure that 1.5 per cent would qualify as common, in my definition.

Ms Bennett: It is certainly more than is preferable, is it not?

Senator LEYONHJELM: Indeed. Indeed, it is. I am not suggesting that violence against women is acceptable or desirable or anything other than something to be avoided. What I am questioning is the commitment of taxpayers' funds to a program where, as I raised last estimates, the fundamental assumption is that there is a clear link between violence towards women and attitudes of disrespect and gender inequality. There is a 2013 United Nations quantitative study on male violence against women in Asia and the Pacific by Fulu et al. It indicates that low gender equitable attitudes are less important factors in explaining intimate partner violence than nearly every other factor listed, including the number of lifetime sexual

partners, childhood abuse or neglect, a lack of education, food insecurity, oppression and alcohol abuse. Do you consider this UN study to be a credible source?

Ms Bell: I am not privy to the detail of that study so I cannot comment on it.

Senator LEYONHJELM: I would like you to take that on notice. Tell me how you regard that in terms of credibility relative to the other sources which you have relied on in which attitudes of disrespect and gender inequality were regarded as at least as important as other factors, if not more so. If the United Nations quantitative study on male violence against women in Asia and the Pacific is an accurate reflection of the situation in Australia as well, a policy response that focuses on disrespect and gender inequality and does not focus on the other factors that the UN study identifies as key contributors to violence would be inappropriate. It would be misdirected, would it not?

Ms Bell: I think we are making an assumption. We have quite considerable evidence that supports this campaign. We have not used the particular report that you are talking about so I cannot do a comparison. But, based on a COAG agreement to this campaign, which is based on considerable evidence, both domestic and international, we have enough of a supporting basis for this campaign to go ahead. The evaluation of the campaign shows the success of the campaign and the fact that it has reached the primary target audience and has changed perspectives on the issue. The traction that the campaign has only got with only one phase of advertising is quite considerable. We got 41 million views of the ad domestically. The research also shows that we have reached our target audience as predicted, and we have 69 per cent understanding the messaging and people acting on it. We have had 450,000 visits to the website and over 20,000 downloads of material. We are now going into a phase to investigate how we extend that campaign and get even further influence.

Senator LEYONHJELM: All right. That is based on the assumption that the heart of domestic violence against women is disrespect and gender inequality. So you have achieved, by those measures, a degree of awareness. Presumably, you consider that indicates a success. How much higher would those figures be if you had addressed the issues that the United Nations quantitative study found are equally, if not more—in fact, they said more—important as contributors to domestic violence? How much more successful could you have been?

Ms Bennett: We cannot possibly take a hypothetical thing that we did not do and then have a look at what outcome it might have had. It is not possible to do that.

Senator LEYONHJELM: I appreciate that. I am suggesting that there is a danger—and I am suspicious—that you have selectively taken the evidence rather than taken it as a whole. Ms Bell has said there is a considerable amount of evidence. I hope you have given me the evidence in response to my question on notice at the last estimates. If there is other evidence that I have not received that underpins the basis of that campaign, I would like to see it.

Ms Bennett: We have provided—

Mr Pratt: We will go and further explore whether there is any other source of evidence—

Ms Bennett: That was used.

Senator LEYONHJELM: That would be good. I would like to know, because what you have sent me so far does not do it justice, in my view. I suspect that the program is misdirected and it could be more successful if it were redirected. This is my final question, because the Chair is going to wind me up in a moment. I wonder if you agree that the

literature on partner violence splits into two camps; they are referred to as the patriarchal perspective and the family conflict perspective. Is that a reasonable assessment? Are you familiar with that idea?

Ms Bell: I am sorry, Senator, I am not. It has not gone to part of the work we have done for the campaign. It may be in a program or policy.

Senator LEYONHJELM: I might put a question on notice for you for that one. It might be a bit unfair. I will leave it there. Thank you very much.

CHAIR: Senator Siewert is not here. I understand Senator Hinch has roughly five minutes of questions.

Senator HINCH: Thanks, Chair.

Ms Bennett: In what area, because there are numerous people?

Senator HINCH: We are talking about redress.

Ms Bennett: I will just get the right people up for that.

Senator HINCH: Thank you. This is probably for Mr Pratt or maybe Senator Seselja. It is about the timing of the redress. In October 2016, the Attorney-General and Minister Porter said that the Commonwealth scheme is expected to be established by 2018. Later that year, it was to start in early 2018. Now it commences in 2018 with a dedicated phone line from March. Not until July 2018 will applications for redress be open to survivors of Commonwealth abuse. What is the timetable now?

Ms Bennett: That timetable stands. The first stage of it is a dedicated phone line. There will also be information on the website. That allows people to have a look at the parameters and some information about the support they would have. This first stage of the scheme is only for survivors that were in Commonwealth institutions. You would have seen Minister Porter and, at the time, the Attorney-General, when he announced that there was strong encouragement for the states to refer powers and opt into the scheme or, at the very least, have textual referrals that would allow organisations to. Partly it has been about some of the systems that we need to build—the architecture. Part of it is the ICT. Part of that is about training people. Part of it is about doing all the decision mapping that builds the scheme together. At the beginning of March, people will be able to look at a whole array of information and make a decision. Was it a Commonwealth institution? They might make decisions that they had received a previous payment that might be in excess of this payment and they might be interested just in counselling support and in the direct personal response, because they make up those three elements, a core to the redress. That will give them time to talk to people on the phone. And then the technical ability to be able to make an application will be available for assessment and going through that process.

Senator HINCH: Now this is only, as you stress, victims of the Commonwealth scheme?

Ms Bennett: At this stage.

Senator HINCH: That is a miniscule amount of victims. Most are in the states. When will state victims be able to start kicking in?

Ms Bennett: We have had bureaucratically, and the minister has had, several discussions about how as soon as the states make that decision for the referral of powers, they can join. The way the architecture of this has worked is that we will have in place processes—IT,

information and support; it is the building blocks of it—that can be scaled up in terms of the resources, such as more people answering phones, for example, or more people processing claims. That can be scaled up to the number of survivors that come in if the states opt in or it creates that referral that allows an institution to opt into the scheme.

Senator HINCH: Last year, it would appear that all the states were coming on board except South Australia, which is going it alone. How many states have signed up so far?

Ms Bennett: No states have given a formal indication yet. When I attended the hearings for the royal commission and the royal commissioner asked those same questions, certainly the states were generally just waiting for more information that would be available for them. I think an important thing will be the legislation that we need to introduce. To be fair, they will have to substantially mirror a piece of legislation in their own parliaments that would allow them to refer that power to us.

Senator HINCH: What is the maximum payment?

Ms Bennett: The government announced the maximum payment would be \$150,000.

Senator HINCH: Why \$150,000?

Ms Bennett: That decision was made by the government. It was before the establishment of the redress was tasked to our department, which happened at the end of January. But my understanding is that that figure was reached in earlier consultations that I was not part of with the states.

Senator HINCH: Consultation with whom, because—

Ms Bennett: State and territory governments.

Senator HINCH: The conclusion of the royal commission in the earlier report was that we are satisfied the appropriate level of monetary payments under redress is a maximum payment of \$200,000. Originally, people like Tony Foster—rest his soul; he died last week—and CLAN were hoping for something like \$500,000. They all came down with the royal commission. They came down to \$250,000. In the end, the commission said \$200,000. The government says \$150,000. Now, \$150,000 is the exact amount that the Catholic Church said should be the maximum. Is that a coincidence?

Ms Bennett: To the best of my knowledge, no, it is not a coincidence. It was actually a different discussion with the states. Firstly, that was the royal commission's recommendations. I think it is really important to note in the designing of the Commonwealth scheme that, of the recommendations in the redress report, the vast majority are being implemented and built into the design. We have taken very seriously the royal commission's advice and design. There have been some minor changes in one of them. Minor or not, one of the—

Senator HINCH: This is a major change.

Ms Bennett: Not one of the changes decided by the government was that it would be a lower maximum cap. But the payment is only one component.

Senator HINCH: I realise that.

Ms Bennett: The counselling that is to be supportive—

Senator HINCH: I take it that the lowest level has gone from \$65,000 or \$62,000 or something like that. Is that right?

Ms Bennett: There has been no assessment of what a lower payment is at the moment.

Mr Johnston: Perhaps what you are referring to is the report, where the royal commission states that there might be an average payment of around \$65,000.

Senator HINCH: That is right. What worries me here is that I know it is not just money. None of the victims ever said that. It is cathartic in its redress. That is why it is called redress and not a compensation plan. One of the first major conclusions by the royal commission is that it should be a maximum amount of \$200,000, but the government has gone to \$150,000. Do you know whether Mr Porter had meetings with the Catholic Church over this?

Senator Seselja: I would have to take that on notice. I am just not aware. I am happy to take that on notice.

Senator HINCH: I would like to know that because it went from \$500,000 to \$250,000 to \$200,000. The royal commission, by agreement, came to \$200,000. Now the government has come out and the first thing we hear is that it is down to \$150,000. I know that that is what was recommended by the Catholic hierarchy. Can you take on notice for me—

Senator Seselja: Sure.

Senator HINCH: whether Minister Porter had meetings with other people to research this decision.

Ms Bennett: I would just like to make the point that, in the administration of this, the development work and the eventual implementation came to our department at the end of January. We do know that the Department of Prime Minister and Cabinet and the Attorney-General's Department led a whole array of consultations, including with states and institutions and organisations. So, in taking that on notice, it came to our department at a particular point in time.

Mr Pratt: I will reinforce that. I certainly do not want to appear unhelpful on this. But the decision about the quantum was taken by government last year. That predates both Minister Porter and the Department of Social Services taking responsibility for the design and implementation of the scheme, which happened early this year. I think your questions are obviously extremely important ones, but they are not ones that this department or this portfolio could answer because they predated us.

Senator HINCH: Surely you concede when the commissioner suggested \$200,000 and the government comes up not with \$180,000, \$175,000 or \$160,000 but with \$150,000, which is exactly what the Catholic Church thought it should be.

Senator Seselja: Further to Mr Pratt's answer, Senator Hinch, obviously it is difficult for the department to answer as to what factors went into the \$150,000 when it was—

Senator HINCH: If you would take it back to the minister, I would appreciate it.

Senator Seselja: We will take it back to the minister. Obviously, it may be something that the department and the minister can answer. Given the decision was made before the department had responsibility, it may be something that other departments can answer.

Senator HINCH: I can accept that.

Senator SIEWERT: Since we are on the redress scheme, I may as well continue with the questions I have. You may or may not have heard some of the questions I asked at A-G's

when I was told to come here. I am going to pursue them and ask the other questions that I know I should ask here.

Senator Seselja: Sorry to cut you off, Senator Siewert. Senator Hinch, I have just received a quick answer for you in relation to the minister. I am told that the minister has not met with the Catholic Church over the decision regarding the national redress scheme cap amounts. But in terms of any other details, we would be happy to look into them.

Senator SIEWERT: Did you say has not met?

Senator Seselja: Has not.

Senator SIEWERT: Thank you.

Senator HINCH: He has not met with them. Was there any correspondence with the Catholic Church as well?

Ms Bennett: On the cap?

Senator HINCH: On the cap, yes, indeed.

Senator SIEWERT: On the cap specifically. Or perhaps other institutions as well.

Senator HINCH: Yes. That would be good.

Senator SIEWERT: Or other institutions as well, not just the Catholic Church. That would be useful. In terms of the issues around claims and pursuing access to the redress scheme, does that preclude people taking action under common law?

Ms Bennett: As the minister announced in some of the parameters of the scheme and which is in line with the royal commission recommendations, if the survivor who makes a claim goes through the process and accepts the redress payment, the counselling and the direct personal apology, which they may accept, there would be a deed of release.

Senator SIEWERT: So that is going to be the policy?

Ms Bennett: Yes. I can get it. The royal commission did a number of hearings over a long period of time. It took lots of private hearings as well. We have used significantly their recommendations. That was one of them that was used.

Senator SIEWERT: So you have taken that on board?

Ms Bennett: Yes.

Senator SIEWERT: In terms of legal advice, will people be able to access funded independent legal advice when they are making claims?

Ms Bennett: It was recommended also in the royal commission that there be legal advice, particularly when it came to an assessment of what the monetary payment would be. Before a claimant decided to accept, there would be a mechanism to allow legal advice to be taken. That is also being built into the scheme, so they can get independent legal advice.

Senator SIEWERT: In terms of preparing for the scheme, are you looking at how claims are going to come in? Are you expecting an initial rush?

Ms Bennett: We are doing several things at the moment. This probably explains why we need time to get this right. This is really important and it is very sensitive. People will need support in how they access information and what information they have. We have done some mapping from what we call a survivor's journey, because I think that is the most important

thing, right from the first moment, about how they might get information. They might use third parties. Some people might have guardian and support services they might be using. They might do it online. They might do it through a phone application. As I said, they might have a guardian do it for them. They might do it by mail. So we are making sure that the gateways maximise the types of avenues that survivors have in that process.

Senator SIEWERT: Yes.

Ms Bennett: But, as I said, at this very stage, until the states have referred powers or done the textual referral which allows their institutions to opt in, the first thing will be about people assessing that they were in a Commonwealth institution.

Senator SIEWERT: Sorry—

Ms Bennett: So we recognise that there will be more people applying who are not within the remit at this stage.

Senator SIEWERT: Yes. At this first stage, yes.

Ms Bennett: So that is also the important bit about the front end in that first three months—that people can talk to someone to say, 'Well, that happened at that institution.' And we say, 'Look, at this stage, that stage or that institution is not in.' What about our forecasts? At this stage, the minister said it will initially run for 10 years and then it will be reviewed. Logically, we expect that there will be more in the beginning. There will be a bit of testing out for people to see what it is, and then you will reach a slightly bigger hump. Then it will plateau a bit to be more steady. A recommendation of the royal commission is that it is abuse that occurred from the day the scheme commenced operating. So it is a past look. Governments are still working out what happens to victims of abuse post that start date.

Senator SIEWERT: I have questions pursuing other answers, but I will just go there for a minute. What process is being used for that forward look?

Ms Bennett: I will have to take that on notice because that is being discussed. It is not in our remit. It is with the Attorney-General's Department. The states themselves have made comments and observations about victims compensation, so it is not resolved yet. We need to remember that the royal commission has not done its final report, so we do not know what areas it is covering in that as well.

Senator SIEWERT: I take that on board. One of the points coming out of it is that, in fact, you are not the lead. A-G's is the lead on that part.

Ms Bennett: On the future—

Senator SIEWERT: Yes.

Ms Bennett: What happens after redress.

Senator SIEWERT: Next estimates I will remember to ask about that.

Ms Bennett: If it is not A-G's, we will let the secretariat know who is leading what happens for people post. My understanding is it is, but we will let the secretariat know if it is different.

Senator SIEWERT: Okay. You may have answered this and I missed it. In terms of the legislative process—I understand the issue about mirror legislation—as part of the timing framework, as states come on, they will potentially come on separately?

Ms Bennett: Well, it depends how fast. We are working foot to the pedal on legislation at the moment. So as soon as that is available and we are able to share it, we will be sharing it with the state jurisdictions. It will depend how quickly they could do the referral within their own processes that they have.

Senator SIEWERT: Okay. So—

Ms Bennett: So once they do that, that would mean that the information and eligibility would expand and we would match in administration the expanded workforce capacity that we need on the estimated number of survivors that would be entering the scheme.

Senator SIEWERT: As each state comes on board—that is where I was going with that.

Ms Bennett: Obviously, we need a bit of flexibility and agility because we do not know how many people will come in at month one or month five. We have worked with survivor groups and we do have an advisory council. People need to think about what it means to them and what the information is and which bit of it they want, because they do not necessarily want all bits. So I cannot say to you, 'We expect this in one month'.

Senator SIEWERT: Yes. I understand that.

Ms Bennett: So we are going to have to evolve in that. What we do want to do, though—and we have not finalised it—is be really clear, depending on the nature of the claim, and that obviously takes in factors like the degree, how complex it is and the incidents. We would like to set up some transparency about how quickly we will deal with it and, at the very least, keep people informed where progress is for them so that they feel supported.

Senator SIEWERT: Thank you. Going back to the legislation, I understand what you have just said in terms of foot to the pedal. It will go to the states to get agreement from the states. Do you have a timeframe for when you anticipate it is going to be introduced into the parliament?

Ms Bennett: I think Minister Porter would like it as soon as possible. And those things are not just in our control, as you know. We have to work with the OPC about drafting. It depends on when that all works out—feedback and information testing. But we are working as fast as we can to bring that about, because the final shape of the legislation, as endorsed by the parliament, is really important. It will allow us to finalise the design components of it.

Senator SIEWERT: So you are talking months?

Ms Bennett: We are still negotiating the status and the timeframe. I do not have an answer to that. We are really hoping in the next few weeks that we will have a much clearer picture on the timing of it.

Senator SIEWERT: I presume that the advisory council is having input into it?

Ms Bennett: Yes. Well, the advisory council is providing advice about the design elements. Obviously, that will feed into how we structure the legislation. What does that mean? Part of the design elements and what will be in the legislation is obviously about what the process will be and how long the scheme will be open. We are getting their advice on those sorts of elements, and that will help shape the legislation.

Senator SIEWERT: In terms of the elements around the monetary reparations, is it going to be up to states to have their own, or is there going to be a common approach to them at this point?

Ms Bennett: The other measures being the direct personal response?

Senator SIEWERT: Yes.

Ms Bennett: And the counselling?

Senator SIEWERT: Yes.

Ms Bennett: I think at this stage, part of having legislation that would be about referral is that you would want it to look and feel the same regardless of where the survivor is or where it happened.

Senator SIEWERT: And that is where I am coming from.

Ms Bennett: We are working on the premise, in our consultations at the bureaucratic level with the states and institutions, that it would be the same. So it would not be less. In terms of the direct personal response, I think we need to have enough flexible options that match what the survivor wants rather than a more prescribed one by a responsible institution.

Senator SIEWERT: Yes.

Ms Bennett: We are taking certainly a lot of views. We are looking at how that worked, you know, in other schemes that were run in Australia, including things like the DART in Western Australia. We are looking at what happened internationally and the royal commission's recommendations on it. It is clear that survivors have different views on what the direct personal response is.

Senator SIEWERT: Yes.

Ms Bennett: We want to make sure that it is flexible and it is not so daunting or formalised that it becomes a barrier to doing it.

Senator SIEWERT: Again, I understand what you are saying. Given the range that people can have that flexibility within, will everybody have, as much as possible, the same services available?

Ms Bennett: We have not quite finalised how to do that. At the moment, we are putting a proposition that our team that is responsible for the policy space will have a role in making sure that it happens and brokering the arrangements for the survivor. I think that is the best way to describe it.

Senator SIEWERT: Okay. That is good to know. I do not want to see a situation—

Ms Bennett: I think if you sign up to the scheme, you have to sign it. When you opt in as a state or an institution, you have to opt in to all the elements of it.

Senator SIEWERT: Okay. That is what I am looking for. Thank you. In terms of the availability of information, I did ask A-G's about the issues around data storage. I know Senator Hinch followed up in terms of the private sessions. If people need to get documentation and they have tried before with institutions, are you working on issues around access to data held by the institutions?

Ms Bennett: What we are trying to do is the principles. This is not a legalistic process. The redress is about recognition of a wrong. We are trying to make sure that, for the survivor, as much as possible it is simple and it is using information they have got. The validation process is not evidence based. I think that is what is really important about this. We do know—and it has been raised by survivors—that some institutions have not kept their records

and stuff. In terms of the redress, I think that means we need to make assumptions about the likeliness of something that had to happen. So we have not yet absolutely nailed what that will look like, but we are taking a lot of soundings from the advisory council about what that will be. Obviously we will have to have further conversations with some of the institutions about what is the sort of thing that they have available so that we can make this happen seamlessly and as quickly as possible.

Senator SIEWERT: Thank you. For anybody who does not want to go down the redress scheme and wants to pursue a common law civil case, are you giving consideration to their being able to access documentation and things like that? Are you also, in your discussions and development of concepts, looking to ensure that that documentation is available for those pursuing common law or civil law cases?

Ms Bennett: I do not have an answer to that at this stage because survivors who engage through those civil proceedings often have lawyers who do that on their behalf. So certainly I think there is a difference. At the moment, we are just focussed on what we get for people doing this redress. As I said, the information about records meeting the royal commission's own private hearings and stuff has not been resolved by them. So let us see what they might produce. At the moment, that is what we have been tasked with and that is what we are working on.

Senator SIEWERT: I do understand that. As I am sure you are aware, there are some survivors who actually want to keep looking at the issues around our common-law approach.

Ms Bennett: We have received suggestions from some survivors that they may have received already some monetary payment and they would like just the direct personal response. So we have recognised you will still have to meet a gateway of eligibility, but it might be that that is the only component you want in that process.

Senator SIEWERT: Okay. I have a couple more questions, but I think they are more data questions that I will put on notice.

Senator HINCH: Ms Bennett, you are talking about the urgency of getting the states on board the train, so to speak. I am getting a lot of concerns from CLAN and groups like that about getting charities inside the net. Where does that sit at the moment?

Ms Bennett: What I was trying to explain is that, broadly, the states can refer powers. That referral of powers means that any institutions they themselves ran—so if a state government ran an orphanage or something like that—such as churches, scout groups or whatever that might be, would be able to join through that. The other option is that they do a referral of powers that only allows the institutions but does not include themselves. So I think increasingly the institutions will want states to make quick decisions about allowing those institutions that are interested in opting in and states facilitating that opting in.

Senator HINCH: Once the states come on board, you would have access to charities that may be a bit reluctant to get involved? Would that be fair?

Ms Bennett: It is an opt-in scheme because of the way the constitution is constructed. Minister Porter was really clear in his press conference that the Commonwealth government can force the hand of neither the state governments nor the institutions.

Senator HINCH: Thanks.

CHAIR: A clarifying question?

Senator SIEWERT: I have a clarifying question. Will the advisory council have an ongoing role of overseeing the implementation of the scheme?

Ms Bennett: The advisory council was appointed to the end of the year. It is clear that the council would like to do a final report as quickly as possible. They have been working quite hard on it. The future arrangements are not resolved yet, so we are really focussed on getting input into the design, administration and legislation; getting the legislation up; building the architecture that I talked about; getting staff trained; getting systems in place; working with the states; and briefing the institutions. So there are still unknowns that are evolving as we are going through this.

Senator SIEWERT: Whether there will be an overarching—

Ms Bennett: Advisory or something like that?

Senator SIEWERT: You are still thinking about that?

Ms Bennett: Yes. We are still working through that.

Senator SIEWERT: Thank you.

Senator PRATT: When I was asking questions earlier, we were talking about the redesign of strong and resilient communities.

Ms Bennett: I will bring the right people up.

Senator PRATT: When we break these things up, we sometimes have to revisit where you got up to.

Mr Pratt: I want to return to Senator Hinch's question about institutions and charities, for example, being brought into the scheme. My understanding—and we will correct this on the record if I am getting this wrong—is that if a state opts in, then institutions which operated in that state are automatically captured.

Ms Bennett: They have to opt in.

Senator HINCH: Not the actual institutions, though. That is why I am confused. Otherwise if the state opted in, they would catch the institutions and that would not be voluntary on their part.

Mr Pratt: That operated in that state?

Senator HINCH: Yes.

Senator SIEWERT: It sounds like that needs further clarification.

Senator HINCH: I think you might take that on notice.

Mr Pratt: Yes. We will. Apologies.

Senator HINCH: That is all right.

Senator SIEWERT: Is it possible to do that before the end of today?

Ms Bennett: In fact, we can answer it now. We cannot force the church or institutions to opt in, even if the state opts in.

Senator HINCH: So we have to shame them into it?

Mr Pratt: So that is our answer.

Ms Bennett: With the grant.

Mr Pratt: I am going to be challenging that a bit, Senator. But we will correct if we change our position.

Senator SIEWERT: Thanks.

Senator PRATT: We were talking about the redesign and starting to get into feedback about the redesign. I am interested in looking at what kinds of activities the department thinks may no longer be eligible that are currently funded under the Strengthening Communities program.

Ms Bennett: I thought we agreed that, because we are very close to releasing the application stage—we have not quite got the date, which I explained earlier—what we would do as quickly as possible is provide you with what is eligible under the new scheme. You wanted an analysis of what used to be funded under those combined old arrangements, what the new arrangements are and then what is not. We would provide that on notice.

Senator PRATT: No. You did undertake to provide that on notice, but that is not the purpose. It has not yet been announced. We do not know whether there is concern in the community about some of the things that may not be funded as a result of the change and whether there is still time, for example, to change the government's position on some of those questions. How will a multicultural festival be judged as to whether it addresses early signs of low social cohesion and/or racial or cultural intolerance?

Ms Bennett: I can answer that. Multicultural arts and festivals obviously do promote multiculturalism, social cohesion and engagement in the community.

Senator PRATT: You mean low social cohesion? So a multicultural festival can be for particular members of a particular ethnic background. I have been to many, for example, Indian festivals, where you bring many different Indian communities together. Part of getting social cohesion is allowing the identification of an Indian community within an Australian community, and it is quite dynamic. If a community like that is already seen to have strong attributes of social cohesion, how would you judge whether it has low social cohesion or not?

Ms Bennett: In terms of festivals—my colleague at the moment will go to it—the multicultural arts and festival grants have always attracted many more applications than the funding that is available. Decisions are made at the time about what the proposal is and where it is. In a sense, sort of underlying decisions still get made about what it is doing, who it is good for and how it promotes something.

Mr Lewis: The multicultural projects strongly align to the new objectives under the new program. They remain a funding priority for government. Organisations eligible for funding need to show that they are aimed at increasing social cohesion. So at the risk of going down the last estimates confusion, it is not about assessing how uncohesive society or a community is. It is about the aim and the purpose of the funding and what they apply for.

Senator PRATT: But, as I understand it, the redesign paper talks about targeting communities which show potential for, or early signs of, low social cohesion.

Mr Lewis: That may certainly be one of the factors in the consideration of claims made by applicants, but the purpose of the funding is to foster social cohesion.

Senator PRATT: Of course. I am trying to work out the extent to which communities that already have attributes of strong social cohesion will be excluded from this program. I am not commenting on whether it is a good or a bad thing; I am just trying to understand the policy. This is just hypothetical. You might decide that Indian communities have a strong tradition of doing cultural festivals and do not need government support but the South Sudanese community needs to put on a multicultural youth festival to promote social cohesion for a more newly arrived migrant community. I am trying to work out what kind of questions will be in the department's mind when they assess these issues.

Mr Lewis: Certainly the current functioning of a community might be an element in the consideration, but it would be part of a range of criteria that would be allocated to that process. Some communities, for example, going to your question, may not even apply. Others may be serial appliers, even though they already have good functioning in their community. So it is very hard to answer your question categorically in that sense. You cannot sort of pre-empt how a community might argue their case.

Senator PRATT: Yes. But I am trying to work out why the language is changing in the documentation given you are arguing that it is going to function fairly similar to how it does now.

Mr Lewis: I think the announcement really was that the focus of the funding would be to foster social cohesion. I understand your question. In terms of it being as scientific as that, I do not think that is necessarily going to be the process as you envisage it. It is really about what is going on, their application and whether it meets the criteria.

Senator PRATT: No. This is not how I envisage it. It is the language in your redesign document that talks about early signs of low social cohesion and/or racial, religious or cultural intolerance. I am trying to see where or how you would put activities together that deal with questions of intolerance as opposed to, as you rightly expressed, the promotion of social cohesion.

Mr Lewis: I do not think I can answer your question categorically.

Senator PRATT: So are you able to explain why the language of low social cohesion and/or racial, religious or cultural intolerance is used in the current redesign paper?

Mr Lewis: Well, the government policy announcement and what actually sits behind it in terms of how the processes work is quite complex. In terms of what we do to convert that statement into how we assess an application on its merits, it is known. It is what is put in the claim. For example, we could say in our criteria, which have not yet been decided, 'How is it that you are claiming that your community needs this money because you have those issues that are listed in the criteria?'

Senator PRATT: So what is the government's purpose in using the language 'low social cohesion' and/or 'racial, religious or cultural intolerance'?

Mr Lewis: I draw your attention to the multicultural statement. The language used in that statement goes very clearly to explaining what the government's intent is around multicultural Australia and its policy position. That leads you down the path that these are things the government thinks are acceptable and these are things that the government does not think are acceptable.

Senator PRATT: You might draw my attention to that because I am not quite sure what you are referring to.

Ms Bennett: I think what is publicly available on this issue is many themes. One of them is theme 8—what makes a socially inclusive society. I do not know if you have had a chance to see it, but we can send you the link. Organisations provide input to the department on some of the typical characteristics that make a community strong, resilient and socially cohesive. Feedback included acceptance of diversity; an improved sense of belonging; drive from the community for change; opportunities to participate in the local community; and paid employment or voluntary activities. This document lists several themes—focussed research, small organisations, demonstrating need, length of funding, change in scope and barriers to apply. We will arrange for the link to be passed to the secretariat. It might be useful for you.

Senator PRATT: Can you give me some examples of programs designed to address cultural intolerance that this new redefined funding stream might attract support for?

Ms Bennett: I think as I explained earlier, we do not know the answer to that because of that flexibility we are giving, where applicants will be able to identify what is happening in their communities. They might have existing programs that they are trying to expand. They might have known that something worked in another area and they want to bring it into their own community. They may know something that has happened internationally. They may have an idea that they have never tested out. Because these are sort of one-off fundings that allow that to happen, we do not yet know what it will throw up as examples.

Senator PRATT: For example, multicultural arts festivals might promote festivals within a particular community or combine communities—and you are not ruling that out—but I assume when you are talking about religious or cultural intolerance, what you are talking about is pulling different communities together to promote mutual understanding, or what?

Mr Lewis: Activities where people share their experience and the way that they live and how it is to be in Australia in a positive way. It is not secretive.

Senator PRATT: No. I know. I know there is no secret. But there is nothing in what you have said to me that indicates that the use of the language of addressing intolerance is necessary in terms of what we are trying to promote. I am trying to understand why you would need to change the current guidelines to use explicitly the words 'intolerance' in the program redesign.

Ms Bennett: I think the piece of paper that we are going to refer to the secretariat so that you can find the link provides the positive side to that equation. As I said, acceptance of diversity, surely, is the counter to intolerance.

Senator PRATT: Yes, but that is how it is currently structured. I am unsure as to why it needed to change. In terms of combining programs that address social cohesion, there are the historical components about multiculturalism and arts festivals. There are also dedicated funding streams for volunteering organisations. To what extent will sporting organisations et cetera be able to apply under this funding stream now?

Ms Bennett: All of those organisations will be able to apply under this grant program.

Senator PRATT: I know that there has been a strong response and concern from volunteering peaks that are volunteering service organisations that coordinate volunteering in

different regional areas around the country. Has any specific consideration of their issues yet been given?

Ms Bennett: It is under consideration at the moment.

Senator PRATT: In terms of considering those issues, what are the issues as have been outlined to the department?

Ms Bennett: My understanding of the issue is that this small group of organisations is in the whole quantum of the paid, as you describe them. They are organisations that do not actually deliver but are peak bodies.

Senator PRATT: Recruit and coordinate?

Ms Bennett: Well, yes. Peak bodies. They previously received funding for running their office, in a sense, to do those activities. There is no clear head of power that says that we can pay for those office type functions. At the moment, we are trying to find a way through that. So we have not resolved it yet.

Senator PRATT: That is what is contradictory in terms of the advice we were previously given. Even under the existing head of power, volunteering peaks—by 'peaks', I mean service organisations that support the recruitment of volunteers and support volunteers—would be invited to apply under this new—

Ms Bennett: It is not a contrary piece of information. They are able to apply for this project funding to do projects, as we have outlined now. The difference is the ongoing office running component. We are in discussions about trying to resolve that because of this heads of power issue.

Senator PRATT: So can they run an ongoing office type program under the redesign as you envisage it?

Mr Lewis: We are working through that.

Ms Bennett: Look, we do not have an answer to that, and we are looking at this at the moment. But, as I have raised previously, in this and numerous other programs, the point of the redesign has been about ensuring that there is a legislative head of power for those things that the department would be spending money on under the grant program. And it is not resolved yet.

Senator PRATT: So on what legal advice is it that the government considers these programs might be ineligible?

Mr Pratt: We will not go into our legal advice. We need to protect that.

Senator PRATT: Okay. Have you given consideration to retaining a specific funding stream for volunteering support organisations?

Ms Bennett: It is the same answer that we gave earlier. We are trying to work through these issues at the moment.

Senator PRATT: You are trying to work through the issues?

Ms Bennett: Yes.

Senator PRATT: And they are as yet unresolved. I am interested that the redesign program is focussed on high-need disadvantaged communities as well as what we were talking about before in terms of social cohesion. Have you undertaken a process to determine

whether there are areas which are high need that might be looking to get more support under this program so that some resources shift from some geographic areas to others?

Ms Bennett: I refer to the link. Theme No. 4 is demonstrated need. It explains a number of organisations highlighted there. Mainstream quantitative data sources in isolation do not provide a full and accurate picture of community need. Many organisations have asked—

Senator PRATT: Sorry, could you slow down, Ms Bennett?

Ms Bennett: A number of organisations highlighted that mainstream quantitative data sources in isolation do not provide a full and accurate picture of community need.

Senator PRATT: This is feedback from organisations about the review?

Ms Bennett: A few themes from the consultation.

Senator PRATT: Yes, great. I have read that. So this is not the government's view? This is the critique from stakeholders?

Ms Bennett: I think it will recognise that point being made. In all of the department's grants, we use a range of sources of information that go to identifying needs. We use the statistical—

Mr Lewis: Welfare stats. All sorts of things.

Ms Bennett: So there is an array of information and administrative data that we have available from the ABS and from the Institute of Health and Welfare. It gives a profile about communities.

Senator PRATT: Okay. I think that is all I had on the Strengthening Communities redesign. I did have some on the financial capability work.

Ms Bennett: We need to bring some other people to the table for that.

Senator WATERS: I have questions on 1800Respect.

Ms Bennett: That is different people as well.

Senator WATERS: Keep going, Senator Pratt.

Senator PRATT: Ms Bennett, I want to clarify—I think we covered this this morning—are the volunteer grants, as in the individual grants, and the older Australians digital literacy program in separate funding streams?

Ms Bennett: If you give me a moment, I will recap that for you. I am trying to find the table. Strong and Resilient Communities, which we are talking about now, takes in community capacity building, volunteer management, volunteer grants, diversity and social cohesion, multicultural arts and festivals, and digital literacy for older Australians. Funding for FECCA and the Australian longitudinal studies is included in that suite of programs for the \$60.113 million.

Senator PRATT: That is right. The ones that are being rolled into the Strengthening Communities redesign are the multicultural and volunteer peaks, but that is active under consideration.

Ms Bennett: Yes, and voluntary grants. It is still under the same activity, but it is not into that grant process, which is yet to come out. It has already been done. It is a separate dedicated bucket that is still under that program.

Senator PRATT: In relation to financial wellbeing and capability redesign, I note that the discussion paper outlines changes to be made to guidelines to restrict emergency relief and financial counselling to those at imminent risk of not being able to pay their debts. Why is this change in the discussion paper being put forward?

Ms Carapellucci: It goes to the same reasons that Ms Bennett was outlining in relation to the other program around the Commonwealth's constitutional scope of power. The issues raised in the discussion paper are trying to target the program in a way that is more consistent with that.

Senator PRATT: Someone may need financial counselling who has no debts but is struggling to afford to eat, for example, because they are living off Centrelink. They might be doing things like prioritising the payment of their utility bill, not negotiating with the utility. They are not necessarily at risk of not being able to pay their debts but nevertheless need financial counselling. Why does that create a constitutional problem?

Ms Carapellucci: The intent of the changes is not to drive a shift in service delivery towards those already in crisis. The current objective of financial wellbeing and capability to focus on early intervention and prevention will still remain. The department will work collaboratively with the sector to devise operational guidelines that are flexible enough to support clients across the financial continuum—so at risk, crisis, recovery and wellbeing—while meeting the Commonwealth's legal obligations in case law. We are still working this through, but we will need to come up with a clear definition of what is meant by 'imminent risk' and 'unable to pay bills'. But we are mindful of the sorts of issues you have raised.

Senator PRATT: So are you not looking to exclude the need to address financial issues at both ends of the spectrum?

Ms Carapellucci: No.

Senator PRATT: I am concerned, though, that the paper says that financial capability will be restricted to people receiving social welfare allowances or pensions, people experiencing domestic or family violence, and immigrants and noncitizens. I understand the need to target vulnerable people, but who would you seek to exclude from a definition like that?

Ms Carapellucci: Again—and my colleague Mr Moger might want to add—we would still be working with the sector to come up with guidelines that would target the program to those most in need without excluding people who might not strictly meet those guidelines, if you know what I mean.

Senator PRATT: For example—this is a very common situation in WA—you might have someone who has been working as a chef offshore. The downturn in the economy means that they are now cheffing back in the city. It means they might have one-third of the income that they previously had, which means they can no longer afford to pay their mortgage and they need help negotiating with the bank. They are not in receipt of social welfare allowances. Would someone like that still be eligible for support from the financial counselling service?

Mr Moger: Yes. As Ms Carapellucci said earlier, we are still working on how to define at imminent risk of not being able to pay bills. So the intent would be to pick up that type of scenario.

Senator PRATT: But not to restrict? So it will not be restricted to people receiving social welfare?

Ms Bennett: Those decisions have not been made, and that is the point about it going out for consultation.

Senator PRATT: All right. So you are reassuring me that people dealing with something like the unexpected loss of a job who need advice on refinancing and negotiating will not be excluded?

Ms Carapellucci: Yes. The intention is that people in those sorts of situations would be picked up by the program.

Senator PRATT: I am also interested in the changes to the guidelines which emphasise employment as a key goal. I understand that when you are struggling on a limited income, generally speaking, employment is something that puts people into a better financial situation. I am interested in what you mean by this, given many of those people would already be on Newstart and be eligible for other employment supports.

Mr Moger: The intent of that change is really to look at situations where employment is a possibility for people accessing the services and ensure that those connections are there with jobactive providers particularly to try to support them in employment. But we recognise that will not be appropriate for everybody who is accessing the services, particularly people right at crisis point.

Senator PRATT: Can you identify what you think the problem is with the way that financial counselling services currently help people to manage on a low income while also being supported by a jobactive network provider somewhere else?

Mr Moger: We would not say that there is a problem as such. We are really looking to maximise those opportunities. We recognise a number of providers are already doing some of that work.

Ms Bennett: Another point, which has come through experience—and it probably will come through some of the feedback—is that often it can be a first contact that someone makes, be it for financial counselling or emergency relief. We are really trying to work with providers so that they use that first trigger point to see what the underlying causes could be and what more can be done in other services that are available that might be of assistance. Rather than just looking at a narrow view of what the service is, it can take into account what more is needed to help that individual.

Senator PRATT: I can understand that in terms of what we have covered in DSS over the last few days. The jobseeker payment that has been put forward looks at people's work capacity. I am worried that we are creating another layer of mutual obligation when people already have a series of mutual obligations.

Ms Bennett: That is not what is intended. It is about providing a more holistic approach to someone who comes to access these services and what more can be done.

Senator PRATT: Do you have a view about the extent to which financial counsellors are qualified to work through these issues? They make statements about what you have done to improve your income by returning to the workforce. Other than that, their primary training is in financial counselling and managing income and outgoings.

Mr Moger: Primarily the focus will remain on the financial counselling position and trying to stabilise people's situation. As I said before, it is really about looking at where those

opportunities might present for the right situation to connect people to perhaps jobactive providers.

Senator PRATT: Clearly, financial counsellors are not career counsellors.

Mr Moger: So it is more about establishing those referral pathways to those other appropriate services.

Ms Bennett: If appropriate.

Senator PRATT: So you are not going to preclude people from support in terms of unemployed people not being given assistance to manage their finances because they have not been engaging in jobseeking et cetera?

Ms Bennett: No.

Senator PRATT: It is said in the redesign that financial counsellors will be required to address work readiness and employability skills. You have said that that is about referral pathways. What is going to change in practice when you put this extra responsibility on financial counsellors, where you talk about addressing work readiness and employability skills?

Ms Carapellucci: The intent of the changes is to support people to move into employment but not to say that that is the role of the financial counsellor, for example. Financial wellbeing and capability services can support a person to address their financial situation. It can help them reach a position of financial stability. They can also help them address, for example, how financial literacy is one of their barriers to employment. They can help them work with that. They can work collaboratively with the person's jobactive providers to ensure that the suite of support they are getting is appropriate to that individual.

Senator PRATT: So what you really mean is refer to others for work readiness and employability skills?

Ms Carapellucci: It is about working collaboratively with others. It is about more of that service integration.

Senator PRATT: Have you examined whether you think current providers will or will not have these capacities within their current frame of expertise?

Ms Bennett: It is not that they would have the capacity. It is almost like asking for a blanket question process. It is not like that. What we do know is that, as I said earlier, this often can be a first point for someone. There can be some underlying and multilayered needs. It is about trying to make sure that they are encouraged to find where that right referral space is rather than just dealing with the immediate.

CHAIR: Senator Pratt, do you have many more questions?

Senator PRATT: I do have a few more, so I am happy to pause here. I am also aware that, if I finish this, officers will not have to get up and come back. Another five minutes?

CHAIR: Five minutes. I would be delighted if you could do the rest of your questions. We will then go to Senator Waters.

Senator PRATT: Something else in the discussion paper is that clients who present on multiple occasions within a certain time frame would be required to demonstrate that they have taken reasonable steps to reduce their costs, increase their income or improve their

financial management. On what basis is that statement being made? Is that really correct? I know that is why people are coming. Someone could return to a service because they may not have the skills and capacity to do things like negotiate their debts themselves. It might be because they have an intellectual impairment. It might be because they have low standards of English. They might be returning on a repeat basis for good reason.

Mr Moger: It is really about, where there are repeat instances of people seeking support, ensuring that preventive steps, I guess, are taken to try to support them and really understand why they are presenting and try to resolve those underlying issues.

Senator PRATT: So in what way will they be required to demonstrate that? Will they be required to demonstrate it before they can access another round of counselling? How will counsellors assess whether they have a capacity to do things like reduce costs, increase income or improve financial management?

Mr Moger: I guess we are working through those issues now. The intent of the discussion paper is to try to work through some of those issues with the sector to see how we will give effect to them on the ground. So we will go through a process, obviously, with the sector to develop guidelines that will spell some of these things out in a bit more detail.

Senator PRATT: Is it really considered a problem at the moment? Is it not surprising? I would not think it is surprising that people do present on multiple occasions if they are living on Newstart in a high-rental area and they are paying private rent in a high-unemployment area. It would not necessarily be surprising that people might have multiple interventions.

Ms Bennett: That is not really a question, is it?

Senator PRATT: You are requiring people who present on multiple occasions to demonstrate that they have taken reasonable steps to reduce costs, increase income or improve financial management.

Mr Pratt: I am not sure, Senator, that—

Senator PRATT: In some cases, it would not matter how hard you tried, those circumstances would not—

Mr Pratt: Yes. That is right.

Ms Bennett: And that is why we will—

Mr Pratt: I do not think that is incompatible with the statement in the paper. The example you give is one where, in fact, someone cannot control that simply because it is a high cost rental area and they are existing on Newstart allowance. It would not mean that they would be precluded from getting assistance because of those facts. I agree with your proposition.

Senator PRATT: So why would you still require them to demonstrate that they have taken reasonable steps when it is a given that—

Mr Pratt: They probably will not need to in that circumstance because it is a given.

Senator PRATT: So you will not require them to demonstrate that because it will be accepted at face value?

Mr Pratt: If it is clear that that is the reason they are in financial difficulty and it is completely beyond their control, then why would we?

Senator PRATT: Okay. I am sorry, but I think I need to pause here. My other questions are about emergency relief, which is connected but a bit separate, so I might hand it over.

CHAIR: We will go to Senator Waters.

Senator WATERS: Good afternoon. I have some questions on 1800Respect. I am aware of what has been asked earlier. Whilst there is some commonality, most of the questions are new content. First of all, I will wait for the appropriate officers.

Mr Pratt: We will have a changeover of teams.

Senator WATERS: Dr Baxter, are you the point person for this?

Dr Baxter: I am.

Senator WATERS: Great. I expect you are aware that Rape and DV Services Australia employ 110 staff and have a decades-long history of providing women-led specialist services. They are at risk of shutting down because of a tender process overseen by MHS and then, again, overseen by the department. I want to confirm my understanding about the current contract between MHS and RDVSA. Is that due to expire in June 2017?

Dr Baxter: It is due to expire in June 2017, but earlier in this session I indicated that they had agreed to an extension to that of—

Senator WATERS: That was not to the tender. That was an extension to the contract.

Dr Baxter: To the current contract.

Senator WATERS: Until 31 October?

Dr Baxter: Yes.

Senator WATERS: So it is an extension of the contract. Can you confirm for me the dates when the tender finishes?

Dr Baxter: The briefing that we have had from MHS is that the first component of the tender, where they look at preferred providers, is complete. They are now in the process of entering contract negotiations.

Senator WATERS: So when are they hoping to complete?

Dr Baxter: We do not have a completion date for that. The extension of the contract has obviously given them time to undertake those negotiations.

Senator WATERS: Thank you. Can I check on the contract date between the department and MHS? I understand that it is not due to expire for a good couple of years. Do you have a proper date for that one?

Dr Baxter: The end of June 2018.

Senator WATERS: Okay, June 2018. Was that the original expiry date, or has that been extended?

Dr Baxter: No. The original expiry date was the end of June 2017. It has been extended for another year in recognition of the fact that MHS were bedding down the significant new first responder service and we needed to ensure service continuity during that period.

Senator WATERS: Is that the triaging approach?

Dr Baxter: It is.

Senator WATERS: So why was the MHS contract extended for a year but not the RDVSA contract?

Dr Baxter: As I mentioned, when the MHS contract was due to expire in June 2017, we had just asked MHS to implement the significant new change. We were concerned about the implications of that for service delivery to the vulnerable women and callers who would be calling the service. MHS hold the technology for the main gateway into the service. So to cause a disruption at that point while we were still bedding down the significant part of the new service we felt was a risk that we could not take. We could not disrupt the process at that time. But certainly, in considering the future of the service going forward, we will look at all aspects of the service and we will consider what is the right time.

Senator WATERS: Sorry, but I am a bit confused. So the MHS contract was extended for a year. My question is: why was the RDVSA contract not similarly extended for a year? I did not quite understand your response to that.

Dr Baxter: Sure. As we have been talking about here today, RDVSA is a subcontractor of MHS. Their contract was due to expire in June 2017. The climate in June 2017 was very different from when the initial subcontracting arrangements had been in place. There had been a substantial increase in calls to the service. There had also been a great increase in the climate of community interest and concern in the issue. MHS formed an assessment that it was time, given the length of time and the enduring nature of that contract, to look at what was available—whether other services were also available—and to look at the subcontracting arrangements and test them. They instituted a very standard tender process overseen by a probity adviser. We were satisfied that it was appropriate at that time.

Senator WATERS: Again, why was one extended but not the other?

Dr Baxter: The decision to tender at that point was an MHS decision. There was certainly no reason of the kind that caused the deferral in the MHS and DSS contract. There was no reason of that kind necessitating an extension of the MHS and RDVSA contract.

Senator WATERS: Even RDVSA are doing the work for MHS?

Dr Baxter: They are doing the work for MHS but they are not doing the work on the first responder aspect of the service. That is being implemented by MHS. So it is MHS systems that would have been impacted by a change at that point and it would have disrupted the implementation of the first responder service, which at that time we felt was very important to ensure that the 70 per cent of calls not getting answered could get a response.

Senator WATERS: Thank you. I want to come to the substance of that triaging model a bit later. I have a few more questions on the typing. I understand—and correct me if I am wrong—that when the federal government first awarded the contract to MHS, it was on the proviso that the subcontract go to RDVSA. Is that correct? If so, why did you not now intervene when MHS decided to put the subcontract out to tender?

Dr Baxter: I would have to take on notice the conditions at the time of the original contracting arrangements. I was not on board then and I do not have notes on that with me. I can tell you that at the moment there is no such proviso that the award of the subcontract has to be to RDVSA. What the contract does require is that DSS does not unreasonably withhold its consent to a plan around subcontracting arrangements. When the plan to tender for

subcontract was put to us, we needed to look at the circumstances that were proposed for that tender and make a decision about whether or not to withhold our consent.

Senator WATERS: I am trying to get my head around the process. Can you say all of that again and try to slow it down?

Dr Baxter: We can certainly look up and come back to you what was in the original contract and whether there was any such requirement back in 2010.

Senator WATERS: Are you saying the one-year extension did not have that proviso that the further subcontract—

Dr Baxter: So the one-year extension relates to the DSS-MHS contract, which is a separate issue. I think you are asking about the MHS-RDVSA contract.

Senator WATERS: In the original department and MHS contract, my understanding is that the award of that contract to MHS was on the basis that MHS would then subcontract to RDVSA.

Dr Baxter: That is definitely no longer in the contract.

Senator WATERS: I am interested in why and when that was removed.

Dr Baxter: We can take that on notice. I am not aware of when that change took place, but we can certainly take on notice to find out. I know that at the moment the current contract between DSS and MHS stipulates that MHS, as the head contractor, can put an arrangement, a plan, for subcontracting to DSS and that DSS cannot unreasonably withhold.

Senator WATERS: I am very interested in why that oversight role changed and became more of a hands-off approach by the department rather than a stipulation that RDVSA be the subcontractor, so thank you for taking that on notice. You said that there was a standard tender process now being used by MHS and that it was being overseen by a probity adviser. Can you talk me through the supervision that the department provides over that MHS process?

Dr Baxter: Yes. I certainly can. So the tender is being run by MHS. It is being run very much independent of the government and the department. Our focus is on ensuring that 1800Respect delivers a high quality service during the period that the tender is being conducted. We are working very closely with MHS during that period to ensure that the service is not impacted. Within the limitations that are required to maintain probity, the department has been receiving regular briefings from MHS about the progress of the tender. The department does not have a role in assessing proposals or in determining the tender outcome. Obviously, there would be serious concerns about the transparency of the process if we were to do so. I can tell you that from the briefings we have had about the tender process, the department has no such concerns that might require the department to intervene. We have confidence that it has been an open and transparent competitive tender process. We have been briefed about MHS's appointment of O'Connor Marsden and Associates as the external probity adviser overseeing the process, the initial EOI and the subsequent RFP process. We know that that company has completed numerous engagements for Commonwealth, state and local governments as well as for the private sector, so we have a great deal of confidence that they are an appropriate body to oversee the tender process. We also received briefings from MHS about the evaluation panel and who would be on the evaluation panel. We know that it

included—and we were very comforted—a sector expert who had a background in domestic and family violence services.

Senator WATERS: Who was that person?

Dr Baxter: I would have to take that on notice. I have not got her name here with me. But we were briefed at the time.

Senator WATERS: Thank you. Can I confirm that there is no option or ability for the department to intervene in that MHS subcontracting process in order to, say, express a preference for, say, a specialist women-led provider like RDVSA?

Dr Baxter: No. I can tell you that the department cannot and is not intervening in that tender process. We did receive assurances from MHS as part of those briefings prior to and around the tender that the trauma specialist component would be sought from a nongovernment organisation specialist in trauma counselling and that that is who the tender process would be open to; that the considerations that were being brought to bear in the tender process would emphasise skills and experience both in the provision of trauma specialist counselling to women and others in the situation particularly of concern around family and domestic violence; and that a nongovernment organisation would be the tenderer.

Senator WATERS: Was it also specified that they be a not-for-profit provider?

Dr Baxter: Secretary Pratt has just reminded me that we could intervene if we were not happy with the outcome. We could require MHS to review the tender process. We could express concerns we had about it and ask for a 'please explain' for them to review the tender process if we had concerns. But I must emphasise that, on the information we have had to date, we do not have any such concerns.

Senator WATERS: Thank you. Going back to your point that MHS have guaranteed you that the successful subcontractor would be a nongovernment trauma specialist—

Dr Baxter: That is right.

Senator WATERS: did they also say whether they would be a for-profit or a not-for-profit provider?

Dr Baxter: No. But they have emphasised that it is nongovernment. My understanding from that is that it is a not-for-profit association.

Senator WATERS: Well, I do not think you can draw that conclusion. Nongovernment does not mean not-for-profit. So it is possible, therefore, that it might go to a private subcontractor?

Dr Baxter: I can take on notice for you exactly what information they provided us. Certainly the understanding I have is that it is not-for-profit. I can check the advice.

Senator WATERS: Yes. It is a very important distinction.

Dr Baxter: Certainly it is the understanding that I have always had, but I can check the actual advice.

Senator WATERS: If you could take that on notice, that would be very helpful. I have my eye on the clock. Could you take on notice to provide me a bit more information? The secretary mentioned the options for intervention and the options for you and perhaps the

triggers for when you might ask MHS to review the process. I hear you say that you do not have concerns at the minute, but could you give me an update on that?

Mr Pratt: Yes. We are happy to do that, Senator. Essentially, as I understand it, it means that we can intervene if we thought that Medibank Health Solutions was going to pick an entirely inappropriate organisation to deliver the service. Our primary concern here, of course, is to ensure that we get the best possible assistance for women in crisis.

Senator WATERS: So what would you consider to be entirely inappropriate? Would you consider a for-profit provider to be an entirely inappropriate provider of rape counselling services?

Ms Bennett: Well, I think Dr Baxter said that we do not believe that that is in the mix.

Senator WATERS: Would that be considered inappropriate?

Ms Bennett: I think inappropriate goes to not the right skills, not the availability of the service and the hours, not the agility to be able to respond if there are spikes in the performance. It is really important, and to be clear, that we are putting a lot of pressure on MHS. We want this delivered.

Senator WATERS: Well, they are getting paid a lot of money, so they can take the pressure.

Ms Bennett: We are putting a lot of performance pressure. This is about the service being provided to the women and callers. We know how many calls, what advice is being provided, the quality of support that they receive, and the timeliness with which they respond. So if there is any doubt that that could not be done in the right way, that would raise warning bells to us.

Senator WATERS: I hear you on that. I am just interested in the comment that an inappropriate provider could be effectively vetoed by DSS. If the subcontractor were a for-profit provider of rape counselling services, would that be considered inappropriate?

Mr Pratt: We need to go and check the criteria there.

Dr Baxter: We do. I am certainly happy to take on notice what criteria was specifically in the tender process. I can tell you that MHS has made public statements and they have spoken to us that it is absolutely their intention to continue this being a partnership between them as a private sector provider of telephony, triage, customer management services and a not-for-profit trauma specialist counsellor from the NGO sector. That has absolutely been the communications they have always had with us—

Senator WATERS: So they have said not-for-profit?

Dr Baxter: and they are on the record saying that publicly as well. We can certainly go to the criteria and come back to you on what the criteria are.

Ms Bennett: And what they have said on the record.

Dr Baxter: And what they have said on the record.

Senator WATERS: Thank you.

Dr Baxter: I think what we would look at is the whole circumstances of any particular situation that arose.

Mr Pratt: Please do not misinterpret my remarks here as in any way wishing to interfere in the probity of this process. I would find it very surprising if it was a for-profit organisation.

Senator WATERS: I too would be extremely disappointed if it was, but MHS are a for-profit provider, so you can understand our concern and suspicion that they then on-contract to another for-profit provider. The government saw fit to give it to a for-profit company in the first place. It is not beyond the realms of possibility that it could be then subcontracted on to another for-profit provider, so I look forward to getting that clarified.

Mr Pratt: We will clarify what is in the selection criteria.

Senator WATERS: Thanks for that. I understand Senator Kakoschke-Moore asked earlier about the MHS workers on those other telehealth services, including the gambling helpline, which I heard the answer to, and the other helplines—Parentline, Mental Health line, Health Care Direct, Garrison Health. Can I check whether any of those phone lines will be staffed?

Ms Bennett: We will take that on notice.

Dr Baxter: We will have to come back to you on that.

Ms Bennett: We had a similar question. We will take it on notice.

Dr Baxter: We answered about the gambling helpline. We also have had confirmation that no matter who is answering the calls, they have that same minimum requirement of specialist expertise for 1800, which is three years university trained in a relevant discipline, two years of counselling experience and having undertaken the in-house trauma informed counselling specifically related to the 1800 line. So nobody can answer the calls who does not meet those core criteria. But we will take on board whether people who meet that criteria on the other lines, like beyondblue, do sometimes answer in peak periods.

Senator WATERS: Thank you for that. Could you also please answer for me why the discrepancy between what you consider to be specialist—those criteria you just mentioned, the three-year uni course and the two years in a relevant discipline—and the level of skill that RDVSA workers are required to adhere to, which is, I understand, a four-year university course and at least 10 years of specialist practice? Why the discrepancy there?

Dr Baxter: So the idea behind having a first response triage system and then having a more intensive trauma specialist is that your most highly trained, most expert workers are handling those calls that most require that kind of intervention. We know, because we now have access to very robust data about the 1800 service, that approximately 30 per cent of people who are calling through require access to trauma specialist counselling. This is the kind of counselling that goes into processing with people their experiences of trauma and helping them come to a resolution around that or a plan for resolving it. Given the numbers of calls we have historically had unanswered on this service—and in the last financial year it was almost 70 per cent of calls—we wanted to make sure we had a system in place where everybody was able to be seen by somebody who had a minimum level of very high standard professional training and experience and that your most experienced people who are four-year trained and have three-year counselling experience, as opposed to being three-year trained with two-year counselling experience, would be seeing those most in need of that kind of trauma specialist counselling. That is why. So your—

Senator WATERS: That is the triage principle.

Dr Baxter: Your four-year trained and three-year experience counsellors cost \$245,000 a year. As I have said before in this place, that is absolutely value for money for the service they provide. However, it is open to saying whether that is the best return on investment to have them answer every call from the outset when we need to make sure that those calls are being answered and that the women and others who call are being directed in the most appropriate ways.

Senator WATERS: I will pull you up on that figure. Where is that from? I understand that RDVSA disputes that \$245,000 figure.

Dr Baxter: I am sorry, but it was my mistake at the last estimates. I misspoke, saying that it cost \$245,000 to train the workers. The \$245,000 is, in fact, the total cost of the worker per year. That includes their training, their staff, their salary, their oncosts and the costs of keeping those staff on board.

Senator WATERS: Thanks for that clarification. You mentioned a figure. You said 30 per cent of calls require specialist trauma expertise.

Dr Baxter: That is right.

Senator WATERS: So, by inverse, 70 per cent are presumably what you would call non-trauma?

Dr Baxter: It is slightly less, actually. I think it is 29 per cent.

Senator WATERS: So 29 per cent and, therefore, 71 per cent. Again, how does that square with the RDVSA figures which they have written to this committee about? They say that they think 98 per cent of calls require specialist trauma counselling and that even if someone just rings up for a phone number, if they are probed further, it turns out that there is a whole bigger story there and they do in fact require trauma counselling. How do you get from only 30 per cent requiring that specialist trauma expertise to the 98 per cent that RDVSA say are in fact requiring that specialist trauma counselling?

Ms Bennett: Dr Baxter will go into this a bit more. One thing that I think is going to help in the future is that through new arrangements, we, the department, and the government are going to have greater clarity and more solid data. What RDVSA is saying has become a bit evasive. We have not been able to marry up those different pieces of information. What has changed over the last six months is that there is much better recording and reporting, which has been shared with both sides. One of the important things is that we will be in a position to have more reliable data and information and to monitor what is happening with these new arrangements. We cannot necessarily explain why MHS has something different. We have not been able to find that. What we are committed to do in these arrangements is have a whole array of data, such as how long someone waits; what calls are abandoned; and what warm referral arrangements are. I think these arrangements will give us that and that we will be able to hold both of them accountable to that.

Senator WATERS: When will those arrangements come into place? Why have they not been in place from the outset?

Dr Baxter: The difficulty we have always had with the data around this service is that the data has been collected by RDVSA and we have tried to match it with the telephony data that we have had through from MHS. Now that we have all the calls being routed through MHS, we do have much, much more confidence in what is happening now. I think to really go to the

heart of your question about how we can have confidence that the right calls are being directed to the right place, I absolutely appreciate that RDVSA have always used the 98 per cent figure. I have always found that very hard to reconcile given that even on RDVSA's numbers we have known that a certain percentage of calls come from other services. Even in the latest RDVSA figures—I cannot remember the exact amount—about eight or nine per cent came from other services seeking information. So we always found a 98 per cent trauma specialist requirement hard to understand and hard to reconcile against the MHS figures.

Ms Bennett's comment that now we have more confidence is about the fact that now all the calls get routed through the right place. The issue of whether it is 30 per cent or 98 per cent is a question that I have sought a great deal of surety from MHS on. It is something that I have been very concerned about—how we can ensure that the right calls are going through from the first responders to the trauma specialists. The things in this that give me great comfort are that the clinical protocols were developed in very close collaboration with the independent clinical advisory group. The people included in that group are absolute specialists in the area. They come from other trauma services. They come from domestic violence helplines in the states. They come from academic experts in the area. Not only that; all of the first responder calls are recorded.

At least one per cent of those calls is listened to every month. Not only staff from MHS but also staff from RDVSA listen to those calls to ensure that they are being directed in the most appropriate ways. One per cent of calls, given the volume of calls we have coming through, is quite a lot of calls per month. I think I worked out the number at one point. It is in the hundreds of calls per month that are listened to to ensure that we can have that degree of confidence. I have sought guarantees from MHS that those calls are listened to and that both our clinical advisers and both services are confident that those calls are being directed correctly. Now, where there have been issues that they are not being directed correctly—and we know there are a minority of them—we have absolutely been holding MHS's feet to the fire about how we ensure that any such teething problems are addressed and that all of those people who need to get through to a trauma specialist counsellor are. We have been very satisfied that that is taking place.

Senator WATERS: Given the shortness of time left for me, could you please provide me on notice a bit more detail about what you mean when you say holding their feet to the fire?

Dr Baxter: Yes. Absolutely.

Senator WATERS: What processes have you put in place?

Dr Baxter: I am very happy to.

Senator WATERS: Elaborate on that as much as you can. Again, I will try to expedite my questions. You were asked earlier, I think by Senator Pratt, about the complaints. You said you sought quarterly figures. I am interested in whether you track the resolution of those complaints. If so, how? What is the process for doing that? What proportion of complaints from the period October to December 2016 remain unresolved?

Ms Bennett: I think we agreed we did not have with us at the table the categories and the nature of them. We agreed that we would take that on notice. I think that is the important bit; we will come back and say, 'This is what they were. This is what has happened.' We will do that on notice.

Senator WATERS: If you can add the resolution figures to the earlier request—

Ms Bennett: Yes.

Senator WATERS: that would be great. Thank you. Was there a spike in complaints when the triaging model was introduced?

Dr Baxter: This goes back to the data issue we mentioned a little while ago. It has always been very hard for us to know whether there has or has not been a spike in complaints because we always had conflicting data about the number of complaints that there were prior to the system. I can tell you that now we have good data about complaints and we are feeling confident about what is there and what is not there. Prior to the triaging system, we did not have good confidence in the complaints data because there was this conflict. We also know that we received a number of complaints through the department. I am afraid it is not a satisfactory answer, but I can tell you that we were never confident enough to say that there had been an increase, decrease or what had happened to the complaints. I can tell you that now we have regular meetings with MHS. We are instituting a new governance process that will include us, MHS and RDVSA to make sure that there is a forum where everybody's concerns are heard and where any emerging service or complaints issues are dealt with. We also know that there is going to be a new sector advisory group being instituted to replace the clinical advisory group that was in place for the implementation of the triage model and that that group will also be looking at complaints issues and how they are resolved and if there are any systemic issues that need to be taken forward out of that process. So we feel confident that it is a good process going forward.

Senator WATERS: Could you on notice provide me with a bit more detail on who is on that new body/

Dr Baxter: Yes.

Senator WATERS: Chair, I have some questions about gambling. Can you pop me back on your list to come back to it in the next session? Thanks very much.

Senator PRATT: Is this emergency relief?

Ms Bennett: Yes. We will have to get some other people to the table.

Senator PRATT: As far as I can tell in the budget, there is no change currently for emergency relief funding. Can you please tell me what this year's figures for that will be compared to this current financial year?

Ms Carapellucci: We are unable to provide a breakdown of the funding allocations for the financial wellbeing and capability program at this stage because there is a commercial-in-confidence element. I know we have had previous discussions about that. But once that issue is resolved, we will be able to provide the breakdown.

Senator PRATT: Are you factoring in the new requirements, such as the changes in assessing whether the current counsellors have the skills to deal with employability et cetera in terms of the funding arrangements?

Mr Moger: The current funding arrangements run through to 1 July 2018, so it would not be factored in until next year. So any changes would take effect after 1 July 2018.

Senator PRATT: Yes. I understand that. Has anything been factored into the forward estimates beyond that in terms of the changes that will be made to this program?

Ms Bennett: Funding for emergency relief is in the bundle of this money. It is still in there.

Senator PRATT: So you cannot tell us the ratio that will be given out in payments for emergency relief in the financial capability and wellbeing program?

Mr Moger: No. As Ms Carapellucci mentioned, because of that issue being commercial-in-confidence, we cannot give that breakdown right at this point in time.

Ms Bennett: We have to take into account what component and how much is the emergency relief. Obviously we will be looking at customer numbers and trends and things like that. We have to work out which bits are going out for tender. It is that early discussion that we are having at the moment. There are some bits that the government still has not made a decision about.

Senator PRATT: So we do not know, for example, whether there will be more or less money being given out by organisations delivering financial capability and wellbeing in the form of emergency payments et cetera?

Ms Bennett: We do not expect there will be a reduction.

Senator PRATT: Okay. You do not expect that there will be a reduction, but you have not yet ruled that out. In reviewing financial capability and wellbeing, what consideration have you given to problems and concerns that have arisen? Since the last tender involving emergency relief, people may have had to travel further and not been able to find emergency relief close to them in their neighbourhood.

Ms Bennett: I would like to take that question on notice because we are starting to get some better information to prove whether that is the case through the data exchange. I have not got the information or the people with me at the moment. Through the department's data exchange, we will have a much better sense where people are coming from versus where the service is being provided. That obviously is something we will take into account. I have not got these people here, so we will take that on notice. It will not be too far back, but we will be able to have a look at what the pattern is of how far people might be travelling. We hope that progressively we are getting better information on how many times people are using it. One thing that has been raised in some of our consultations with the sector is how organisations have rules that someone can have X—whatever that is—once a month or three times a year. What we will have for the first time is a sense of whether they go to that organisation because they have done it three times that year and then they go somewhere else. There will be a better joining up of that information. If we take it on notice, we will do a bit about what the data is showing about emergency relief and distances people might be travelling.

Senator PRATT: I have looked at a map and found emergency relief is, for example, in Perth. It would certainly appear to me that it looks like there are some locations where people would have to travel a long way to get to their closest point and where there does not look like there are reasonable public transport routes. However, what is unclear to me is the extent to which what is marked on the map is the head office and whether they have indeed—

Ms Bennett: Other ways. You have raised a really good point.

Senator PRATT: So how will you track that in your own evidence base?

Ms Bennett: There is a difference. In some cases, it can be a head office and they have other outlets or, for want of a better word, subproviders or something that do it for them. Or they have other mechanisms where they are able to send something along. So if it is an issue about a power bill, they can do something directly rather than have that person come in. The mapping available on the department's service directory results in a bit of a struggle because it can be a head office address. It does not go right down to the outlets or the service model that works. If you give us the name of one or two areas, we can go into that versus the hundreds of organisations. We could use that as an illustrative thing for you.

Senator PRATT: The city of Swan is one area where I could not really tell whether there was—

Ms Bennett: For the city of Swan, we will have a look at who the providers are and how they deliver those services. We might then see if we can have a look at what the movement is for customers to get to that service.

Senator PRATT: Thank you.

Senator SIEWERT: We have had discussions over years about the allocation of resources for ER for what was the youth measure, when people were kicked off for six months and then four weeks. Is there emergency relief, or a funding allocation for emergency relief, for the measures associated with the new compliance measures?

Ms Bennett: That is one issue that the government is still making a decision on and why we cannot provide a split yet.

Senator SIEWERT: So that is part of that. I want to delve a bit more. Is it that they have not made a decision whether there will be, or is it a decision around the magnitude of the funding?

Ms Bennett: The magnitude.

Senator SIEWERT: So, I understand, there will be emergency relief accessible?

Ms Bennett: I think we have talked about the way some of those figures have fed in—employment forecasts and things like this, unemployment forecasts and stuff—so any changes to policy need to be taken into account on the future spending demand. So it is not resolved yet. When we can, we will let you know.

Senator SIEWERT: Okay. Just so I am clear, it is not resolved about the magnitude?

Ms Bennett: Or the factors or the components of it. It is not resolved yet.

Senator SIEWERT: I am not trying to be difficult here. We have numbers or estimates from Employment of the number of people likely to end up on the three strikes and you are out for four weeks measure. There are forecasts of how many will end up with one week off, two weeks off and four weeks off income support.

Ms Bennett: I will take it on notice. We will have to talk to social security. We just do not have the information with us at the moment. There are two questions you are asking: is it being factored, and is the debate about the magnitude? I know what the questions are, but we will have to take that on notice.

Senator SIEWERT: So at the moment you honestly cannot say whether those people are going to be able to access some form of emergency relief?

Mr Pratt: Please bear with me for a moment. Last night I think we testified that there were no changes to emergency relief coming out of the new job seeker compliance measure that the employment department has put in place. My understanding is that under the current job seeker compliance arrangements, which include a breach period if people refuse jobs and do not do the right thing on a regular basis, people can access emergency relief. Under the new arrangements, people will still be able to access emergency relief, but we do not yet know what the quantum of the emergency relief budget will be.

Senator SIEWERT: Thank you.

Mr Pratt: You are welcome .

Senator SIEWERT: I would like to know the quantum as well, but at least there is an assurance that they will still be able to access emergency relief. Can you remind me of the timeline for when you are making that decision on the magnitude issue?

Ms Bennett: Soon.

Senator SIEWERT: I would hope it was soon. A bit more precision would be useful.

Mr Pratt: We are definitely going to have to get a guide on what 'soon' and 'imminent' and 'shortly' mean.

Senator SIEWERT: Yes. If we could say that 'soon' is four weeks, 'imminent' is two.

Mr Pratt: We are trying to do this as soon as we possibly can.

Senator SIEWERT: Thank you. I cannot pursue that much further given that it is soon.

CHAIR: At this point, I might just check with officials and the minister and senators about what we do. I get the sense—and I hope I am not wrong—that we are approaching the end of DSS. As such, I am wondering whether we postpone the break until we conclude examining DSS.

Senator PRATT: I have a range of questions still on the national framework for protecting Australia's children and settlement services. By settlement services, I think I mean—and I need some advice—citizenship and English language requirements. Is that part of settlement services or DHS later tonight?

Senator Seselja: Citizenship is being covered with the department of immigration.

Senator PRATT: No. The department of immigration referred us here.

Senator Seselja: Which part? Citizenship changes and requirements for citizenship are not covered by DSS.

Senator PRATT: They referred us here.

Senator Seselja: What aspect, though?

Senator PRATT: English language requirements. I imagine the servicing of that is run here.

Senator Seselja: No. There are a couple of things. I was in that committee when some of the English language requirements for citizenship were covered in the relevant committee. In terms of English language, obviously there is crossover in terms of settlement services and referrals and various things. But the direct responsibility of delivering, for instance, the Adult Migrant English Program is not with our department. It is done by the department of education.

Senator PRATT: The department of education?

Senator Seselja: Yes. AMEP is done there.

Senator PRATT: So the Department of Immigration and Border Protection gave us the wrong advice in referring us here? It is a pretty grave mistake.

Senator Seselja: Well, I would need to see. It would depend on the exact nature of the questions.

CHAIR: We might need to take that offline.

Senator PRATT: The other one is probably DHS. It is about the lodge or leave announcement. I am assuming I need to deal with some of that in DHS in terms of how that cohort will be dealt with?

Ms Bennett: That is an immigration matter.

Senator Seselja: That would be an immigration issue.

Ms Bennett: That is an issue about his announcement about—

Senator PRATT: No. We have asked questions in there. There were certain parts of it that they referred back to DSS. It was about the analysis of what the savings would be to the budget in terms of the social security spend.

Mr Pratt: So, to the extent that we would have information on that, that would have needed to come up last night in outcome 1, social security. So it might be helpful to put them on notice. What we can answer, we will. Otherwise we will refer to the appropriate department.

Senator PRATT: That is fine. That probably does limit the number of questions I need to ask. In the main, my questions now relate to the national framework.

CHAIR: After all that, we will have our break at 3.45 pm. In the five minutes before that, Senator Waters has some more questions.

Senator WATERS: Thank you very much, Chair. I have some questions about the national collaborative gambling research model.

Ms Bennett: Different people.

Senator WATERS: Different people again.

Ms Bennett: I will get them.

Senator WATERS: They are only short. We should make the timeframe. Under this model, who will approve the tenders for research?

Mr Reed: There is going to be a steering committee established that will have representatives from each jurisdiction and the Commonwealth. That steering committee will determine the research agenda and the approval of the projects.

Senator WATERS: Will there be any actual researchers on that steering committee or just representatives from the states?

Mr Reed: There will not be researchers on the steering committee, but we are proposing that the steering committee will have advisers that have expertise in research that they can utilise when determining what research projects to support.

Senator WATERS: Can you tell me a bit more about the advisers. Will there be any actual gambling researchers? What other sort of categories will there be?

Mr Reed: We have not got to that point yet. It is just the principle that there will be expertise that the steering committee can utilise to determine projects and the research agenda.

Senator WATERS: What is the date when you will finalise the governance arrangements for that steering committee?

Mr Reed: We are aiming to have it all in place by 1 July. The New South Wales government is going to be chairing for the first term. They are leading the work on developing the terms of reference in the steering committee. But the aim is to have it all implemented, all in place, by 1 July.

Senator WATERS: Thank you. What conflict of interests tests or requirements will there be for researchers?

Mr Reed: I could not answer that yet.

Senator WATERS: Are you not sure yet?

Mr Reed: No.

Senator WATERS: Who will decide what they are?

Mr Reed: I am assuming it will be up to the steering committee.

Senator WATERS: They will also set the research agenda with help from these advisers. There is a mention in the communique of 29 April which says that the governance committee—presumably, that is the steering committee—

Mr Reed: That is the steering committee.

Senator WATERS: will be established to help form the research agenda, which will encompass issues of national significance and be focussed on the needs of governments. What does the needs of governments mean in that context?

Mr Reed: At the ministers meeting, it was agreed that a broad principle of the research model will be that the research has to be relevant to influencing government policy.

Senator WATERS: And that is it?

Mr Reed: Yes. It was just a principle agreed at the ministers meeting.

Senator WATERS: I want to go back to who is going to be on that governance or steering committee. There are reps from the state and the Commonwealth but possibly with advisers, some of which will have research expertise. Will there be any representatives from the gambling industry on that steering committee or as advisers to that steering committee?

Mr Reed: It will be up to the steering committee to decide, but I would be very doubtful.

Senator WATERS: Who is the relevant Commonwealth rep on that?

Mr Reed: That has not been decided yet, but it is likely to be me.

Senator WATERS: It sounds like I might have some further questions for you in future estimates. Can you take on notice to provide any more detail that you have at this time, noting that 1 July is not very far off and that we are interested in the ability of researchers in the field

to set the research agenda as opposed to being told by government and/or industry what the agenda is?

Mr Reed: Yes. So we have a meeting with senior officials from all jurisdictions. I think it is 29 June—it is the end of June—where probably more detail will be agreed. So it may be an opportunity to provide more detail at that stage.

Senator WATERS: All right. Thanks for that. Chair, I beg one further question, given I have one minute on the clock, with your indulgence and with Senator Siewert's previous okay. I want to ask very quickly about the cashless welfare trials, which Senator Siewert will go through in detail. I have one specific question about Bundaberg. I am seeking clarification that there is one proposed in Bundaberg. Is it in September?

Ms Bennett: No. There has been no decision on trial sites yet.

Senator WATERS: Okay. So there is no trial starting in September in Bundaberg or surrounds?

Ms Bennett: No. That is not the same question that you have asked. No decision on the sites has been made yet.

Mr Pratt: But the government's aspiration is to have two new sites up in September.

Senator WATERS: But we do not know yet which they are. I will leave the rest of that to Senator Siewert.

Mr Pratt: One by September.

Ms Bennett: And no decision has been made yet.

Senator WATERS: Okay. Is Bundaberg in the mix?

Mr Reed: It is one that has shown an interest.

Ms Bennett: Yes. But no decision has been made.

Senator WATERS: I will leave the remainder of those questions to Senator Siewert's ample expertise. Thanks for your time.

Mr Pratt: I thought Senator Siewert had already spent some time on this.

Senator WATERS: I think there will be some more.

CHAIR: She had three minutes more on it.

Senator SIEWERT: That is blatant storytelling.

CHAIR: We will break now and return at four o'clock for the balance of these. Thank you.

Proceedings suspended from 15:45 to 16:01

CHAIR: We will resume. Senator Watt, you have a couple of questions.

Senator WATT: Thank you. I have not really been following today, but I understand it is fairly free ranging in terms of which program we are in and that kind of thing.

Senator PRATT: Free form.

Senator WATT: Free form. Great. I love free form.

CHAIR: A free-for-all.

Senator WATT: I think there may have been some discussion about this over the course of the day. As I just informed the minister, last week, when we had immigration estimates, we attempted to ask a number of questions relating to the government's new proposals around citizenship. That department was able to answer a number of those questions, but we did have a range of questions relating to the new English language requirement that will be part of that citizenship process. Specifically, we had questions about the English language programs that are funded and provided by government to migrants to assist them gain proficiency. We were told by immigration that we needed to ask those questions at these estimates, presumably, in the program relating to resettlement. Is it possible to ask those questions?

Senator Seselja: Probably those specific ones will be difficult for our officials to answer. I do apologise if anyone in the government gave you a bum steer. I do not know exactly what was said so it is hard for me to comment on that. I know I was in there for part of it, but I do not recall—

Senator WATT: We had an interesting discussion.

Senator Seselja: the exact words and exactly what was said. Certainly the English requirements and adult migrant English and the like is done in the department of education. We do settlement, which works with providers to get people so that they have English proficiency. It is one of the paths of the settlement journey. But we do not fund that or administer it. You might try a couple of questions. It might be evident that we cannot answer them. Then you might try Education.

Senator WATT: I have not been following the Education estimates program, but it may be that we still have an opportunity to ask those questions there today, especially if they can show a bit of latitude around what the right program is. Why do we not give it a go for a bit? Just so I have some understanding, what would you see as your role in the provision of English language tuition to new migrants?

Mr Pratt: We want our settlement service providers to work very closely with English as a second language training providers primarily under the Adult Migrant Education Program. But we do not fund or administer that program. It is a department of education program.

Senator WATT: So if I had questions about the level of English that people, if you like, graduate from that program with, that is something for Education?

Mr Pratt: Education.

Senator WATT: I suspect, in that case, you probably will not be able to answer my questions. Hopefully, we will be able to get some answers out of Education. There is another series of questions I am keen to ask in the multicultural affairs space. I do not know if this has come up already today. These questions relate to your department's involvement in the government's lodge or leave policy. Has this been discussed already today?

Mr Pratt: Very superficially. There was a question as to the impacts of that policy on social security outlays. I suggested to Senator Pratt that if she has questions on that, which she raised, because we did social security last night and I do not have the social security people here, she put them on notice. Where we could answer them, we would. If not, we would redirect them to the relevant department.

Senator WATT: I will direct one question to you, Mr Pratt. It is possible that as departmental secretary you might know the answer. Was your department consulted by the Department of Immigration and Border Protection in relation to this new proposal?

Mr Pratt: Can I say that we have had over the last several years many discussions with the immigration and border protection department in this area.

Senator WATT: What about in the immediate run-up to the government's announcement here?

Mr Pratt: I do not believe that we had in-depth discussions very recently, but we have certainly had good dialogue with immigration and border protection in these areas over recent years and months.

Senator WATT: It might be that we need to get some more detailed answers on notice, by the sound of it.

Senator Seselja: Senator Watt, I am just looking at the exchange. If this is the one, I think there was a misunderstanding. I was sitting next to Mr Pezzullo during those hearings. I am looking at the transcript. You were wrapping up and you said, 'I know my time is up. I will come back to some questions about English language testing later.' Then you went to questions around migrants integrating into the community. That was when Mr Pezzullo said that integration settlement issues were for DSS but not the English language specifically. So there may have been some confusion, unless there is another exchange. But Mr Pezzullo gave you the right information, which is that settlement services is done here. But specific English language testing is done by the department of education.

Senator WATT: Sure. I will spend a couple of minutes on the integration aspects. I do not have any notes, so it will be free form.

Senator Seselja: Sure.

Senator WATT: My recollection is that we are interested in the fact that the government's new citizenship proposals include a range of new tests which would need to be met. Some of them are about English language proficiency. Some of them are about Australian values. Some of them are about an applicant's level of integration into the Australian community. Has your department been involved in the advice to government about the new integration requirements?

Ms Bennett: Our department has primary responsibility for humanitarian refugees that arrive under very specifically the humanitarian program. While there is a broader level of activities about social cohesion and a multicultural agenda, of the 250,000 people that come to Australia, and many of them seek citizenship and migrate here, it is a very small subset. This financial year, it will be 16,750 plus the 12,000 special people impacted by the Syrian and Iraqi war. But the services that we provide are very specifically for people that have been granted humanitarian status. That ranges from their pre-departure for some people to arrival in Australia and support in that first six to 12 months when they are in Australia. As Mr Pratt said, of the services we provide in that period, we actively encourage them to enrol in English classes, see that children are participating in education, and become work ready so that they are able to seek work. So we do not do anything about the measure or influence or shape what is sufficient language, but we work very closely with the Adult Migrant Education Program to

get people in and get as much as they possibly can because that is successful for that small cohort that we look after.

Senator WATT: Leave aside the English language issues. It seems that we will need to pursue them with the education department. By the way, Minister, helpfully, I have also had transcripts sent to me. They show that there was a discussion about dealing with the Adult English Migrant Program questions here.

Senator Seselja: I do not think I was part of those discussions. I do not remember them.

Senator WATT: I am not sure. You are not in this part of the transcript anyway. But that is okay. We will try to pursue that with the education department.

Mr Pratt: To complete our answer to you, we have not had any significant or formal discussions with immigration and border protection on the citizenship issues that you raised before.

Senator WATT: Let us park the English language questions and focus on the new integration requirements that someone will need to satisfy in order to gain Australian citizenship. Minister, please feel free to clip in if I am not phrasing this the right way. It is fair to say that there will be a new test, for want of a better term, of someone's integration. I do not necessarily mean a written test. They will need to demonstrate a level of integration into the Australian community. So your department is responsible for assisting migrants to, in general, integrate into the Australian community or just those who enter on humanitarian visas?

Senator Seselja: More specifically those on humanitarian visas. Some of the grants programs we have, some of which we have been discussing today, would be about a broader integration agenda. The bigger part of what we do in that space, though, is the specific settlement of humanitarian entrants, which is about their integration into the Australian community. That is obviously a cohort, a subset, of migrants. We are going through a reform process there, which we would be very happy to talk about if you wanted to pursue that line of questioning. But that is broadly what we do. Of course, the multicultural statement sets out a broad direction from the government. I think one point I made in the discussion we had in the other committee was that the agenda that was set out in that multicultural statement about the importance of integration fits certainly very well with what the minister has announced in relation to citizenship changes.

Senator WATT: Minister, I understand Minister Dutton is the lead minister on these citizenship proposals. Have you, as the assistant for multicultural affairs, had any involvement in the preparation of these new proposals?

Senator Seselja: In terms of the citizenship changes, no. I do not have any direct responsibility for citizenship.

Senator WATT: That falls under the minister for immigration?

Senator Seselja: Yes.

Senator WATT: I think you can probably appreciate our frustration. These are contentious proposals; let us face it. We asked the immigration department what is going to be happening to measure someone's level of integration. They referred us here to the Department of Social Services, which does not sound like it is involved. Who in government is working out how someone will demonstrate they have integrated into the Australian community?

Senator Seselja: It depends what you mean by that. If it is about measuring integration for the purposes of citizenship, that is the department of immigration. If it is various ways of assisting migrants and others to integrate when it comes to humanitarian entrants, we have some pretty detailed programs that we fund and administer in relation to that integration. There are obviously a range of other arms of government, Education being one really obvious example, which play a role in that.

Senator WATT: You have just said it is really the immigration department, but they have said it is this department. So who should we be talking to?

Senator Seselja: It really depends on the specifics of what you are asking. We have set out some of the specifics that we do. We do play a role in that.

Senator WATT: In relation to humanitarian area?

Senator Seselja: Yes. Primarily in relation to the humanitarian area.

Mr Pratt: Maybe I can help a little here. I have the transcript from the session. My colleague Mr Pezzullo has correctly referred you to DSS in terms of our responsibilities around settlement services and multiculturalism. As part of that, he talks about integration of those communities into the broader Australian society. Yes, that is what we do in terms of a lot of our programs in families and community services, in terms of settlement services and in terms of strengthening communities, volunteering, multicultural affairs and so forth. We do assist in promoting social cohesion and the successful operation of our multicultural society. So I do not think that Mr Pezzullo in any way gave you a wrong steer. I suspect there might have been a bit of crossed bandwidth there.

Senator WATT: Yes. I am not suggesting that anyone has done the wrong thing. I am just trying to get some answers to our questions. Minister, I have just dug up an article in which you are quoted. This is an article by Simon Benson on 20 March 2017, headed 'Integration core in new multicultural policy'. What it says is that the assistant minister, you, said:

... it was a document—

'it' being the proposal around citizenship—

that stamped the Coalition government's view of multicultural Australia, with the substantive difference between it and previous government statements being the introduction of a core principle of integration.

It then quotes you. So you must have some sense, then, of what is going to be required to demonstrate satisfactory integration into the Australian community?

Senator Seselja: Well, I think you are slightly conflating two different things. You refer to the citizenship test. That 20 March article from Simon Benson was in relation to the multicultural statement, which is quite separate. As I said earlier, it fits in terms of the direction that the government is going, and that is this statement entitled 'Multicultural Australia: united, strong, successful'. That sets out some of the principles by which the government proceeds. Obviously, this is something that the Prime Minister has ticked off on and Minister Porter and I have ticked off on. But that does not go specifically to citizenship changes. I would say that citizenship changes that have been announced by Minister Dutton fit with that integration agenda. We have set out, I guess, what is largely a directions statement, which is the direction in which the government believe we should be going.

Senator WATT: So it does sound like we need to, having missed the chance to get answers from Immigration, get those answered on notice. That would be the best way forward?

Senator Seselja: It may well be the best way forward. To the extent that Education estimates are still going, you might have some luck in terms of those English language areas.

Senator WATT: Okay. I do not think I can take that any further, in that case.

Senator SIEWERT: I want to go to the cashless welfare card.

Ms Bennett: We will change people.

Senator SIEWERT: I think, when we left off, we had been talking about confirming that there were, in effect, going to be four trials. The third trial from the first lot was not going to be pursued. You are going through the process of establishing the criteria for the new trial sites. I want to pursue that for a bit longer. Are you setting new criteria to that which was used to select the other two trial sites?

Dr Baxter: I can confirm that largely the criteria remain the same. We are looking at communities which have a high level of welfare recipients and a high level of what we would think of as social harm indicators. We have talked about some of that data before—things are going wrong in the community, particularly related to alcohol; and there is a high degree of community support from leaders and critical service providers in the community to do something along these lines. It may be that added to that we are also looking at opportunities to test the card in community types and situations where we have not previously, given that we have previously been into small, remote communities. That may also be a factor.

Senator SIEWERT: So does that mean that remote communities are now going to be ruled out?

Dr Baxter: No. Not at all.

Senator SIEWERT: Are you going to, this time, consult the community more broadly rather than just self-elected leaders?

Dr Baxter: I think we have answered in our responses at estimates here before that we have consulted very broadly in both communities. If you like, I can recap the consultations we did in Ceduna and the East Kimberley.

Senator SIEWERT: You do not need to. I know where you did and did not consult. I know you did not have public consultations. So my question still stands. I did misrepresent it. You held a public meeting in Ceduna after the fact. Will you hold public meetings before you make a decision to ascertain what the community actually wants?

Ms Bennett: How that decision is made is a matter for government. It has not been made on the two future sites.

Senator SIEWERT: I know it has not been made on the two future sites. I want to know in your selection process whether you will hold public meetings to see what the community actually thinks?

Ms Bennett: Well, I cannot answer that. I certainly know that Minister Tudge has had representations. He has had conversations. He is on the public record. We do not know yet how that is going to be rolled out because we do not know where the possible sites are yet. The question you are asking is, when we know, whether we will consult beforehand.

Senator SIEWERT: No. My question is: in your selection process, will you hold a public meeting? You said you will go to leaders. I want to know whether you will go to the community to ask them in the selection process.

Ms Bennett: And my answer is that we do not know yet.

Senator SIEWERT: Why can you not put that as one of the criteria?

Ms Bennett: We can take it into account. But we do not know yet.

Senator SIEWERT: You have not established the criteria yet for which you will make a selection?

Ms Bennett: No. The process for what you are talking about has not been decided.

Senator SIEWERT: So one of the criteria could be whether you have broad community support for this.

Ms Bennett: We note your views. They will be taken into account. I cannot say to you that, yes, we will do what you want.

Senator SIEWERT: It is not what I want. Well, I do. Will you use community participation processes in this instead of just going to the leaders that the minister chooses?

Mr Pratt: As I am interpreting the responses you are getting, at this stage, we are unable to tell you what government will decide on that as it looks at the process for determining how this will be implemented in the future trial sites once those areas are identified.

Senator SIEWERT: At the moment I am taking it as a no.

Senator Seselja: Well, it will be a decision from Minister Tudge. He will make that decision, and you will know about it when he has made it.

Senator SIEWERT: Could you give us a list of the towns, cities and regional areas that have indicated they may be interested? You said today Bundaberg has.

Dr Baxter: Yes. I can give you a list of the communities that are on the public record. Minister Tudge has gone on the public record as saying he has had conversations about it.

Senator SIEWERT: I am not just after the public record. I am after the list of who has so that the communities know, in case they have not been consulted.

Dr Baxter: Bundaberg and Fraser Coast in Queensland. The federal member for Hinkler, the Hon. Keith Pitt MP, has written to Minister Tudge. Minister Tudge met with Keith Pitt and key stakeholders in the region in mid-May.

Senator SIEWERT: Could you provide who you consider to be the key stakeholders?

Dr Baxter: I can take on notice what we are able to provide about that series of meetings. From Port Hedland in Western Australian, Minister Tudge met with the federal member for Durack, Melissa Price MP, and the mayor, Camilo Blanco. That was on 29 March. In Broome—

Senator SIEWERT: Who else has he met with? Could you take on notice who else he met with in town?

Dr Baxter: If you like, I can take this on notice for each of the locations that I am going to talk about.

Senator SIEWERT: Yes.

Dr Baxter: I am not sure what we are able to provide, but I will take it on notice to find out what we can provide.

Senator SIEWERT: I will come back to that matter.

Dr Baxter: There is Broome in Western Australia. The shire of Broome contacted the Department of Social Services, our department, to express a strong interest in the cashless debit card. The shire wrote to Minister Tudge on 4 April requesting that the CDC be rolled out in their community.

Senator SIEWERT: The shire?

Dr Baxter: The shire did, yes. In Kalgoorlie-Boulder in Western Australia, the federal member for O'Connor, Rick Wilson MP, has approached Mr Tudge about goldfields communities being considered in the future cashless debit card rollout. Minister Tudge visited Kalgoorlie on 17 May this year and Laverton and Leonora, also in Western Australia. Minister Tudge met with Rick Wilson MP and community stakeholders in December 2015. The shire of Laverton wrote letters to Minister Tudge on 23 March and 31 March requesting that Laverton and Leonora be considered as potential locations for a third trial site. Minister Tudge visited Laverton on 17 May. Do you want me to keep going?

Senator SIEWERT: Yes, please.

Dr Baxter: The East Pilbara in Western Australia. The Hon. Brendan Grylls, a former Western Australian state minister, wrote to Minister Tudge on 19 January.

Senator SIEWERT: I think you can maybe revisit that issue since he is no longer the member.

Dr Baxter: The previous member. Minister Tudge has also met with Mayor Lynne Craigie.

Senator SIEWERT: For East Pilbara? Sorry, go on.

Dr Baxter: In Queensland, in the Redlands area, the federal member for Bowman, Andrew Laming, has contacted Minister Tudge's office requesting that the region be considered as a potential location. We know that—this is more from the public domain—Senator Jackie Lambie has called for the introduction of the CDC in Tasmania.

Senator SIEWERT: For the whole of Tasmania?

Dr Baxter: I think, different things at different times.

Senator SIEWERT: Thank you. They are all the public ones. From the comment you made earlier, I presume they are all the public ones?

Dr Baxter: These are on the public record; that is right.

Senator SIEWERT: Any others that are not on the public record?

Dr Baxter: No. They are the only ones.

Senator SIEWERT: Thank you. In terms of the decision-making process, I presume all of those are, therefore, in the mix?

Dr Baxter: I could not confirm at the moment which of those are still live in the mix, because that will be a decision of the minister and the government. The process from last time was that there were several communities that we were having discussions with. They reached

different stages of maturity at different points. I imagine that will be very much the process with these communities as well—a series of conversations.

Senator SIEWERT: You responded to a question you took on notice from me last time about the names of the people who were on the panel and the leaders that had been consulted. You said it was confidential. Have you revisited that?

Dr Baxter: No. I think our answer remains the same as it was to the question on notice, which is those groups that we consulted with in each location. I can go through them again if you would like to. Following the discussion we had at last Senate estimates, we approached individuals who were involved in those consultations to ask whether they agreed to having their names provided in this forum. Some of them requested that their names not be provided for fear of backlash from small but vocal minorities within their communities. Based on those requests, the department decided not to release any of the names as they may place the others whose names were released under undue pressure.

Senator SIEWERT: Will you be doing the same for all these other places?

Dr Baxter: No decision has been made about that yet.

Senator SIEWERT: So we will have faceless people making decisions about their community?

Dr Baxter: I can tell you that, at the local level, leaders have been very involved in the promotion and answering questions about the card at the community level. I think it is more an issue about names being released in this forum because of some of the national pressure that has been brought to bear.

Senator SIEWERT: Well, you are taking on notice the leaders who have been spoken to in each of these centres.

Dr Baxter: I am sorry?

Senator SIEWERT: You are taking on notice the leaders who have been spoken to in each of these centres.

Dr Baxter: I am taking on notice what I am able to provide you about that.

Senator SIEWERT: So they may also be withheld as well?

Dr Baxter: I do not know at this point.

Senator SIEWERT: Is it the intention in each of these areas to set up a community panel along the same lines?

Dr Baxter: Again, no decisions have been made about key features such as that. That would be very much dependent on the conversations we have with community and decisions of government.

Senator SIEWERT: You keep saying the word 'community', but you cannot tell me if you are actually going to hold a public meeting with the community.

Dr Baxter: No, I cannot tell you that.

Senator SIEWERT: In terms of rolling out the next two trial sites, you are obviously doing that before the final evaluation report for the other two sites?

Dr Baxter: No. That is not correct. In terms of the timing of the evaluation, I would defer that to Ms Mandla, who answered questions before the break. But the government is on the

record as saying the first of those new trial sites is likely to occur around September. That is not a definite start date, but we are aiming for around September. Ms Mandla is able to give you information about the likely timing of the finalisation of the evaluation.

Senator SIEWERT: You have already made a decision for two more trial sites before you have finished this evaluation.

Ms Bennett: These were some questions that Senator Kakoschke-Moore asked. The evaluation will give us insights about changes that we might need and will be taken into account.

Senator SIEWERT: But it will still go ahead?

Ms Bennett: That is a decision the government has made.

Senator SIEWERT: You have made the decision for two more trial sites regardless?

Mr Pratt: The government has announced in the budget that it is going to have two more sites.

Senator SIEWERT: Before the evaluation is finished you have made the decision for another two trial sites?

Ms Bennett: The government has made a decision.

Mr Pratt: The government has made a decision about two more trial sites. No doubt those trial sites, wherever they might be, will pick up on what we get out of the evaluation.

Senator SIEWERT: Thank you. I know some of the issues you discussed with Senator Kakoschke-Moore regarding some of the avoidance measures and unintended consequences of the card. Some of those were considered in the first Wave report. The report itself points out that it did not do a lot of work on those matters. Will there be a substantive amount of work in the next evaluation report on those unintended consequences and the very inventive ways that people have come up with for getting around the card?

Ms Mandla: Wave 2, which is rolling out now, has a series of open-ended questions that enables people to raise circumvention behaviours and unintended consequences of the card, be they positive or negative. We do have more people responding this time around. I can say that for Ceduna, because that should be completed today, and then they will start rolling out in East Kimberley shortly. More generally, from a research evaluation approach, circumvention behaviours are very difficult to measure.

Senator SIEWERT: I know. People are not going to tell you necessarily what they are doing to get around the card.

Ms Mandla: Although with the way the question is and the surveys are designed, if there are widespread circumvention behaviours, you would look at the frequency of responses being provided on particular circumventions. For the outcomes you are trying to achieve, and particularly for the interim report looking at a reduction in alcohol consumption, drug use and gambling, you could further explore in the second Wave any contextual factors to see if there is any sort of causal link. From the wave 1 report, we are not seeing widespread circumventions and how they are impacting.

Senator SIEWERT: As I was referring to earlier, if I am buying alcohol from the boot of someone's car, I am not going to tell you, am I?

Ms Mandla: Possibly not.

Senator SIEWERT: I certainly would not be. Not that I am, but I would not tell you. So I still do not get how you would pick up that sort of behaviour. If I am being pretty inventive about getting around the card, I am not going to tell somebody I know is from the government that that is what I am doing.

Ms Mandla: This is not peculiar to this trial. This is an issue faced, I think, by all social researchers in any intervention that they are rolling out, particularly when it comes to behaviours that tend to be a bit more clandestine or potentially illegal. Generally, all evaluators and researchers are going to have this issue. But we did see some positive results coming through in relation to what we are actually measuring in the evaluation, which is the impact for wave 1—what we call our short-term outcomes—the impacts on alcohol consumption, gambling and drugs.

Senator SIEWERT: Let us go to some of those figures. The way I looked at the work—I have also been talking to people who have much more expertise in terms of statistical analysis—for people in the survey who said 'not applicable' or declined to answer, you do not know the impact. You only know the answer from the percentage of people who answered. The percentage, then, that was reported is the percentage who answered.

Ms Mandla: I will have to take that on notice, but I think it was.

Senator SIEWERT: So you do not know what happened to all the people who declined to answer or said 'not applicable', do you?

Ms Mandla: No.

Senator SIEWERT: They were in the cohort that you originally started asking the questions of. In other words, it would be a much bigger cohort if you actually included those who declined to answer.

Ms Mandla: Sorry, Senator. I am not quite following you. I am not sure how we would record a non-answer. I would have to check the methodology.

Senator SIEWERT: Instead of there being 100 people who answered and said, 'No, my alcohol consumption has dropped', there were 50, so you got a higher percentage. If you had included them in that cohort, you would get a much lower percentage.

Ms Bennett: The personal interviews are one component of it. There is other administrative data that this gets matched with. If someone does not answer, of course we cannot count them into it. But there are several elements to look at the whole picture.

Senator SIEWERT: The stats that the minister is quoting ad infinitum—I understand what you are saying—do not include that.

Ms Bennett: Include what?

Senator SIEWERT: Include the points that you are just making in terms of how you—

Ms Bennett: Well, it has included—sorry, I do not have it with me—reductions in gambling, I think, and these points that he has made. So there are various sets in this evaluation. Perhaps Ms Mandla can talk a little about it. This is just one element of it.

Ms Mandla: That is right.

Senator SIEWERT: Sorry?

Ms Bennett: Of the evaluation.

Senator SIEWERT: The stats that are being quoted are the stats that come out of that section of the evaluation, are they not? Alcohol has decreased by 25 per cent.

Ms Bennett: Sorry, but they are based on other sources, not just people being surveyed; that is the point I am trying to make. So participation in the survey is not the only source. Your point is that if 100 people were asked and 100 people answered, you get a richer response. If only 80 people answer, you are 20 per cent less than the 100. What we are saying is that the evaluation is based on multiple pieces of information, which is what has been drawn on by the minister.

Ms Mandla: What we are hoping to get with the final report—I think I might have said this at a previous estimates—is access to more longitudinal and quantitative administrative data. We will be able to better triangulate the results between what people say from surveys and interviews with the more hard administrative data, including state data and DHS data.

Senator SIEWERT: I understand what you are saying. But there was not that much triangulation with this. This is the report.

Ms Mandla: It was an early report about six months after the rollout. We worked with the evaluators and the policy area to design the evaluation based on previous evaluations and what we knew about change and how long it generally was anticipated to take. We anticipated that we would see some other shorter term outcomes around stabilisation and reductions in alcohol consumption, gambling and drug use. Bear in mind some of the difficulties in the early stages of measuring that. Over time, they were foundational early outcomes required to achieve the medium term community outcomes. As I said, once we get a more longitudinal data sample as the trial goes out and we have a longer period of time and we can look more closely at, for example, crime stats relating to violence and so forth, we will be able to see what those longer term impacts are. The evaluators will be able to cross-check them against some of the earlier results. Potentially—this is not unusual in evaluation reports—you might see some changes occurring with those findings.

Senator SIEWERT: In what way? Changes from the initial results, you mean?

Ms Mandla: Yes. As you get a longer period of time for rollout and more data comes through, some of the early signs, positive or negative, in the longer term might be slightly different. And we have had that with previous evaluations, where sometimes negative early reports or positive earlier reports come out with a slightly different outcome.

Senator SIEWERT: That is certainly what happened in the Northern Territory intervention.

Ms Mandla: Possibly.

Senator SIEWERT: That is what happened in the Northern Territory intervention. I know I have lots of questions and I will get pinged very soon.

CHAIR: That is a very astute observation.

Senator SIEWERT: I do have a lot more questions. In terms of how you are selecting the participants for the second wave, I have had some feedback from people on the ground that they offered to participate in the survey. They were rejected because they were told they had started on the card after the start of the rollout of the card. They were told it was not

appropriate to be involved in the trial. They are aware that others who started on the card after the start of the trial have been involved in the survey. I am interested in knowing why some people who actually wanted to be involved were not, in fact, invited to be involved or included.

Ms Mandla: I cannot say for sure in relation to that issue, but I do know that the evaluators used what is called a random intercept method of approaching people. In the interim report, they call it the Xth person. So during low frequency periods, for example, they might go to every second person, but during times of high frequency, just to get a bit more of a random sample, they might go to every fifth person. So it might have occurred on that basis, but I cannot say for sure. I would have to check with the evaluators.

Senator SIEWERT: If you could, that would be appreciated. While he is distracted—

CHAIR: Senator—

Senator SIEWERT: Damn!

CHAIR: Given that you have another commitment now.

Senator SIEWERT: Yes. All right.

Senator PRATT: I certainly have questions about the cashless debit card trials. I want to ask about community panels. How often have the community panels met in both the East Kimberley and Ceduna?

Mr Reed: So each Ceduna community panel has met on 10 occasions. The Wyndham community panel has met twice. The Kununurra community panel has met three times.

Senator PRATT: I understand that these panels have the power to change an individual's proportion of income that is controlled by the card and that people apply to the panel to do that?

Mr Reed: That is right.

Senator PRATT: How often and in how many cases has that occurred for each of those panels?

Mr Reed: In Ceduna, there have been 158 applications to the panel. Do you want to know how many have had their percentage reduced and how many have not? Is that right?

Senator PRATT: Well, reduced or increased. Are you able to provide statistics on the proportion of income that was altered?

Mr Reed: So, in Ceduna, 121 of those applicants have had their proportion reduced.

Senator PRATT: As in less quarantined?

Mr Reed: Yes.

Senator PRATT: So Ceduna, 120 less?

Ms Bennett: One hundred and twenty-one.

Mr Reed: So people only apply to have it reduced. There is no increase. Twenty-one of the applicants in Ceduna have had their application rejected. One application is still pending, two applications have been withdrawn and 13 are yet to be assessed.

Senator PRATT: So that is 158 in Ceduna. Is that right?

Mr Reed: That is right, yes.

Senator PRATT: How many times did you say they have met?

Mr Reed: Ten times in Ceduna.

Senator PRATT: They are reasonably keeping up with demand. How are they keeping up with demand for—

Mr Reed: Demand has actually decreased quite a bit.

Senator PRATT: So once the change is made, there are fewer applications coming in?

Mr Reed: I will give you a bit of background. There were 134 applications in the first five months of the panel being established.

Senator PRATT: This is just Ceduna we are talking about?

Mr Reed: This is just Ceduna. That has dropped off. So there were 12 applications in the period from January to March this year.

Senator PRATT: And how many people in Ceduna have income quarantining on the card?

Mr Reed: In Ceduna, there are 783 people.

Senator PRATT: Can you tell me what the equivalent statistics are for the two sites in the East Kimberley?

Mr Reed: As in the panel numbers?

Senator PRATT: Yes.

Mr Reed: In Kununurra, there have been 26 applications to the panel.

Senator PRATT: Are there any applications before the panel? When did the panel last meet?

Mr Reed: I might have to take that on notice when they last met.

Senator PRATT: Could you take on notice whether there are any concerns about whether those panels are meeting frequently enough? It looks like there is a big difference between Ceduna and—

Mr Reed: It is because of the date the panels were established. They generally meet monthly, but that could be dependent on whether there are applications to assess. So if there are not, they will not meet. But, generally, they meet monthly. It is just that the Kununurra and Wyndham panels were established much later than the Ceduna panel.

Senator PRATT: All right. So what changes to income quarantining have been made in Wyndham and Kununurra?

Mr Reed: In Kununurra, of the 26 applicants, six have had their percentage reduced.

Senator PRATT: Only six.

Mr Reed: Ten applications have been rejected. Four are still pending and six are yet to be assessed.

Senator PRATT: From the department's point of view, I know the panels are independent. Are the circumstances similar? It seems like you have a fairly good chance of succeeding in Ceduna but, thus far, less so in Kununurra?

Mr Reed: Each panel established their own guidelines, and they do differ based on what the community panel decided the application should be based on. So that could be partly why the percentage of applicants varied between the panels.

Dr Baxter: In East Kimberley, they very strongly held to the empowered community norms that have been established, which were a fairly rigorous set of community norms. That just is a bit of backdrop about where they came from with their panel.

Senator PRATT: What about the Wyndham panel?

Mr Reed: In Wyndham, there have been 12 applicants. All this data I am giving you is current as of 31 March.

Senator PRATT: That is reasonably recent.

Mr Reed: So of the 12 applicants in Wyndham, one has had their percentage reduced, two have had their application rejected, two are pending and seven are yet to be assessed. I should note that the Wyndham panel has chosen in their guidelines that they will only reduce the percentages to 70 per cent. So the others can reduce to 50 per cent, but in Wyndham there was a decision of the panel to only reduce percentages to 70 per cent.

Senator PRATT: Are you able to provide for us copies of the guidelines applied?

Mr Reed: They are online, but we can provide them.

Ms Bennett: Send the link to the secretariat.

Senator PRATT: Is there anything else you can tell us about the process for applying to a panel to have that altered? Is it a verbal process where someone comes in and makes their case before the panel? Can you get support for a written application?

Mr Reed: There is an application form. I will probably take on notice the exact support that is available, but I am sure there is support for people who need it in filling out that application.

Senator PRATT: So it is done by an application form rather than a verbal process?

Dr Baxter: I can tell you a bit about that process to save taking it on notice. There is a written application form that is on the web along with the guidelines that have been established about the criteria. People who need help completing that form are helped. It is different in different places in each of the sites. For example, in Ceduna, I know that some of our local staff are engaged to help people if they are having trouble filling out the form. The local partners can help people with that activity as well. So there is in-person support if you need help filling it out. You complete the information and it goes through a written process. You are not required to appear before any of the panels.

Senator PRATT: Would you have a right to appear if you wanted to?

Dr Baxter: I do not think so, but we can take that on notice.

Senator PRATT: It is just that sometimes, as you would know, if you are judging something at face value, if you have a question about something, it can take a longer time to resolve, whereas if you are having a face-to-face conversation, you can sometimes make a stronger case for something.

Ms Bennett: We will take it on notice.

Senator PRATT: During Jenny Macklin's visits and, I think, Linda Burney's in the East Kimberley last month, one of the issues raised was that families were unable to send money to children at boarding schools in Broome, Darwin or Perth. What work has the department done to resolve that problem?

Dr Baxter: There should be no bar to families being able to send money to boarding schools.

Senator PRATT: So what is the process for doing that?

Dr Baxter: They can either use their 20 per cent cash or there is a facility from the restricted portion of your card to make a 'pay anyone' payment into another account and to do that for an amount monthly, which I think currently stands at \$200. You just need to say the reason for that transfer. It is \$200 per month.

Senator PRATT: And what if people are not used to doing Internet banking and would normally give cash?

Dr Baxter: The local partners can support people to do that. For any balance checking or problems with working any of the online functions, the local partners are employed on an ongoing basis in the communities to help people do that and will just do it for them if people cannot do it themselves.

Senator PRATT: So why do you think families might be reporting that they are unable to send money?

Dr Baxter: I do not know, because the provision has been made available for those sorts of circumstances. In fact, in developing that provision, that was one of the situations that service providers and community leaders spoke to us about. They also spoke to us about what was an appropriate amount to have available under that 'pay anyone' function, which allowed matters like that to be covered off but also ensured that it would not be used potentially to circumvent the parameters of the trial.

Mr Reed: I will talk to our local partners to make sure that they are communicating that functionality to participants.

Senator PRATT: So how does it work in terms of whether a child has a bank account? Are they transferring money to a school? How does it work?

Dr Baxter: We did take that advice from the local partners and the community service providers when we were developing these functions. So, in the beginning, we tested all the different functionality that would be required to meet the sorts of situations people spoke about where cash was required or where different ways of moving money around were required. We did some of those from the very beginning. Some of them have been developed as we have gone along the way, as people have said, 'Actually, this bit is not working as well as it could.' We have recalibrated and we have made those changes. So, as Mr Reed has said, we will check in to ensure that it is working as it should. Our understanding is that it was one of the purposes that function was set up for.

Senator PRATT: These reports were made to us in April, so it would be worth looking at the extent to which there are still issues. Can the department confirm that there is no alcohol rehabilitation centre in Kununurra and that the nearest one is in Wyndham?

Dr Baxter: Just let me find my information about support services for you, Senator.

Mr Reed: What was the service, sorry?

Senator PRATT: Alcohol rehabilitation service.

Dr Baxter: I can tell you, while Mr Reed is looking up exactly which services are in place, that in the process of putting in place the support services, we did look at available services in the region and where there either needed to be new services or extra places in current services. We will get the exact information about that. In Kununurra and Wyndham, the \$1.6 million of extra funding did include the provision of extra drug and alcohol services—improved access to drug and alcohol rehabilitation for adolescents—as well as support for families for a range of other things.

Senator PRATT: As I understand it, there is, however, no service in Kununurra?

Dr Baxter: We are just checking.

Mr Reed: So a lot of the programs connected to the trials are funded through PM&C. There is an adolescents rehab project delivered by Barwon Health. Could that be the one that you are referring to? There is one in Wyndham and Kununurra, though.

Senator PRATT: But that is not universally available, if it is an adolescent service.

Dr Baxter: We do not have it here with us, but we do have a document that tracks the services available in place, where the gaps are identified and, therefore, where those extra services come from. So we can check whether there is the existence of residential rehab in the community. There are very few communities that have residential rehabs, so it may be that our money was to get people to the closest residential rehab facility. But we will check that and come back to you on that.

Senator PRATT: Well, as I understand it, there was concern raised about the fact that the cashless debit card is being used to try to reduce alcohol consumption in areas in which there is no rehab service. Now you are telling me that there is \$1.6 million for extra services. That covers all of the cashless welfare sites?

Dr Baxter: No. That is just in the East Kimberley.

Senator PRATT: Just for the East Kimberley. Perhaps you can break down when and where that money is being spent.

Mr Reed: We can do that. So there is the 7 Mile Rehabilitation Centre. I am just trying to find where it is.

Dr Baxter: We are just wanting to chase the location of the 7 Mile Rehabilitation Centre. It is a 22-bed facility with round-the-clock residential treatment. It offers individual and intensive assistance. It caters to 22 people for 13 to 18 weeks. It is the closest facility. We will check the exact location of it.

Mr Reed: It is funded by the Department of Prime Minister and Cabinet.

Senator PRATT: As I understand it, that rehab centre is in Wyndham and not in Kununurra. So will services be rolled out in Kununurra now that the cashless welfare card trial is continuing?

Dr Baxter: We are in discussions with community leaders and community support services about how that package of support services has worked over the last year and, now that there is the extension, what else different or the same might be required. So those

discussions have not concluded, but they are discussions between us and the communities. The Department of Prime Minister and Cabinet and the Department of Health have also been responsible for some of them.

Senator PRATT: So is there concern that this trial is taking place in a town where there is no rehab service?

Dr Baxter: No. We have not had that passed on to us from our local partners, community service providers or community leadership. In fact, that was one of the questions we asked at the outset of the trial—whether local residential rehabilitation would be required.

Senator PRATT: Can the department confirm that the East Kimberley has one of the highest suicide rates in the world and that there are no after-hours or weekend mental health service available in Kununurra?

Dr Baxter: No. I cannot confirm the suicide statistics. The existing organisations that we know about in the Kimberley include the Kimberley mental health and drug service and the Kununurra crisis accommodation centre, but I do not know and do not have material here with me about the hours of operation of that centre.

Senator PRATT: So that is the health department?

Dr Baxter: That is right.

Senator PRATT: I certainly know from my own evidence base that the region does have an extremely high suicide rate. I would be concerned that the interdepartmental services required, which I know are supposed to be coordinated by the Department of Prime Minister and Cabinet, are not available for after-hours mental health services. Is that something of concern in relation to the cashless debit card?

Dr Baxter: We have certainly not been made aware that it is. As I said, we had very involved discussions about which support services would be required, given the nature of the cashless card intervention. The community agreed to this particular package.

Senator PRATT: Thank you.

Mr Reed: I have just found out that the 7 Mile Rehabilitation Centre is in Wyndham. We can confirm that.

Senator PRATT: I have some brief questions about the national framework for protecting Australia's children, and then we are done on this outcome.

Mr Pratt: I want to follow up on a discussion we had earlier with Senator Reynolds. She mentioned the modern slavery inquiry. We checked. The Attorney-General's Department have put in a submission on behalf of an interdepartmental committee of departments, including DSS. So they have incorporated our material in their submission.

Senator REYNOLDS: That is very good news. Thank you.

Mr Pratt: You are welcome.

CHAIR: Senator Siewert will round out the cashless debit card.

Senator SIEWERT: If I go to ask anything that Senator Pratt has just asked, tell me to read the transcript.

Ms Bennett: Nicely.

Senator SIEWERT: If you could do it nicely, that would be appreciated. I had an unavoidable discussion about an urgent matter outside, so I apologise.

Senator PRATT: I will give you a copy of my questions.

Senator SIEWERT: I am pretty certain you will not have asked this one. I have a show and tell. There was an interview done with the mayor of Port Augusta on the ABC on 15 May. It was a very long interview. I have the first page of the transcript. I want to ask about a possible welfare card trial for Port Augusta after its success in Ceduna. It looks like Port Augusta may want to be the second South Australian trial site. There is already Ceduna. Sam Johnson, the mayor, was asked why he thought it would be good for the city. He said:

I guess I have had the advantage that a couple of months ago I was given the reports from Ceduna. They've had the card now operating for 12 months. I was very grateful and beneficial to get the confidential stats and reports that have been presented around what they've had.

Did Mr Johnson get access to confidential data that you are aware of? If so, did you give it to him?

Ms Bennett: Everyone is shaking their head. Not that we are aware of. We did not do it.

Mr Pratt: Please just let me canvass across my colleagues.

Senator SIEWERT: Did anybody else have access to confidential data that they could have given him?

Dr Baxter: We have canvassed previously in these hearings that we regularly brief Minister Tudge on what we learn through admin data and through anecdotal data from the trial sites. So he certainly has that material. We are not aware. We certainly have not provided this material to Sam Johnson or are aware of it being provided.

Senator SIEWERT: I will not take up the committee's time reading out the transcript, but he goes on—and the important bit is:

... that would be quoting from the report I've got, which is still confidential, I believe. I don't want to quote those or burn any trust there.

Mr Pratt: It is not something that we are aware of or have anything to do with; that is my understanding.

Ms Mandla: I will clarify the evaluation process that we followed. I cannot say for sure whether this is the mechanism in which any confidential report cited in that transcript was obtained, but with the evaluation we have a steering committee and we have expert advisers on that committee who provide advice on the conduct and methodology for the evaluation. They also provide advice on draft reports as they come through.

Senator SIEWERT: I do not mean to verbal you, but do you mean by your comment that somebody as part of that process could have had access to confidential data that they passed on? Is that what you mean?

Ms Mandla: The expert advisers and the steering committee members have access to draft reports from the evaluation. They provide advice on methodology and findings and they raise queries with the evaluators on that. I cannot say that that is the mechanism, but they are people who get access to our evaluation reports.

Senator SIEWERT: Is Mr Johnson one of them?

Ms Mandla: I do not believe so. I cannot say for sure. I have community organisations, but I do not recall him being a member of that group.

Senator SIEWERT: I am sorry. I want to be clear. Is my interpretation correct? You are saying that that information could have got out that way?

Ms Mandla: No. I think your question is whether anyone has access to confidential information. We have a process, as part of the evaluation, to make sure it is reliable and we get our methodology right. Experts have an opportunity to scrutinise, as do people with subject matter expertise and knowledge of the communities. So we have a process for assuring that. I cannot say one way or another whether that is in any way related to the confidential information in your transcript. But in relation to your question about confidential information, draft reports do go through an expert advisory committee.

Senator SIEWERT: So, in that case, do you have a process whereby people are required to maintain confidentiality?

Ms Mandla: Yes. We do require them to maintain confidentiality.

Senator SIEWERT: So there is the potential that somebody may have had that information and passed it on, because I asked whether anybody else has access to that information.

Mr Pratt: I think, for completeness, Ms Mandla has identified that there is part of the evaluation process which involves an expert advisory committee that gets to comment on aspects of it. We do not even know whether what is considered in that context relates to what Mr Johnson is referring to. I think it is just to complete the record.

Senator SIEWERT: Ms Bennett, I think it was you, or it might have been Dr Baxter, made reference to the minister talking to people. Minister, could you take on notice, please, to ask if Mr Tudge gave Mr Samson any of the material that we have just been discussing?

Ms Bennett: Mr Johnson.

Senator SIEWERT: Mr Johnson.

Mr Pratt: Mayor Johnson.

Ms Bennett: Mayor Johnson, yes.

Senator SIEWERT: Mayor Johnson, sorry, yes.

Senator Seselja: Yes.

Senator SIEWERT: Thank you. Have you done any other evaluation of the cashless welfare card outside of the ORIMA report? Has any other evaluation been done?

Ms Bennett: No.

Senator SIEWERT: Nobody else has done anything? You have not commissioned anybody?

Dr Baxter: No.

Senator SIEWERT: I want to go back to the issue we were talking about previously of measuring some of the unintended consequences. Does that include claims that there has been an increase in prostitution? We have already touched on the issues around the illegal sales of alcohol. Some of the others involve taxi drivers. Does that include any of those issues as well?

Ms Mandla: So the way the evaluation is designed allows for open-ended questions for people to bring forward information that they think is relevant to the trial and the impact of the card.

Senator SIEWERT: So people will bring that forward. Will you be using other mechanisms to look at that besides what people report?

Ms Mandla: Where we have available administrative data from the states, the Department of Human Services or service providers, we can bring that forward to look at the sorts of issues you have just raised.

Senator SIEWERT: Thank you. In answer to a question on notice, you provided detail—I will give you the question number, which I cannot find now—on the number of merchants who had been taken off being able to use the card. You gave me detail on the numbers, but I did not understand the detail on why they had come off.

Dr Baxter: I do not have the material here—I think you have it, Mr Reed—for each particular provider.

Mr Reed: Wine merchants have been blocked.

Senator SIEWERT: Wine merchants have been blocked.

Dr Baxter: I think that is one we would have to take on notice. We have talked to you about the process and the sorts of reasons. Specifically for those ones, I think we had better take that on notice.

Senator SIEWERT: It is the first time we have had, in my recollection—

Dr Baxter: The numbers.

Senator SIEWERT: the numbers. That is why I am interested in the reasons for them being—

Dr Baxter: I am sorry. I could generalise for you, but if you want the specific reasons for those ones, we will do it on notice.

Senator SIEWERT: For those more specific reasons. Could you take on notice why they were blocked?

Dr Baxter: Yes.

Senator SIEWERT: I think some withdrew as well.

Dr Baxter: Yes. I think there was a combination of both. We will take that on notice for you.

Senator SIEWERT: Yes, there was. There was a combination. So if you could for both of them—if they stated the reasons for withdrawal and then if they were blocked—that would be appreciated.

Dr Baxter: Yes.

Senator SIEWERT: I want to go back to the sheet.

Dr Baxter: Is that the IM sheet?

Senator SIEWERT: The IM sheet, sorry. In terms of the numbers for the cashless debit card data, I want to ask a really dumb question first. At the top, it says the numbers shaded in

blue have been provided to community affairs and will be made public. I took the whole sheet to be public.

Mr Reed: That is right.

Dr Baxter: It is the whole sheet. I do not know why it specifically says it in that box, but the sheet is covered.

Senator SIEWERT: Okay. This is a public forum.

Mr Reed: Yes. I am not sure why.

Senator SIEWERT: That is fine. Could you break down the exemption data for Ceduna and EK into the number of Aboriginal and non-Aboriginal people who have been—

Dr Baxter: I do not think we have the exemption data by indigeneity, but we do have some exemption data.

Senator SIEWERT: We have exemption data here.

Ms Bennett: On the table, it has the total.

Senator SIEWERT: Yes. We have exemption data here. That is why I would like to know if we have got—

Ms Bennett: We will have to take that on notice. That is the 34 in the two—Ceduna and East Kimberley.

Senator SIEWERT: In the two trial sites.

Dr Baxter: I have it broken down by location, but I do not have it broken down by—

Senator SIEWERT: Yes. You have it by location here for me.

Dr Baxter: Not by Aboriginality.

Senator SIEWERT: Yes. Could you do that?

Dr Baxter: I can take on notice to check whether we can. I do not know whether we would have that information about whether the person who has been exempted is Indigenous or not, but I can find out.

Senator SIEWERT: Thank you. Is it possible to get data about the payment they are on so that we can get an understanding of—

Dr Baxter: We would certainly have that.

Senator SIEWERT: Newstart, youth allowance, DSP or carer. That would be very much appreciated. Thank you. You would have heard claims from Ceduna about merchants starting to lose money.

Dr Baxter: Yes.

Senator SIEWERT: Ms Bennett, obviously, you have heard this, judging by your reaction just then. Have you investigated those remarks?

Ms Bennett: What were they saying?

Senator SIEWERT: They were saying that they are losing a lot of money because people were having lay-bys. As I understand the situation, instead of lay-bying, the merchant was allowing them to take the merchandise. Because of the commitments that had already been made on the debit card, they were not able to meet their repayments.

Mr Reed: We are definitely aware of the issue in Ceduna. We are talking to the shop owner. There is no reason within the policy parameters why that will happen, because people can still use Centrepay if they are on the card and people can always cancel Centrepay deductions. I guess practically there is not a reason why that would happen, but we are talking to the shop owner to get more information from them.

Senator SIEWERT: What timeframe are you doing that in?

Mr Reed: I think discussions have happened in the last week, but I might have to take that on notice.

Senator SIEWERT: Take that on notice and take on notice the outcome. Obviously, you cannot tell us now. Take on notice the outcomes of that. I had my suspicions about what is happening in terms of people not realising how much is coming out of the card and then not having the money available because it has been spent on rent and things like that, because they are using that for Centrepay. So it is more difficult for them to manage their money. But that is only my supposition, hearing the circumstances.

Mr Reed: We will get to the bottom of what the circumstances are.

Senator SIEWERT: That would be appreciated. Are there other merchants you are aware of that have had similar concerns?

Mr Reed: This is definitely the only one that we have become aware of.

Senator SIEWERT: Thank you. That would be appreciated, if you could. You have not had any from the East Kimberley? I was talking about Ceduna then. What about East Kimberley?

Mr Reed: No. It was just the media report that alerted us to this and we have since, I believe, made contact or are in the process of making contact, but I will take that on notice.

Senator SIEWERT: Thank you. In terms of those who have asked for exemptions and those that have been granted, are you able to provide information on the reasons for those exemptions?

Dr Baxter: Senator, no. We are not able to provide that. We can tell you that generally the Centrelink social worker assessment is undertaken and it is on that basis that the exemption is provided. But we are not able to provide you with information about the reasons.

Senator SIEWERT: Is that because it is not collected or it is because of privacy reasons?

Dr Baxter: It is because of privacy. Generally, you would understand that the reasons relate to an assessment that sometimes for mental health reasons and sometimes for other reasons a person is not able to manage on the card. That is the assessment on which it is made. But we would not collect or have broken down data about those cases. It is too identifying, given the small numbers.

Senator SIEWERT: I understand what you are saying about privacy. But are not some of those reasons important for the evaluation as to why people would be coming off?

Dr Baxter: Ms Mandla might be able to answer questions about to what degree people coming off the card are being factored into the evaluation process. We would certainly be made aware if there were any trends where there was some particular thing of concern about the card that was causing a wellbeing problem through our very, very close working relationship with DHS. We certainly have not been made aware of that to date. But, for the

reasons I have stated, we do not collect that information. Ms Mandla may like to add if any of that is collected through the evaluation.

Ms Mandla: It is quite possible, Senator, that they could be picked up in the interviews. Those who are on the card can get picked up as a participant and those who have recently come off, if they participate in the interviews, would be classified as a nonparticipant.

Senator SIEWERT: But that is the only way you are going to be able to pick it up?

Ms Mandla: I think with the current methodology, yes. Unless there are issues raised as part of that, as broader open-ended questions about issues with the card, positive or negative, my understanding is that is probably likely the only way they would be picked up.

Senator SIEWERT: Thank you. I think I am nearly finished on this. I have some questions that I will need to put on notice. I will go back to the issue of consultation. For the prospective list that you articulated earlier, you took on notice to provide the organisations. Can you give us a rundown on whether they are Aboriginal organisations or broader community organisations?

Dr Baxter: Sure. As I said before, we will work out what we are able to provide you with and we will look at whether they are an Indigenous organisation. That is something we can provide as well. I imagine it will be pretty clear if we can provide the names of the organisations.

Senator SIEWERT: I think it would be pretty clear, but I want to be clear that if it is—

Dr Baxter: If it is not, you would like to know.

Senator SIEWERT: If it is not, that we know, hence my reason for being a bit more specific.

Dr Baxter: Understood.

Senator SIEWERT: I am checking that I have covered the broad areas. The rest I can put on notice, because I am aware of time. I think I need to ask this now. The Wave 1 report did not report on the supposed outcomes of this whole trial. Is the next evaluation going to do that?

Ms Mandla: Yes, it will.

Senator SIEWERT: So it will specifically report against the stated objectives?

Ms Mandla: That is right. The initial baseline report that has been publicly released sets out the program logic and the short, medium and longer term outcomes. The interim report covered off on, I think, the issues with the deliverables and what we call early short-term outcomes. The final report will go to the medium term outcomes, which are along the lines of the community level impact. So it will look at the impact on antisocial behaviour, violence, crime rates and so forth. It was intentionally designed that way because we saw some things as preconditions for others. We workshopped that with a broad group of people, drawing in relevant evidence from research and other evaluations.

Senator SIEWERT: Thank you. Is it possible to get the names of the steering committee?

Ms Mandla: The steering committee goes to positions rather than names of people, because we have had some people chop and change to fit within the bureaucracy. The steering

committee is chaired by me as the branch manager of policy systems branch. I also have the branch manager of the financial and specialist support branch.

Senator SIEWERT: Are you able to table that list? I cannot write as fast as you are speaking.

Ms Mandla: Okay. So there are three branch managers: policy systems in DSS, financial and specialist support within DSS, and Indigenous affairs at PM&C. There are state, regional managers—

Senator SIEWERT: Of?

Ms Mandla: South Australia, Western Australia.

Senator SIEWERT: Of?

Ms Mandla: The Commonwealth.

Senator SIEWERT: They are DSS, you mean, or the ICC?

Ms Mandla: I think they are both PM&C.

Senator SIEWERT: I was going to say ICC, but the next generation.

Ms Mandla: And then representatives from relevant state governments—South Australia, Western Australia are the two I have there.

Senator SIEWERT: So there is no independent?

Ms Mandla: We have independent expert advisers. So as chair of the steering committee and the way we have designed that, particularly for more complex evaluations, we call on expert advisers. We had expert advisers come to our initial meetings of the steering committee and help us with the program logic and the design of the evaluation.

Senator SIEWERT: Can you tell us who they were?

Ms Mandla: For privacy reasons, I can give you only the subject areas they work in. Some of these people are reviewing the work of their peers and, for commercial purposes, may be put at a disadvantage if publicly named. They are doing it pro bono to make sure we get a quality and robust evaluation.

Senator SIEWERT: Did you say four?

Ms Mandla: We have academics on it who specialise in evaluation. We have people with subject matter expertise of Indigenous issues and local community conditions.

Senator SIEWERT: And local community conditions? Does that mean they are members of the community?

Ms Mandla: Yes.

Senator SIEWERT: And so how many in total?

Ms Mandla: I have six.

Senator SIEWERT: But we cannot know their names. There is a familiar theme here. Are they still involved? You said they provided advice on the framework and the logic. Are they still involved in overseeing?

Ms Mandla: They will be involved right through to the end of the evaluation. It is not an unusual practice for evaluations across government. A lot of our other agencies do this just to make sure that the findings and then the conclusions drawn in the evaluation can be tested by

people who understand methodology, people who understand the context of the initiative being rolled out.

Senator SIEWERT: I am not saying it is a bad thing. I am concerned that yet again we cannot know the names of the people involved in this trial. Thank you for that. It is appreciated. I will put on notice the rest of my questions on this issue.

Senator PRATT: I will race through my questions on the national framework. I am familiar with the framework and the current action plan attached to it. I am interested in trying to work out how different activities are integrated within it. What work is being done to update us about the New South Wales work on sharing IT programs to record and share child protection information? Where is that up to?

Ms Carapellucci: I want to clarify. Is it the framework?

Senator PRATT: It is the project being led by New South Wales on information sharing as opposed to IT.

Ms Carapellucci: Yes.

Ms Cala: As you noted, Senator, information sharing work under the third action plan is being undertaken by the New South Wales Department of Family and Community Services to examine the effectiveness of existing practices and identify barriers and opportunities to improve information exchange between government and nongovernment organisations and other key stakeholders. It is expected that a final report on the child protection information sharing project will be presented to the children and families secretaries group by the end of the year. This will contain an analysis of issues and recommendations for reform, including options for short-term improvements in practical areas and for longer term systemic reform. There is also the carer information sharing project which is occurring and will develop and implement an information sharing framework to support carer information between jurisdictions.

Senator PRATT: So what is the time line for that? I note that the royal commission into institutional child sex abuse has made representations around these issues. It seems concerning to me that the actions in the framework are not keeping pace with the recommendations of the commission. Have you done any analysis around that?

Ms Cala: I am not sure exactly what recommendations you mean. In relation to other work under the national framework into developing a national statement of principles for child safe organisations?

Senator PRATT: That is right.

Ms Cala: I can talk to you in more detail. That project has been very much aligned with the royal commission. As you might know, we are developing this statement of principles. This was something that was directed by community services ministers in November last year. It is designed to provide a nationally agreed set of principles for all organisations across all sectors, including child protection, schools, childcare services, health services, religious services, sports and arts and youth justice and detention services. The framework for that work is 18 months from when ministers announced it. It is occurring in a number of stages. At the moment, we are essentially just close to completing stage one, which was to develop a draft national set of principles for presentation to the next meeting of community services

ministers. It is due mid-year, so shortly. You might know that the National Children's Commissioner is facilitating that work in partnership with the department.

Senator PRATT: The royal commission recommended that Commonwealth agencies working with children all have relevant working with children checks. Perhaps I should have asked this in corporate yesterday. Is the department able to advise whether staff within DSS are required to have one or have one within their state jurisdiction?

Ms Bennett: We have had to take that on notice specifically. They are different in every state. Depending on where you work, it has to work in every state.

Senator PRATT: I appreciate the complexities of that.

Mr Pratt: Senator, I am not aware that we have any positions which require that. We will take that on notice and check. But, as Ms Bennett has said, if we did, it would be subject to the requirements of that jurisdiction, be it was one of our state or regional offices or here in Canberra.

Ms Bennett: Furthermore, the secretary of Prime Minister and Cabinet has written to every secretary requesting that if they have employees working with children, they meet the requirements of the respective state in which they operate.

Senator PRATT: Thank you. That is good to know. I understand that you have a text messaging trial, I think, in Queensland and a Towards Independent Adulthood Trial in WA. Are there any other initiatives being considered as part of the framework that the Commonwealth will lead?

Ms Carapellucci: There are a number of other projects underway through the third action plan, which we can take you through.

Senator PRATT: I am happy to take that on notice.

Ms Carapellucci: We can certainly do that.

Ms Bennett: And that will explain which state is leading it and whether the Commonwealth is leading it. In some cases, it is more than one state; they are sharing it. So we will send you a full list of those.

Senator PRATT: And what is happening with respect to all of the families services funded in this outcome as far as aligning those services with the framework?

Ms Bennett: It is the law in those states that if you are working with children, you have to have working with children's checks. The work about safer organisations, as recommended by the royal commission and is being considered, is about cultural practices. It is about governance. So it is enhancing what are requirements. That work is being done. How states implement that within their jurisdiction is the stage after the work that is being done.

Senator PRATT: But the framework is also a lot about early intervention. Clearly, you fund early intervention services. I cannot yet see a clear articulation between the programs within this outcome—

Ms Bennett: We have a requirement.

Senator PRATT: I am trying to see what connection there is between the National Framework for Protecting Australia's Children and the services that you fund.

Ms Carapellucci: It is probably fair to say that the broad suite of families and children's programs within the department do have that early intervention and prevention focus. Our programs are constantly under review. There is certainly ongoing dialogue among the areas that manage the national framework and the programs to ensure that alignment.

Senator PRATT: I am not convinced that is the case, but we probably do not have time to debate that extensively. The Connected Beginnings program, which is being run by the departments of education and health, has a focus on family support services, but it does not appear to have a connection to DSS early intervention services. Are you able to shed any light on that for me?

Ms Carapellucci: That connection will be happening at the local level. That Connected Beginnings program is looking at co-locating and better integrating services within particular locations. DSS has certainly been involved in various interdepartmental committees around it. They would be looking at hooking into local DSS funded services as well.

Senator PRATT: Will DSS services do any contracting within this outcome to better align place based coordinated responses like that?

Ms Bennett: I think we would have to take that on notice. I think the point that Ms Carapellucci is making is that we regularly look at how there can be service improvement. With regard to initiatives from other departments that we are aware of, we do not want overlap and we want strong connection to them. So as to that specific question about that program and how it is interacting with others, I think we have explained that it is happening at the service delivery level. Would we change contracts to require it? It is quite a process to change a contract. You would look at whether it is needed at the appropriate time of renewal. But we do have pretty good engagement with this sector and we use multiple forums to engage with those early intervention and child services, just as we do through the states and in other departments. So I would not say it is a lack of information. Whether it becomes a term in a contract depends on what it would actually be, what we mean by it and when would be the appropriate time to do it.

Senator PRATT: Lastly, I want to ask for a breakdown in the line item between the National Framework for Protecting Australia's Children and the national plan for reducing violence against women and their children. They are both in the same budget line item, but there is not a split between how much is being spent on each plan.

Ms Carapellucci: We can certainly provide that on notice.

Senator PRATT: You do not have it with you?

Ms Carapellucci: I can talk very specifically—

Senator PRATT: Is there a number?

Ms Carapellucci: We can talk about the funding allocated to the national framework.

Senator PRATT: They are both in this outcome, though, are they not?

Ms Carapellucci: Yes.

Senator PRATT: You do not have a breakdown of the two figures?

Ms Carapellucci: Under the national framework, the base allocation is \$2.6 million a year. So the balance is the national plan.

Senator PRATT: Great. That is fine.

Ms Carapellucci: With the two trials, additional funding was provided through the budget. So for those two—

Senator PRATT: I would have expected that the trials are independent from the architecture of both plans. Is that true?

Ms Carapellucci: Well, additional funding was provided for those trials, so over and above the \$2.6 million.

Senator PRATT: So there are activities within, for example, the family and domestic violence framework that are not just about the architecture? They are programmatic things as well, which is why you cannot compare the two figures. Is that right?

Ms Carapellucci: Yes.

Senator PRATT: I will put it on notice.

Ms Carapellucci: Yes. It might be easier if we provide an answer on notice.

Senator SIEWERT: Hopefully, I will keep this very short. Can I ask for an update on where the government's response is to the *Out of home care* Senate inquiry report?

Ms Carapellucci: Yes.

Ms Bennett: I will help in this. We are hoping very soon. I know we said that last time. I think we have explained to you before that what happened was that when it went into caretaker, we had to reconsult with ministers and departments. We are really close.

Senator SIEWERT: Weeks? Before the next estimates?

Ms Bennett: Yes.

Senator SIEWERT: Your obvious response is a very good sign.

Ms Bennett: Can I assure you that we want it to be done too.

Senator SIEWERT: I look forward to it.

Ms Bennett: Before the next estimates.

Senator SIEWERT: I use that as a marker. I did not really mean that I like that idea. Thank you. This is a question on notice, so do not get too upset. There are a number of outstanding reports. Could you perhaps take on notice to give us an update on where each one is up to. Is that possible?

Ms Bennett: Which are sitting within DSS's responsibility?

Senator SIEWERT: Which are sitting within DSS responsibility.

Ms Bennett: If that is put on notice.

Senator SIEWERT: They are not all yours.

Ms Bennett: On notice, yes.

Senator SIEWERT: If I could put that on notice, that would be appreciated. Thank you.

CHAIR: Thank you very much, Senator Siewert. Senator McCarthy, I understand that you have a very brief question.

Senator McCARTHY: Mr Pratt, I want to ask your staff here, or it may go into DHS, about the budget book. Budget Paper No. 1, at page 6-24, under 'Summary of expenses', lists

social security and welfare assistance for Indigenous Australians. I want to ask a question on the budget to—

Mr Pratt: It is possible that that could be a PM&C related item. I will see if someone has that book so I can look at it.

Senator McCARTHY: The other one is in Budget paper No. 4, page 122, under 'Social services portfolio'.

Mr Pratt: Conveniently, I happen to have Budget paper No. 2. Which one would you like to start with?

Senator McCARTHY: If we just go to Budget Paper No. 1, at page 6-24, it is table 9, 'Summary of expenses, social security and welfare'. You have that?

Mr Pratt: Yes, I have.

Senator McCARTHY: Go down to 'Assistance for Indigenous Australians'. The explanation in the second paragraph says:

...assistance to the unemployed and the sick sub-function, which is expected to increase by 16.8 per cent in real terms between 2017-18 and 2020-21.

Senator McCARTHY: Can you explain why that is the case or take it on notice?

Mr Pratt: We will take it on notice, but I imagine that it is to do with population growth.

Senator McCARTHY: Sorry, I could not hear you.

Mr Pratt: Population growth.

Senator McCARTHY: Population growth?

Mr Pratt: That is just me speculating, though, so we will take that on notice at page 6-24.

Senator McCARTHY: I take you to Budget Paper No. 4 on page 122 under the Social Services portfolio. What does the social and community services pay equity special account take into consideration?

Mr Pratt: This is the account set up by the previous government, which, from memory, over a 10-year period provides supplementation to the social and community services providers around the country for a substantial increase in worker pay that the Fair Work Commission awarded over a probably eight- to 10-year period. So it increases the pay rates for social and community affairs workers in both the Commonwealth and the states. There is an account which provides for funding to the states and the providers for that purpose.

Senator McCARTHY: So that is where it is covered?

Mr Pratt: Yes.

Senator McCARTHY: Just above that, what is the services for other entities and Indigenous affairs special account?

Mr Pratt: This is a special account for the former FaHCSIA department. I will have to take that on notice.

Senator McCARTHY: Take it on notice. If you go along there, the figures do not explain it for each area. Could I get a figure that goes with the Indigenous affairs special account? The figure of \$706 million is the closing balance along there.

Mr Pratt: Yes.

Senator McCARTHY: Just down below, it says the Department of Human Services. There is 'Services for Other Entities and Trust Moneys—Department of Human Services Special Account'. What would that be for?

Mr Pratt: The Department of Human Services will be here, hopefully, momentarily. I am sure they will be—

Senator McCARTHY: Be able to explain?

Mr Pratt: Yes.

Senator McCARTHY: That is terrific. Thank you.

CHAIR: Well, that is it. We are done from this side of the table. Thank you very much, officers of the Department of Social Services. That concludes our examination of that portfolio. We will suspend momentarily to allow officers from the Department of Human Services to assemble in the room. We will suspend for a short time.

Proceedings suspended from 17:45 to 17:50

Department of Human Services

CHAIR: We will commence. I welcome back Senator the Hon. Zed Seselja, who did not go very far, and I welcome the secretary and officers from the Department of Human Services. Before we kick off, I do want to place on record my gratitude to the department for a number of things. This committee has benefited from the support of the department in the conduct of our inquiry into the OCI. The department has been very, very helpful in providing officers to assist not only at each hearing but also clients of Centrelink. That is going above and beyond. I want to say thank you for that. I would also like to place on record our thanks for the flexibility shown by the department yesterday for providing an officer to assist in the Department of Social Services hearing at short notice and with very little information as to what he was turning up to. It was unorthodox, but we are grateful for that and your flexibility today. So thank you for all of that. With that, Minister or Secretary, would you like to make an opening statement?

Senator Seselja: No.

Ms Campbell: No, thank you, Chair.

CHAIR: Welcome. Thank you.

Senator McCARTHY: Ms Campbell, I want to go straight to a question that I just asked about Budget Paper No. 4. I want to understand where to look for certain items. It is Budget Paper No. 4, page 122, under Department of Human Services.

Ms Campbell: I am just getting one of the CFOs to join me. What page again, sorry?

Senator McCARTHY: It is 122, Department of Human Services.

Ms Campbell: We have got that.

Senator McCARTHY: It is 'Services for Other Entities and Trust Moneys—Department of Human Services Special Account'. Would you be able to explain what that is?

Ms Campbell: I will ask the CFO if he knows what that is. We do not seem to have anything in it.

Senator McCARTHY: I know you do not have anything in it, but I am curious to know what that account would be and why it is there, that is all.

Mr Jenkin: That is an account that all departments would generally have. It is potentially for moneys received that you do not quite know who they belong to. It goes into what used to be called trust funds and other trust moneys. Or it can be for services that you might be providing with other related entities—other departments, other agencies—that are subject to a special type of arrangement. But it has not applied to us in recent times.

Senator McCARTHY: So in terms of the department, I will take you to welfare recipients. How does the department measure breaches with welfare recipients?

Ms Campbell: Are you talking about compliance with the obligations?

Senator McCARTHY: That is correct, yes.

Ms Campbell: We have a number of measures in our compliance space. So there is both departmental—we have money for running the department—and administered funds, which are the funds drawn down to make payments to welfare recipients. I think your question relates to the administered payments which we make to welfare recipients. Is that the case?

Senator McCARTHY: That is right, yes.

Ms Campbell: We have a measure about payment accuracy. Is that what you are looking for?

Senator McCARTHY: I am looking for a couple of things here, Ms Campbell. I want to understand it through the books but also through some statistics I have received in terms of CDP jobseekers. How does the department monitor those who breach their CDP? How do you monitor what happens to those breaches and what happens to the money that they do not receive?

Ms Campbell: This is not specifically in relation to CDP. We will see whether we can get some other officers. My understanding is that Prime Minister and cabinet manage this.

Senator McCARTHY: No. They have handballed it to you guys, which is why I am asking the question.

Ms Campbell: Well, I am not sure we are going to be able to help you. We might have to take it on notice, because my understanding is that it is Prime Minister and cabinet. We will see whether we have an officer who can assist with it. Prime Minister and cabinet is responsible for those programs. I do not think we have even the data that relates to compliance with respect to CDP.

Senator McCARTHY: I will help elaborate to give you an understanding of the conversation. Prime Minister and cabinet's office provides the providers with funding, and the providers have to find jobs for, for example, 100 CDP participants. Of those 100 CDP participants, they may provide jobs for 50. The other 50 may breach and not turn up. What I asked Prime Minister and cabinet is what happens to the money for those 50. They said I had to ask you guys.

Ms Campbell: Well, Senator, we do not administer CDP at all, so if you are talking about the money to run the program—

Senator McCARTHY: No, Ms Campbell. It is not the money to run the program. What I have been told by the minister and his staff is that they do not know what happens if a participant breaches because it goes into your domain.

Ms Campbell: If a participant breaches—and someone will hopefully check for me this—and they are not entitled or receiving payment, the money is not drawn from the special appropriation. There is a special appropriation for welfare payments, and those payments are drawn down for eligible recipients.

Senator McCARTHY: And where will I find that? Which part of the budget books?

Ms Campbell: That is probably under social services.

Senator McCARTHY: Which I have here in front of me. Can you help me, Mr Jenkin, because I think it is quite important to understand where the money goes?

Ms Campbell: We are just looking at page 82.

Senator McCARTHY: Of which paper?

Ms Campbell: Of Budget Paper No. 4. When you say where the money goes, Senator—

Senator McCARTHY: Well, if it is not going to the CDP participants who are breached, and their money stops for eight weeks or longer, where does the money go?

Ms Campbell: Well, the nature of the special appropriation is that money is only drawn down as it is paid. So those—

Senator McCARTHY: So where is it on page 82, just so we can have an understanding, then, of how the dollar figures stack up with the number of breaches across the country of the money that is withheld?

Ms Campbell: The special appropriation payments would be estimates of the likely drawn down against those special appropriations on an annual basis.

Senator McCARTHY: So where are we looking at on page 82?

Ms Campbell: Page 82, if you go across the top line—

Senator McCARTHY: Yes. At outcome 1?

Ms Campbell: I do not know which payment you are talking about. You are probably talking about Newstart, do you think? Is that the payment type we are talking about?

Senator McCARTHY: Most likely, yes.

Ms Campbell: I am trying to work out whether Newstart is in outcome 1 or 2. If you go right over to the right-hand side, you will see very large numbers.

Senator McCARTHY: Yes, absolutely.

Ms Campbell: They are the special appropriation estimates. The nature of the special appropriation is that it is available to make those payments as eligible claimants or recipients claim. But if people are penalised and, therefore, not claiming those payments, it does not go anywhere. It is just not drawn out of that special appropriation.

Senator McCARTHY: Would you be able to provide for me—and I do not expect you to do it now—how many people would not be receiving money that would be in that?

Ms Campbell: Possibly that is PM&C. PM&C would be the best people to talk to about which CDP recipients are not receiving moneys, because we do not administer that program.

Senator McCARTHY: So help me to understand this. If a CDP participant has a problem, they ring Centrelink.

Ms Campbell: So it depends—

Senator McCARTHY: Sorry, just let me finish. They ring Centrelink with whatever that particular issue is that they have. Some wait two hours and up to five hours to speak to a Centrelink operator. I am trying to unpack here, because it is so confusing for people out there, the responsibility of Centrelink in this process for that old man trying to ring up and find out, after spending five hours on the phone?

Ms Campbell: We would be very interested to find out this example of five hours, because that is not our statistics. I am trying to understand. When you say older person—

Senator McCARTHY: Well, anyone.

Ms Campbell: Is this related to CDP or is this not related to CDP?

Senator McCARTHY: It is all related to CDP because the participants have to ring Centrelink.

Ms Campbell: We might see whether we can find someone who knows the interaction with CDP.

Dr Charker: As the secretary has noted, the CDP is managed under the Department of Prime Minister and Cabinet. The policy in relation to job seeker participation and compliance lies with the department of employment. Our role is assessing job seekers' eligibility for income support; referring job seekers who have mutual obligation requirements to CDP providers; making ongoing income support payments to those customers who are eligible and payable for those payments; identifying where we might need to do an employment services assessment to determine a job seeker's possible barriers to employment; assessing and applying exemptions from mutual obligation requirements for things like, for example, medical incapacity, cultural, business and other special circumstances; administering the payment of the approved program of work supplement to job seekers who are participating in an approved program of work, such as Work for the Dole; investigating reported noncompliance with compulsory mutual obligation requirements and determining whether a financial penalty applies; and supporting customers more generally through remote service delivery in remote area service centres and agent services.

Senator McCARTHY: Thank you for that, Dr Charker. Let us go with your fifth point—investigating and reporting noncompliance. How many investigations into noncompliance have you had to have?

Dr Charker: I do not have the specific number here, but I am sure that we can obtain them.

Senator McCARTHY: If you would like to take it on notice, that would be good.

Dr Charker: Yes. We can do that.

Senator McCARTHY: And what about the penalties applied? How many penalties?

Dr Charker: Similarly, I do not have the number of penalties available. No, I am sorry; actually, I do. Let me take that back. I will give you some figures first. Between 1 July 2016 and 31 March 2017, so over about an eight-month or nine-month period, a total of 431,150 compliance investigations were recommended by CDP providers. We all—

Senator McCARTHY: So was that across the country?

Dr Charker: Correct. That is right.

Senator McCARTHY: And what was the outcome of those investigations? So 431,150?

Dr Charker: That is correct. That is right. I do not have data on the outcome of the investigations. I can take that on notice.

Senator McCARTHY: If you could. And what about penalties as a result of that?

Dr Charker: Probably the closest information I can give you at this minute would be that we ask, of course, CDP providers to report to us activity related failures, so where someone has not undertaken an activity that they are required to do. They are averaging about 10½ thousand per week this financial year.

Senator SIEWERT: Is this the data that people have been given in cross-portfolio Indigenous estimates? That table we have been given that says there are so many no-show, no-pay penalties, so many serious failures, so many serious compliance failures efforts?

Dr Charker: I do not know if the data would be exactly the same without actually seeing it. But certainly the compliance process has similarities, I imagine, to that which you have just referred to. But I do not know the particular figures of what you have received in that forum to be able to compare.

Ms Campbell: I do not know that table, I am sorry.

Senator McCARTHY: Dr Charker, 431,150 investigations is just with CDP. How many other investigations with other programs do you have, on average?

Dr Charker: I will see if we can get that figure for you. I do not have it right in front of me this minute. Let us see if we can get it.

Senator McCARTHY: Sure. That would be good if you could. And in terms of the penalties for the other programs.

Dr Charker: What I can supply in relation to that figure is that the 431,000 figure I just gave you represents 53 per cent of all compliance investigations. So clearly one could deduce the total number of compliance investigations if the 431,000 is 53 per cent.

Senator McCARTHY: So what is the process undertaken to investigate? How long does it take? Who is involved?

Dr Charker: I will probably ask for additional support from one of my colleagues. Essentially, when there is a situation where a job seeker is required to fulfil particular activities as part of their job plan that they develop with the employment services provider, there can be occasions, of course, where they do not undertake those activities. It might be, for example, not turning up to an appointment. It could be not undertaking a particular course of training. It could be not attending a specialist or some other appointment, depending on what is in their job plan. Subject to that, the job search provider who manages the relationship with the job seeker initially would make a decision about whether or not that activity not being undertaken constitutes some sort of participation requirements failure. If in the event that there are a series of participation failures, the job services provider may refer those to the Department of Human Services for further compliance assessment.

Senator McCARTHY: Thank you for that, Dr Charker. I want to ask about income support eligibility. What makes a person eligible for income support?

Dr Charker: There are several different types of income support payments. The particular circumstances of a person will determine which payment they might be eligible for. Most

income support payments are associated with some form of income and/or assets testing. For example, with the Newstart payment, which is probably the most relevant in this case, a person would become eligible for it if they are currently of a certain age, if they are currently without a job and if they meet relevant means testing requirements. Presumably, if they were accepted for a payment, they become required to undertake mutual obligation requirements as part of that process. But, to go back to your question, there are a couple of different types of income support payments. They are different in terms of the particular situation of the claimant. For example, disability support pension is another type of income support payment. Clearly, it arises from a different set of circumstances than would a claimant seeking or getting Newstart.

Senator McCARTHY: What about the way you engage with people through Centrelink? Are there outreach to communities, or do people have to come in?

Ms Campbell: We will ask somebody else to come to the table to talk about how we do this. We have a number of remote service centres, a remote servicing program of activity as well as a broad range of agents and access points where people are able to access services. We will just see whether we have someone with some statistics on that.

Senator McCARTHY: No worries. Thank you.

Mr le Dieu: Can I get the question again, please?

Senator McCARTHY: We were just talking about income support eligibility and how it is explained. I asked how you reach out and engage with people. Do you go out to the communities, or do people have to come into the offices, or do they get on the phone, mainly?

Mr le Dieu: We have a range of services. There is what we would know as our normal service delivery offices. We also have agents across the country, predominantly in remote and rural areas. There are access points which provide services; predominantly, it is just access to our phones and computers without assistance. We also have remote servicing, where we proactively fly or drive to remote services and provide those services on a face-to-face basis.

Senator McCARTHY: Has that been increasing or decreasing?

Mr le Dieu: I would have to take that on notice.

Ms Campbell: My understanding is that it has remained static for some time.

Senator McCARTHY: So there is no reduction in outreach in any offices across the country?

Ms Campbell: Mr Le Dieu's team look at requirements, such as the number of people who need services. They may adjust programs to have more in one location and less in another. But, across the board, there has not been any decrease in services in recent times.

Senator McCARTHY: I want to return to the department's role in the CDP program. What exactly is your role?

Ms Campbell: Dr Charker took us through all those initial referral points. The actual conduct of the CDP is not done by the Department of Human Services.

Senator McCARTHY: So PM&C?

Ms Campbell: PM&C manage that process.

Senator McCARTHY: Does the department oversee the comprehensive compliance assessments?

Dr Charker: The department certainly has a role in investigating reported noncompliance with compulsory mutual obligation requirements.

Senator McCARTHY: It does?

Ms Campbell: Yes.

Senator McCARTHY: So how many have you done in the year to date?

Ms Campbell: We would probably have to take that on notice. You are only interested in CDP?

Senator McCARTHY: At this stage.

Ms Campbell: Participants.

Senator McCARTHY: CDP participants are twice as likely as other job seekers to be found noncompliant through the CCA process. Does DHS have an explanation for that?

Ms Campbell: We are not as deeply involved with CDP as, for example, PM&C would be. I think PM&C have a much greater understanding of how the process works and what generates noncompliance and goes through to CCAs. I think in the first instance they are still better positioned to be able to answer these questions about the CDP itself.

Senator McCARTHY: So you have nothing to do with it, then?

Ms Campbell: What we have said is we have gone through all the parts that we play in the process. But the actual CDP itself is run by the Department of Prime Minister and Cabinet. They refer people back to us for complex compliance assessments. We work with those participants to determine what is going on there. But the actual program itself is run by PM&C.

Senator McCARTHY: So who is conducting the CCAs for remote Indigenous clients then, Dr Charker?

Dr Charker: I have to take advice. We will check that and confirm.

Senator McCARTHY: Could I have an understanding of their qualifications? Are there any interpreters?

Ms Campbell: In general, we work in community with interpreters. We try to use interpreters when they are available, or we use phone lines. We often use a number of our staff—

Senator McCARTHY: That is good, Ms Campbell.

Ms Campbell: who have local language.

Senator McCARTHY: I just want to know how it is broken down; that is all. How much funding do you receive specifically for CDP?

Ms Campbell: We are funded on a per recipient basis.

Senator McCARTHY: And how much is that?

Ms Campbell: We have a different amount per type of payment. So we get a different amount for Newstart and aged care.

Senator McCARTHY: How much is the Newstart one?

Ms Campbell: I do not have that with us. We would have to take that on notice.

Senator McCARTHY: Could I have a breakdown of how much per participant for each, be it Newstart, aged care or disability? If I could have those figures, that would be very good, thank you. Which Centrelink phone lines are CDP clients expected to ring for assistance?

Ms Campbell: We will see whether we can find out which number they are meant to ring. Is there a general compliance line?

Mr Jackson: We will find that out in the next couple of minutes.

Ms Campbell: We will find that out in the next few minutes and give you that number.

Senator McCARTHY: And what is the current wait time for that phone line?

Ms Campbell: We will see what numbers we can get.

Senator McCARTHY: Does the department collect data on the number of calls it receives by geographical location?

Ms Campbell: It is hard to know sometimes where calls are coming from. I do not think we are able to capture that.

Senator McCARTHY: If you are speaking to a client, would they not identify who they are and where they are?

Ms Campbell: They may identify who they are but not necessarily where they are. In many of these cases, when they are accessing our phone lines from either an agent or one of our remote service offices, we would probably know.

Senator McCARTHY: Do you monitor a client who has rung in and says, 'My name is Joe Brown?' Do you look up Joe Brown, his birth date and see that perhaps he comes from Hermannsburg in Central Australia. Do you monitor that?

Ms Campbell: When you say 'monitor', what do you mean?

Senator McCARTHY: Well, just what you have answered in the question previously. Do you collect data on those calls?

Ms Campbell: I do not know. We have many calls. I do not think we collect on where individuals are. No, we do not. We would know that the person called in because we would put it in their record if there is an adjustment, but we do not record where the calls come from.

Senator McCARTHY: You do not record where the call or where the caller is from. Is that correct? Is that what you are saying?

Ms Campbell: I do not think so.

Mr Jackson: Firstly, I will go back to your earlier question about which phone line. There is not a dedicated phone line for CDP. People would call on the particular line that they wish to make inquiries on, such as a Newstart line. We can certainly provide information as to the wait times for the various phone lines we have in. We have provided that previously to the committee. It is a fairly standard question that we get on a number of occasions.

Senator McCARTHY: Do you provide interpreters for Pitjantjatjara, Arrernte or Iwaidja for example?

Mr Jackson: We certainly provide interpreters. Equally, as the secretary mentioned, we also have a number of Indigenous service officers out in the communities, which certainly do assist with it as well.

Senator McCARTHY: And how many of those officers are there?

Mr Jackson: I can find that out very quickly.

Senator McCARTHY: This is Indigenous officers?

Mr Jackson: That is correct, yes.

Senator McCARTHY: If you could, that would be great.

Mr Jackson: I am sure someone will bring that to the table.

Senator McCARTHY: Could you also provide how many Aboriginal interpreter languages you use for the thousands and thousands of CDP participants?

Mr Jackson: Absolutely. We can provide that information.

Senator McCARTHY: At the last estimates, we certainly heard that 29 million calls could not get through to Centrelink. Do you take this into account when CCAs are conducted?

Ms Campbell: In what regard?

Senator McCARTHY: Just in terms of the comprehensive compliance assessments. Are you conscious of the fact that if someone is trying to ring in in relation to the fact that they may have an issue, if they cannot get through, is that taken into consideration once there is a discussion around any delays?

Ms Campbell: So there are discussions on an individual basis about why someone has failed to meet their obligations. There are other ways of contacting us as well.

Senator McCARTHY: I have to finish now with one more point, Ms Campbell. I have certainly been around Central Australia. In terms of wait times, I have been told that it is about two hours. In one instance, someone sat on a phone in a community which had no mobile phone coverage for five hours. I want to relay that there are serious issues about access to Centrelink.

Ms Campbell: Senator, when we hear about anomalies like five hours, we can do service recovery. We can go through our records and determine what actually happened. We are able to do that if people can give us specific details.

Senator McCARTHY: Absolutely. Thank you.

CHAIR: Thank you very much, Senator McCarthy. We will kick off with Senator Siewert after the break. Thank you very much.

Proceedings suspended from 18:18 to 19:30

CHAIR: We will recommence now. Welcome back. Senator Siewert, the call is yours.

Senator SIEWERT: I want to go to the drug-testing procurement process.

Ms Campbell: I am sure we can find some people to come to the table to talk about that. I can start if you like.

Senator SIEWERT: That would be great.

Ms Campbell: We have been monitoring the DSS hearings as well.

Senator SIEWERT: I figured you would be.

Ms Campbell: And we are working very closely with DSS. As DSS said, there are a number of details we are continuing to work through in how this will roll out, and my colleagues will be able to give you I am afraid not much more than DSS has given you on how the process is going to run.

Senator SIEWERT: I am in your hands.

Ms Campbell: Your question is about how we are going to run the procurement?

Senator SIEWERT: How are you going to run the procurement process? Has it started? What is your time line? Let's start there.

Dr Charker: Clearly, as the secretary has noted, we are in the early stages of the procurement process. We have not yet gone out to market or developed a tender document to send out to market at this point. We have, however, been working quite closely around determining the best strategy we could use, noting that this particular procurement is for a type of activity—namely, drug testing—which clearly has a number of medical and other issues that we need to consider. We will probably look at engaging some external support to assist us in appropriately developing a tender document that covers the sorts of issues that will be really important in the context of procuring the appropriate supply in our context to undertake the testing.

We also note that we are not the only organisation that has been having to contemplate or administer drug testing, and certainly we note that there are other colleagues across the Australian government who also have undertaken drug testing, albeit in different contexts and for different purposes. To date, we have been in contact with colleagues in other agencies to understand their experiences with implementing drug testing and the sorts of issues they have had to be mindful of in relation to, for example, the engagement of providers, and the sorts of physical facilities and equipment that they might have had to consider in setting up their processes. We also note that there is a lot of variability in types of tests for different drugs—for example, the latency with which it takes to get a result. All of those factors make this a complex process, but we certainly have been doing a lot of work to form the groundwork for setting up a procurement strategy.

Any strategy that we develop will—as you will appreciate—have to be consistent within the Commonwealth procurement rules. Some of the things that that typically means is that the procurement process is going to have to demonstrate value for money to the Commonwealth. The process will have to demonstrate that the supplier can deliver the desired service in a way that is efficient and effective. And the process will have to have appropriate probity, transparency and accountability around it, as would be the case for any process being managed under the standard Commonwealth procurement rules.

Senator SIEWERT: Thank you. That leads me to a whole lot of other questions.

Dr Charker: I am sure.

Senator SIEWERT: Can I go to the point that you made first up about other colleagues. Who are you talking about there? And you made a comment about context; what context are you talking about there?

Dr Charker: In particular, as I have noted, there are a number of other colleagues in government who have experience dealing with drug testing. When I made the comment that the contexts of that differ, I was referring to the fact that in our particular case we would be

looking to undertake, or have a contractor undertake, drug testing of our recipients or claimants. We have, however, been engaging with the Department of Immigration and Border Protection, who also run a drug-testing process but the context is different in that it is of their staff. So we are obviously very mindful of that.

Senator SIEWERT: This is Department of Immigration and Border Protection?

Dr Charker: Yes. Our colleagues there similarly engage a third-party provider to undertake a particular testing regime. As I said, the difference is that that is for their staff, so there is a different dynamic there which we are very sensitive to. However, the discussions with our colleagues there have been helpful in giving us a sense of some of the practical on-the-ground issues that we would have to consider in engaging this service from any external provider.

Senator SIEWERT: What were some of those practical matters?

Dr Charker: So just to give you one example, there would be the issue of the provision of an appropriate facility to actually undertake a test—noting, as I said earlier, that test methodologies vary. There would be the provision of an appropriately private facility to enable the test to be undertaken, depending on the type of test. They also required setting up a small sort of interview room, if you like, in which the contracted provider could actually sit down with the person to be tested, to explain to them what the test was, what it was going to do and the whole process. Those are some of the sorts of issues around which we have been appreciative of the support and information that that department has given us.

Senator SIEWERT: Are they the only colleagues or agencies that you have spoken to?

Dr Charker: To date it is; however, we are early in the process. We are still in the process of forming, I suppose, the immediate tender documents and the overall approach to how we will go to the market. And we consider that getting the most information we can from colleagues within government is going to be really important. So our intention will be to not only approach colleagues at the department of immigration but also elsewhere in government.

Senator SIEWERT: Do you have an idea of who that is?

Dr Charker: We know that other departments—like the Department of Defence and the police et cetera—undertake drug-testing regimes; although, as I noted before, the contexts do differ. But we still think there would be value in understanding their approach to this type of activity.

Senator SIEWERT: In terms of preparing the tender, does it depend on where the trial sites are?

Dr Charker: Yes, it does. And, as you know, government has not yet made a decision on those sites. So we will clearly be in a position to finalise a lot of aspects of the tender documents only when we have some clarity around what those sites are.

Senator SIEWERT: So you will not be going out to tender then until those trial sites are selected?

Dr Charker: That is correct.

Senator SIEWERT: Thank you. In terms of the particular types of tests, are you selecting a particular type of test? Or are you leaving that open in terms of whoever then tenders specifies that?

Dr Charker: It is certainly more the latter. As I noted before—and, in fact, even to go one step back, we are also very aware that the medical technology industry changes rapidly all the time. Testing regimes, I think, are getting more sophisticated and are changing over time as the technology improves. Rather than going out and trying to prescribe a particular method when we would not necessarily be in any way expert to do that, our preferred approach is to identify what exactly we are looking to do here, which is ideally to test for the largest range of illicit drugs that we can, and seek input from the market as to the sorts of methods and tests that they would put forward as being possible candidates for our particular application.

Senator SIEWERT: I know you have said they are getting more sophisticated, but in terms of the issue of false positives that Senator Di Natale raised yesterday, do you build that into the tender, into the procurement policy?

Dr Charker: Yes, and I note the discussion yesterday to your point on that. As the senator commented yesterday, most tests have some rate of false positives, and we recognise that. Certainly, what we would be looking for any tenderers to do would be to inform us about the reliability rates of any tests that they might propose as being suitable for this purpose. We would also look for them to give us assurance that they, in doing any testing regime that they might ultimately do, would meet appropriate professional certification and standards and to give us assurance that they are appropriately qualified and certified to perform those tests, noting that the professional practices of any test provider will in turn have an impact on the reliability of a test result. We would be looking for the provider to explain not only the appropriate reliability of a given test but also how their practices, the procedures they follow and their professional certification could give us confidence that they would administer a test in the way that it was intended.

Senator SIEWERT: You are going back to the original question—that will be left up to the tenderer to try and work out?

Ms Campbell: I do not think we have finalised what is in the tender, but I think what Dr Charker has been talking about is an outcome-focused tender. We are still working through that.

Senator SIEWERT: Yes, that is probably the word I was searching for.

Ms Campbell: Rather than prescriptive.

Senator SIEWERT: You mentioned having a third party person, didn't you?

Dr Charker: That is correct.

Senator SIEWERT: I thought so. I just cannot find where I have noted it. Who are you looking at for that particular role?

Dr Charker: We are not in a position right now to give you clarity on that. As I said, we are early in the process for the procurement. We have formed the view that we will need that expertise from an appropriate external third party, so we will be looking for a third party to assist us who has an understanding of medical testing regimes and the sorts of issues that you have to consider when you are looking to implement something like that. We recognise that it is not something that we routinely do in the department, so we will be looking to engage appropriate expertise to help us.

Ms Campbell: We would probably ask our colleagues in the Commonwealth who do drug testing as well as some of the employers who drug test employees to see who helped them set up such processes.

Senator SIEWERT: You commented about the rules and value for money; therefore, the government has given you a parameter for what is value for money. Is that correct?

Ms Campbell: All our procurements are always value for money. That is the underpinning of the Commonwealth Procurement Guidelines, so we always seek value for money. I do not think government always specifies what that is; it is up to decision makers to ensure that the government is receiving value for money.

Senator SIEWERT: It is very hard for us to judge what is value for money, because we are not being told what this is going to cost.

Ms Campbell: The government has made a decision not to publish that information because of commercial-in-confidence.

Senator SIEWERT: I was not going to go through that again. I have been through it several times. I do not agree with it, but I have been through it. My question is: what have they given you in terms of how to work out what is value for money?

Ms Campbell: In any procurement we would either come to views ourselves or seek guidance from others about what this normally costs, what others have managed to negotiate on a per-head or whatever basis for a service. That is how we generally determine value for money.

Senator SIEWERT: From your discussions with the Department of Immigration and Border Protection, what does it cost per person for them to test?

Ms Campbell: I do not think we have that level of specificity yet, and I am not sure that we would be to the point where we were comparing apples with apples. I do not think we have actually got that far down the track.

Senator SIEWERT: At this stage apples and oranges might be helpful, because we have not been given any information on what this is going to cost or what it is going to cost per head. Have they provided information to you about what it costs them per person?

Dr Charker: Not to my knowledge, no.

Senator SIEWERT: They have not?

Dr Charker: I am not sure that we have asked that question.

Senator SIEWERT: Would that not be one of the obvious questions you would ask?

Dr Charker: I think it would be, but I do not think, at this point in time, we are at the stage of being able to even form a meaningful comparison. As I said, we are at an early stage just trying to identify the issues that they have had to consider in doing what they have done. We will then have to work out whether those issues apply in our own context, noting that our context is quite different.

Senator SIEWERT: Could you take on notice whether you do have that information, and, if you do, could you provide it.

Ms Campbell: We will take that on notice.

Senator SIEWERT: We had a little bit of a discussion—as you are aware—with the Department of Social Services yesterday about how they thought it might operate, but they told us to come here.

Ms Campbell: Yes, we saw that. And I understand that next week there is going to be one of the workshops about how that process will run, how we will sit down—

Senator SIEWERT: You are running a workshop?

Ms Campbell: DSS and DHS—which is how we normally do processes when we get a policy and determine how it is operationalised. We do workshops and we work through it with, whether it be DSS or another department as well. That is going to commence next week.

Senator SIEWERT: What is the time frame for working that out?

Ms Campbell: We have to implemented it by 1 January 2018, so I would expect we would be working in the coming couple of months to determine how it is going to work on the ground.

Senator SIEWERT: I realise this is a trial, but would there be a process to ensure that it is working effectively by the time you start? I am hesitant to say a trial of the trial, but how do you know it is going to work on 1 January?

Ms Campbell: That is the benefit of trials.

Senator SIEWERT: I understand that. I also understand that there have been some significant issues with implementing other measures, so I am wondering what you have to assure us that in fact it would go as smoothly as possible from the beginning.

Ms Campbell: As part of the workshop to determine how things are implemented, we build in checks and balances, tests and a checkpoint to see whether things are working as expected. With this measure, that would be part of the thinking in the coming weeks about how to ensure that the trial is running as per government guidance and what the government wants.

Senator SIEWERT: Before it started?

Ms Campbell: We build that in as part of the process. When you are thinking about a process and you are working out the checks to ensure the integrity of the process, integrity checks are part of the planning of an implementation.

Senator SIEWERT: You can understand why I am a bit cynical when we have just been through the whole Centrelink debt process where there were a lot of issues. I am not going to go through those now because we have been through them a lot and we have process, but it would be fair to say there is a lot of cynicism about how this is going to operate.

Ms Campbell: I understand the point you are making. In the processes we are about to undertake we will look at how this will be operationalised and we will take into consideration where we need to have checks and balances. The very nature of it being a trial will allow us to do those checks.

Senator SIEWERT: There will obviously be lots of questions in October, when we get to estimates then. In terms of the randomised process, people are going to be asked to come in to a DHS office or they will just get a notification and go to the facility—

Ms Campbell: These are details that are going to be worked out as part of the workshop in the coming weeks. Usually, we ask job seekers to attend appointments, sometimes at a Centrelink office, sometimes at a jobactive provider and sometimes at a different location. These are the details that are going to be worked through. It will also depend on the procurement and what the providers offer as form of the service.

Senator SIEWERT: Is it envisaged that there will be a separate phone line for people that are put on this trial to phone in?

Ms Campbell: I do not think that was envisaged, because there would be an engagement with the individual. For a phone line, are you thinking about when they were having problems?

Senator SIEWERT: There are two things. Obviously, when they are first contacted, I suspect some people could be agitated. I think you are budgeting for about 500—

Ms Campbell: Welfare quarantining—

Senator SIEWERT: Welfare quarantining—will there be a separate line for that?

Ms Campbell: Welfare quarantining recipients have access paths. I am not sure whether it is a separate line.

Senator SIEWERT: They would go on to that—

Ms Campbell: The welfare quarantining process.

Senator SIEWERT: I understand that. We have not been told by the government that it was going to be a cashless welfare card. Now it is less clear than that. It is income quarantining, but will that be through the current process, or will there be a separate process?

Ms Campbell: Again, we are going to work out that process in the coming weeks, but given the number, I would have expected that it will be through the normal welfare quarantining services that we provide.

Senator SIEWERT: There are two things, though. There are the 5,000 people that are going to be drug tested, and the figures that we used yesterday were 10 per cent—500—although there is international evidence to suggest that it will be lower. But, initially, there will be 5,000 people that will be subject to this.

Ms Campbell: Those 5,000 people will be job seekers who will have a relationship with the department via their job seeker requirements. This will be one element of that. But I hear what you are saying, and we can look at that as part of the process.

Senator SIEWERT: I realise I am getting behind. I just want to finish this one question there—

CHAIR: Absolutely.

Senator SIEWERT: and I will have more after. You just put that in terms of their job seeker requirements. Yesterday, DSS was saying that their jobactive provider will not know that they have been randomly selected. They would not necessarily want to go and talk to them about their job service provider.

Ms Campbell: I was talking about the relationship the job seeker has with the department, which is different to the relationship with the jobactive provider. They still have a relationship

with us about their payment. They have the relationship with the jobactive provider about their job search.

Senator SIEWERT: That is why I was asking about a phone line. I am sure that tonight we are going to traverse the whole issue of waiting on phone lines, which is why I was asking about whether there will be a separate one they could ring.

Ms Campbell: That decision has not been considered yet, but we will note it and put it in as part of the workshop that is going to be conducted in the coming weeks.

Senator PRATT: I would like to ask, in terms of the current scoping for this trial, what role Centrelink employees will have in the implementation in face-to-face or over-the-phone contact with people participating in drug tests.

Ms Campbell: As we just outlined, we are about to undertake planning with the Department of Social Services about how this policy will be operationalised and how we will implement it on the ground.

Senator PRATT: What consideration have you given to that thus far?

Ms Campbell: The consideration is that we are meeting with DSS in the coming weeks to go through it in detail.

Senator PRATT: I heard that part, but, in putting the questions to DSS, what questions will you put to them?

Dr Charker: I think there is potentially a range of questions. The type of workshop and planning that the secretary alluded to often happens over more than one occasion. We are kicking that off next week, as the secretary has noted. The purpose of it is literally to map out every single step at a very fine level of detail along the way, basically from go to whoa, so: how we might contact someone who has been selected; in fact, before then, how the selection process would work; what the method is for the contact; who contacts them; where they go and when; and all of the details as we follow that right through to the testing being undertaken et cetera.

Senator PRATT: What consideration are you currently giving to how people who might be tested are contacted? I can see things that would already have to be within the parameters of those questions, of which—when you are looking at something that has potential to quarantine someone's income or to breach them—you need to be able to give them reasonable notice. However, when you are doing drug testing, it is not like being drug tested on the spot in your workplace. People have the opportunity to change or alter their behaviour based on how much notice they have. How are you stepping through those issues?

Dr Charker: I think, to your point, the very issues you have raised are examples of the considerations that we need to work through with the Department of Social Services. They go to: at what point is someone asked to come in for an appointment or to attend a particular venue for an appointment? When, at what point, and by whom would they be notified that they had been selected for a drug test? What length of time would they have before the test was to be undertaken? When the test was undertaken, how would the results be communicated? If they had a concern about the test, what opportunity could they possibly have to raise a question or a query or a concern about the result? What is the process for the department to make a decision about some form of welfare quarantining? What other factors, if any, should we take into account? What are the appeal and review rights for a person

around that decision—and so on and so forth. So there is quite an extensive number of considerations, to answer your question.

Senator PRATT: In terms of notice: at this point, if someone is sent a letter saying that they will be selected for a drug test or that they have to show up at a particular appointment, are you expecting that they will have prior notification that, at the appointment they are turning up to, they will be given a drug test on the spot, or that, at some future point in time, they will be called in, at short notice, to have one?

Dr Charker: Noting that the details have not been finalised, I think one could readily appreciate some of the issues about contacting someone to ask them to come in to have a drug test. I think what would probably be a more practical method would be to ask someone to come in to attend an appointment. The secretary has noted that we actually do that routinely for a number of different reasons. Then, as I said, some of that detailed implementation is around: at what point do you advise someone that they have been selected, if indeed they have been? Then there are all of the other questions and processes that flow on from that.

Senator PRATT: That is a different thing from knowing, if you work for the Department of Immigration and Border Protection, that you might be selected for a workplace random drug test because you know it is a condition of your employment to do that. I appreciate that it may well be a future condition of receiving a Centrelink payment. But people have certain anxieties around medical procedures. People may show up to an appointment with children in attendance with them. What things will you put in place for when, for example, someone turns up for what they think is going to be a routine Centrelink appointment but in fact turns out to be a medical appointment, and they have children with them?

Ms Campbell: Again, this is what the two departments are going to work through next week. I think some of that will depend on the nature of the test, the location of the test and how difficult it is to undertake the test. We know that in some jurisdictions there is random testing on the roadside in some device. They are the sorts of things we would look at. I think that occurs regardless of who is in the car when people experience random roadside drug tests. These are very good points and they are something that we have not finalised yet. We will be working with the Department of Social Services on them in the coming weeks.

Senator PRATT: What specific training do you currently envisage Centrelink employees will have if they are involved in informing clients that they are required to take a drug test?

Ms Campbell: With every new measure that we implement we will do a needs analysis on what the training requirements are for staff members. We would then develop a training package and deliver that training package. We have staff who are highly skilled in dealing with very complex issues in people's daily lives. We have the social worker services and the like. That would be part of the consideration in developing a training package for the staff who are involved.

Senator PRATT: I am assuming that Centrelink employees will be involved in face-to-face discussions with clients who may be required to take a drug test, or are you looking at contracting all of that out to external providers?

Ms Campbell: Again, we have not finalised the details, but I would expect that Centrelink staff would be involved in that process, just as they are now involved in dealing with other complex matters in people's lives, and helping them through those issues.

Senator PRATT: We touched on randomness and time prepared issues. What will you put in place to manage any particular stresses and anxieties of both staff and Centrelink clients?

Ms Campbell: I will ask Mr Jackson to talk about what mechanisms we have in place when recipients come in and they may be experiencing distress, and also support to staff who may feel stressed in such a situation.

Mr Jackson: It is the nature of the business that we do when we engage with our recipients that we see people, either on the phone or at face-to-face sites, who are sometimes experiencing difficulties. Equally, at times we have to at times give them bad news and say no to them. So, our staff are very well trained in identifying people who may be exhibiting some vulnerability indicator, or the likes of that. Equally, it may already be on their record when they come in. We can certainly adjust the way we handle them at that time. We certainly do have access to a whole range of supports through our highly trained staff: the social worker network and our interpreter and translator services that we have as well, recognising that nature of it and the diversity around it. Equally, when we do have to deliver a message to some people who know they have not been found eligible or are not going to get a payment of some sort, the staff are well-versed in dealing with how different recipients may react. Some of them react quite well and some not so well. Our staff are very well-trained in de-escalating and the other aspects around dealing with those, as they may manifest.

Senator PRATT: Hypothetically, if someone comes to an appointment and they do not know that it is for a drug test and they are intoxicated at the time on an illicit substance, they might choose not to take the test. It could escalate quite quickly, with someone being fine when they come in but then it becoming a very dramatic set of circumstances when they suddenly appreciate they are going to have a drug test of some sort.

You are going to need some fairly specific security and other things in place to make sure that those kinds of circumstances are avoided. Clearly, if it is a roadside drug and alcohol test, the police do that and they are able to deal with those kinds of situations quite quickly. But you would not want to create that type of environment in a Centrelink office or whatever other kinds of premises you are doing this on.

Ms Campbell: We have escalations every day in our offices. As you described, people come in under the influence of drugs or alcohol who may, for example be looking for an urgent payment and be denied an urgent payment for a number of reasons. We have in place mechanisms to de-escalate and to deal with those customers, those recipients. We do not see this as being any different to what we currently do when we often have to provide advice to recipients which they do not welcome.

Senator PRATT: There were comments made by DSS yesterday regarding the fact that they would expect letter would be sent informing recipients of an interview but they will not be told why. What is your expectation of who would hold those interviews currently?

Ms Campbell: As I said before, we expect it is likely to be a staff member of the Department of Human Services but these are the details we are going to work out with DSS.

Senator PRATT: So it might be a staff person who meets them who then says, 'Now you have to go off over here to this clinical space and undertake your test.'

Ms Campbell: We do not know yet because we still have to work out how the tests are going to be conducted. That will be part of the tender process as well what the tests are going to be. We will seek an outcome based tender to tell us what is the best way of achieving this objective. So until we get some of that detail, we will not be able to provide advice.

Senator PRATT: How common is it when Centrelink sends a letter to someone that the reason specified in the letter as to why they need to come in for an appointment?

Ms Campbell: It is not always letters. We often use SMS.

Senator PRATT: Yes indeed. But would there normally be a reason specified as to why you are being asked to make contact with Centrelink?

Dr Charker: I might have to take that on notice. I say we have noted, it is not unusual for us to make contact with the recipient via one more means and ask them to come in. What I think we might have to take on notice is how much specificity we would normally provide, noting that there is going to be less in an SMS by design of an SMS than there would be in a letter. SMS is obviously much shorter. I will take notice that on notice and come back to you on the specificities.

Senator PRATT: My reason for asking is that normally if someone is asked to come in, they have got a certain window in which they are required to come to the office. What is that window?

Ms Campbell: Sometimes there is an appointment and they are given a time to come in depending on the nature of the appointment. As Dr Charka said, we can take that on notice and give you some more details.

Senator PRATT: Given the nature of what you are doing, and you would be aware of this, I cannot see a way of it working effectively. Either you say to someone, 'You have got a come in tomorrow or the next day,' in which case people might have other obligations that make it impossible for them to do so or, frankly, you run the risk of someone essentially being able to change their behaviour in order to change the test result. They can just make the presumption that their notification asking them to come in could be for a drug test. I cannot see any way around those issues however well you consult through them.

Ms Campbell: At the moment, your first point about if they are not available to attend an appointment, sometimes there are other circumstances and rescheduling of those appointments does occur. I hear what you are saying but we need to work through how best to get people in. People do come in pretty regularly for a range of issues. It might be that sometimes they want more details about their payment that they are receiving or about another payment. Sometimes we ask people to come in for random compliance checks if they have some earnings. So there are a number of reasons why people come into a Centrelink office. I hear what you are saying about changing behaviours, but if we were able to change jobseekers behaviours to stop them taking illicit drugs and make them more ready to be employed I think that would be a good outcome.

Senator PRATT: Yes, I would agree with that. However, part of that pathway is to have a positive and trusting relationship with your clients and for them not to feel like you are trying to trick them or catch them out in some way. I clearly appreciate that you are testing for illicit substances. But it is a fairly difficult thing for someone who is struggling with these

issues if they feel like they are in some way being set up to be caught out through taking one of these tests when they have come in for what they thought was some other reason.

Ms Campbell: There are a number of positives that come about by allowing activities for people to get off illicit drugs and to be part of their job plans and the like. The whole objective is to have people being job ready and to assist them to come of these illicit substances so that they are able to be competitive in the job market.

Senator PRATT: We have certainly been through that with DSS in terms of the barriers to employment that you are trying to work through and identify. You did make some comments about the kind of training and that a package of training would be put together and that you would work through those issues in your up-and-coming workshops. What are the parameters, in terms of the questions that you will put to that workshop, about staff training?

Ms Campbell: The way the workshops run is that we do not have a list of questions. We probably have a sort of a checklist, because we will know other training programs we have put together for other new measures that have been delivered. But we do not have a set of questions that we go into the workshop with and say that we have got to tick this off. A lot of it is people working together and doing what we call a pathway—a journey—for the recipient or the claimant, and we work through that pathway. Then we work through a staff pathway about how the staff engage with the recipient or the claimant at different points. That is how we work out these issues. We find that we get a better outcome by doing it in that method of having a whole lot of experts in the room doing it, rather than ticking a whole lot of questions.

Senator PRATT: When did DHS first know about this proposal being announced in the budget? How long before that was DHS informed of it as a policy proposal?

Ms Campbell: As with all budget measures, we would have worked with DSS in the months leading up to the budget. I do not know that we have with us the exact date when we first started working on this, but we can take that on notice.

Senator PRATT: Do you have any information with you about when work on it first started?

Ms Campbell: We had 43 measures in the budget, so we work on many measures over many months. I do not think we would have the exact detail of when we started on any given measure.

Senator PRATT: That is all I have for the minute on drug testing. I have other topics.

CHAIR: Excellent, Senator Pratt.

Senator KAKOSCHKE-MOORE: These are not around drug testing. I have two streams I would like to go through. The first is in relation to FOI requests submitted to the department. The second is in relation to complaints made to the department around the services received through jobactive and the way that those are dealt with by your department.

Ms Campbell: Do you want to do the jobactive one first.

Senator KAKOSCHKE-MOORE: Sure.

Ms Campbell: This is when a jobseeker is dissatisfied with their jobactive provider?

Senator KAKOSCHKE-MOORE: Yes, and that dissatisfaction could take a number of forms. I acknowledge it might be that they are unhappy with their caseworker or they are unhappy with something else. I will use a specific example that some of my questions will go

to, and that is around when there has been a breach and payments have been suspended and what happens after that. My basic understanding of the process is that if a jobseeker misses an appointment or an activity requirement, there is a two-stage process before a penalty is applied: first, the job agency is required to contact them, and, second, Centrelink is required to contact them—is that right?

Ms Campbell: We might get an officer to the table who has got more detailed knowledge—I am sure my colleagues have more detailed knowledge than me!—of the exact processes and steps that we go through. I think you are talking more about the jobseeker obligations; the mutual obligations compliance process.

Senator KAKOSCHKE-MOORE: Yes.

Ms Campbell: My colleagues might be able to assist more around the actual process.

Ms Pitt: Sorry, could you repeat your question?

Senator KAKOSCHKE-MOORE: I just wanted to confirm the process that Centrelink would go through if a jobseeker fails to attend an appointment or does not meet one of their mutual obligation requirements. If they are a client of jobactive, their jobactive provider is supposed to contact them, and then Centrelink also contacts them. Is that it, broadly speaking?

Ms Pitt: Generally, or are you talking about in the drug-testing trial?

Senator KAKOSCHKE-MOORE: Just generally speaking.

Ms Pitt: Generally, yes. People work through a job plan where their mutual obligations are specified in the job plan. Jobseekers will have a range of requirements: they will have job search requirements and also activity requirements. If people do not turn up to an appointment—for example, an appointment with their jobactive provider—the process that we have is that somebody's payments can be suspended until they attend. They would be notified that they have an appointment. If they miss that appointment, they are given the opportunity to come back. The jobactive provider can discuss with them why they did not attend that appointment and whether they had a reasonable excuse for not attending that appointment. There can be a whole range of things: people might have had a job interview or something else—

Senator KAKOSCHKE-MOORE: Does that initial notification that you spoke of—where somebody failed to turn up to an appointment, for example—come from the jobactive provider or from Centrelink?

Ms Campbell: In the first instance, it is up to the jobactive provider to determine whether there was a reasonable excuse. Is that right?

Ms Pitt: Yes.

Ms Campbell: It is only when the jobactive provider tells us that there has been a compliance issue that we get involved.

Dr Charker: So when the jobactive provider becomes unsatisfied with reasons for non-attendance at various things, they can submit what someone called a 'participation report' to us. That then triggers us seeking to make contact with the jobseeker to understand what the issues were, whether there were any particular barriers—after the point raised earlier—and whether the jobseeker had a reasonable excuse for why they had not met their participation requirements.

Senator KAKOSCHKE-MOORE: When Centrelink attempts to contact a client in relation to a participation report that has been given to Centrelink, do you have any guidelines around what constitutes making contact? Does it have to be a phone call? Does it have to be a letter? What is the guidance around that?

Dr Charker: We certainly will have that. We will have to get it for you—I am sure we can get it for you within the next few minutes.

Ms Pitt: We usually contact people by phone.

Senator KAKOSCHKE-MOORE: My office has dealt with a constituent who had found themselves in this situation. They had received a call from Centrelink, but that call came at 4.50 pm and so they were not able to call back that same day. I wondered if there were any limitations around times when Centrelink could call somebody, in order to avoid a situation where that person cannot respond immediately because it is close of business.

Dr Charker: We will try and get that information for you shortly about what exactly the methodology is, for want of a better word.

Senator KAKOSCHKE-MOORE: Thank you. Going back to general complaints about jobactive providers: is that something that Centrelink collects information on, if somebody complains directly to a caseworker at Centrelink?

Ms Campbell: I think we refer them to the Department of Employment, which has the contractual relationship with the jobactive providers.

Senator KAKOSCHKE-MOORE: So Centrelink would not collect their own individual data on complaints?

Ms Campbell: No. That is a matter for the Department of Employment.

Senator KAKOSCHKE-MOORE: I want to return to the first issue I spoke briefly about: where a client will submit an FOI request to Centrelink to retrieve some of their documents.

Ms Campbell: Senator, can I just clarify: you are finished with the jobactive—

Senator KAKOSCHKE-MOORE: Yes. I had quite a few questions around jobactive complaints, but I will pop them on notice.

Ms Campbell: I will get someone who can do FOI for us now.

Senator KAKOSCHKE-MOORE: Just to provide a little bit of context around the background of the issue: it was raised during this committee's inquiry into the OCI. It was put to us that a number of Centrelink clients were submitting FOI requests themselves in order to retrieve their files to help them understand better the amount of debt that was claimed to be owed, and those FOI requests could on occasion be submitted by advocacy groups like welfare rights centres, and the like. I just wanted to know—and if you do not have the information here, I would appreciate it if you could take it on notice—how many FOI requests Centrelink receives from (a) clients and (b) representatives of clients such as lawyers, social workers or financial counsellors.

Mr Hutson: Senator, we do have information with us on the total number of FOI requests that we receive in a year.

Senator KAKOSCHKE-MOORE: Great! Thank you. If we could do the past couple of years, just to get a bit of a picture of any trends.

Ms Musolino: For the financial year to date—1 July 2016 to 31 May 2017—the total number of FOI requests is 6,874. I do not have them broken up by whether it was an individual or an organisation or someone on behalf of.

Senator KAKOSCHKE-MOORE: Would that data be available, or is that not something that you would collect?

Ms Musolino: We collect data in accordance with the requirements to report to the information commissioner. We do not break it up in that way. It would be a manual exercise of going through—

Senator KAKOSCHKE-MOORE: All of those.

Ms Campbell: Can I also clarify that FOI is not the only way people can receive their personal information.

Senator KAKOSCHKE-MOORE: No, I understand that completely.

Ms Campbell: In fact, we have a whole regime.

Senator KAKOSCHKE-MOORE: My interest, though, is on the FOIs. I understand that there are other ways—the online portal, et cetera. I understand all of that.

Ms Campbell: And generally, people receive their own personal information through release of information rather than using FOI.

Senator KAKOSCHKE-MOORE: My specific inquiries are around FOIs. Would you be able to tell me the reason behind the 6,874 FOI requests? Could you say how many of those were made because somebody wanted information about an OCI debt?

Ms Musolino: We do not track the subject matter of the request. If you can appreciate, some people will ask for their entire file, so that may have a debt component. It may have other components. We do not track it by subject matter.

Senator KAKOSCHKE-MOORE: Do you have previous financial year statistics?

Ms Musolino: Yes.

Senator KAKOSCHKE-MOORE: Could we go back two or three more years, please?

Ms Musolino: I do not know if you need this, but I can break them up by personal and non-personal requests, or we can just give you—

Senator KAKOSCHKE-MOORE: What would a non-personal request be?

Ms Musolino: A request for information that is not somebody's own personal information. It may be a briefing document or a policy document.

Senator KAKOSCHKE-MOORE: I would rather the personal requests, thank you. Were those 6,874 requests personal requests?

Ms Musolino: That is the total. Of the 6,874 requests up to 31 May, 6,606 of those were for personal information and 268 were for other. In 2013-14, there were 4,298 personal information requests. In 2014-15, there were 4,365 personal information requests. In 2015-16, there were 4,559 personal information requests. And I have given you the year to date.

Senator KAKOSCHKE-MOORE: Even though we are almost at the end of the financial year but not quite, that is quite a significant jump over the past few years. It is more the 1,500 extra.

Ms Musolino: There has been an uptick—yes.

Senator KAKOSCHKE-MOORE: What are your thoughts behind that? Do you know what that could be attributed to?

Ms Campbell: I think we have already said that we were not able to break those into categories, so I do not think we are able to provide that advice to you.

Senator KAKOSCHKE-MOORE: It is quite a significant increase, though, to not even have a broad idea about what could have caused so many more people to need to get access to their files from Centrelink.

Ms Campbell: We collect this information as per the guidance provided by the privacy commission. Is it the—

Ms Musolino: The information commissioner.

Ms Campbell: The information commissioner. So we cannot, without going through those whole 6,000 and having a look at that, provide you with any answer in that regard.

Senator KAKOSCHKE-MOORE: It just seems odd that even from an agency perspective you would not want to understand better why 2,000 more people this financial year went to FOI.

Ms Campbell: I do not think it was 2,000. I think it was the difference between 6,000 and 4,500 from a previous year. We had a previous—

Senator KAKOSCHKE-MOORE: 6,606 for the financial year to date were the personal ones. Last year, it was 4,559.

Ms Musolino: Yes. So from 4,559 to 6,606.

Ms Campbell: So, Senator, we could speculate, but I am not sure that that would be helpful.

CHAIR: Yes. Points for persistence, Senator Kakoschke-Moore! But the agency have given their answer.

Senator KAKOSCHKE-MOORE: I might leave my questions there then.

Senator ROBERTS: Thank you for coming. These questions are about health and refugees. What benefits are available to refugees regarding health? What health benefits do they have available to them?

Ms Edwards: I can give you lots of information about eligibility for Medicare, which is perhaps at the heart of your question. We do not have an eligibility criteria specifically called 'refugees', but there are a number of eligibility categories which could include people who come to the country as refugees. The key area is people who come to Australia as a migrant and become a permanent resident. So that would be people who migrate to Australia for a variety of reasons, including people who arrive having been found to be refugees and given a visa for that reason. They are entitled to a Medicare card—a green one—exactly the same as any other permanent resident or citizen. That is the vast bulk of Medicare cards in Australia. There are also relatively small numbers of blue Medicare cards which are time limited and

which are provided to people who fall into various other categories of ministerial order. And that includes people in Australia under a variety of other visas from other countries. So, also, that would include people who either may have been found to be refugees or are applying for refugee status while resident in Australia.

Senator ROBERTS: Are they in any way getting fast-tracked through hospital services or having any other additional benefits over everyday Australians?

Ms Edwards: In relation to eligibility of Medicare, other than those on a blue card who have a time-limited card, they are entitled to exactly the same level of service and rebate as any other person under the Medicare scheme.

Senator ROBERTS: They do not get preference?

Ms Edwards: No.

Senator ROBERTS: Could you tell me more about the blue card time limit, please?

Ms Edwards: The blue cards are in relation to people who have Medicare eligibility under a range of ministerial orders, only some of which relate to people who come to the country who you might consider to be classed as refugees. There are a whole range of reasons for a ministerial order. Then that card is generally issued for the period which equates to the particular circumstance which has a person fall under the ministerial order. For example, if the person was here under a particular visa, it would be for the duration of that visa in Australia.

Senator ROBERTS: Okay. Thank you.

Ms Edwards: There are also some other circumstances for blue cards. There are a whole range of circumstances, but they are generally time limited to match the circumstance.

Senator ROBERTS: I understand. Thank you. In regard to the Medicare card, how does a person get one, and what proof of identity is required?

Ms Edwards: In order to enrol in Medicare, there is a form—this is either for a newborn child, for a migrant or for a person in one of these other categories. Generally speaking, if you are not already a Centrelink customer, which many newborn babies' parents would already be, you are required to bring the relevant documentation—proof of birth or the relevant migration documents, plus proof of residence and other identity—to a service centre, and you lodge the application there.

Senator ROBERTS: A lot of people who come to us have a strong work ethic, and they are very concerned about this next question: is there fraud committed with the card? Are taxpayers paying for that fraud?

Ms Campbell: Is that in general in Medicare?

Senator ROBERTS: In general, and specifically other people without a Medicare card using that same Medicare card.

Ms Campbell: We might ask Mr Withnell and Ms Golightly, who look after integrity within the department, to talk about that.

Ms Golightly: I might start with some overviews, and my colleagues can add more detail. We do have a range of mechanisms in place to try, first and most importantly, to prevent fraud or noncompliance of any sort but, if it does occur, to detect it and then investigate it and

take the necessary action. That is across all of our programs in the department, including the health ones.

Senator ROBERTS: Some Australians are quite sensitive to this. They have heard stories, for example, of tourists or other illegal people using someone's card, because there is no proof of identity required—correct?

Ms Edwards: There is proof of identity required to become enrolled in Medicare.

Senator ROBERTS: Yes, but once someone has a card he or she can allow someone else to use it.

Ms Edwards: Somebody in Australia who is not eligible for Medicare—say, a visitor from a country with whom we do not have a reciprocal arrangement—could conceivably steal my Medicare card and go and have a medical service on the basis of that card. That would be in what we would think are very rare circumstances where the doctor was prepared to accept a card which did not seem to match with any other information about the person. Also, if there were a rebate payable to the person, it would actually go back to the bank account of the person who owned the card.

Senator ROBERTS: Okay. So what stops a tourist or an illegal using someone's card—say, my card?

Ms Golightly: I think one of the main controls external to the department is the one that Ms Edwards just talked about, which is that the person presenting the card needs to match what the doctor or the people helping to treat that person know about that person, and the fact that they are not going to get the rebate; it will go to the owner of the card. But, having said that, we also have a lot of integrity checks within our system, so we are checking to make sure the card number is valid, that the service provided is a valid service and that the doctor or medical practitioner providing the service is one that is registered with us. We also do a lot of analysis of particular trends and patterns of claiming to see if we can pick anomalies, and that is across the board. They are some of the things that we do.

Ms Edwards: In addition, if the person whose card is stolen notices it is missing and reports it as being lost or stolen then any electronic dealing on that card would fail.

Senator ROBERTS: Yes. I think what people are saying is that they are more concerned about someone lending or giving the card to someone to use.

Ms Campbell: On those occasions, when they are reported to the tip-off line, we can then investigate those cases if that is occurring.

Senator ROBERTS: How can people on a disability payment afford MRI scans and to see specialists? The health card does not cover that.

Ms Campbell: That might be better directed to the Department of Health.

Ms Edwards: Yes. The detail of what items are and are not attracting a rebate under Medicare would be a matter for the Department of Health.

Senator Ryan: Partly, some of them would probably be covered, I imagine, by the public health system, as in through a public hospital funded under Medicare and Commonwealth and state agreements.

Senator ROBERTS: My next question is about possible prescription abuse. We have heard stories about people doctor shopping, getting prescriptions filled and then, potentially, going back to their country and selling drugs over there at a profit. Is that possible?

Ms Campbell: Again, I would encourage anyone who has knowledge of this to report it to the tip-off line, so that we can investigate these matters. We do have a tip-off line that deals with these matters. But Ms Edwards might be able to provide more detail.

Ms Edwards: We do have that, and the compliance area tracks unusual patterns and so on. In addition, we run a service about unusual prescribing patterns, so that, if people end up having more prescriptions than seems usual, there is an alert raised. In fact, we alert prescribers about someone who may have had a particularly unusual number of prescriptions. We also have a phone line available, so prescribers who think something might be a bit unusual can ring and see whether a particular person seems to have had more prescriptions than would be appropriate.

Senator ROBERTS: So there is a potential for it to happen?

Senator Ryan: One thing to remember is, unless someone is getting a PBS script at a concessional level, if it is under the co-payment, they are basically paying the full price themselves. For example, a lot of antibiotics are under \$35. You or I would pay whatever it is at the moment—the 36-odd dollars. Obviously, you have to go to a doctor. I am not talking about that element. But medicine is really only subsidised if you are paying the \$6 co-payment—virtually all medicines are—or if it is more than \$36 or \$38, or whatever a prescription is now, and there is a government subsidy for that.

Senator ROBERTS: I asked a series of questions of someone in the immigration department Monday week ago, and he suggested I ask yesterday. I cannot remember the department—there are so many departments!—but it was part of your overall department. He, in turn, suggested that five of these questions be asked tonight.

Ms Campbell: We are happy to try and answer them for you.

Senator ROBERTS: I am not sure who—

Ms Campbell: Please try us, and we will see how we go.

Senator ROBERTS: It is noted that the department employs refugee and asylum seeker teams and subject matter experts to support the department's tailored services for entrants. What does that entail?

Ms Campbell: When people come to Australia they often face some challenges, and it is easier for us to have specialist officers who can deal with some of those challenges rather than putting them through the mainstream. Not all our staff are able to be qualified on everything, so we do have a team who looks after that. Mr Jackson and Ms Brill might be able to assist us with that.

Mr Jackson: Yes, we have various things. We have multicultural service officers to assist with new people as they arrive and, equally, people who are resident within Australia. We also have a status resolution support services team, which is in place. I think that is probably more what you are alluding to. I will get Ms Brill to talk in more detail about the services that that team does provide.

Ms Brill: As outlined, we have a range of specialist officers that work with the refugee service officers as refugees enter Australia. Even prior to the new claimants arriving, we work with the department of immigration on preparing for a pre-face-to-face interview. Within three days of arrival, we meet with the refugees, and we go through a series of arrangements to assist them in terms of their settlement in Australia. This includes, for instance, completing Medicare enrolment applications, providing the customer with a refugee folder and wallet card and working with one of their community organisations, which are related to the nationality of the refugee.

After six to eight weeks, we have another appointment with the refugee involved and ensure that the local arrangements that we have set up with their community provider and with the team are working alright for them and that there has not been any change in individual circumstances.

Ms Campbell: I think it is fair to say this is a relatively small part of the work we do on a day-to-day basis. It is about setting these people up in the system, as I think Ms Edwards was talking about before. Sometimes when people have been on Centrelink payment before or when they join Medicare when they are first born it sort of goes naturally through their life. This is just a way to ensure that they get into the system and then operate in that system.

Senator ROBERTS: Yes. And it is a difficult question and there is the humanitarian aspect, compassion. The services seem to be quite extensive.

Ms Campbell: This is about establishing them in the Medicare space in particular, making sure they have the Medicare cards and that they are aware of how things work. It is also about ensuring that they are as quickly as possible job ready, so we can get people into employment and so they can establish their lives in Australia. And that is the process we go through.

Senator ROBERTS: Some of the figures—I think they were in 2013; I think they stopped then—said that after five years 95 per cent of refugees were still on welfare payments. Are those figures still collected?

Ms Campbell: I do not know that we would have those figures. I think that is probably more a question for the Department of Social Services or the department of immigration.

Senator ROBERTS: The immigration department said to ask here.

Senator Ryan: If you put them on notice, they can be referred.

Ms Campbell: We can talk to DSS. I think sometimes people get confused between the Department of Social Services and Human Services, which is pretty easy.

Senator ROBERTS: Thank you. I am glad it is easy.

Ms Campbell: We can work with Social Services.

Senator ROBERTS: What is the cost of providing these services? It is a small part of your department. Do you know the cost of these services?

Ms Campbell: I think we would probably have to take that one on notice.

Senator ROBERTS: Thank you. Is there testing or ongoing monitoring to determine the effectiveness of these services, any kind of auditing? Do you track progress?

Ms Campbell: Maybe your question relates to those sorts of other services that are provided to newly arrived people about how to ready them for engagement within the

community. Ours is more about how to engage them to make sure they have basics, like the Medicare card, and to make sure they know about their obligations and requirements, rather than broader discussions about what they are doing and recommending.

Senator ROBERTS: Is assimilation and integration of the new arrivals a key criteria that is considered when determining the effectiveness of the programs?

Ms Campbell: I think that is probably one for the Department of Social Services. We can take that on notice for them.

Senator ROBERTS: Thank you. That is all I have, Chair.

CHAIR: Thank you, Senator Roberts. Senator Siewert.

Senator SIEWERT: I want to finish up the drug-testing procurement issue. Would you have preferred tenderers for this?

Ms Campbell: I expect not. We are still working through this what we need to do in the procurement process, as Dr Charker said, and we are going to get someone in to help us with this procurement. I would expect we are probably going to ask some of our colleagues who have done that before who helped them do that procurement process, and they will give us advice. I could not say whether or not some of the allied health professionals or some of the doctors that we work with might be in this space or not. I think we are pretty early on.

Senator SIEWERT: Okay. Thank you. The person that you are going to get in to help, have you got that person yet?

Ms Campbell: No. We do not yet know that. We are going to talk to our colleagues about who may have assisted them in their procurement and we will get them to help us. We might have to do a procurement for that as well.

Senator SIEWERT: Okay. Yesterday in DSS we talked about Data61 doing the data profiling. Will you be working with them?

Ms Campbell: I think the primary relationship there will be with DSS, but we are always working with DSS on these matters, so I could not rule it out.

Senator SIEWERT: The data that you hold on income support recipients will not be used to identify recipients, because obviously these are new people, but do you hold data that will be used in the data profiling process?

Dr Charker: In relation to the data profiling—or maybe I should call it the risk profiling process or, really, the profile that DSS will develop with Data61 to determine who is selected—DSS has access to almost all of DHS's data, so DSS is actually, if you like, the custodian of this data. We are simply the steward of it, if you like. So there is nothing to stop DSS at any point making their own decisions, working with Data61, to work out what particular demographic or other types of information they might want to extract to inform their work developing that selection algorithm.

Senator SIEWERT: Can I go to call wait times? Could I have the number of missed calls and then the wait times for each of the lines.

Ms Brill: The number of missed calls, by which I think you might mean what we call our busy signals—

Senator SIEWERT: Yes, sorry—busy signals.

Ms Brill: For this financial year to date our busy signals are at 42,044,206.

Senator SIEWERT: That is the number of busy signals?

Ms Brill: That is correct. And you asked about the approximate wait times across our main lines. The approximate wait time, financial year to date, at 30 April on disability, sickness and carers was 28 minutes. On employment services it was 30 minutes; families and parenting, 16 minutes; older Australians, 18 minutes; youth and students; 30 minutes; and participation, 38 minutes. And our average speed of answer—

Ms Campbell: One more way we group those is the 'other' calls. Could we just do the average speed of answer on those ones.

Ms Brill: Certainly.

Senator SIEWERT: Could I just take a step back. Before I wrote down the 38 I started listening to what you said next. That was 38, wasn't it?

Ms Brill: It was 38, and then we have something called the other line, which is a combination of IVRs relating to, for instance, myGov, emergency management—

Ms Campbell: And also income management—an important line, Senator, that I know you are always interested in.

Ms Brill: And the Australian victims of terrorism payment, for instance. That is at eight minutes.

Senator SIEWERT: So the other line is all those combined; is that correct?

Ms Campbell: Yes, that is correct.

Senator SIEWERT: In terms of the income management line, could you tell me the data on how many calls you got. Is that possible? There are two, aren't there?

Ms Brill: I am afraid I will have to take that on notice. I do not have the actual income management line specifically.

Senator SIEWERT: There is one where people check their accounts and there is one where people ring for more general information.

Ms Campbell: I think that is the case. I do not think we have that information with us tonight, I am afraid.

Mr Jackson: No.

Senator SIEWERT: Could you take that on notice.

Ms Campbell: We can.

Senator SIEWERT: Thank you. I want to go back to the busy calls. That is basically 42½ million?

Ms Campbell: Yes.

Senator SIEWERT: That is also up to 30 April?

Ms Campbell: Yes.

Senator SIEWERT: Thank you. Last time we had a discussion about the—

Ms Campbell: The robotic calls?

Senator SIEWERT: Yes. Have you had any more of the serious incidents?

Ms Campbell: Have we had any luck in rooting out which ones are just robo-calls?

Senator SIEWERT: Yes, that is one question.

Ms Campbell: Those that are actually cyberattack type things?

Senator SIEWERT: Yes. Can you update us on where you are at with the work on that.

Mr Jackson: Yes, certainly. There are a couple of points to the question there. From a cyberattack perspective, the CIO Group—Mr Sterrenberg—will be able to answer more fully. The short answer is that undoubtedly there has been that. As you know, we do not talk a lot about it, but it is an ongoing issue, and there was a very public event recently. With regard to the broader issue of trying to reduce the number of busy signals, I will get Ms Brill to talk in a bit more detail.

Ms Campbell: I think we talked last time about whether or not we could detect whether someone just had it in one of those rotating 'call, call, call until answered' type things.

Senator SIEWERT: There is that process, yes, because people are getting frustrated, so they are doing that. The other one was that we also had that conversation about what Mr Jackson is talking about.

Ms Campbell: Yes, where we lock out when we think that we are actually under attack and work through that.

Senator SIEWERT: Yes.

Ms Campbell: We will just see whether we can get Mr Sterrenberg here to talk about that.

Senator SIEWERT: Are you still feeling not very well?

Ms Campbell: He is going to contaminate us all! We were just talking about whether or not we have done any further work on determining whether some of the repeat calls to our phone lines are in fact cyberattacks or just someone repeatedly trying to access the phone lines.

Mr Sterrenberg: Mr Jackson has been working with our managed telephone provider to analyse this data. We have requested our provider to track over a period of four weeks so we can track it. The early evidence suggests that there are robo-calls, but we want not just to make sure at one point in time but to track it over a full month to see if there are trends related to it.

Senator SIEWERT: But you have not done that yet?

Mr Sterrenberg: The provider is in the process of doing that. They are a few weeks into that process.

Ms Campbell: What we would like to do when we give you a number of, say, 40 million is to be able to break down how many were unique phone calls rather than just a repeat call.

Senator SIEWERT: Okay. I appreciate that, but what I am interested in is the calls where somebody has an app and they cannot get through and they are just trying to ring you. The robo-calls that you are talking about are the cyberattack ones? Can I be clear on that?

Ms Campbell: I think the robo ones we are talking about are the app that keeps ringing and ringing. The cyberattack ones we would exclude because we would be trying to protect our system.

Senator SIEWERT: Okay. So these calls here do not include any of the cyberattack ones?

Mr Sterrenberg: We are analysing all three patterns. There is the latest app that you can buy from one of the stores, which allows a person to set it on redial, as I think people call it. It redials every couple of seconds, which is a normal thing that people sometimes do if they get a blocked or engaged signal. We also have a situation where, for whatever reason, a person may want to have a denial of service attack.

Senator SIEWERT: Yes, sorry. I was trying to remember the name.

Mr Sterrenberg: That is what people traditionally will see as the robo thing. We also have a situation where a number of recipients would use work phones. In the work phones you can set it to, 'When ready, redial after a few minutes.' The analysis we have asked our provider to do is to strip out those that try fewer than a number of times per segment of time. Obviously, it is a reasonable thing for somebody to, if they do not get through the first time, try again within a minute or two, but it is actually not reasonable for them to try 1,000 times a day, if you know what I mean. So we want to strip out that time.

Senator SIEWERT: I can see how you would find it frustrating, but I can also see how people trying to get through to you would find it frustrating.

Ms Campbell: Of course, we are constantly looking for service delivery mechanisms about how we can meet people's needs without them having to try 1,000 times. Mr Jackson can talk more about some of the mechanisms we are putting in place to determine why people call us. Do people have to call us, or can they get this information another way? Are they able to access the services online, or are they ringing to find out where their claim is up to? Is there another way we can provide that information to claimants or recipients so they do not have to call, so we can have fewer missed calls.

Mr Sterrenberg: There is one other piece of information: a situation can happen where the telephony is blocked. We had an incident the other day where there was a flood or a fire in one of the states where the exchange happened to be under pressure, so the exchange itself could not take calls. All calls coming into that exchange were blocked. We have asked our provider to strip out the peaks. As you can imagine, those incidences happen, but, of course, once we get rid of those, we will be able to really tackle the problem.

Ms Campbell: It probably over emphasises the problem. If it is due to a flood, I am sure you would understand we cannot—

Senator SIEWERT: Yes, I understand where you are coming from. I ask this every estimates. What we have been doing with DSS is, because I have the same pattern of behaviour of asking for certain numbers—income management for example—they now prepare a report for us every estimates, which is enormously helpful. Is it possible that, to save time, you could do that for the missed calls and each of the wait times for each of the lines? Is that possible?

Ms Campbell: Yes, we can do that. And then we would table it?

Senator SIEWERT: Yes, that would be extremely helpful. What was the wait time for the debt lines?

Ms Campbell: They are run separately to the officers at the table, so we will just get someone else to come along and talk to you. This is about the compliance line in relation to employment compliance initiatives.

Senator SIEWERT: Yes. While you are just getting ready there, are you able to break down those missed calls in to each of those lines?

Ms Campbell: I do not think we are. We will take that on notice, but I think it is when it comes first in.

Senator SIEWERT: I presumed that, but I thought it was worth trying.

Mr Jackson: We will certainly have a look.

Senator SIEWERT: Thank you. Ms Golightly?

Ms Golightly: How are you?

Senator SIEWERT: Getting tired after nine days.

Ms Golightly: In terms of the compliance telephone lines, the year-to-date wait time is less than a minute. That is for the compliance line. For the debt line, it is under three minutes.

Senator SIEWERT: Thank you for those figures. They are much appreciated. Can I go to the section in the budget that deals with the 250—

Ms Campbell: Yes, I think I know what you are talking about.

Senator SIEWERT: The government service providers.

Ms Campbell: Yes.

Senator SIEWERT: I understand that means a service provider that is outside of the government.

Ms Campbell: Yes, but I think the government has been very clear that it is one that has been used by the government before. For example, the tax office have a number of these providers: an Australian-based provider that the government has used before in this regard.

Senator SIEWERT: So you are saying it is somebody that has run call centres for the tax office, for example?

Ms Campbell: Indeed, that is one example.

Senator SIEWERT: Has anyone been chosen to provide?

Ms Campbell: Not yet. We are going through the consultation process with staff, as required in the enterprise agreement, and that process is still underway. We are looking at the procurement process, but the first step is that staff consultation process.

Senator SIEWERT: What is involved in the staff consultation process?

Mr Jackson: There are a couple of things that we are doing. There are meetings and advice provided to both the CPSU and the non-CPSU workplace delegates within the organisation. As the secretary mentioned, that consultation is in place. It is a four-week period, which is due to end on 7 June. Equally, we have set up a site on the intranet where people can provide comments and thoughts about the idea and suggestions on how it could be improved. We have had about 150 people provide responses on that site.

Senator SIEWERT: In your judgement, what is the flavour that is coming through?

Mr Jackson: It is varied. There are some who are very positive towards it as they see the benefits in increasing our ability to provide a service to our recipients; others are less enamoured of it; and some of the recommendations and comments are probably slightly off the track of the actual original question.

Senator SIEWERT: I will not ask you to repeat those ones.

Ms Campbell: It would be unhelpful.

Senator SIEWERT: In terms of the balance though—

Ms Campbell: This is 120 people out of the 34½ thousand people in the department, so I am not sure it is a statistically significant sample.

Senator SIEWERT: I take that to mean that the balance of the comments are not that positive?

Ms Campbell: If that were the case, it is still a very small number of staff out of 34½ thousand staff.

Senator SIEWERT: I do listen and I did understand that. I do appreciate that it is probably the people who are not very happy who are most likely to comment. If you are already using existing Commonwealth service providers, is there an evaluation of a service that has been provided by those providers in the other context they are operating in?

Ms Campbell: For example, there is a panel that the tax office has. I understand that, as part of that panel, there are mechanisms on performance. When the ATO go to access that panel, my understanding is that they might ask for more than one quote, for want of a better term—

Senator SIEWERT: Tender.

Ms Campbell: tender or document, and then they would consider those against the Commonwealth procurement guidelines. So we need to look at the contractual requirements we have in place and how we work through that.

Mr Jackson: The ATO panel has actually been in place for about 10 years, so it is a very mature model.

Senator SIEWERT: The providers, you mean?

Mr Jackson: Correct. I do not think it has been the same providers for the entire 10-year period that the ATO has used that model, but, as I said, it becomes a very mature model where they do have a lot of history and understanding of what works and what does not.

Ms Campbell: And they have had very good success in using these providers.

Senator SIEWERT: These are providers that have solely been doing call centres?

Ms Campbell: Yes. I do not know what the broader part of the business model of these providers is, but the providers do do call centre work.

Senator SIEWERT: The context in which you are looking at them is the process that they have been providing around call centres?

Ms Campbell: Yes.

Senator SIEWERT: It is my understanding that they will be doing the easier end—

Ms Campbell: Simple calls for Centrelink work.

Senator SIEWERT: the simple calls. How do you work out which calls they do?

Ms Campbell: That is part of the consultation process that is currently underway. It is pretty straightforward to identify what some of that work might be. It might be resetting MyGov passwords or something like that that does not require a high level of training for a staff member. But that is part of the consultation process that is underway at the moment.

Senator SIEWERT: And the time frame for that?

Ms Campbell: We are aiming to complete consultation by 7 June.

Senator SIEWERT: With the aim to have it in place by—

Ms Campbell: As quickly as possible in order for us to be able to provide a better service to recipients and claimants.

Senator SIEWERT: I presumed that was the aim.

Ms Campbell: That is what it is about.

Senator SIEWERT: You are doing the consultation with staff and others. Does that consultation also include the sorts of calls that will be taken?

Ms Campbell: Yes, that is my understanding.

Mr Jackson: Consistent with what Dr Charker talked about, there is a co-design workshop that we do with our staff, and we also have a business adviser onboard to assist. I can advise that is KPMG. They have had a long-term relationship with the ATO, so they are very experienced in this work. Obviously we want to have industry best practice. That consultation, that design, will look at exactly the types of calls, how they can best be handled and what the major benefits that can come out of those are. So, absolutely, it will be co-designed.

Senator SIEWERT: Thank you. I think I have worn out my little bit of leeway.

CHAIR: Never. I appreciate your volunteering to hand over. Senator Pratt?

Senator PRATT: I have some questions regarding job losses as announced in the budget. I would like for you, on the record tonight, to give details of which parts of DHS the announced 1,188 jobs will be cut from.

Ms Campbell: This is average staffing level, so it is probably worth talking about the fact that average staffing level is the average full-time staff; headcount is the number of people in the department, which I think people sometimes get confused with; and full-time equivalents is the full-time number, so we might have two part-time people working, which is a full-time equivalent.

The numbers in the budget paper are about average staffing level, which is over the entire year. Average staffing level at MYEFO last year was estimated to be 29,435. That is the number we were supposed to be at across the entirety of 2016-17. At budget time we updated that to indicate that we would be at 29,835, which is above where we were meant to be. That is generally due to two reasons: one is Cyclone Debbie, where we had more people in doing phone calls and the like, and the other is our support to the National Disability Insurance Agency, because we had been assisting them in their business. So to say that there has been a reduction of 1,100 probably overestimates it, because we are 400 more across the financial year than we were meant to be.

Senator PRATT: But the budget papers themselves indicate, in the staffing of agencies section, a decline of 1,188 jobs.

Ms Campbell: That is in average staffing level. If we were to ask for the full-time equivalent number of people actually employed at the moment, it is probably about 29,000, because it averages over the complete year. We had some peaks during the year; the numbers are about 29,000 now.

Senator PRATT: So you are saying at the moment they are not going to be lost from any parts of the department, because you are already nearly at that base level?

Ms Campbell: I do not think I did say that, because we still have reductions and those reductions are due primarily to a number of measures that are not proceeding. The government indicated in the budget they were no proceeding with them, and the estimates would have included staff to deliver those measures. There is also, of course, the ongoing efficiency dividends that have been in place for many years, so there is a requirement to reduce numbers. Next year, on average, we need to be at 28,647; I think that is the number.

Senator PRATT: Average staffing level?

Ms Campbell: Across the entire year.

Senator PRATT: And at the moment you are at 29,000.

Ms Campbell: Around 29,000. And we have natural attrition of about 150 staff a month, with such a big organisation, so I expect that we will be recruiting very soon to get to 28,647.

Senator PRATT: So the 29,835 was your average staffing level for—

Ms Campbell: Over this financial year.

Senator PRATT: Noting it might change a bit—

Ms Campbell: It could. And it was 400 more than it was meant to be.

Senator PRATT: Because it was supposed to be 29,000.

Ms Campbell: Yes.

Senator PRATT: So the budget papers, if you like, require you to be at 28,647, which is a drop, a difference of some—

Ms Campbell: 788. But that is over the full year. And, because we are no longer doing as much Cyclone Debbie work, for example, there are not as many full-time equivalents involved in that—

Senator PRATT: How many full-time equivalents would have been on Debbie?

Ms Campbell: I do not know whether we have the exact number. But at different times—I think one week we had at least 900 people dealing with Debbie. Again, it is kind of the average across the year. And then there is the number of people involved with the NDIA as well.

Senator PRATT: Where would you expect the majority of those 788 to ebb and flow from? You have a decline from the current figure—

Ms Campbell: On average, we do not have those measures that were estimated to be delivered next year—they are not being delivered. The government announced that it was not proceeding with some of those changes. We also had the efficiency dividend, which we have

been applying for many years, and we need to work through how the efficiency dividend is applied. We work diligently with ministers about how we apply that, always seeking to try and protect our front-line services when we can.

Senator PRATT: That 788 includes some things that are attributed to the efficiency dividend?

Ms Campbell: Yes.

Senator PRATT: And you mentioned some programs that are not going ahead, which you will make a saving from?

Ms Campbell: I would not say it was a saving; we just will not need the staff for them because they are not proceeding.

Senator PRATT: How many of those 788 are an efficiency dividend?

Ms Campbell: Do you have that number?

Mr Bennett: It would be approximately 300.

Senator PRATT: 300 are the efficiency dividend.

Ms Campbell: That is broadly speaking.

Senator PRATT: How many are attributed to programs that you are not proceeding with—that was not how you characterised it—programs that you had budgeted for that you are not proceeding with.

Mr Bennett: 159.

Senator PRATT: It was 788. So you have got a little over 300 jobs that are not in any of those figures currently, and there will be some ebb and flow anyway.

Ms Campbell: We have ebb and flow for recipient numbers as well. We get funded on the number of recipients in different categories and we get funded for different weights of effort for different categories of recipients as well.

Senator PRATT: Where is the hard number? Clearly you have gone above what you were budgeted for in terms of the indicative numbers in the budget paper that you would need. Do you expect there could be the same level of variability—you could be 500 or 600 staff out?

Ms Campbell: I think it is the Minister for Finance's preference that we not do that—that we should come in. And that is what we do our planning around; those numbers that the government has identified in the budget papers.

Senator PRATT: Did the government express that there was an issue with you going over those figures this year, because it was over by some 400.

Ms Campbell: We provided advice to government as to why we had gone over.

Senator PRATT: And 900 of that was a peak at Cyclone Debbie.

Ms Campbell: That is a point-in-time number.

Senator PRATT: So your budget asked you to be at 28,647. That is what was in the budget papers.

Ms Campbell: For 2017-18? Last year we were meant to be at 29,435.

Senator PRATT: But you are tracking at 29,835.

Ms Campbell: On average for the year, but the actual full-time equivalents that we are probably going to be at by the end of June, I estimate, will be about 29,000, because it is an average across the year.

Senator PRATT: And your budgeted amount was 29,435, so you will come in under what you were expecting to be at?

Ms Campbell: No, on average we are going to be at 29,835, but at that point in time, at 30 June, we will be at around 29,000, because that is a full-time equivalent.

Senator PRATT: You have been asked in this coming financial year to be 28,647, but you tracked at 29,835. Was that the point-in-time figure or was that your average?

Ms Campbell: No, that is the average figure across the year.

Senator PRATT: How far off is that to what was expressed in this financial year's budget papers?

Ms Campbell: When we started this financial year's budget papers, we were meant to be 29,253. There was then an adjustment at MYEFO to take us to 29,435, and then, at budget 2016-18, the estimate for 2016-17 was 29,835.

Senator PRATT: In terms of achieving those new figures—you have 300 that are there as an efficiency dividend—do you expect you will need to do redundancies or forced redundancies? Or do you expect you will pick all of that up in the natural fluctuation of staff?

Ms Campbell: We have not done forced redundancies for many years—for, a least, the last 6½ years—so I expect natural attrition. Natural attrition runs at about 150 full-time equivalents per month, so I think that is not going to be an issue at all.

Senator PRATT: You have less need to do forced redundancies, in part, because more of your staff are on casual contracts. Would that also be correct?

Ms Campbell: We have worked really hard across the department to not do forced redundancies. Our approach has been to deploy people to different opportunities. We are a big department. There are opportunities in other areas. So if one part of a policy is no longer being implemented, there are other opportunities. I would like to think that we work really well in managing—

Senator PRATT: That was not my question. My question was: do you now have a greater pool of staff who are on more casualised contracts that you can pick up and drop according to demand?

Ms Campbell: We have the use of casuals to meet those different demands. We have always had an element that has been of a non-ongoing nature.

Senator PRATT: But that would have increased in last six years, removing the need for those redundancies?

Ms Campbell: I think we have always worked pretty diligently not to need forced redundancies. The nature and profile of our workforce is that people achieve different parts of their lives where they are looking for different opportunities and, therefore, either they leave or, sometimes, we use a small number of voluntary redundancies.

Senator PRATT: But do you work equally hard to try and create permanent rather than casualised opportunities for staff?

Ms Campbell: We look at the profile of when jobs come up, whether they are going to be of an ongoing nature or whether they are only going to be for two years. If we have a measure to deliver for two years, there is not a great deal of point in recruiting people who are going to be there forever, so we do two-year non-ongoing contracts and the like.

Senator PRATT: What Australian Public Service classification do you expect most of those staff reductions to come from?

Ms Campbell: I do not think we have that. We could give you the profile of our staff. We are not targeting any area in particular. We could probably give you the profile of the different numbers of staff at different levels, if that is useful.

Senator PRATT: Yes, that would be useful. I am happy for you to put that on notice. Can you give us a breakdown of the profile of the Centrelink/DHS workforce as a whole across the different profiles?

Ms Campbell: The difficulty is I will have this in headcount but not in full-time equivalents, which is what is used to determine ASL.

Senator PRATT: If you could provide it in the form that you can on notice with a headcount for each of the levels in the APS classification system that would be great. You have not made decisions yet as to where those peaks and troughs will come from within that?

Ms Campbell: Sometimes, by the time we get to June, and if we are at 29,000 and we expect to be losing 150 per month, we might just redeploy the staff we have into different jobs. We always seek to redeploy people who are employed by the department to where the work is.

Senator PRATT: In other words, of your staff of around 29,000 you can afford to lose more than 1,100 just through natural attrition and fluctuations?

Ms Campbell: We are not losing 1,100. We talked about the fact that that was an average staffing level. We are now at the point where next year we are going to have an average staffing level of 28,647.

Senator PRATT: You are at 29,000 now.

Ms Campbell: We think we are about 29,000.

Senator PRATT: The difference between 29,000, which is where you are now and—

Ms Campbell: Yes, about 353.

Senator PRATT: You think there will be a net loss of a couple of hundred, which you think will happen through natural attrition?

Ms Campbell: Yes.

Senator PRATT: Therefore, you do not think you will need to offer any extra support to staff who are losing employment because you will think it will be through natural attrition?

Ms Campbell: We have about 34½ thousand staff overall. That is part of our normal business. We often redeploy staff and staff choose to leave the organisation and staff choose to leave sometimes because of reasons that might be misbehaviour and the like. Dealing with those staff matters is part of our everyday business.

Senator SMITH: If I heard you correctly, you said that the budgeted amount, or the average staffing level, for 2016 was the one that was planned for was 29,435, but at the budget you had 29,835.

Ms Campbell: On average over the years.

Senator SMITH: Yes. But that included a 'surge'—my word—for the Cyclone Debbie?

Ms Campbell: That is right.

Senator SMITH: So if Cyclone Debbie had not occurred, are you able to advise what the number would have been?

Ms Campbell: I think we would have been closer to 29,435, but we also have the issue with extra resources going to the NDIA.

Senator SMITH: That is right; you did say that.

Ms Campbell: We have both those reasons and they were the two reasons why we have gone over.

Senator SMITH: That might compensate.

Ms Campbell: That is why we were over on two accounts.

Senator PRATT: In regard to one of the new welfare compliance and integrity measures announced in the budget—the introduction of a new form to be signed by a third party verifying facts given to Centrelink, will existing recipients be given prior notification of the proposed introduction of the measure in advance?

Ms Campbell: I will just get someone who has some detailed knowledge on this matter. This was in relation to compliance and a third party certification about matters—the personal circumstances of a claimant?

Senator PRATT: That is right.

Ms Campbell: Your question related to?

Senator PRATT: As I understand it, existing recipients of parenting single rate and Newstart single with dependent children will be required to have a referee sign a form verifying their relationship status as single which the claimant will need to submit to the department. What is the process that will be put in place to undertake that?

Dr Charker: In relation to this particular measure, there are actually two phases that will occur in the actual implementation of the measure. The first one will occur from 1 January next year and that will be a stronger relationship verification process for existing single parents. The second phase will occur from 20 September next year and that will be expanded to include all new claimants, as opposed to existing claimants, seeking parenting payment single or for single parents claiming Newstart allowance. To your point: they will be required to have a third party sign a new form verifying that they are in fact single.

Senator PRATT: When will you notify people about that obligation?

Dr Charker: I think our intention is to undertake a mail-out to that effect in December this year, but I will just check that with a colleague if I could.

Senator PRATT: So the mail-out in September will inform them of a future obligation to hand in that paperwork or is that the point in time at which the obligation to hand in that paperwork will be triggered?

Ms Campbell: It is 1 January; is it?

Dr Charker: For existing claimants.

Senator PRATT: They will be notified in September.

Dr Charker: In December.

Senator PRATT: And by 1 January they need to have lodged paperwork to that effect.

Ms Campbell: We will get someone to the table who can take us through the time frame. Again, this is something where we work with DSS about when we actually send out the notification—when we tell people about the measure and give them a time line by which they will have to provide that information. I will just see if we have that time frame. It may be that we have not yet determined the exact dates of that time frame.

Mr Creech: That is correct in that we have not nailed down the time frame yet. As Dr Charker says, there are two phases to this measure. Existing recipients commence on 1 January and the new commence in September 2018.

Ms Campbell: Part of our consideration in detailing that time frame will be: what is a reasonable time for people to get that information to us, to notify them of the requirement and to give them time to get that information to us in order that they are compliant by 1 January.

Senator PRATT: Is it legal documentation in terms of needing to be witnessed by a JP or anything like that or is it just a form?

Mr Creech: It will be just a form—a form consistent with other forms the department uses to collect various pieces of information. The exact nature or details in relation to the form have not been finalised yet. In relation to the existing recipients start on 1 January, all the reviews will not happen of course on 1 January. In relation to existing claimants there are about 371,000 existing parenting payment single claimants and we will be doing those existing claimants over a four-year rolling period. We will not be trying to do all of them in one go. That will commence on 1 January; it will not be finalised on 1 January.

CHAIR: At that point, we will take a break.

Proceedings suspended from 21:28 to 21:47

CHAIR: We shall recommence.

Senator SIEWERT: I will go to DSP and the reassessment process of the 90,000 to get an update—as much as we can, if you have the information—as to where we are up to with the figures at the moment of the number of people who have now been through the assessment process: who has remained on DSP, who has gone to Newstart or another payment, who is out, and, if we can, who has been able to enter the workforce.

Ms Campbell: Or who was already in the workforce, because some of the people were already in the workforce, and who took on some more hours and the like, in the instances that there have been medical reviews—where we are up to.

Senator SIEWERT: Yes, exactly.

Ms Campbell: There were 30,000 DSP medical eligibility reviews to be conducted each year over three years. We started in July 2016 to advise recipients they had been selected for the medical review.

Dr Charker: By 28 April 2017 the department had sent 16,289 letters to recipients to advise that they had been selected for review. By the same date, or as at 28 April, we had finalised 5,600 reviews. By finalised, I mean we have reviewed the particular case and come to a conclusion. Of those 5,600 finalised reviews, 5,514 recipients remained eligible for DSP, 79 recipients voluntarily chose to have their DSP cancelled and seven recipients have had their DSP cancelled because of changes to their financial circumstances or they had passed away. It is important to note that, as I said, whilst we have finalised 5,600 reviews, there are a large number of reviews that are still being worked through the stages of the review process.

Senator SIEWERT: That is what I presumed.

Ms Campbell: They might be some of the more complex cases

Senator SIEWERT: Okay. I will not come to that. Do you have any detail on why some were voluntarily cancelled?

Dr Charker: Yes, I have some detail. Of those 79, 30 are no longer receiving an income-support payment. An example of the situation is we have contacted them and they have said, 'Actually, I am now working full time'—essentially, their situation has changed such that they are able to self-identify that they are probably no longer infrastructure act eligible for the payment.

Senator SIEWERT: So they were still receiving DSP?

Dr Charker: That is right. Hence, we initiated the review and contacted them as part of the review process, and they self-identified as not eligible for this anymore. The balance of people who voluntarily chose to have their DSP cancelled have generally transferred to another income-support payment which is more appropriate to their particular circumstances.

Senator SIEWERT: Okay. I should not have made the presumption that they had totally come off.

Dr Charker: They have come off DSP—to your point—but about 49 of them have actually transferred to another income-support payment.

Senator SIEWERT: Are they Newstart?

Dr Charker: They are most frequently parenting payment single followed by Newstart and then some small numbers in some other payments.

Senator SIEWERT: So the majority went to PPS.

Dr Charker: The majority of the remainder went to PPS. That is correct.

Senator SIEWERT: Can you tell me how many, or is that getting too low?

Ms Campbell: It is starting to get a bit low, but I think just under half-ish went to a parenting payment type, and then there is the other broad range of payments that are available.

Senator SIEWERT: So the balance—getting close to 10-and-a-bit thousand—are still in the process?

Dr Charker: They are at various stages of the assessment process, so, yes, they are still in the process. There are a number of them—about 3,000—to whom we are providing assistance with obtaining medical evidence.

Senator SIEWERT: And the others had their medical evidence?

Dr Charker: Or, essentially, they do not need assistance in getting it.

Senator SIEWERT: Thank you. The number of letters that have been sent is about half of what the target was, isn't it?

Dr Charker: For the current financial year, that is right.

Ms Campbell: Until the end of April.

Senator SIEWERT: You will not pick up the other half in the two months from the end of April, will you?

Dr Charker: I do not know whether we will get to the full 30,000 by the end of June, but we certainly will have achieved a lot more than 16,000, which is the statistic at the end of April that I just touched on.

Ms Campbell: It is fair to say that we looked at some of the learnings from early on and did some improvements to the process to make sure that, in particular, we were excluding those people who had manifest disability. I think we had some instances where we did not have that on our records, and there were some cases where people with disabilities which were clearly unlikely to change over a period of time had received a letter. So we have done some more work on this process to make sure that we are targeting those people who are likely to have the possibility of not being eligible anymore.

Senator SIEWERT: Thank you. From that, do I interpret that some of the 16,289 were ones that perhaps should not have had a letter?

Ms Campbell: I think there was one case where we had someone with down syndrome, and I do not think we had that recorded on our system, because this was over many years. So we have gone and had a look at how we do our review process and how we try to find as much information as possible in order not to distress recipients if there is no chance of change. It is really around that manifest category—trying to work out which ones are manifest. That was not always one of the ways we recorded disability over many years.

Senator SIEWERT: Because the impairment tables changed.

Ms Campbell: And because they have manifest disability. I think we have worked through that process.

Senator SIEWERT: Okay. So it will scale up. Will you catch those up in the next year of the process?

Dr Charker: Yes. The intent at this stage would be to continue with the budget measure as was required and as was decided by government. As you know, that sees 30,000 reviews initiated and finalised every year. As I said earlier, we may not get to the full 30,000 initiated this financial year, but presumably we would then look to try to catch that up.

Senator SIEWERT: It is fair to say, though, that the large bulk of the people you have taken through the process entirely have remained on DSP.

Ms Campbell: There are 5½ thousand, so a third of the cases we have initiated—

Senator SIEWERT: have been completed.

Ms Campbell: have been completed. I think it is fair to say they were the simpler cases, and the ones where, as Dr Charker says, we have gone to help them get additional medical advice are the more difficult cases. Would 'cut-and-dry' be a way to—

Ms Pitt: Yes.

Ms Campbell: So cut-and-dry we have probably already done, and they are either going to stay on or are in the number that have come off. The more complex ones where there is a bit more detail to be gained are what we are in the process of doing.

Senator SIEWERT: Thank you. Have you been following up the under-35s that were reassessed? Where have they ended up?

Dr Charker: I would have to take advice on that.

Senator SIEWERT: You may not have it with you.

Dr Charker: I think we might have to take that on notice, actually. We will take it on notice.

Senator SIEWERT: I am interested in seeing where the under-35s that have been through this process have ended up. How many have ended up, as you said, adding to their hours if they were working already? How many have found employment? How many, if they were transferred to Newstart, for example, are still there? I want to see if it is effective.

Dr Charker: We will have to take that on notice.

Senator SIEWERT: Could you take that on notice? That would be appreciated.

Dr Charker: Understood.

Senator SIEWERT: Being reported today is this new manifest eligibility pilot. It is a pilot, isn't it? We cannot find where that was referred to in the budget.

Ms Campbell: It is not in the budget. This is working with the Minister for Human Services and looking at different ways that we do business within the department. Dr Charker can take us through this initiative. It is infrastructure act a pilot that we are running ourselves within the department.

Senator SIEWERT: It said it was for a month. Is that right?

Ms Campbell: We have just started it.

Senator SIEWERT: So it has been running for a month?

Dr Charker: I can assist with that. It has been running for around 2½ weeks. It will go till July. Essentially, as the secretary has indicated, it is not driven by a budget or government decision per se; it has been purely driven by advice we have been providing to our minister on opportunities for streamlining the processing of disability support pension. By way of background, it would probably be fair to say that the assessment process for DSP is more complex than most other claims, because, as you will appreciate, it involves a pretty detailed consideration of a person's medical evidence and then an assessment of the functional impact of a particular condition on that person and their capacity to work in the next few years. When we did the internal analysis of how long it takes us to process DSP claims, we recognised that the time frame for processing a claim can vary quite significantly and was quite dependent on a range of factors, including in particular whether the claimant had provided all the medical information that was required and whether a job-capacity assessment and, after that, a disability medical assessment was required subsequently. Depending on whether those things are required, the process can be quite extended.

So we reviewed what was involved and were looking for how we could possibly do a couple of things. One was how we could provide clearer information to claimants and their treating doctors about the evidence required to be eligible for DSP and how we could try to use our health and allied health professionals in the department to do some earlier and more thorough assessments of medical information provided at the front of the claiming process in order to fast-track claims for people who are clearly unable to work—particularly folk who might have conditions which could be manifest or which, as I said, lead to a clear incapacity for them to be able to work—and also to identify claimants early who are clearly medically ineligible for DSP. By this I mean, if their condition after an initial assessment is clearly not diagnosed, treated and stabilised then they will not be eligible for DSP. Also, it is about whether we can try to identify that earlier in the process, rather than then subjecting them to a job capacity assessment and a government medical doctor review and so forth. The idea there is to try and improve the targeting of the job capacity assessments to only those for whom it is really needed to try to provide some information.

To your point: we have set up a pilot looking at how we can test, particularly by moving it upfront, that assessment of a person's medical and non-medical information. We are currently looking at how much more effectively doing the process at the start will mean for the overall processing time. We particularly want to make sure that only the folk who need a job capacity assessment go there, and that the applications, particularly of people who are more likely to manifest up-front, are finalised earlier. As it is running for about 2½ weeks, it will go to July, so it is very early days. But, as I said, the intention is to try and improve the overall processing experience.

Ms Campbell: And because the reject rate on DSP is quite high it is probably better that we are able to notify a claimant of the rejection earlier so that they do not have their expectations raised over a longer period of time.

Senator SIEWERT: So how many people do you think will go through the pilot?

Dr Charker: I could not give you an answer on that right now. I could take it on notice and provide it to you. I think that would be better.

Senator SIEWERT: Thank you. Can I go to single parents. I asked the DSS yesterday about the process of transferring from PPS to Newstart when your youngest child turns eight, and they said to ask you. What is the process? Do they have to reapply, or apply for Newstart?

Ms Campbell: I think we will check to see whether we have anyone with the details. My recollection is that we start contacting these people about when their child turns six, alerting them and telling them what is going to happen—

Senator SIEWERT: I know there is mutual—

Ms Campbell: so we have a progressive period of, 'Hey, this is about to change.' They may get a job, which is what the goal is—that, as their child turns eight, they have commenced employment, that they are able to move into a full-time position or into employment. If that were not the case then I understand we would work with them. We might have to take the actual process on notice.

Senator SIEWERT: Okay.

Ms Campbell: But the intent is to work with single parents as quickly and as early as we can, up-front, to let them know what is going to happen, get their resumes ready and engage

them in the job-seeking process, so that they are able to move into employment as quickly as possible.

Dr Charker: To your point: recipients who are currently on parenting payment partnered or single do lose entitlement to that payment when their youngest child turns six, if it is parenting payment partnered, or eight, if it is parenting payment single. What we actually conduct are briefing interviews with recipients when the parenting payment recipient's youngest child turns either five years and nine months for parenting payment partnered recipients, or seven years and nine months for parenting payment single recipients. The purpose of those interviews is to explain that their parenting payment will be cancelled when their youngest child turns either six or eight. We then invite them to lodge a claim to test their eligibility for an alternative income support payment. There is that process, in a sense, ahead of time for them to say, 'This is going to cease, and you are invited to, potentially, make a claim for an alternative payment.'

Ms Campbell: But, of course, employment would be the first thing that we would be talking to the recipient about.

Senator SIEWERT: I understand that. Is it seamless? Do they have to wait?

Dr Charker: Except for recipients who live in a remote area, my advice is that the system will automatically book all briefing interviews, and those interviews are conducted within a Centrelink service centre. If a recipient is remote, an activity—a tasking, if you like—is generated and sent to an appropriate service centre for them to book the briefing interview. Folks who are remote do not require that appointment to be face-to-face, for obvious reasons.

If a recipient does not attend the appointment and there are no exceptional circumstances—for example, if they have had something like a recent experience of family domestic violence or bereavement or a significant mental health issue—if none of that has occurred and they do not attend the appointment then their parenting payment could be suspended from that point.

Senator SIEWERT: If they do all that then it is seamless through to Newstart and there is no waiting period?

Ms Campbell: That is why I think there is the three months to make sure that that is in place in order to do that. I am not sure that we know whether or not they fill in another form—

Dr Charker: No; they do not.

Ms Campbell: or that they have their details. They will have had proof of identity. We will know who they are. I think we would have to take on notice the actual mechanism for getting that payment.

Senator SIEWERT: Yes, if you could. I particularly want to know if they do not have to do the ordinary waiting period.

Ms Campbell: Okay. We will take that on notice.

Dr Charker: We will take that on notice.

Senator SIEWERT: That would be appreciated.

Ms Campbell: I cannot confirm that, but I expect not. But we will check.

Senator SIEWERT: I would hope not, but I would like it confirmed.

Ms Campbell: We will do that.

Senator SIEWERT: Is that my five minutes gone?

CHAIR: It is, I am afraid, Senator Siewert. Senator Watt.

Senator WATT: I apologise for having missed almost this entire session. I was endearing myself to other officials on another committee.

CHAIR: You have been here more than Senator Dastyari, who I read is in London.

Senator WATT: Is that right?

CHAIR: Yes.

Senator WATT: He is a very busy man.

CHAIR: He is. Go on.

Senator WATT: I have done my best to try and stay a little bit on top of what has transpired so far. Can I just ask a couple of things which follow on from previous evidence. I understand that earlier tonight you advised the committee—and I do not know which witness it was—that the number of missed calls—and I presume this was at Centrelink?

Ms Campbell: The social welfare line; yes.

Senator WATT: It was about 42 million.

Ms Campbell: Yes.

Senator WATT: Over what time period?

Ms Campbell: From 1 July 2016 to I think it was—

Senator SIEWERT: I thought you said 'year to date'.

Ms Campbell: I am not sure if it was year to date or end of April. Someone will come in.

Senator WATT: Here they are. Your officials may not have heard. I was just trying to clarify the evidence that was given earlier this evening as to missed calls: they were missed calls made to the social security line within the department. Is that right?

Mr Jackson: That is correct.

Senator WATT: And there were a touch over 42 million missed calls?

Mr Jackson: That is correct.

Senator WATT: What was the time period?

Mr Jackson: To 30 April this year.

Senator SIEWERT: Oh, it was 30 April.

Senator WATT: From 1 July last year?

Mr Jackson: Correct

Senator WATT: So, 10 months.

Mr Jackson: Correct.

Senator WATT: Again, I understand there has also been evidence about the extra 250 staff who are being engaged by the department. Are they to assist in call centres?

Ms Campbell: To assist with handling calls.

Senator WATT: So those types of calls, among others?

Ms Campbell: The 250 will focus on simple Centrelink calls; yes—just Centrelink calls.

Senator WATT: We did some quick calculations and worked out that it would require each of those 250 to take 460 calls each day, every day of the year just to answer those missed calls. Is that a realistic—

Ms Campbell: We discussed, I think at the last hearing, that, of those 40 million missed calls, it is unlikely that they are 40 million unique calls. We have often talked about the fact that there are applications that allow people to re-call—

Senator WATT: And people like to call back over and over and over.

Ms Campbell: Well, they have those applications which allow them—

Senator WATT: Or they do not get answered.

Ms Campbell: to do that electronically. But with the extra people answering the phones we will be able to take some of those calls. Hopefully, if they were ringing, for example, 20 times a day, if we are able to take them on the first occasion then that would mean the other 19 calls would not occur.

Senator WATT: Okay. And I think that in other evidence—and this might relate to the parenting payment, which is I think where Senator Pratt was at when she handed over—I understand that you or someone has advised the committee that the department knows that there are about 7,000 people—I was told 'rorring' the system; I am not sure how it was put by witnesses.

Ms Campbell: I do not know where that number comes from at all.

Senator WATT: There has not been evidence about people abusing or making false claims for parenting payments.

Ms Campbell: I do not think we gave that evidence this evening.

Senator WATT: Okay. I will try and find out the context for that. I think probably one of the things you did earlier on—and I am sorry I missed this due to the other committee—was deal with the drug-testing proposal.

Ms Campbell: We did.

Senator WATT: I will not go over that at length. But just so I understand the evidence that has been given: is it correct that this is a proposal that is under development. Your department does not yet know exactly what you will be testing for?

Ms Campbell: This is a government decision. There will be a trial undertaken. What we provided as evidence earlier was that we were working with the Department of Social Services on how this trial would be implemented, that those final levels of detail were still to be determined and that the procurement for drug testing was to be an outcome based tender.

Senator WATT: Okay. But we do not know yet what drugs you are going to be testing for?

Ms Campbell: We are working through with DSS the finer details on this. We also gave evidence that we are going to engage an advisor to assist us with developing the tender proposal for the drug testing and that we expect that people will have we will be able to get greater knowledge from this adviser to help us with that process.

Senator WATT: We do not at this point know how much it is going to cost?

Ms Campbell: The government has not published those figures because of the commercial-in-confidence nature of a tender, in order that the Commonwealth continues to get best value for money.

Senator WATT: This is now the third different department that I have been involved with in asking questions about this proposal over the course of these estimates. It seems pretty unclear at this point how this project is going to be split between your department, DSS and Employment. I also asked questions of the Attorney-General's Department. Has it been clarified who is going to be doing what?

Ms Campbell: Next week we are going to commence on a workshop, which will look at the policy and work through the different elements of how the process and the finer details will be settled.

Senator WATT: So getting on towards a month ago—three weeks ago—the government in its budget made a big announcement about cracking down and drug testing, and next week you are going to have a workshop?

CHAIR: They have been here at estimates for two weeks.

Senator WATT: This department has not.

CHAIR: Plenty of the others have.

Ms Campbell: The others have.

Senator WATT: They have been here for a couple of days. Come on.

Ms Campbell: So there are a number of measures in the budget. This department is delivering 43 measures. As part of our normal implementation process, this is the usual way we go about delivering measures. The details are announced, the outcomes are announced, in the budget and then we work through with our colleague departments with consultation about how it is going to be delivered.

Senator WATT: Come on. There is—

Senator SMITH: You can be confident that they are illicit drugs though, and not caffeine, for example, or high levels of Coca-Cola or sugar.

Senator Ryan: Illegal drugs—I think that is important to remind people.

Senator WATT: But, again, in the other estimates committees when I have asked about this people have tried to say, 'Look, this is what happens in government'. I have been in government. What actually happens in government a lot of the time is that people put a lot of work into consulting and working up a proposal before it is announced.

Senator SMITH: Has Labor confirmed Medicare levy position yet? It seems to be taking a while.

Senator WATT: Yes. It is very clear.

Senator Ryan: Senator Watt, to be fair—I think the officials have been quite patient.

Senator WATT: Yes, they are.

Senator Ryan: I am sure that we would all enjoy a soliloquy on your experience in government but I do not think it is fair to ask the officials to comment on your particular approach.

Senator WATT: Ms Campbell, you have no doubt been involved in many proposals the government has put forward that have been solidly thought-through, where stakeholders have been consulted with, where it has been worked up with agencies prior to announcement, and this is completely the opposite.

Ms Campbell: Senator, I think—

Senator Ryan: That is your assertion.

Senator WATT: I am asking that question.

Ms Campbell: There are many—

Senator Ryan: I did not see a question. Hang on, that was an assertion. Let's not pretend that was a question, Senator Watt.

Senator SMITH: Excuse me, Chair.

CHAIR: Yes, a point of order, Senator Smith?

Senator SMITH: Secretary, top of mind, can you think of any policies that have been rushed, poorly designed, cost the taxpayer lots of money—

Senator WATT: And I am trying to pass on lessons—

Senator SMITH: I am thinking of the dementia supplement for example.

Ms Campbell: Senator, I think the minister might be better able to assist with that process.

CHAIR: And, look, it is Thursday night.

Senator WATT: I am not sure if this aspect was canvassed earlier but my understanding—we were told by DSS yesterday about how people will be invited in for testing.

Ms Campbell: I too watched that evidence and saw that they were giving their thoughts on how that would work, and we will work with them to fine-tune some of that. Sometimes we have different ways of doing things, and that is why it is so important to have these workshops, to think about how we invite people in, whether it is via SMS, letter or phone call, and that is what the officials are going to commence doing next week.

Senator WATT: So how people will be notified has not been decided yet?

Ms Campbell: I think that that will be part of next week's consideration, about how best to do that, because these things evolve.

Senator SMITH: We had examples of officials have freelanced over the last six months. Were Department of Social Services bureaucrats freelancing in the last 24 hours in terms of how they might approach this, given they did not yet have that formal working group meeting?

Ms Campbell: We have to actually deliver it on the ground, so I think it is much more beneficial that we have the opportunity to go through that workshop and look at the DSS policy intent and the best way to deliver those measures on the ground.

Senator WATT: But ultimately it will be your department who will be making contact with people?

Ms Campbell: That is what we expect.

Senator WATT: You are yet to determine how that will be done?

Ms Campbell: That is the case. We will look at various options.

Senator WATT: What thought has already occurred as to how to ensure that the right people get the right notices and that kind of thing?

Ms Campbell: We did give evidence on this earlier this evening, about how we will look at a variety of different ways—and Senator Pratt made some suggestions to us to make sure we took that into consideration as part of the workshop next week—to make sure the appropriate mechanisms were put in place.

CHAIR: She is part of the solution. Well done, Senator Pratt. You are to be commended for your positive—

Senator PRATT: I did also say that I thought it was impossible.

Senator SMITH: It does help to sit at estimates for hours and hours just to hear exactly what the evidence is.

CHAIR: Senator Watt.

Senator WATT: I am glad that my colleague made some useful suggestions. I suppose where I am coming to is, having sat through a very long inquiry about the Centrelink robo-debt debacle—and you obviously had to appear at that inquiry at least twice, so you are very familiar with the evidence that we have gone over—I have a very grave fear as to your department's ability to ensure that the right people get the right notices at the right time. What guarantees can you make that Centrelink recipients who are not intended to be covered by this proposal will not be getting SMSs and emails demanding they come in for a drug test, because that is what we saw with robo-debt, something exactly like that?

Ms Campbell: I completely reject that statement. I do not think that was the case and we have given evidence before that those letters were initial letters asking for clarification. This has been a process that has been in place for many years under both sides of government, where we have asked people to come in. So I do not accept that premise. And what evidence do I give? The fact that every day we deliver services to many Australians, that we continue to deliver these programs and that we will work carefully with DSS to ensure that the right arrangements are put in place to ensure that people are identified for this trial.

Senator WATT: Because, given the experience in robo-debt, where we had young people and elderly people receiving automated notices saying that they owed large debts but turned out not to, what guarantees can you give that we are not going to be having elderly people receiving Centrelink payments asking them to come in for drug testing?

Ms Campbell: We can reiterate some of the evidence that we gave as part of the online compliance initiative. We sought to engage with many recipients and former recipients. Sometimes, when those former recipients did not engage with us, when they did not respond to the letters, on occasion they did receive those letters. But we have been very clear that they were initial clarification letters and we sought to engage. We have put in place mechanisms to improve the ability for people to engage with us, to make it easier to engage. I note that we deal with some 700,000 jobseekers throughout the year and that we put in place mechanisms where they are provided advice to go to their jobactive providers and that that has run very

smoothly. I have never heard of an instance of us asking an age pensioner to attend a jobseeker interview. There may be an example, but I cannot recall that in six years.

Senator WATT: I acknowledge that there are many things that your department does very well and it does very important work in the community. Robo-debt was not the department's finest hour and I think we are all keen to avoid a repeat of that when it comes to this drug testing.

Senator Ryan: Chair, can I say: with all due respect, we have endured a great number of Senator Watt's commentaries. The officials have contested the assertions. He is trying to get these assertions into the *Hansard* for his own amusement, I am certain. This is a time for questions.

Senator WATT: They are actually pretty serious issues.

Senator Ryan: They are very serious issues. Senator Watt, there are inquiries. There is the chamber. You have the chance to write reports. You are badgering the witnesses by making assertions—

Senator WATT: I am just asking questions—

Senator Ryan: You are not asking questions.

Senator WATT: on behalf of people—

Senator Ryan: You are making assertions and just throwing in your judgements. It is unfair on the officials.

Senator WATT: My questions were: what guarantees can be provided that we are not going to see a repeat of—

Senator Ryan: Come on. There was a preface to your questions and you were essentially sledging, Senator Watt, and I think it is unfair on the officials.

Senator WATT: That is not correct.

Senator Ryan: You referred to things being debacles and the officials contested your evidence, and you go on as if they had not said a word.

Senator WATT: There have been thousands of people across Australia traumatised by the robo-debt and I do not want to see it again.

Senator Ryan: And the government does not back away from ensuring taxpayers' dollars go to exactly those who are entitled to it.

CHAIR: Let's return to questions.

Senator PRATT: I pick up where I left off. I needed to ask you where you get your figure from of approximately 7,000 recipients having their payments cut on the basis that they are incorrectly claiming payments.

Ms Campbell: Senator, can you table the document that you are referring to?

CHAIR: That would be helpful when we are referring to numbers.

Senator PRATT: I have a news article here by Annike Smethurst. It says:

The government estimates 7400 parents receiving single-parent benefits will see their payments reduced and a further 7400 will have their payments axed.

Senator REYNOLDS: Was that from today?

Senator PRATT: It is from 14 May.

Senator REYNOLDS: Were those the questions you were asking DSS last night? Are they the same questions?

Senator PRATT: I do not recall asking DSS that last night, because this is about compliance.

CHAIR: While that document is provided to the officials, do you have other questions you would like to go on with?

Senator PRATT: I can ask questions with respect to similar issues. The current policy, as I understand it, is that two referees are already required.

Ms Campbell: We will find someone who has the detail on what is required for the parenting payment.

Mr Creech: That is correct. At the moment we currently require two referees, but only in cases where people separate and they are already on payment.

Ms Campbell: So, if they are already on payment and then separate, we ask for two referees, but this is if they have been on parenting payment single. We are now asking for a certification that that person is in fact single.

Senator PRATT: So you will not apply this policy of asking for a referee to people who have already provided referees when they separated or are you seeking a new statement as to whether someone remains single?

Mr Creech: I will say again as I said before. The process itself is still being finalised, like a few things we have talked about here this evening. It is still being finalised, so I will not try to pre-empt. The reality is that we are putting in place a new process. At the moment we ask for the details of two referees and we actually make phone calls to those referees to confirm the arrangements that are in place. As part of the new process, there will be a new form. If you are asking me, 'Will existing customers who may have gone through the verbal process 12 months ago or two years ago be picked up?' at this point in time I cannot tell you the answer to that question because it is still being finalised.

Ms Campbell: Senator, can I just make the point that this is one of those payments where we get lots of tip-offs from people saying, 'Such and such is claiming parenting payment single, but I've seen someone visiting or someone living there.' This is one of the payments where we get a lot of tip-offs. This is a very fluid relationship type thing—the definition of being on parenting payment single. This is why there is some interest in it.

Senator PRATT: With your estimate of 14,000 people—you now have the documentation in front of you—is that based on tip-offs? How has that been worked out?

Ms Campbell: We are just trying to find how that was developed. I am sorry; I had not seen this before. We might need to take that on notice and get back to you on that.

Senator PRATT: So you do not know the source of the data that is in that news article?

Mr Creech: We need to check.

Ms Campbell: We have lots of different payments and lots of different numbers. Unfortunately, I cannot remember all of them, so we will take that on notice and come back to you.

Senator PRATT: With the referees that would be required to provide details of the relationship, are you unclear as to whether that process of refereeing applies to people who have previously provided referees?

Ms Campbell: We have talked tonight about working with DSS to do the fine details of implementing these policies. I think that would be one of the questions that we ask in that case. I think it is fair to say that this is the type of payment where changes are pretty regular. People come on and off parenting payment single quite a lot, and so it may be that because there has been a referee at some point in time there may be a need to refresh that later on.

Senator PRATT: Why wouldn't you, for example, check the previous referees? Why this particular policy of paperwork and a new referee rather than rechecking with the previous two referees?

Ms Campbell: That is something that I think we will work out in the finer detail. Again, people change addresses, people are not always in the same friendship with previous referees. Family relationships are very fluid, and I do not know that we could assume that a referee, given one year, would still be the referee the next year.

Senator PRATT: How do you approach issues of women who have left a relationship due to domestic violence, who would be living alone and claiming a single payment and who are in need of financial support but may not necessarily be able to provide the evidence of a referee?

Ms Campbell: We are very conscious of people who are subject to domestic violence. We have a number of mechanisms in place working with people who have experienced domestic violence. We appreciate that they may not have that referee. There would be provision for those complex cases like that.

Senator PRATT: As you have indicated, people's relationships are sometimes secure and sometimes they can be a little bit unstable. How do you assess the stability of a relationship and the real interdependence of it when assessing someone for a single payment? Clearly, people who are single may nevertheless have romantic relationships, but they are not financially interdependent necessarily and not necessarily under the same roof.

Ms Campbell: There is criteria about being eligible for parenting payment single. I do not know whether we have it here. It is a very complex area. But it does include things such as financial and emotional dependence. Generally, under the same roof is one of the criteria which lends itself to suggest that people might be in a marriage-like relationship but not always necessarily. We do have the booklet.

Mr Creech: I think we do.

Ms Campbell: Do we have the reasons in there?

Mr Creech: No. It does not go to the level of detail you are after.

Ms Campbell: This is part of the assessment process. We could take it on notice and provide you those key elements of our process.

Senator PRATT: Lastly, domestic violence is only one factor of what can be abusive relationships. Financial control can be an element of an abusive relationship.

Ms Campbell: Indeed.

Senator PRATT: And there is that element of exploitation in terms of refusing to share finances with someone and forcing someone to apply for their own benefit. How do you deal with those situations?

Ms Campbell: We have people who are separated but under the same roof to take into consideration those circumstances where people are able to provide evidence that they are in that type of relationship. They may still live in the same residence but they are living separate financially independent lives, so there is a category of people in that case.

Senator SIEWERT: I want to go back to issues around DSP. I have had a number of people say to me that they have had Centrelink reject their medical certificates.

Ms Campbell: Is this medical certificates or sickness payment we are talking about? Is it DSP or sickness benefit?

Senator SIEWERT: It is both. I acknowledge that people may be a bit confused, but I have had a number of complaints about it.

Ms Campbell: We have changed how DSP is assessed and we no longer get the doctor to fill out a printed form. We ask them to just provide the medical documents they might have. That could be one reason. The other reason, if we go to sickness payment, is that when they come in with a doctor's certificate some of them are a bit vague, so they may not meet the requirements for that payment.

Senator SIEWERT: In that case, do you allow someone to go back and get one that is less vague, or is it just rejected?

Ms Pitt: For medical certificates, there is a range of temporary incapacity exemptions. The kinds of things that we are looking for in a medical certificate are that we need to understand what the diagnosis is and what the prognosis is. What we are really interested in is people's capacity to work or people's capacity to search for work or meet their mutual obligations.

Senator SIEWERT: If the medical certificate that somebody brings in does not do that, but the person says that they are sick, are they able to go back and get one that does meet their needs?

Ms Pitt: Usually in that circumstance people would be advised that we would need some additional information, and they would have that opportunity to do that.

Ms Campbell: I get correspondence from members of the public who say, 'I brought in a doctor's certificate and I want DSP.' Sometimes trying to get people to understand that DSP has a higher threshold than just having a doctor's certificate is a bit difficult, as well. We often see cases where, because of the requirements of DSP to be fully, diagnosed, treated and stabilised, that sometimes that is something that people do not understand. A number of claimants will come in with a doctor's certificate expecting that the doctor's certificate alone is enough for them to receive a payment. Often there are other requirements as well.

Ms Pitt: An example of that would be if somebody had a certificate from their doctor that said that the diagnosis was depression. That alone would not be sufficient to make a determination for eligibility for DSP. They would probably need something from a psychologist. Depending on the condition and how much information we have, it is a medically based payment.

Senator SIEWERT: So the two issues are, dividing out sickness and disability, there is a much stronger threshold for disability, so you require different documents. In terms of sickness benefits, what you are saying is it is because not enough information is provided. A number of people that I have had contact with do not seem to think that they can go and get another one. I am not sure whether that is being clearly explained to them.

Ms Campbell: I think it will depend on for what purposes they are bringing it forward. If it is disability support we would not ask.

Senator SIEWERT: That is different, but in terms of sickness, nearly everybody that has contacted me has not been told or is not aware that they could go and get another one. They just feel like they have been rejected by someone who is not qualified to say that they are not sick.

Ms Campbell: It depends on what they are claiming for as well. I have also had people write to me about when they were able to get sickness payment from their employer. They came asking for us to pay it. We suggested that they would go to their employer first, because they were sort of employed.

I think that each situation is different. We can look at what the arrangements are and whether people give our staff, say, sufficient detail. But it would be best practice for us to explain why that certificate is not adequate. We also know that sometimes people who are under stress and trying to understand complex systems hear different things to what is said as well. We need to work through that.

Senator SIEWERT: Yes, okay. Then there are the other group that are vulnerable and that are not flagged, which we have discussed previously. They also may have different circumstances as well. They are vulnerable already, and I hear what you said about not necessarily hearing what has been said; sometimes you say things and think that people have actually understood what you said but they do not. And if you have a vulnerability, that could be an added stress.

Ms Campbell: And if it is an identified vulnerability, the staff will be on the lookout for that. If not, it is harder.

Senator SIEWERT: I am talking about the ones, as we have discussed, where they are not self-identifying—particularly mental illness, for example. Are you looking at ways that you can address that issue?

Ms Campbell: I do not think we are looking at this issue. I have not seen this come up as an issue before, that there was a suggestion that we were rejecting doctors certificates and telling people that they could not come back. This is the first, I think, that—

Senator SIEWERT: I do not think they are told that they cannot come back; they have not been told that they can.

Ms Campbell: Okay.

Senator SIEWERT: So they are rejected and, certainly, the people I have been hearing from are told that they have been rejected and basically they say, 'Well, I'm being forced by my jobactive provided to meet all these mutual obligations and I'm ill. I feel like I'm being bullied.'

Ms Campbell: That means it is not people who are claiming DSP?

Senator SIEWERT: No.

Ms Campbell: And they are not on sickness benefit; this is about an exemption from mutual obligation requirements?

Senator SIEWERT: Well, it could be that as well—yes.

Ms Campbell: It sounds like that is what it is.

Senator SIEWERT: If you are on sickness—

Ms Campbell: No, you do not, because you stay on Newstart. Sickness payment is for when you have a job, you are sick and you cannot go to work.

Senator SIEWERT: Right. You are an exemption—

Ms Campbell: This sounds like an exemption from mutual obligation requirements for Newstart.

Senator SIEWERT: Yes.

Dr Charker: One of the relevant factors here which might relate to your question, without knowing the specific details of the person's situation, might be what is actually included on the medical certificate that they provide to DHS. For us to be able to evaluate whether a person might be able to get a temporary incapacity exemption, which could then lead to their mutual obligations being lowered or exempted, we really need a couple of things on that. One is what the diagnosis is made by a medical practitioner. The second is what the prognosis of that is, as determined by the practitioner. We need to understand from that certificate that the person cannot work—so, they are temporarily incapacitated for all work of at least eight hours a week—and the period for which they are incapacitated.

Senator SIEWERT: Okay. So somebody actually needs to fill out quite a detailed form, almost, to do that?

Dr Charker: I think it would depend on what the doctor's standard medical certificate is. Certainly, a number of standard medical certificates will quite often state what a diagnosis is: this person is suffering from X; this person will not be able to work in their normal duties from A date to B date et cetera. That would be the sort of information that we would typically need to see in order for us to form a view about granting them some sort of exemption.

Senator SIEWERT: Yes, okay. We have those three scenarios. I definitely had people who were ill and on sickness lose those benefits. Thank you.

I have one more question about crisis payments. Thank you for the answer you gave from last estimates. We in fact just got it back today or yesterday. There is a much higher proportion of men than women getting crisis payments—very significantly higher. Is there a reason for that?

Ms Campbell: I do not think we have done any analysis on that. I agree that it would be a good piece of work for us to do.

Senator SIEWERT: I have the data here.

Ms Campbell: I have it now, too—and a much larger percentage are male. I think that would be a good piece of work for us to look at. Anecdotally, sometimes males in welfare payments do have issues with managing their money on a regular basis, and therefore the need for crisis payments. I do not have the urgent payment numbers here, either. But, I agree,

there is a significant difference and it is probably worth having a look at to see whether we can work through how we might have some issues to address there.

Senator SIEWERT: That would be great. When we were speaking to DSS yesterday—they said to ask you about this—they mentioned the process of sending people in crisis to a social worker. Would that be included?

Ms Campbell: Yes, I think the social workers make the decisions on the crisis payments. But usually in crisis payments it does involve a social worker?

Ms Ryan: Yes it does.

Senator SIEWERT: How quickly does that happen? For example, I had someone email me after I had asked these questions and they said that you get sent off and it takes two days to see somebody.

Ms Campbell: Sometimes we have a social worker on the premises and they can see them. It depends upon whether they are seeing someone else. We have a phone line where someone can talk to a social worker.

Senator SIEWERT: In other words very quickly?

Ms Campbell: Yes, so that they can do that. Ms Ryan might have some more details.

Ms Ryan: Crisis payments for recipients who are seeking it due to family or domestic violence are always referred to a social worker for assessment in the first instance.

Senator SIEWERT: How quickly?

Ms Ryan: I think it is almost immediately. We will triage them so they can actually see them, because they are in crisis, so that we can facilitate them getting access to this one-off payment. That is our service offer.

Ms Campbell: The phone lines are very useful in some of those locations where we do not have a social worker onsite. So there is access. I cannot remember what its name is, but we have a phone line social work service, where social workers staff the phones and are able to provide that advice through there. But I cannot put my hand on my heart and say that we are able to do it on every occasion, because someone might come in right at the end of the day, or something like that. But our staff work really hard to make sure that vulnerable people who are subject to crisis get the very best service and the very best referrals they can, as soon as possible.

Senator PRATT: How many Centrelink debts have been appealed to the AAT in the last 12 months? How many relate to family tax benefit and DSP overpayment debt and OCI generated debt?

Ms Campbell: Your first question was: total number of appeals to the AAT for debts—

Senator PRATT: And then what areas they relate to.

Ms Golightly: For the AAT for 2015-16 the total number of appeals was 11,198, and 2,549 of those were debt related. In that year there was none related to online—

Senator PRATT: What about for this financial year?

Ms Golightly: The Secretary is reminding me to clarify: I do not have a breakdown into DSP family debts—just totals.

Ms Campbell: We only have the total debt numbers for last financial year and we do not have them in finer granularity of the type of debt. Sometimes they can be both or they can be a mixture of different payment types.

Senator PRATT: How many Centrelink debt appeals are currently awaiting hearing at the AAT?

Ms Golightly: For this financial year there has been a total of 9,837 AAT reviews received.

Ms Campbell: But that is not debt.

Ms Golightly: That is the total.

Senator PRATT: Nine thousand? I don't need an explanation; I just didn't hear. I beg your pardon. What was the figure, Ms Golightly?

Ms Golightly: The total number of appeals at the first level of the AAT for this financial year is 9,837.

Senator PRATT: And last year it was 11,198?

Ms Golightly: Yes, but that is the total and not just the debt one.

Ms Campbell: There are other types of appeals.

Senator PRATT: I understand that.

Ms Golightly: In this financial year there have been 2,836 AAT reviews related to debt received—that is at the first level of the AAT. Of those completed, I only have the overall total, not the number related to debt, and so I will have to take that on notice.

Senator PRATT: Nine thousand was a total—

Ms Golightly: Total AAT reviews received.

Senator PRATT: Do you know how many of those have been completed or are still awaiting?

Ms Golightly: I have the number completed, and that is a total of 8,210.

Senator PRATT: Has the number of Centrelink matters appealed to the AAT increased over the same period last year? It does not appear to have on those figures.

Ms Golightly: It seems to be pretty much on par—it may be up or down a little—but, of course, we have not finished the year yet. It seems to be broadly in line.

Senator PRATT: Have you noticed any changes to the OCI system in relation to the number of appeals being lodged?

Ms Golightly: The number of OCI appeals is very tiny, because it has only been in for a short time. There has been a total of 20 AAT appeals finalised.

Senator SIEWERT: I asked a question last week about DSP and debt and I was given very different numbers.

Ms Campbell: DSP might possibly be about claims.

Senator SIEWERT: I am talking about debt. The 2,836 was for debt?

Ms Golightly: That was debt but it could be related to any type of payment, not just DSP or family.

Senator SIEWERT: To be clear, I asked about DSP and then separately debt.

Ms Campbell: So that was DSP claim acceptance or rejection? Is that what the appeal was over?

Senator SIEWERT: Yes. I got numbers there and then I asked about debt and I got very different numbers.

Ms Golightly: I think you were asking the AAT themselves, and I am not sure how their systems count. This is how we track.

Senator SIEWERT: Okay. Maybe you could take on notice why yours are different to theirs, how you track them differently.

Ms Campbell: And are you talking level 1 at the moment?

Senator SIEWERT: Yes, I am.

Ms Campbell: And did you talk level 1 and level 2? There are different categorisations of that.

Senator SIEWERT: Could you then give us—and I will shut up, Senator Pratt—the level 2 data?

Senator PRATT: No, that is a sensible intervention.

Ms Golightly: I would need to take that on notice. I can get them for you, yes.

Senator SIEWERT: Okay, and I will double-check the transcript to see if it was level 1 or level 2.

Ms Golightly: We can too.

Ms Campbell: We will look at that as well.

Senator SIEWERT: I will do my homework as well.

Senator PRATT: What is the average cost to the department of defending internal decisions like debt matters to the AAT? How much do you expect to spend on AAT hearings this year?

Ms Musolino: I am sorry; what was the second question?

Senator PRATT: How much do you expect to spend—average cost—on AAT hearings this year?

Ms Campbell: So when you say 'spend on the hearings' is that like preparing paperwork to go to the hearings?

Senator PRATT: Yes.

Ms Campbell: That is what we would do.

Senator PRATT: Once the process of a review is triggered—I know there are internal reviews and then there is the external review—what is the cost once that external review process is triggered?

Ms Musolino: For AAT tier 1 or AAT tier 2 or both?

Senator PRATT: Both.

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

Senator PRATT: Are you able to advise how many staff are allocated to AAT hearings?

Ms Musolino: We can take that on notice.

Senator PRATT: If you could also, therefore, take on notice on debt.

Ms Campbell: Debt? Are you talking about debt hearings at the AAT?

Senator PRATT: Yes.

Ms Campbell: I do not know that we separate them between 'debt' and other; we probably just have 'staff'.

Senator PRATT: Okay; I understand if you do not. What proportion of internal decisions are overturned by the AAT in relation to debt and other appeals more broadly?

Ms Musolino: My figures are not broken down to debt; they are the general figures. For AAT first review, I have got the figures from 1 July 2016 to 31 March 2017. At the first level of review, the decisions were unchanged at the AAT first review 75.9 per cent of the time and obviously changed 24.1 per cent of the time.

Ms Campbell: And it is worth clarifying that the claimant can of course provide further information as part of this review, and that is often why the decision is overturned, because they are giving us more information that we did not have.

Ms Musolino: Exactly. And the other point I should make is: 'unchanged decisions' also includes withdrawals. That can occur for a whole lot of reasons, including new evidence being obtained. Senator, did you want the second tier as well?

Senator PRATT: Yes, thank you.

Ms Musolino: The second review from 1 July 2016 to 31 March 2017: unchanged decisions in customer applications—so where the customer sought a review—the decision was unchanged 78.9 per cent of the time and was changed 21.1 per cent of the time. For AAT second tier reviews where it was a secretary application for review, the decision was unchanged 42.9 per cent and changed 57.1 per cent.

Senator PRATT: What are you doing to learn from the AAT's decisions in terms of aligning, for example, missing information? Why is information often missing from the review that Centrelink undertakes itself?

Ms Golightly: It is always open to the recipient to bring in new evidence. In the DSP space, for example, they might have new and later medical evidence. There are all sorts of reasons why people are able to come up with additional information that they would like to put forward. So it is not that it is missing; it just perhaps was not available at the time or certainly was not provided to us at the time.

Senator PRATT: People must be seeking to overturn the decision because they do not think it is correct, but it seems that it can only not be correct if the information was not complete at the time or if there is something wrong with the decision.

Ms Campbell: We rely on the claimant to give us information. Often they think they have given us enough and then it gets rejected. When there is an internal appeal and we ask for more information, they give us stuff. It is often the case that when we get to the AAT there is more information that allows the decision to be overturned that we had never seen before. So we always ask the claimant for as much information as they have got in this regard, but sometimes they will find further information, whether it be medical evidence—

Senator PRATT: That proves the point that they were trying to make all along, but it did not meet your evidence threshold or what?

Ms Campbell: If we do not have it, we cannot make a decision on it.

Senator PRATT: What are you doing to try to have better alignment for your own review processes to be more accurate?

Ms Campbell: I do not accept that the review processes are inaccurate sometimes. I cannot ask a reviewing officer to review material that they do not have. What we can do is explain to claimants what is required and encourage them to get this further information. That is the best we can do at a point in time. We can only assess a claim at a point in time.

Senator PRATT: Do you have how many internal decisions are overturned based on new information?

Ms Golightly: I do not have that here.

Ms Campbell: Sometimes we say that is the reason. Sometimes we get overturned. We talked about parenting payment single and that is one where we get overturned frequently. That is around the criteria for parenting payment single, which we have not been able to provide yet but which are, as we said, quite subjective. Our assessment may be that the person is in a relationship and the AAT may come to a different view.

Senator PRATT: But that is not necessarily new information; it is a subjective judgement about existing information.

Ms Campbell: That is a subjective judgement. When we get decisions from the AAT we look at them to determine whether there was new information provided that was outside of our control, whether we are seeing a weakness in our decision making about claimants and agreeing to claims, or whether we do not accept the AAT decision and we take it to another level. So we do look at AAT decisions to see whether there are learnings for us in the way we do work or whether we are going to appeal it.

Senator PRATT: How do you train authorising review officers to make sure that they are improving their decision-making processes if they are currently getting it wrong nearly 25 per cent of the time?

Ms Campbell: I do not accept that they are getting it wrong nearly 25 per cent of the time. We do what I have just outlined. We look at the AAT decisions and determine whether there is something that we need to change in our mechanisms, whether there was new information or whether we should appeal the decision.

Senator PRATT: Have you had a spike in internal reviews as a result of the OCI? How many internal reviews are currently underway?

Ms Golightly: OCI was introduced only this year. I have got figures here. I do not have the percentage, sorry. Of the total number of formal reviews, which was around 57,000, only about 1,600 of those related to OCI.

Senator PRATT: Therefore, the figures would not be that different to last year?

Ms Golightly: Not really.

Senator PRATT: How many matters is each ARO expected to review at any time? Are there KPIs for them?

Ms Campbell: I think the key performance indicator is about timeliness of reviews, how quickly we commit to claimants or recipients to try to get the review done by. I think that is the KPI that we are reporting on.

Senator PRATT: In terms of how long it takes—

Ms Campbell: How long it takes for us to undertake the review. I think we would have to take on notice anything further about the ARO work.

CHAIR: Excellent. I hope you have enjoyed tonight as much as we have. That concludes today's examination of the Social Services portfolio, including Human Services. I thank the minister, officers, the secretariat staff, Hansard and broadcasting. Senators are reminded that written questions on notice should be provided to the secretariat by close of business Friday, 9 June 2017. Thank you very much.

Committee adjourned at 23:00