



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## **SENATE**

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION  
COMMITTEE

ESTIMATES

**(Budget Estimates)**

THURSDAY, 26 MAY 2005

CANBERRA

BY AUTHORITY OF THE SENATE



## **INTERNET**

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to:  
**<http://parlinfoweb.aph.gov.au>**



---

**SENATE**

**FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE**

**Thursday, 26 May 2005**

**Members:** Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Brandis, George Campbell, Forshaw and Heffernan

**Senators in attendance:** Senators Allison, Brandis, Carr, Crossin, Chris Evans, Faulkner, Fifield, Lundy, Mason, McLucas, Moore, Murray and Wong

**Committee met at 9.01 am**

**FINANCE AND ADMINISTRATION PORTFOLIO**

Consideration resumed from 25 May 2005

**In Attendance**

Senator Minchin, Minister for Finance and Administration

Senator Abetz, Special Minister of State

**Department of Finance and Administration**

**Executive**

Dr Ian Watt, Secretary

Ms Simone Pensko, Executive Officer

**General**

Mr Lembit Suur, General Manager, Corporate Group

Mr Ian McAuley, Branch Manager, Parliamentary and Corporate Support

Mr Michael Hirschfeld, Branch Manager, Strategic Partnerships

Mr Clive Hawkins, Corporate Group Point Person

Mr Geoff Hill, Director, Portfolio Coordination Unit

Mr Glenn Black, Senate Estimates Coordinator

Mr Dominic Staun, General Manager, Financial and e-Solutions Group

Ms Joanne Hamilton, FeSG Point Person

**Outcome 1**

Mr Phil Bowen, General Manager, Budget Group

Ms Kathryn Campbell, Division Manager, Budget Policy and Coordination Division

Ms Susan Page, Division Manager, Industry, Education and Infrastructure Division

Mr John Ignatius, Special Adviser, Budget Policy and Coordination Division

Mr Peter Saunders, Division Manager, Government and Defence Division

Ms Jackie Wilson, Division Manager, Social Welfare Division

Mr David Weiss, Branch Manager, Health and Ageing Branch

Mr David Nicol, Branch Manager, Family and Community Services Branch

Ms Emily Wadeson, Budget Group Point Person

Mr Jonathan Hutson, Acting General Manager, Financial Management Group

---

Ms Anne Hazell, Division Head, Financial Reporting and Cash Management Division  
Mr Brett Kaufmann, Branch Manager, Accounting Policy Branch  
Ms Leanne Yannopoulos, Branch Manager, Cash Management Branch  
Ms Sue Baker, Team Leader, Cash Management Branch  
Mr Tony Olliffe, Financial Reporting Branch  
Ms Trixie Makay, Budget Framework and Systems Division  
Ms Karen Doran, Division Manager, Superannuation and Governance Division  
Ms Sandra Wilson, Branch Manager, Superannuation Branch  
Dr Tom Ioannou, Governance Structures Branch  
Mr Rod Alfredson, Director, Evaluation and Audit Unit  
Mr Michael Culhane, Branch Manager, Finance & Banking  
Mr Marc Mowbray-d' Arbela, Branch Manager, Legislative Review Branch  
Mr Michael Loudon, Branch Manager, Procurement Branch  
Mr Justin Bassi, FMG Point Person

**Outcome 2**

Mr David Yarra, Acting General Manager, Asset Management Group  
Mr Robert Butterworth, Division Manager, Shareholder and Asset Sales Division  
Mr Rick Scott-Murphy, Division Manager, Business Services Division  
Ms Stacie Hall, Branch Manager, Insurance and Risk Management Branch  
Mr Tim Wise, Branch Manager, Major Projects Branch – Immigration  
Mrs Tooev Elliott, Branch Manager, Property Management Branch  
Mr Philip Smith, Acting Branch Manager, Government Businesses & Private Financing Advice Unit  
Dr Guy Verney, Branch Manager, Special Claims and Land Policy Branch  
Mr Robin Renwick, Branch Manager, Asset Sales Branch  
Mr Owen Hammond, Branch Manager, Major Projects Branch – Domestic Portfolio  
Mr Andrew Harvey, Finance Manager, Asset Management Group  
Mr Simon Lewis, General Manager, Telstra Scoping Study Taskforce  
Mr Mark Heazlett, Branch Manager, Telstra Scoping Study Taskforce  
Mr Jacob Jamieson, AMG/TTF Point Person

**Outcome 3**

Ms Jan Mason, General Manager, Ministerial and Parliamentary Services  
Ms Kim Clarke, Branch Manager, Entitlements Policy  
Mr Rob Barnes, Branch Manager, Service Centre  
Mr Ken Sweeney, National Manager, COMCAR  
Mr John Edge, Branch Manager, Entitlements Management  
Mr Stephen Taylor, Branch Manager, Legal & Review  
Ms Amanda Toms, Ministerial and Parliamentary Services  
Mr Greg Smith, M&PS Point Person

**Outcome 4**

Mr John Grant, Acting General Manager, Australian Government Information Management Office  
Mr Patrick Callioni, Division Manager, Australian Government Information Management Office

Ms Robyn Fleming, Branch Manager, Policy  
Mr Tony Judge, Acting Branch Manager, Frameworks  
Mr John Lalor, Acting Branch Manager, Service Delivery  
Mr Matthew Clark, Australian Government Information Management Office  
Point Person

**Australian Electoral Commission**

Mr Andy Becker, Electoral Commissioner  
Mr Paul Dacey, Deputy Electoral Commissioner  
Ms Barbara Davis, First Assistant Commissioner Business Support  
Ms Kathy Mitchell, Director, Funding and Disclosure  
Mr Doug Orr, Assistant Commissioner Elections  
Mr Andrew Moyes, Acting First Assistant Commissioner Electoral Operations  
Mr Brien Hallett, Assistant Commissioner Information, Education and Research  
Mr Tim Evans, Acting Assistant Commissioner Corporate Services  
Dr Chris Drury, Acting Assistant Commissioner Enrolment and Parliamentary Services  
Mr Andrew Baker, Chief Financial Officer  
Mr Andrew Gately, Acting Assistant Commissioner Information Technology  
Ms Maria Webster, AEC Point Person

**ComSuper**

Mr Leo Bator, Chief Executive Officer  
Ms Monica Lo-Heni, Acting Chief Finance Officer  
Mr Marcus Markovic, Point Person

**PSS/CSS Boards**

Mr Steve Gibbs, Chief Executive Officer  
Ms Barbara Wilson, Finance Manager

**Commonwealth Grants Commission**

Mr Malcolm Nicholas, Assistant Secretary  
Mr Owen Rodda, Director, Corporate Services

**Department of Human Services**

Ms Patricia Scott, Secretary  
Mr Geoff Leeper, Deputy Secretary  
Ms Perry Sperling, First Assistant Secretary  
Ms Marilyn Prothero, Assistant Secretary, Corporate  
Mr James Kelaher, Senior Adviser  
Mr Nico Padovan, Assistant Secretary, Delivery Strategy and Co-ordination.  
Ms Bernadette Ryan, Assistant Secretary, Communication.

**Health Insurance Commission**

Mr Lou Andreatta, Manager, Medicare and DVA, Health Insurance Commission  
Ms Catherine Argall, Managing Director  
Ms Ellen Dunne, General Manager, Information & Payments Services Division  
Mr David Trabinger, Acting General Manager, Development & Strategy Division  
Dr Janet Mould, General Manager, Program Review Division  
Ms Lyn O'Connell, General Manager, Business Implementation and Support Division  
Mr Nic van den Berg, Acting General Manager, Information Technology Services Division

Mr Dominic Downie, General Manager, Governance and Corporate Services Division  
Ms Lynne O'Brien, Acting Chief Finance Officer, Governance & Financial Management  
Division

**Centrelink**

Mr Jeff Whalan, Chief Executive Officer  
Mr Graham Bashford, Deputy Chief Executive Officer, Customer Service Delivery  
Mr Graham Maloney, Acting General Manager, Customer Service Delivery  
Mr David Walsh, Acting General Manager, Customer Service Strategy  
Ms Carolyn Hogg, Deputy Chief Executive Officer, Stakeholder Relationships  
Ms Carmel McGregor, General Manager, Employment, Disability and Education  
Dr Margaret Browne, General Manager, Families, Seniors and Community  
Ms Sheryl Lewin, Acting General Manager, Rural Services and Business Integrity  
Mr John Wadeson, Chief Information Officer  
Ms Mandy Ritchie, Chief Financial Officer  
Mr Peter Cotterill, Acting General Manager, People and Planning  
Ms Ann Steward, General Manager, IT Planning and Refresh  
Dr Louise Tucker, General Manager, Corporate IT Systems  
Mr Tuan Dao, Acting General Manager, Core Business IT Systems  
Mr Karel Havlat, National Manager, Budget and Management Accounting

**CRS Australia**

Mr David Graham, General Manager  
Ms Margaret Carmody, Deputy General Manager, Service Delivery

**Child Support Agency**

Mr Matt Miller, General Manager  
Ms Sheila Bird, Assistant General Manager  
Mr Neil Peach, Assistant General Manager  
Mr Trevor Sutton, Assistant General Manager

**Australian Hearing**

Ms Anthea Green, Managing Director

**CHAIR**—Good morning. I welcome the Special Minister of State, Minister Abetz, Ms Scott and officers. The committee is continuing its examination of the Finance and Administration portfolio. This morning it is commencing its examination of the Department of Human Services. Do you have an opening statement, Ms Scott?

**Ms Scott**—No.

**Senator WONG**—In relation to the transfer of functions that I think we discussed at the last estimates, are they now complete?

**Ms Scott**—Yes.

**Senator WONG**—Do you have an updated organisational chart?

**Ms Scott**—Yes, we would be happy to table that.

**Senator WONG**—I think on the last occasion there were a number of staff transfers which had yet to be completed. Have they occurred?



**Ms Scott**—I think last time we met we had about 19 permanent staff members and a significant number of secondees because we were just in the formation stage. A number of recruitment processes have now been completed and we are still continuing with some recruitment processes. We now have 29 permanent staff members and about 50 people on deck in total. The number of permanent staff will gradually increase.

**Senator WONG**—What is the full staffing complement that you are going to achieve?

**Ms Scott**—Prior to the budget we were expecting to get to 54, which was the number that we spoke about in the last estimates in February. There is a change as a result of the budget. We acquired some new responsibilities in relation to Welfare to Work, and that relates to comprehensive work capacity assessment and a pre-vocational account. I am now expecting the number to be closer to 62 when we are fully recruited.

**Senator WONG**—So only eight more to deal with the comprehensive work assessments and administration of the pre-vocational account?

**Ms Scott**—At this stage, that is our intention. We will see how that pans out. If it is necessary to have more staff than that, we will assess that as we go. But that is what we have been funded.

**Senator WONG**—We will come to those issues shortly, no doubt. What are the additional cost implications of taking on new staff? Have you been allocated additional monies, through the budget process, other than those discussed in the February estimates?

**Mr Leeper**—There is additional funding provided in the budget papers to reflect the department's management responsibilities in relation to the comprehensive work capacity assessment process and the management of the pre-vocational account. Those figures are in the PBS document. I am happy to read them into the record if you wish me to, but they are covered in the PBS material.

**Senator WONG**—So there is no additional funding other than for those two components over and above what was in the February estimates?

**Ms Scott**—The only change was that we were waiting on one transfer of funding from Health, arising out of the AAO change, and that was completed so we now have our full budget.

**Senator WONG**—Can you remind me of what the transfer from Health was?

**Ms Scott**—Yes.

**Mr Leeper**—The figure for 2004-05 from the Department of Health and Ageing was \$616,000. I will mention a third measure which applies to all agencies, which is the additional one-quarter of a per cent efficiency dividend. So there are, in effect, three measures affecting DHS's budget: the comprehensive work capacity assessments, the pre-vocational accounts and the additional .25 per cent efficiency dividend.

**Senator WONG**—Was the department involved in the Welfare to Work task force?

**Ms Scott**—Yes.

**Senator WONG**—Who from the department was on that?

**Ms Scott**—We had an officer at the band 1 level involved and we also had an officer from Centrelink participating in the welfare work.

**Senator WONG**—In terms of the organisational chart, I presume Centrelink comes off as an agency somewhere but it is not identified on the chart.

**Ms Scott**—No. This is just the core department.

**Senator WONG**—How long was Human Services involved in the Welfare to Work task force—from the inception of the task force?

**Ms Scott**—Yes, from the inception.

**Senator WONG**—Until the task force concluded?

**Ms Scott**—Yes.

**Senator WONG**—And when was the task force concluded?

**Mr Leeper**—On 11 May.

**Senator WONG**—And when did it commence?

**Mr Leeper**—It commenced on 22 February.

**Senator WONG**—So I presume, therefore, its work was concluded on 11 May?

**Mr Leeper**—The task force was terminated on 11 May. It was formally disbanded on 11 May.

**Senator WONG**—Is that the date on which the Welfare to Work package was finalised?

**Mr Leeper**—From memory, it was the day after the budget.

**Senator WONG**—What was the nature of the work of the band 1 officer on the task force?

**Ms Scott**—Consistent with the objective of the department, both officers were closely involved in the development of the package, particularly looking at service delivery aspects.

**Senator WONG**—Which service delivery aspects?

**Ms Scott**—The full gamut of service delivery aspects.

**Senator WONG**—Could you identify them?

**Ms Scott**—We looked at what currently occurs, how the system could be changed, consultation about costings and consultation about arrangements for the go-forward strategy—all the different aspects. They were effectively part of the team that was chaired by the Department of the Prime Minister and Cabinet. Consistent with a whole of government task force, their work did not simply remain related to just one little aspect; they covered the gamut of activities.

**Senator WONG**—Was a Centrelink officer also on the task force?

**Ms Scott**—Yes.

**Senator WONG**—Just one, or more?

**Ms Scott**—One.

**Senator WONG**—I have a question about your web site. Is it the case that the departmental web site links directly to Minister Hockey's web site?

**Mr Leeper**—Yes, it does link directly.

**Senator WONG**—Is it also the case that the web site to which the department links people invites persons to become financial members of the Liberal Party?

**Mr Leeper**—That may be the case. However, when a person clicks on the link from our web site to the minister's web site a message pops up on the screen that says:

You are now leaving the Department of Human Services website.

The site you are entering is not maintained or funded by the Australian Government.

**Senator WONG**—Isn't it the case that the web site to which you link people also invites people to become a 'Friend of Joe'?

**Mr Leeper**—That may or may not be correct. It is not the department's web site.

**Senator WONG**—Whose decision was it to link to Minister Hockey's personal web site as opposed to his parliamentary web site?

**Ms Scott**—I am prepared to take responsibility for that. It is within the guidelines.

**Senator WONG**—So it was your decision, Ms Scott?

**Ms Scott**—It was a decision of one of my officers.

**Senator WONG**—When was that decision made?

**Ms Scott**—I would have to take that question on notice. I do not have—

**Senator WONG**—Is the officer here?

**Ms Scott**—I doubt it.

**Senator WONG**—Perhaps we could come back to that later in the day.

**Ms Scott**—I would be happy to do that.

**Senator WONG**—Could you also indicate to me whether, prior to that decision being made, there was contact with the minister's office regarding this issue?

**Ms Scott**—I will also investigate that for you.

**Senator WONG**—Do you not know that, Ms Scott, if you took the responsibility for the decision?

**Ms Scott**—I am taking responsibility for the decision as the secretary of the department, but I will need to inquire as to what took place. I am not familiar with that level of discussion. It is a relatively straightforward matter.

**Senator WONG**—Was it the case that the department was asked by Minister Hockey to link to his personal web site as opposed to his parliamentary web site?

**Ms Scott**—I am happy to take your questions and to come back—if I can, this morning—with an answer. I simply do not have that material available to me.

**Senator WONG**—Perhaps you can. I am interested in when the decision was made, what contact there was with the minister's office in relation to this issue prior to the decision being

made and the basis on which the decision was made to link to a personal, party political web site as opposed to the parliamentary web site. You mentioned before, Ms Scott, that this is within the guidelines. Can you tell me whether you have actually assessed this link against the relevant guidelines and, if so, tell me how it complies?

**Ms Scott**—We made contact with the Department of the Prime Minister and Cabinet to reassure ourselves that the arrangement was within the guidelines.

**Senator WONG**—When did you do that?

**Ms Scott**—In May, but it was consistent before that. But we had that confirmation in May.

**Senator WONG**—So you sought advice in May?

**Ms Scott**—I am confident that people would have considered this issue at the time, but then we had it confirmed in May.

**Senator WONG**—So you yourself sought guidance from PM&C as to whether this fact conformed to the guidelines in May—is that correct?

**Ms Scott**—The way I would characterise it is that there was some press coverage of this matter in May and, to be completely confident, we did a confirming check with the Department of the Prime Minister and Cabinet.

**Senator WONG**—So the seeking of advice was precipitated by the press coverage?

**Ms Scott**—Yes.

**Senator WONG**—To your knowledge, had advice from PM&C been sought prior to the press coverage?

**Ms Scott**—I would need to check, but the guidelines are available.

**Senator WONG**—Had advice been sought from PM&C prior to the press coverage of this issue?

**Ms Scott**—I am happy to check on that for you.

**Senator WONG**—Did you seek advice prior to May?

**Ms Scott**—Me personally? No.

**Senator WONG**—Did anyone to your knowledge seek advice prior to May?

**Ms Scott**—I am happy to check on that for you.

**Senator WONG**—You are not aware?

**Ms Scott**—I indicated earlier in one of my answers that I did not personally handle this issue and I am happy to check on the matters you have raised. I will add that to the list.

**Senator WONG**—Yes, add that to the list.

**Senator Abetz**—Mr Chairman, I have just been advised that you can get to Mr Hockey's personal web site through his Parliament House or aph web site. It is a question of whether you have to click twice as opposed to clicking once. I think most MPs and senators have the aph web site which then has a link to their personal web site. I do not think this is necessarily a matter of great moment, other than convenience for people. Ms Scott has indicated that she

will get further information, and that information will be obtained. But, just in case people want to take the eggbeater to this thus far and whip it up, I thought it might be interesting for the committee to know the circumstances.

**CHAIR**—Thank you, Minister.

**Senator WONG**—Thank you for the gratuitous opinion, Minister, but what we are talking about is a departmental web site linking—

**Senator Abetz**—It is not an opinion; it is a fact that you can link straight onto the personal web site from the aph web site. That is not an opinion; that is fact. What you want to extrapolate from that, you can put into your media release, but it is not a topic for this committee.

**Senator WONG**—I presume departmental funds are utilised in maintaining the departmental web site—

**Ms Scott**—In maintaining the departmental web site, yes.

**Senator WONG**—which includes the link to the party political site.

**Senator Abetz**—No, the personal site.

**Senator WONG**—With the option on it of becoming a financial member of the Liberal Party and a friend of Joe.

**Senator Abetz**—I would have thought that you could be a friend of Joe without being party political. I know many people on your side of politics that are friends of Joe.

**Senator WONG**—I do not think you can be a member of the Liberal Party without being party political.

**Senator Abetz**—We are all friends of Joe.

**Senator WONG**—So you are a friend of Joe, Minister?

**Senator Abetz**—We are all friends of Joe.

**Senator WONG**—You can always click on your departmental web site and register.

**Senator CHRIS EVANS**—I will send him the *Hansard*, Minister. I am sure it will come as a surprise to him.

**Senator Abetz**—He is in the portfolio that I am in. We get on very well.

**Senator CHRIS EVANS**—I thought you were going to say ‘faction’, for a minute.

**Senator WONG**—Ms Scott, are you aware of the Centrelink web site which does link only to the aph web site for the minister?

**Ms Scott**—I have not looked at the Centrelink web site for some time. I am not aware of its links.

**Senator WONG**—So there has been no discussion between Centrelink and you as to why the department chooses to link to the personal web site and Centrelink links to the aph web site?

**Ms Scott**—No. I have not had discussions on it.

**Senator WONG**—So you are not aware of it?

**Ms Scott**—I am sorry—I misunderstood. I thought you asked me if I had had discussions on that matter with Centrelink.

**Senator WONG**—Are you able to explain why an agency of the department does not link to the party political web site but the core department web site chooses to do so?

**Ms Scott**—Both are within the guidelines.

**Senator WONG**—That was not really my question, Ms Scott. I asked why it is that one does one thing and one does another.

**Ms Scott**—I cannot shine any light on this topic. Both are within the guidelines.

**Senator WONG**—Has there been a direction by the minister's office to link to his personal web site?

**Ms Scott**—I think this goes to the first series of questions you asked, which was about what contact there had been between the department and the minister's office. When I have an answer to that, that will be able to encapsulate your current question.

**Senator MOORE**—Ms Scott, does this come under the communications strategy of the department? Which branch is it? Is it through communications strategy?

**Ms Scott**—It is now but, in the initial days of the department, you can imagine that, because we were in formation stage, we did not have such a thing as a branch or a branch head in that area. Responsibility is now clearly there but, in the establishment days, an officer would have been assigned this task. We will try to track down the information.

**Senator MOORE**—So now—for ongoing discussions—it is part of your communications strategy?

**Ms Scott**—That is correct.

**Senator WONG**—Your communications strategy?

**Ms Scott**—It is one of the responsibilities of the communication area.

**Senator WONG**—So it is part of the department's communication strategy to link to a party political web site?

**Ms Scott**—It is part of the communications strategy in department to have a web site.

**Senator WONG**—To link to a party political web site.

**Ms Scott**—No, to be within the guidelines.

**Senator WONG**—Are you aware of what occurs on the Child Support Agency web site?

**Ms Scott**—I have people here who could answer questions about their web site, but I have not looked at their web site very recently.

**Senator WONG**—Are you aware of where their site links to?

**Ms Scott**—No.

**Senator WONG**—You are not?

**Ms Scott**—No.

**Senator WONG**—So you are not aware that that also links to the party political web site of Minister Hockey?

**Ms Scott**—No.

**Senator WONG**—Is that part of the communication strategy, too?

**Ms Scott**—Maybe I could explain the communication strategy. It does not really relate solely to web sites; it is about ensuring good coordination between the different areas of the departments in terms of their efforts to communicate with the Australian people. This particular aspect would be a relatively minor part of their activities.

**Senator WONG**—To go back to the welfare to work issue, as a result of the various alignment of responsibilities or allocation of responsibilities and also the work of the task force, what sort of coordination arrangements have been put in place between the service delivery departments and the policy departments?

**Ms Scott**—Going forward, since the budget there has been a welfare to work steering committee, which will oversee the implementation and provide feedback to the government on progress with the reforms, resolve emerging issues, and provide an avenue for consultation. We are a participant in that committee. It is chaired by the Department of Employment and Workplace Relations.

**Senator WONG**—Is there any documentation which sets out arrangements between you and DEWR, for example, or other agencies in relation to the Welfare to Work program?

**Ms Scott**—On the public record?

**Senator WONG**—No, not on the public record—that is why I am asking you now.

**Ms Scott**—Because it is chaired by the Department of Employment and Workplace Relations and they are managing this exercise, they might be best placed to answer your questions.

**Senator WONG**—I am asking whether from your department's end there is documentation which sets out the coordination arrangements regarding welfare to work.

**Ms Scott**—Yes.

**Senator WONG**—In what form is that documentation?

**Ms Scott**—There is documentation that was prepared in the context of the work by the task force, and there is the work that has now taken place for both the steering committee and the strategic project management group, which are also chaired by the Department of Employment and Workplace Relations.

**Senator WONG**—Your department was presumably involved in preparing that documentation.

**Ms Scott**—We participated in preparing the papers that were developed by the task force, and we have been consulted in relation to the work by the steering committee.

**Senator CHRIS EVANS**—You had an officer seconded to the task force, didn't you?

**Ms Scott**—Yes. To recap, we had an officer from the Department of Human Services and an officer from Centrelink on the task force.

**Senator CHRIS EVANS**—What level were they at?

**Ms Scott**—Band 1 from Human Services and EL2 from Centrelink.

**Senator WONG**—I thought it was two from the department and one from Centrelink.

**Ms Scott**—There were two band 1s.

**Senator WONG**—One each from the department and Centrelink?

**Ms Scott**—That is correct.

**Senator WONG**—Sorry, I thought you said there were two plus one from Centrelink. Are there any formal service agreements between the department and DEWR?

**Ms Scott**—No.

**Senator WONG**—What do the coordination documents that were referred to go to?

**Ms Scott**—I do not know if I can give a comprehensive answer. They go to the work going forward relating to implementation issues and coordination activities between the different departments. But again, DEWR would probably be the best placed to answer those, given that they are the author of some of them.

**Senator WONG**—Could you provide those documents?

**Ms Scott**—Because they are documents of the Department of Employment and Workplace Relations, I think those questions are best referred to them.

**Senator WONG**—Do they not relate to how you work with DEWR?

**Ms Scott**—Yes.

**Senator WONG**—On what basis do you say you cannot provide them?

**Ms Scott**—They originated from another department.

**Senator CHRIS EVANS**—I am having a bit of trouble working out what Human Services does these days. It seems that DEWR have taken over nearly everything that you or FaCS used to do. What we are trying to figure out is how this all works now. If you look at the budget documentation et cetera, it all seems to be in the DEWR portfolio. Senator Wong, Senator Moore and I are struggling to define the role of Human Services, and we are looking for help in how we identify that.

**Senator Abetz**—If you had been here earlier, you would know that Senator Wong was provided with a departmental flow chart, or an organisational chart, which hopefully would be of some assistance to you in that regard. But, if a document has emanated from another department, I would urge you to be patient—and I dare say you will be asking me next week.

**Senator CHRIS EVANS**—I appreciate that, Minister, and I apologise for being a couple of minutes late, but Senator Vanstone has been keeping me busy. I appreciate the flow chart; I think I have seen it before. It is not hugely helpful, in any event. One of the things we wanted to use it for today is to tease out what Human Services does, what DEWR does and how that works, and I think Senator Wong is after the documentation. That is one way we can get to the bottom of it, but we can do it question by question, item by item. Are you able to give me a five-minute description of how you see the interaction between the two departments?



**Ms Scott**—I am happy to. I will go to some of the activities that we have been involved with and that might elicit some questions or you might wish to take us in a certain direction. As you know, one of the reasons for the establishment of the department was to ensure better coordination and greater collaboration and greater input into policy process of service delivery. The fact we had two officers on the task force was an important step in ensuring that service delivery was considered in policy matters.

You may recall from the last time we met, in February, that we had also been asked to increase the number of referrals of non-activity tested customers of Centrelink to the Job Network. Since the commencement of that strategy in December, there has been a very substantial increase in the number of voluntary referrals from Centrelink to Job Network, whereas before the creation of the department there used to be about 4,000 referrals a month. The figure is now averaging around 10,000 a month, and we have had pretty positive feedback on that strategy. The increase well and truly exceeds 100 per cent, and I am pleased to say that similar trends appear to be emerging in the job placement numbers by Job Network. I have an update of the graph that I provided last time, if you would be interested.

**Senator CHRIS EVANS**—That would be helpful. I found your answer very interesting. Hasn't that position, to some extent, been overtaken now by the budget decisions?

**Ms Scott**—No, not really.

**Senator CHRIS EVANS**—But it is no longer voluntary; it is compulsory, isn't it?

**Ms Scott**—The voluntary activity will continue. Where people are clearly interested in rejoining or joining the work force we make approaches to them, or when they make contact with Centrelink we offer them this opportunity. We are getting good acceptance rates and, as a consequence, the updated figures still look very positive. I have charts.

**Senator CHRIS EVANS**—Thank you.

**Senator MOORE**—That outcome within your area is seen as a direct result of the formation of the department?

**Ms Scott**—Yes.

**Senator MOORE**—It would be your position that the creation of the department has led directly to this increased outcome; is that right?

**Ms Scott**—Yes, we are working closely with our colleagues in Centrelink—who are obviously doing a great bulk of the work in terms of their inbound and outbound call strategy—and we are also working with our colleagues in DEWR, and there is a real partnership arrangement to ensure that it operates smoothly and that we are in contact with each other.

**Senator CHRIS EVANS**—I will play devil's advocate.

**CHAIR**—That would be unusual!

**Senator CHRIS EVANS**—Yes. Why would changing the department do that? Surely this is a change of policy. When all the activity occurs inside Centrelink, why would the Department of Human Services see that as a success for the department if Centrelink are just responding to a change in government policy? I think is a good policy change, to provide

more encouragement, so I am not arguing with the policy direction. I prefer it to a lot of what is in the budget. Isn't Centrelink responding to a government policy change which seems to have had some effect? Why do we see this as a success for Human Services and the new structure, if you like?

**Ms Scott**—It does reflect many people's good works. The fact that customers take advantage of the opportunity is really a deciding factor in it being successful. It relates directly back to what the Prime Minister described on 22 October as one of our immediate priorities. One of the first things that we undertook was to ensure that this strategy was put in place. It originated out of the creation of the department and the position that the Minister for Human Services took. It directly results from that and the government's determination to ensure that that was one of our first achievements.

**Senator CHRIS EVANS**—I am still not quite sure how that works, though. What do you do inside Human Services that drives that?

**Ms Scott**—We issued instructions to Centrelink to follow this particular course. We have worked closely with them, we have had tripartite arrangements with the Department of Employment and Workplace Relations, we have developed a common approach to these issues, and we have instituted an outbound and inbound strategy. It reflects the Prime Minister's statements on 22 October, but it has involved a number of concrete steps to get us to this point. These things do not just happen by accident.

**Senator CHRIS EVANS**—I guess I am not sure that they happen by organisational structure either, though.

**Ms Scott**—It did not occur before. The graph is very clear on when the strategy started. I can name the date when the strategy was—

**Senator CHRIS EVANS**—It is a question of what is cause and effect, though.

**Ms Scott**—I can tell you when the instruction was issued and when it took effect. It is clearly the case that it has had a discernible impact.

**Senator CHRIS EVANS**—The policy change has?

**Ms Scott**—Yes, but I do not think we can put it down to weather conditions.

**Senator CHRIS EVANS**—But it is the policy change, not a departmental restructure, that drives it, isn't it?

**Ms Scott**—There was clearly a policy change to create the Department of Human Services and to give it, as one of its immediate focuses, an increase in the number of referrals of non-activity-tested customers from Centrelink to Job Network. So I am just reporting. You initially asked what we are about, and we are about this. This directly relates to welfare to work.

**Senator WONG**—I think the point is that you do not get people to work by creating a new department; it is the policy change which is the mechanism which encourages people to go from your agencies to the Job Network.

**Ms Scott**—There was clearly an intention by the government to see a change on 22 October and this is the outcome of that change, where we implement the government's policy in terms of service delivery.

**CHAIR**—Could you articulate when you saw the policy having a great impact?

**Ms Scott**—Centrelink is adopting a work first strategy with its clients, so we are undertaking outbound calls to clients who are on parent payment single to ask them if they would be interested in a referral to the Job Network. Just as we discussed last time, scripts are involved. We go through a series of steps, where we invite them to allow Centrelink to make an appointment. That is basically the strategy. Other aspects of the inbound strategy include when a client comes to a Centrelink office and maybe updates information. Staff are now very much engaging with them and asking them whether, even though this is not required, they would undertake work. They are asking them if they would be interested in having a referral to the Job Network. As a consequence of that, the numbers of referrals have dramatically increased. We can even tell whether holidays are on—for example, we suspended the activity during the Christmas break because Job Network also has a break—

**CHAIR**—Between November and December 2004 there was a huge rise, isn't there?

**Ms Scott**—That is right.

**Senator MOORE**—Certainly you described that—it was a clear policy change and it was a workplace change within Centrelink, which is part of the Department of Human Services—that is clear. But I am having a little bit of difficulty with this: if the situation had stayed the same, without the major departmental change, and Centrelink had got the same instructions—to start using its call centres to call people and use the same kind of new script—would the result have been similar? In other words, was the huge departmental change the stimulus for the change? I do not know whether you can actually say yes or no. I understand your point—the new department has been set up; there are a range of policy changes and it has led to results that are pleasing in terms of this graph for the department's policy change. For what it is worth, I remain unconvinced that if the segment of the department had received the same policy change and also the same job aids you would not have seen a similar kind of increase in the results.

**Ms Scott**—We will try not to be too deflated by your comments.

**Senator MOORE**—I hope you are not; please do not be deflated by my comments.

**Senator CHRIS EVANS**—It is not an attack, Ms Scott; we are just trying to tease out what is working and what is not and why it is working.

**Ms Scott**—I am happy to note that a number of comments have been passed back to us to say that the quality of the working relationship is such that things are happening well and are happening in a speedy fashion. Working relationships are going very well. Dr Boxall remarked very recently that we were adding value to the relationship that DEWR and Centrelink have. Should I go on?

**Senator CHRIS EVANS**—Yes, officers always give their best explanations when they are under a bit of pressure, Ms Scott.

**Senator Abetz**—Don't kid yourself!

**Senator CHRIS EVANS**—We are just trying to tease out what is actually driving the change. I for one am very pleased that extra activity encouraging people to seek assistance on a voluntary basis with a positive framework is working well. That is great. What is important

for policy makers is to understand what works and what does not and how you get those outcomes, so that is what we are trying to tease out.

**Senator WONG**—I would like to go back to something you said earlier in response to a question from Senator Evans. You referred to the instructions being issued—I think we had a discussion about this last time. These are, I presume, instructions to Centrelink from the department.

**Ms Scott**—Yes.

**Senator WONG**—Have those been revised or updated since the February estimates?

**Ms Scott**—Yes. We have had any number of discussions about how we should finetune things and what we should do during the holiday shutdown by Job Network, how we should employ the outbound call strategy—there have been countless interactions on that—and what coordination activity we were undertaking with DEWR to ensure that Job Network would be advised of our new approach.

**Senator WONG**—These are instructions issued by you to Centrelink, presumably.

**Ms Scott**—‘Instructions’ sounds very formal.

**Senator WONG**—I was actually using your term.

**Ms Scott**—It was undoubtedly an instruction at the start, but what we do is come to a very clear understanding of what is required, and at various times we have told Centrelink to undertake a new course. But that follows very good discussions between Centrelink, us and DEWR.

**Senator WONG**—Presumably, these are actual documents we are talking about where it is clarified precisely what is asked or required of Centrelink.

**Ms Scott**—We do have our processes documented.

**Senator WONG**—Could you provide copies of that?

**Ms Scott**—What particular area are you after?

**Senator WONG**—I am after any written instructions or procedures prepared by the department in relation to Centrelink activities regarding the Job Network.

**Ms Scott**—That covers an awful lot of activity. Would it be helpful if we tabled what we tabled last time, which was the scripts of the contacts that Centrelink officers pursue with the people on the outbound calls strategy?

**Senator WONG**—I am very happy to have those, and we can go through them, but I am also interested in what overarching framework there is. Presumably, there is documentation that says ‘please use this script’ and ‘here is the framework that we are asking you to operate under’.

**Ms Scott**—I will take the question on notice, because I do not want to commit to releasing a very time consuming swathe of documents.

**Senator WONG**—How many documents are we talking about?

**Ms Scott**—Because we commenced this activity almost from day one of the department and it is now seven months later, I think it would be better if we could narrow the request you have.

**Senator WONG**—I am very happy to be cooperative, believe it or not, in that way. I am not interested in every day-to-day contact; I am interested in documentation that sets out the policy and procedures that the department is requiring Centrelink to operate under.

**Ms Scott**—I will take that question on notice.

**Senator WONG**—Is there a difficulty in providing the documentation? Rather than get an answer back that says it will be too time-consuming to provide this documentation, I would prefer to have a discussion now where we could try to at least narrow the scope a bit.

**Ms Scott**—Because we will have to go back and go through the process, I think it is better that I take the question on notice. I am not trying to be obstructionist.

**Senator WONG**—We will come to the scripts in a moment. You used the term ‘instructions’; have there been actual documents which are what you would describe as instructions to Centrelink since 22 October?

**Ms Scott**—You are after documents which will set out what strategy Centrelink is to follow—

**Senator WONG**—Procedures.

**Ms Scott**—You want documents on what procedures Centrelink is to follow in relation to outbound calls—and inbound?

**Senator WONG**—And inbound. You used the term ‘instructions’ earlier in this hearing. To what were you referring?

**Ms Scott**—We have had any number of meetings between the DHS, Centrelink and DEWR—sometimes the meetings are bilateral, sometimes they are tripartite—and coming out of those meetings we would get a list of agreed outcomes. Those outcomes form the basis of the next set of activities to be taken forward.

**Senator WONG**—So it is those outcomes you referred to when you use the term ‘instructions’?

**Ms Scott**—Sometimes they are bilateral, and sometimes they are involving DEWR.

**Senator WONG**—And these outcomes arise after various meetings between you and Centrelink or between you, Centrelink and DEWR?

**Ms Scott**—Yes.

**Senator WONG**—How often do those meetings occur? Are we talking every week, every couple of weeks or every month? I am trying to get a sense of how much we are talking about.

**Ms Scott**—Reflecting the importance of this, we would have almost daily contact with Centrelink and close to daily contact with DEWR on a number of these issues. Sometimes those contacts are in meetings, sometimes they are by phone or by the sharing of documents or whatever. I do not think there is any particular mystery about this. We have been adopting

this strategy since December, and we have honed it a number of times and introduced new elements to it as time has gone on.

**Senator WONG**—Senator Moore raised a good point, and that is the various levels at which this discussion occurs. Obviously, there may well be day-to-day contact at what might be termed a more junior officer level. I am not pursuing that.

**Senator MOORE**—We just hope it happens.

**Senator WONG**—That is right.

**Ms Scott**—Officially, yes, it does.

**Senator WONG**—What I am interested in is more senior officer level discussions about the policy parameters. Is there a formal process for that?

**Ms Scott**—I would have to check my diary, but we would probably average a formal meeting with DEWR on this sort of issue, or this issue, about once every four weeks. It might actually be less than that. Sometimes it is with the secretary of the department and at other times it is with a number of the senior representatives.

**Senator WONG**—Is there a formal working group that deals with these coordination matters, or is it on an ad hoc basis? Do you have the documentation?

**Ms Scott**—It is high-tech documentation.

**Senator CHRIS EVANS**—We are reassured that you are so well briefed.

**Ms Scott**—Thank you. It apparently has a highfalutin name: the work force participation plan. There are liaison meetings. I do not think I actually knew that it was called that, but I am pleased that it is called that.

**Senator WONG**—So there are liaison meetings for the work force participation plan.

**Ms Scott**—Yes.

**Senator WONG**—Okay. We are getting somewhere.

**Ms Scott**—We are getting very far really.

**Senator WONG**—No, I meant in the process of this hearing. Who from the department is involved in these liaison meetings?

**Ms Scott**—Sometimes it is me and at other times it is someone at Mr Leeper's level or band 1, band 2 or EL. It varies from time to time.

**Senator WONG**—Are these the meetings which produce the outcomes to which you referred earlier?

**Ms Scott**—Yes.

**Senator WONG**—So I guess the documentation we want to see is the outcomes from those meetings?

**Ms Scott**—Yes, I think that is where I understood you to be.

**Senator WONG**—Which occur once every four weeks or thereabouts?

**Ms Scott**—Yes, or thereabouts.

**Senator MOORE**—In this useful flow chart, where do those meetings fit—which one of those boxes? Is there a special team under ‘Delivery Strategy’?

**Ms Scott**—Yes. The one that is in blue and is called ‘Policy Delivery and Coordination’. It is about the delivery of policy.

**Senator MOORE**—It is on the far left-hand side of the flow chart. ‘FAS, Policy Delivery and Coordination’—is that Mr Sperling’s area?

**Ms Scott**—Yes.

**Senator MOORE**—So this work force participation group fits in this area?

**Ms Scott**—Yes. But, because it involves people from different departments and agencies, that is the part in the little department that undertakes this work.

**Senator MOORE**—So in terms of your structure this whole development of the policy and so on would be under that FAS?

**Ms Scott**—That is correct.

**Senator WONG**—Are you taking the question about the outcomes and procedures on notice?

**Ms Scott**—Yes.

**Senator WONG**—Are there documents that actually say ‘these are the procedures we want you to adopt’ to Centrelink from the Department of Human Services?

**Ms Scott**—There is certainly that conversion process for Centrelink, because they need to convert those outcomes into really precise information for their staff. That is where I think the scripts are useful, in one sense, because they allow you to see how the policy gets converted into what we say to actual clients.

**Senator WONG**—You have taken it on notice. If it is possible, I would appreciate it if before the end of the day you could get some indication of whether or not the scope of what I am asking for is going to cause you a problem, so we could have some discussion about how to narrow that further if there is a problem.

**Ms Scott**—I will see what I can do.

**Senator WONG**—You were going to provide the Centrelink scripts?

**Ms Scott**—Yes, I am happy to do that.

**Senator WONG**—Thank you. While they are being provided, do these differ from the scripts that you provided me with on the last occasion?

**Ms Scott**—There is a sort of a moving element to this. There are scripts that have changed as a result of the decisions announced in the budget. Clearly, what we have been working with is people who are currently not activity tested, and that will of course be changing. So we have three different types of scripts. I think the first one is going to be either the same or very close to what you would have seen previously. Then, there is one for every contact—every time. And there is an outbound call script, which has been effective from 23 May.

**Senator WONG**—What was required to be changed from 23 May, given that the activity testing to which you are referring is deferred? I am talking about the budget changes. You raised the issue of the budget changes.

**Ms Scott**—That is right. We do not want to have anyone confused about voluntary and compulsory activity, so we need to reflect that. I am happy to get these documents tabled.

**Senator WONG**—While that is being done, I have one question. This chart continues the trend we saw on the last occasion, where the increase in referral for sole parents vastly outstrips that for the parenting payment partnered. Has the department investigated the reasons for that significant difference?

**Ms Scott**—Yes. In part, it reflects the fact that the outbound call strategy is focused on the parenting payment single.

**Senator WONG**—So there has been a policy decision within government to focus more on PPS recipients rather than on PPP recipients?

**Ms Scott**—We were getting good results through the inbound call arrangements—the inbound activity. It suggested that we were getting the best results with the single clients. So we have got about one-third of parenting payment single recipients who are already in the work force, and it has certainly been our experience that the numbers have been most responsive to this strategy in the single category.

**Senator WONG**—I do not think that was my question. I thought that, in answer to the earlier question, you indicated that there was more focus on sole parents in terms of outbound calls. Is that the phrase you used?

**Ms Scott**—Yes, I think those were the words I used.

**Senator WONG**—I am asking when the decision was made to focus on sole parents as opposed to the other recipient groups which are indicated in the document.

**Ms Scott**—I will call to the table my Centrelink colleagues. They will be more familiar with particular dates.

**Mr Whalan**—I am buying some time whilst I wait for one of my colleagues to come in and give me the exact date.

**Senator MOORE**—In your organisation, which part of the structure is involved in these discussions on work force participation liaison? Which section of Centrelink is the group that liaises with Human Services?

**Mr Whalan**—We have a division. There is a deputy secretary, Ms Hogg, who is responsible for this area overall.

**Senator MOORE**—So it is her area. I am just trying to see which areas get together for various things.

**Mr Whalan**—I am happy to give you an organisational chart if that would be helpful.

**Senator MOORE**—Yes, it would be really useful.

**Mr Whalan**—Ms McGregor is the division head who is responsible for that area.

**Senator MOORE**—What is the name of the division now?



**Mr Whalan**—The name of the division is Employment, Disability and Education. I will table the organisational chart.

**Ms Scott**—I think I can answer your question now.

**Senator WONG**—Which one?

**Ms Scott**—The one about dates.

**Senator WONG**—Is this the question about the date on which the decision was made to focus on sole parents?

**Ms Scott**—We are continuing the focus on all three groups but, as I was indicating to you in my earlier answer, we are getting the greatest effectiveness in the sole parent group. That is the yellow line in your chart.

**Senator MOORE**—And ‘effectiveness’ means getting the client to return to work?

**Ms Scott**—I think it is actually both measures. I do not have the DEWR data available. They will be able to help you with that. But, certainly, in the referral measures, you can see from the graph that we have had the greatest impact there. But similar sorts of impacts appear to be moving through with the Job Network. I think they are very pleased with how the DSP numbers are going as well.

**Senator MOORE**—Is there something we do not know? If that is the graph they are pleased with, it does not seem to be moving much.

**Ms Scott**—From a very low base you can see some movement on DSP.

**Senator MOORE**—So any movement is good?

**Ms Scott**—I think so as long as it is—

**Senator MOORE**—So that would be an assessment?

**Ms Scott**—That is right. I think my colleagues would confirm that we commenced this strategy on about 3 December then we went with an outbound call strategy, which was put on hold in mid-to-late December because of what was coming through with the Job Network close-down. There was no point in making referrals to that. We resumed again after the Christmas break and then revised the strategy on 1 March. We have been progressively finetuning the strategy as we go on.

**Mr Whalan**—I now have information on dates that you asked for earlier. From December 2004 Centrelink commenced contacting parenting payment customers by phoning them, encouraging them to voluntarily register and be referred to the Job Network. Between December 2004 and 29 April, we had contacted a large number of those customers—in round figures, it was 29,000. We have basically been targeting parenting payment partnered and parenting payment single customers whose youngest child is over six years of age, who are not currently registered as a job seeker and for whom we have a contact phone number. Those are the significant elements we have used in our targeting.

**Senator WONG**—There are a couple of things on that. I do not understand how that relates to Ms Scott’s indication earlier, when I asked her about the chart, that the focus was on

parenting payment single. Is it the case that these outbound calls or strategies or whatever you want to describe them as target more sole parent recipients than partnered parent recipients?

**Ms Scott**—Mr Whalan is correct. It is both parenting payment groups—both single and partnered. We have taken out of the outbound call strategy those who have very young children and those who do not have a good background in English. I would correct my answer—it is both groups. But we have had the greatest response in the single group.

**Senator WONG**—So you are correcting your earlier answer that the focus was on PPS?

**Ms Scott**—Yes, I am happy to correct it.

**Senator WONG**—I suppose my question remains. It is not something I necessarily want to pursue for a long time. Has the department done any analysis of why it is that, if the strategy targets both groups, the participation gains for sole parents are so substantially greater than gains for partnered parents?

**Ms Scott**—Centrelink has done some preliminary survey work of outbound call customers. They have surveyed 300 to date. They have looked at issues such as satisfaction with Centrelink's services and getting information about the Job Network. I do not think I have an explanation in this survey about why one particular group seems to show a greater response.

**Senator CHRIS EVANS**—Can I ask the obvious question. It may have been asked before and I missed it. What is the number of contacts for each group? Are you actually speaking to one group more than the other?

**Mr Whalan**—I do not have a split between partnered and single; I have an aggregate. We can seek a split between partnered and single, but I do not have it.

**Senator CHRIS EVANS**—If you could on notice the provision of those figures it would be helpful. But you have been around a long time and you know how this works. Is there a reason, for instance, that you may have had more contact with those on parenting payment single?

**Mr Whalan**—I just asked whether we have a view as to why there is more success with the single group than the partnered group. We do not know at the moment.

**Senator CHRIS EVANS**—Is it fair to say that you talk to them more often? Do you have more contact?

**Mr Whalan**—Once again, I do not have a split. I can tell you that we make a lot of phone calls without finding people at home. We have been testing making calls at different times of the day. For example, we started making phone calls in the evening rather than during the day to try to catch more people.

**Senator WONG**—Right in the middle of dinner?

**Senator CHRIS EVANS**—I have a real thing about people canvassing on the phone in the evening, so do not call me, Mr Whalan!

**Mr Whalan**—That has had mixed results too. We get more people who answer the phone and fewer people who want to speak to us!

**Senator WONG**—More contact, but less substance!

**Mr Whalan**—Yes.

**Senator WONG**—So you do not know, of that 29,000, how many fall into each group?

**Mr Whalan**—No. I can tell you that, to make the 29,000 contacts, we made 85,000 calls. But, once again, that is an aggregate. It is not split between the groups.

**Senator WONG**—Are they off the same database?

**Mr Whalan**—Effectively, yes.

**Senator WONG**—Perhaps you can take those questions on notice. Was the December 2004 decision to start doing that a ministerial directive?

**Mr Whalan**—My memory is that that followed discussions between DHS, DEWR and us about what would be the most effective place to start to try to get a better response.

**Ms Scott**—Certainly there were tripartite discussions, but I think the actual decision to commence on a particular date was made in a meeting between DHS and Centrelink.

**Senator WONG**—I understand that. Was this issue, though, the subject of advice to the minister or a directive from the minister?

**Ms Scott**—The minister was very keen for us to pursue this. This followed discussions with him.

**Senator WONG**—Which minister?

**Ms Scott**—Minister Hockey, the Minister for Human Services.

**Senator WONG**—When was the script headed ‘Script up until budget night’ prepared?

**Ms Scott**—My recollection is that we did some script work which we talked about at the last estimates. Basically, there was a simple script that highlighted the benefits of going to Job Network. So this is not dissimilar to the version that you saw in February.

**Senator CHRIS EVANS**—I do not have the old one with me. I think that looks right. But I think the question was when did you institute this script?

**Ms Scott**—Centrelink will correct me if I have got it wrong, but it was instituted at the commencement of the strategy. The strategy went live in the first week of December.

**Senator CHRIS EVANS**—No, when did you do the script entitled ‘Script up until budget night’? You have just tabled this document headed ‘Script up until budget night’. I think you have just said it is slightly different from the one you showed us last time.

**Mr Whalan**—We do not have an exact date for when we did that script. It would have been a week or two before the budget. The reason it says ‘Script up until budget night’ is that we proposed that the script stop on budget night because there would be confusion if we started making phone calls the day after the budget.

**Senator CHRIS EVANS**—That all makes sense, but I am just trying to follow exactly what happened. You have a script up until budget night, which makes sense because on budget night conditions change quite dramatically. I want to know when you instituted this script.

**Ms Scott**—A script like that or not dissimilar to that was instituted around the time that the strategy commenced in December last year.

**Senator CHRIS EVANS**—When did you change from that original script to this script?

**Ms Scott**—Last time we discussed this topic with you in February we talked about the fact that the script was finetuned. The essential features of the script have not changed. It talks about the advantages of approaching Job Network.

**Senator WONG**—It is a very simple question. We just want to know when this script that you have handed up headed ‘Script up until budget night’ was finalised.

**Mr Leeper**—We are just checking, but it appears at this stage that it is not materially different. It is fundamentally the one that was made available to you in February at the additional estimates hearing.

**Senator CHRIS EVANS**—It is not fundamentally different, but it is different. So can you check for us—

**Mr Leeper**—We are just checking that.

**Ms Scott**—We have to check each word.

**Senator CHRIS EVANS**—when that script was instituted and when it was suspended? I presume it was suspended on budget night.

**Mr Leeper**—Correct.

**Senator CHRIS EVANS**—So on budget night you pulled that. You are going to get the information for us on when it started. What did you do on budget night? The new outbound script says, ‘Effective 23 May.’ The budget was on 10 May. Was there something in between these two?

**Ms Scott**—We suspended the outbound call strategy, as I indicated earlier.

**Senator CHRIS EVANS**—So, for two weeks, you did not ring anyone?

**Ms Scott**—That is correct.

**Senator CHRIS EVANS**—From 23 May you recommenced the outbound strategy with this other script?

**Ms Scott**—That is correct.

**Senator WONG**—And you replaced this thing that is called ‘Script up until budget night’ with the script other than for outbound calls that is on the other side of it and is called ‘Script for every contact every time immediately following the budget’.

**Ms Scott**—You have two outbound call scripts, and I think the other one is effectively an inbound strategy.

**Senator WONG**—Let us go through this. The one entitled ‘up until budget night’ is an outbound script—is that correct?

**Mr Leeper**—Yes.

**Senator WONG**—Then you have the moratorium between budget night and 23 May, and that is replaced by this script, which is entitled ‘New outbound script effective 23 May’.

**Ms Scott**—Correct.

**Senator WONG**—But the script on the other side of this one, which is entitled ‘Script for every contact every time immediately following the budget’ is an inbound script.

**Ms Scott**—Yes, for the Centrelink service officers.

**Senator WONG**—That script commenced on 11 May?

**Ms Scott**—Following the budget. I think the heading at the top says ‘following the budget’.

**Senator WONG**—Yes, I understand that, I am asking as a matter of procedure, though, when it actually commenced being operative within Centrelink.

**Mr Whalan**—I will confirm that it would have started on the morning after the budget.

**Senator MOORE**—Did you have a similar script in the period from December to the budget for this kind of heading?

**Mr Whalan**—Yes, there was one.

**Senator MOORE**—So there was a similar strategy in the department in the period from December to May which meant that every time someone who was receiving one of those two payments was in contact with the department the expectation would be that once they finished the business they would contact you or, vice-versa, you would tack this on the end. That was the strategy.

**Mr Whalan**—That is right.

**Senator WONG**—So where is the inbound script that this replaces?

**Mr Whalan**—We can provide you with that.

**Senator WONG**—When was this new inbound script finalised?

**Ms Scott**—Once again, I will have to take that on notice. I will try and get you an answer during the day.

**Senator WONG**—Thank you.

**Mr Whalan**—Once again, it would have been finalised in the weeks leading up to the budget.

**Senator WONG**—Again, the policy position remains that people are not advised it is not compulsory unless they ask?

**Mr Whalan**—People are advised that it is voluntary. For example, on this script—the one entitled ‘For every contact every time immediately following the budget’—in the questions and answers there is a prompt which reads ‘Is it compulsory? No.’

**Senator WONG**—Exactly; that is what I am saying. In all of these scripts the issue of whether or not it is compulsory is not articulated unless the client asks that.

**Mr Whalan**—We expect our staff to say that it is voluntary.

**Senator WONG**—Where in the script, other than in response to a question by a client, is it articulated that it is voluntary?

**Mr Whalan**—We will be able to get that for you. I do remember we talked about this at the last estimates.

**Senator WONG**—We did.

**Mr Whalan**—I went through it there. We just need to dig it out for you. I can tell you that at the very least in discussions with staff I have made it clear that the success of this initiative is about encouraging people to voluntarily participate and that that is the approach that ought to be taken. We will get you the document.

**Senator WONG**—Which document are you getting me?

**Mr Whalan**—We are just digging it out for you. First of all, we are getting the reference we made in the last *Hansard*. That will link us back to the document referred to then, which was a document provided to staff.

**Senator WONG**—But this is the script?

**Mr Whalan**—Yes, that is the script.

**Senator WONG**—Would you agree that the script does not actually mention the voluntary nature of the activity unless in response to a question, ‘Is a compulsory?’

**Mr Whalan**—What I would also note is that the beginning of the script says, ‘Have you heard of the Job Network?’ If you read the script literally then the CSO may say nothing.

**Senator WONG**—You were also going to get me the preceding inbound script that the budget script replaces.

**Mr Whalan**—Yes, we will. Just coming back to the last issue, in terms of key messages, we have said, ‘It is important to remember that participation by recipients is voluntary.’ I can go through the detail if you want me to.

**Senator WONG**—Is that an instruction to staff?

**Mr Whalan**—Yes. This is under the DSP rapid connection and reconnection initiative.

**Senator WONG**—Could you provide us with a copy of that?

**Mr Whalan**—Yes.

**Senator WONG**—And could you provide us with an analogous instruction in relation to parenting payment recipients?

**Mr Whalan**—Yes, we can.

**Senator WONG**—In relation to the DSP, there is no reference to open employment services in any of these scripts, only to the Job Network.

**Mr Whalan**—Just going back a step, I would just note that the document I am about to table is one we tabled at the last estimates. But I am happy to table it again.

**Senator WONG**—Is it different?

**Mr Whalan**—No.

**Senator WONG**—There is no change?

**Mr Whalan**—No. I am happy to table it again. It is numbered HS42.

**Senator WONG**—Can we go back to the open employment issue. Can you explain to me why there is no reference in any of the scripts, given that they are obviously for disability support pension customers as well, to open employment services?

**Mr Whalan**—The Job Network also has a role in referring people to open employment services, but I think that we ought to add that in.

**Senator WONG**—To your script?

**Mr Whalan**—Yes.

**Senator WONG**—Didn't I raise this in February?

**Mr Whalan**—I cannot recall, to be honest.

**Senator WONG**—So you will add to the script the option of going to an open employment service?

**Mr Whalan**—Yes, we will.

**Senator WONG**—Do we have the inbound—

**Mr Whalan**—I said we would get it for you. We do not have it yet.

**Senator MOORE**—I have two follow-up questions on the scripts. First, I just want to confirm for my own clarification that the script you referred to as inbound is also outbound in the sense that, if clients are being contacted for any other reason or for review, this would be part of the discussion that would be had with them. I do not think it is quite as clear that one is only for inbound and the other is only for outbound.

**Mr Whalan**—We would say that the definition of 'outbound' is that we specifically ring for this purpose.

**Senator MOORE**—What about for another purpose? What if you are ringing a client who falls within one of these client groups for some other purpose?

**Mr Whalan**—If they were to pick up this strain of conversation, we would use the inbound script.

**Senator MOORE**—Is it compulsory for it to be used?

**Mr Whalan**—No, it is not.

**Senator MOORE**—So there is no expectation that every time a client contacts the agency—

**Mr Whalan**—They are encouraged, but we would leave it to the judgment of the individual officer, depending on what they were calling about. Certainly, when people come into the office or if we are having a contact that was anything to do with participation, we would expect that they would encourage people within the right client group to voluntarily consider it.

**Senator MOORE**—But, if somebody was being called about an overpayment, it would not necessarily lead onto this discussion?

**Mr Whalan**—It might not be the right time.

**Senator MOORE**—But it might be. That is the kind of discretion that your officers would have?

**Mr Whalan**—Once again, we would leave it to the judgment of the CSO. We are encouraging them to raise the opportunities and assistance that are available whenever they can. In certain circumstances we require it, but in others we give them discretion.

**Senator MOORE**—My second question follows on from Senator Wong's last point. Would the scripts go to the interdepartmental liaison group that Ms Scott told us about earlier? Would that be the kind of detail that would go to that group to be looked at?

**Ms Scott**—Certainly, the scripts have been discussed between Centrelink, DHS and, I understand, DEWR.

**Senator MOORE**—I would expect that, because this is a major tool that is being used. It just interests me that the issue about open employment was not picked up earlier. I would have thought that DEWR would have picked it up. I know that you cannot speak on their behalf. I would have thought that such a significant issue would have been picked up at that high-level group.

**Senator CHRIS EVANS**—Can I go back to the question of involvement with the welfare task force. I asked PM&C about this and I do not expect to get far here either. What modelling was done on the impact on your clients, effectively, of various proposals? As we are all aware, very substantial changes for disability support pensioners and those on the parenting payment come in from July 2006. I just want to get an understanding of what modelling was done. I know that a task force was at work and PM&C advised me of how that worked. I do not want to go through that. But I want to get a sense of what your input was and whether modelling was done on the impact on your clients of various proposals. As I read it in the press, a range of different options was being discussed, as you would expect. Then there were, of course, the ones that were finally adopted in the budget. Are you able to help me with a sense of what modelling assessment of the impact of changes was done?

**Ms Scott**—There was no modelling done within the Department of Human Services.

**Senator CHRIS EVANS**—Did you have access to modelling from another department?

**Ms Scott**—I think the Department of the Prime Minister and Cabinet has probably answered these questions given their responsibility for the task force. Given that I was not on the task force and was not responsible for the task force, I do not think I can help you.

**Senator CHRIS EVANS**—One of the rules of estimates is that we do not necessarily ask officers what they are personally aware of. We ask the department for a departmental response and the relevant officer comes to the table. I appreciate you were not on the task force, but I am asking a question about what modelling the Department of Human Services had available to it in helping to frame the welfare reform changes.

**Ms Scott**—The emphasis in your question is on the relevant officer. This was a task force within the Department of the Prime Minister and Cabinet. Those questions are best directed to them.

**Senator CHRIS EVANS**—They directed me to the policy department.



**Ms Scott**—We are not a policy department. I am sorry; I cannot help you.

**Senator CHRIS EVANS**—So do I take it that you had no access to modelling?

**Ms Scott**—The Department of Human Services did not undertake any modelling itself. If any modelling was done, it was not done by us. Therefore, other people may be better able to assist you.

**Senator CHRIS EVANS**—Mr Whalan, did Centrelink undertake any modelling on the impact on its customers?

**Mr Whalan**—No.

**Senator CHRIS EVANS**—Were you aware of any modelling?

**Mr Whalan**—I am not surprised that there was modelling, but I did not see any modelling.

**Senator CHRIS EVANS**—Did Centrelink see any modelling or look at the various options to see what impact they might have on their customers?

**Mr Whalan**—We had an officer on the task force, but we are in a similar situation to DHS. It was PM&C who had responsibility for that task force.

**Senator MOORE**—Does Centrelink do any modelling anymore?

**Mr Whalan**—Very little. The Department of Family and Community Services does modelling generally. We do some modelling around locations of offices but not in the policy space at all.

**Senator MOORE**—So, under normal practice, modelling used in your agency would have come through FaCS?

**Mr Whalan**—Correct, or now through DEWR or DEST.

**Senator MOORE**—There is a whole range of people doing modelling for you.

**Mr Whalan**—Yes.

**Senator CHRIS EVANS**—Did the Department of Human Services engage in any consultation with client groups regarding the welfare reform package?

**Ms Scott**—Not regarding the package. But we have had discussions on welfare issues and reform issues. For example, I have attended a meeting with the Welfare Rights Network, and so understandably those issues were raised, but it was not a case of DHS sharing any number of proposals with them.

**Senator CHRIS EVANS**—It was raised by them rather than by you—is that fair?

**Ms Scott**—Yes, that is reasonable.

**Senator CHRIS EVANS**—So you have not gone out and consulted about it. Obviously, before the budget you could not be definitive, but you did not engage in a process with client groups about possible changes to welfare?

**Ms Scott**—No, not in terms of one option versus another.

**Senator CHRIS EVANS**—Have you engaged with them since?

**Ms Scott**—The Department of Employment and Workplace Relations, which has prime carriage of stakeholder consultation, has been chairing a number of meetings around Australia. I have heard back from them orally about the consultations that are taking place there. But we are not participating in those, because we are such a small department. We are hearing feedback from those consultations via the Department of Employment and Workplace Relations.

**Senator CHRIS EVANS**—Is that informal, rather than formal, feedback? You are not represented on the—

**Ms Scott**—To date, it has been informal. I think I have attended two meetings where it has been discussed.

**Senator CHRIS EVANS**—But you are not involved formally in that process?

**Ms Scott**—No.

**Senator CHRIS EVANS**—There is not an IDC or anything that allows you to have a view into the feedback?

**Ms Scott**—The steering committee will be obtaining information from those consultations. That will be the mechanism through which I will hear it, in addition to other discussions that will take place from time to time. But that will be the most formal mechanism through which to hear those things.

**Senator CHRIS EVANS**—So you are on the steering committee. There are three bodies, aren't there? I am trying to remember which is which.

**Ms Scott**—There is the welfare to work steering committee, which is chaired by the Department of Employment and Workplace Relations. It contains a number of departments, including the Department of Human Services. Then there is a strategic project management group, chaired by DEWR and comprising the same number of departments and agencies, which looks at the more day-to-day implementation issues.

**Senator CHRIS EVANS**—You are the representative of the Department of Human Services on the steering committee, are you?

**Ms Scott**—That is correct.

**Senator CHRIS EVANS**—And you expect therefore that feedback on DEWR's consultations with affected client groups will be relayed through that network?

**Ms Scott**—Yes.

#### **Proceedings suspended from 10.29 am to 10.50 am**

**CHAIR**—We are still within the Department of Human Services output 1, Core department, although we are floating around a little bit.

**Senator WONG**—I would like to go back to the Welfare to Work task force.

**Senator Abetz**—Are we still on general questions? Whilst we do not want to be too rigid, it does help if you can have specific officers at the table for specific issues.

**CHAIR**—I accept that but, while we are on general questions, we are floating a bit into Centrelink and so forth.

**Senator CHRIS EVANS**—I think we have always found that if we are discussing issues about the Centrelink interaction—and I think the department and Centrelink appreciate this—it is better that we discuss it once with them both at the table than do it twice, as it only prolongs things. I think we will be on output 1 for a while but then we will make fairly quick progress.

**CHAIR**—We will do our best to corral it.

**Senator WONG**—We are saving you time, Minister, by doing them both at once.

**Senator Abetz**—Just so long as that is the outcome.

**Senator CHRIS EVANS**—I think the department and Centrelink have recognised for many years that if we do not do them together we do it twice.

**Senator WONG**—Going back to the role of Human Services in the Welfare to Work task force, did you provide some estimation of the number of disability support pensioners who, under a 15-hour test, would be moved onto a newstart payment or who would not meet a 15-hour test?

**Ms Scott**—That goes to a level of detail that I do not think I will be able to answer. We had one officer from Human Services assigned to it. They would not have had access to that sort of information. I think this is closely related to the modelling question that was asked earlier, which was about sensitivity analysis—or: if we do this, what happens to that? We just had one officer assigned to it, and we do not have any database that relates to this. We rely on information from the agencies. So it is probably best to say that the answer is no.

**Senator WONG**—Did the department undertake any analysis of the number of disability support pensioners who would be likely to fall within the 15- to 30-hour work capacity?

**Ms Scott**—I do not know who did that work. It was not done by anyone in the department. The officer we had assigned to the task force would have worked on any number of issues.

**Senator WONG**—Is that person here?

**Ms Scott**—No. That person is on leave. It was booked long ago; it is not a plot.

**Mr Leeper**—They are actually flying out as we speak. The poor person has to go on holiday somewhere.

**Senator WONG**—I am sure there is something I could say.

**Senator MOORE**—You cannot call them back from the airport?

**Mr Leeper**—No.

**Senator WONG**—Did Centrelink provide any analysis of the number of disability support pensioners who were likely to fall into the 15- to 30-hour work capacity category?

**Mr Whalan**—No. The figures for the modelling would, I assume, have been done by the client departments. Centrelink would not do that modelling and would not have provided it. It may have provided raw data for analysis, but it would not have provided the analysis.

**Senator WONG**—Did you provide raw data for analysis and, if so, when and to whom?

**Mr Whalan**—I would have to take that on notice. The policy departments have regular access to a lot of the information and do not have to ask us for it, but I would have to check that.

**Senator WONG**—Is the person here who you could check that with?

**Mr Whalan**—No, but I could find that out and come back in the next couple of hours.

**Senator WONG**—Could you let us know what data was provided, when and to whom, in relation to disability support pensioners above the 15-hour work capacity test.

**Mr Whalan**—I will flag that it is more likely that we were asked for access to information that could be analysed rather than a result.

**Senator WONG**—Sure.

**Mr Whalan**—The request would be: ‘Can we please have information so that someone can do some SAS analysis on a database or a proportion of a database?’

**Senator WONG**—For the purposes of consideration for the budget?

**Mr Whalan**—Yes.

**Senator WONG**—Could you let us know what data was provided, when and to whom. In relation to parenting payment recipients, I think you indicated earlier that you have a database which enables you to access information about the age of the youngest child.

**Mr Whalan**—Correct.

**Senator WONG**—Were you asked first to provide data as to the projected inflows onto the parenting payment post-July 2006? Were you asked to do that as part of your involvement in the task force?

**Mr Whalan**—The answer to that question and any others you ask me here is going to be that I expect that we were asked for information which the policy departments could analyse rather than being asked to analyse and provide an answer ourselves.

**Senator WONG**—But you are the department which would have access to the data regarding inflows into the parenting payment.

**Mr Whalan**—I remember we had a discussion at the last estimates, when you asked questions about what information was provided and analysed and I explained that it was a three-step process. I said that we collected information and cleansed it and a second part of the organisation then put it into a format where you could analyse it, but we did not tend to do the analysis. The analysis was done by the client departments. Ms Hogg is just confirming for me that we have provided raw data but no predictions.

**Senator WONG**—Raw data as to past inflows?

**Mr Whalan**—It would be more data about the population and characteristics, for example, of people on parenting payment single—how many there are, how long they have been on it and how old the youngest child is. With that data people can model ‘what if’ type questions.

**Senator WONG**—Ms Hogg or Mr Whalan, when was that data provided?

**Mr Whalan**—I mentioned that I do not know and we would find out for you.

**Ms Hogg**—The departments could also have access to this information, so it may be a matter of defining whether we actually physically provide it or whether the departments just access it. We will clarify that for you.

**Senator WONG**—In terms of parenting payment, did you provide data regarding future inflows?

**Ms Hogg**—No, that would not be knowledge that Centrelink would have.

**Senator WONG**—So you do not project from past inflows into future—?

**Ms Hogg**—No.

**Senator WONG**—That is done by DEWR, presumably?

**Ms Hogg**—Yes, that would be done by the policy departments.

**Senator WONG**—Did you provide data regarding the pattern of inflows to date?

**Ms Hogg**—We would have to find that out for you. Again, it would be an issue of whether we physically did something or whether the department has this information anyway, because it is on the Centrelink database. We will clarify that definition for you.

**Senator WONG**—Again, what is the proportion of current recipients who have a child over the age of six?

**Ms Hogg**—We would have to take that on notice.

**Senator WONG**—You do not have that data?

**Ms Hogg**—I do not have that with me.

**Senator WONG**—Do you have data which shows the proportion, approximately, of people who move into the over-six category each year?

**Ms Hogg**—We would be able to extract that from the database.

**Senator WONG**—Are you able to provide that?

**Ms Hogg**—Yes.

**Senator WONG**—If you could give us a bit of a history on that that would be useful. Is the trend declining, increasing or reasonably stable, or are you not able to outline that?

**Ms Hogg**—I would not be able to answer that without having a look at the data.

**Mr Whalan**—There has been a recent kick.

**Senator CHRIS EVANS**—I want to come to the question of comprehensive work capacity assessments. These are partly the role of Centrelink but, from an output perspective of the Department of Human Services, could someone take us through what will happen with these assessments and what the role of Human Services is?

**Mr Leeper**—When a person presents to Centrelink seeking income support, one of the instruments that is applied is the job seeker classification instrument. Except in cases of manifest disability, there will be people seeking income support for whom the income support categorisation is not clear and there are determination issues around their ability to work. A second string of assessments is currently done under the better assessment framework, which

the comprehensive work capacity assessment initiative seeks to improve. The role of the Department of Human Services is to make sure that those assessments are done, if possible, more efficiently and more effectively and lead to better and quicker outcomes for the people who are affected.

**Senator CHRIS EVANS**—Does that mean you have the policy role for this then?

**Mr Leeper**—Our role is to ensure that the assessments are done as quickly as possible. I am not sure that it is a policy role as such. It sits within the overall employment and Job Network framework, which is the responsibility of the Department of Employment and Workplace Relations.

**Ms Scott**—The way we characterise it is that we are going to be brokering, overseeing and monitoring, and we will be doing the design work for how the comprehensive work capacity assessments will be structured.

**Senator CHRIS EVANS**—You are doing brokering, overseeing, monitoring—

**Ms Scott**—And design.

**Senator CHRIS EVANS**—This is your baby?

**Ms Scott**—Yes.

**Senator CHRIS EVANS**—How is the birth going?

**Ms Scott**—Very well, Senator.

**Senator CHRIS EVANS**—Can you provide me with more detail than ‘very well’? Where are we up to?

**Senator Abetz**—If it goes well, they will get the \$3,000 baby bonus.

**Ms Scott**—There are a number of pilots under way at the moment involving some of our agencies and also private providers. The pilots are being conducted under the auspices of the Department of Employment and Workplace Relations, and they are looking at different approaches to faster and more comprehensive assessment. One of the criticisms about the current arrangements is that people can be referred by Centrelink for a better assessment. That can take time. Just the delay itself can impede people’s capacity to later join the work force and also they can be referred a number of times for different assessments.

**Senator CHRIS EVANS**—I am sorry to interrupt, but what do you mean by ‘can be referred a number of times to different assessments’?

**Ms Scott**—The process could be that they might see an occupational psychologist in Centrelink. They might be referred for a better assessment through Health Services Australia, for a medical assessment. They can find that there are a series of steps and they are subject to a number of assessments. One of the approaches under trial now is faster and more effective assessment processes. Three of our agencies are participating in this: Health Services Australia, Centrelink and CRS.

**Senator CHRIS EVANS**—When did these start?

**Senator WONG**—I think it was announced in March.

**Ms Scott**—Yes, I think that is right.

**Senator CHRIS EVANS**—So these are prebudget pilots.

**Ms Scott**—Yes, that is right.

**Senator WONG**—Can I just clarify something, Ms Scott, before you move on: if this is your baby, why is DEWR running the pilot?

**Ms Scott**—DEWR is running the pilot, and this certainly will inform the design work for the comprehensive work capacity assessment process. The models that are being used by each of the different agencies are quite different. We will be engaged with DEWR to look at the results of those trials and then design the comprehensive work capacity assessments, drawing on the most effective model for particular groups of clients.

**Senator WONG**—So DEWR is using a different model in its pilot to the one that has been announced in the budget?

**Ms Scott**—No, I do not think I would characterise it like that. What has been announced in the budget is going to take effect on 1 July 2006. There are pilots under way now. The results of those pilots will be progressively available, but certainly they will be available in a fulsome way in July, and they will inform the design work for the process that we are responsible for. So certainly we will be in consultations with DEWR, and this is something that I expect we would take to the steering committee that Senator Evans was asking me about earlier.

**Senator CHRIS EVANS**—So when are the pilots expected to be completed?

**Mr Leeper**—The end of June, and we will be evaluating the results through July.

**Senator CHRIS EVANS**—July 2005?

**Mr Leeper**—Yes, in two months.

**Ms Scott**—There are 15 trial sites around Australia.

**Senator CHRIS EVANS**—Under the three different models?

**Ms Scott**—I think I would characterise it as four different models; at least there are certainly four major participants in the trials.

**Mr Leeper**—Each of the organisations—Health Services Australia, the Commonwealth Rehabilitation Service, Centrelink and Advanced Personnel Management—will be doing 250 assessments, so there is a total of 1,000 assessments in 15 different areas in Victoria, Queensland and Western Australia based around a Centrelink customer service centre.

**Ms Scott**—We have already engaged with a number of those agencies as part of the process, to draw any early lessons on the process. The advantage of the pilot is that we will have clear results about what works best. We are aiming for something that would stop the people going from one assessment process to another. Some of the trials are using two people on a panel—an occupational therapist and a doctor—so that there is a more holistic approach to the assessment of the client and the client's needs.

**Senator CHRIS EVANS**—And that is operating under the current legislation and regulations without any difficulty?

**Ms Scott**—Yes. DEWR is managing the exercise; we are closely involved. But I do not think there are any problems with the legislation, no.

**Senator CHRIS EVANS**—Who were the fourth group?

**Mr Leeper**—Advanced Personnel Management.

**Senator CHRIS EVANS**—Who are they? I knew who the other three were; I just did not know who they were.

**Mr Leeper**—They are a private sector company that undertakes fundamentally work capacity assessments. Centrelink undertakes primarily, I think, psychological assessments. Other vocational and rehabilitation type services may be provided by Health Services Australia and CRS Australia. But APM's role is fundamentally around work capacity assessments.

**Senator CHRIS EVANS**—I know this a DEWR area but, on the four sets of trials, you say there are four models. Could you give me a short summary of what the differences are? I do not want any great detail; I just want a sense of what they are doing differently from each other.

**Ms Scott**—What I am worried about is that I will not do justice to them. I have had discussions with two of the participants in the trials. But, given this is being very carefully scrutinised, I think I might defer to the Department of Employment and Workplace Relations.

**Senator CHRIS EVANS**—I am happy for them to answer as to the detail. I am not trying to hold you to a big description of the models. I am just trying to get a sense of whether they are four variations on a fairly similar approach or four quite different and distinct approaches to the problem. Are they all, for instance, using a combination of health professionals in a panel or is there another model?

**Mr Leeper**—The concern that the pilots are seeking to address is that, for people with multiple indicators, the referrals to assessment services can be serial rather than parallel. I do not have the detail in front of me on how the four arrangements are set up. We can get that if it is important. But, essentially, the purpose of the trials is to find better ways of connecting the different forms of assessment that a particular job seeker or applicant for DSP requires and bring those together as quickly as possible. It is an experiment with ways of connecting and establishing pathways through the assessment process so that the outputs can come back to Centrelink for more rapid decision.

**Senator CHRIS EVANS**—Basically, though, they are dealing with four different groups of clients on a geographical basis and they are trialling various approaches to solving that problem?

**Mr Leeper**—Four different organisations are undertaking the trials. They are in 15 separate areas. I do not know my geography that well; some of those areas might back onto one another. But they are in those three states that I mentioned—Victoria, Queensland and WA.

**Senator CHRIS EVANS**—So each of them has three or four—

**Mr Leeper**—I am advised that the intention is that, across the organisations, up to 250 assessments will be done by each of those organisations. They will not so much be done as coordinated and organised so that the results come out more quickly.



**Senator CHRIS EVANS**—I will leave it there. I am sure that Senator Wong will want to pursue that with DEWR as they are responsible for the pilot.

**Senator WONG**—I am still a little confused, though, Ms Scott. Why was the decision made in March that DEWR would undertake the pilot, yet, in May, the decision was made that Human Services would implement the new system that is being road-tested by DEWR? Why is it not Human Services doing the pilot or, alternatively, why is it not DEWR doing the assessments?

**Ms Scott**—This was a decision taken by cabinet. I do not know what particular forces were at work, but this is the outcome of the government's decision.

**Senator WONG**—We would not want to speculate, would we?

**Ms Scott**—I am sure that we will work very closely and collaboratively with our colleagues in DEWR and they are very keen to work with us on this exercise. I am sure it will go well. The referrals work we talked about earlier in the morning demonstrates that there is a very effective working relationship between the two departments.

**Senator WONG**—When was the decision made that Human Services should handle this aspect of the welfare to work package?

**Ms Scott**—It was certainly part of the government's deliberations on welfare to work. I do not know the date of the actual decision. I do not have it here. It relates to a cabinet decision.

**Senator WONG**—I just want to know when that occurred.

**Ms Scott**—It relates to a cabinet decision. I do not know if it is a normal arrangement that we give dates of cabinet decisions. But it was in the lead-up to the process of the government announcing the package on budget night.

**Senator WONG**—I am not asking what was decided. I am asking when this decision was made.

**Ms Scott**—During that process.

**Senator WONG**—Are you able to give me a date?

**Ms Scott**—I am sure the department knows the date.

**Senator WONG**—Can we find out from the department, then?

**Ms Scott**—Yes. I guess it goes to whether we release the dates of cabinet decisions. I am looking for guidance here. The package was announced on budget night. I do not know whether it is necessary to tell you the hour and the day of the decision.

**CHAIR**—The date itself is usually something that the committee can inquire into, but it cannot inquire into any of the workings or content thereof.

**Senator WONG**—I am only asking the date, being aware of the parameters of what I can ask you.

**Ms Scott**—I thank the committee for its guidance.

**Senator WONG**—Are we going to get the date?

**Ms Scott**—We will try to get the date, yes.

**Senator WONG**—So you can come back to me before you leave, presumably.

**Ms Scott**—I will see what we can do.

**Senator WONG**—I would appreciate that.

**Ms Scott**—We are a very small department, and I have quite a few officers here.

**Senator WONG**—Surely you have someone back at the office, watching with bated breath.

**Ms Scott**—Yes. Cabinet decisions are kept under very strict security arrangements.

**Senator WONG**—Perhaps we can look at it after lunch.

**Senator CHRIS EVANS**—There is very strict security, except when we read them on the front page of the *Sydney Morning Herald*. When the trials were announced, were you aware that you were going to have responsibility for the implementation of this program?

**Ms Scott**—The trials have been under discussion for some time. Going back to one of the reasons for the creation of the department, the Prime Minister stated on 22 October that we were to look at faster and more effective rehabilitation of employees who were injured or people who had disabilities. So one of the very early discussions we had with DEWR, and with some very keen urging from three of our agencies, looked at what could be done that would be better. Designing the trials took some time to come together. I think some of those discussions would go way back to December and January. I think we gave you the earlier dates about the task force. At that time we did not know the outcome of the government's deliberations on the comprehensive work capacity assessments. We did know, as the trials were under way, that they would be key to how the comprehensive work capacity assessments should be designed. Certainly the government was advised that these two things were moving along parallel tracks.

**Senator CHRIS EVANS**—I see that there is about \$316 million allocated in the budget for comprehensive work capacity assessments. Will this be administered by Human Services?

**Mr Leeper**—That is correct.

**Senator CHRIS EVANS**—What is the additional staff requirement for you to manage that program?

**Mr Leeper**—Within the \$316 million there is a total of \$2.65 million over four years to support the department's administration of the scheme.

**Senator CHRIS EVANS**—That does not buy you any employees.

**Mr Leeper**—As Ms Scott said earlier in today's hearing, an additional eight full-time equivalent staff have been provided through the budget for us to do this work.

**Senator CHRIS EVANS**—Effectively, then, you are going to be administering other people to do the work.

**Mr Leeper**—Yes.

**Senator CHRIS EVANS**—Who is it envisaged will be doing the work?

**Ms Scott**—That will depend upon the design of the measures. We have the trials under way. We are looking at what model is most effective, which is the most effective operator and who gets the best results. We do not want to predetermine who is going to get what particular work. We would like to wait for the outcome of the trials.

**Senator CHRIS EVANS**—Are you implying that it is a competitive trial and the best results will get the contract for all the work? Is that what you are suggesting?

**Ms Scott**—I think the government would be interested in looking at what is the most effective approach.

**Senator CHRIS EVANS**—I accept that, but I thought you were saying something different. Say model A is the most effective approach and say it was done by CRA—CRA is one of them, isn't it?

**Ms Scott**—CRS.

**Senator CHRIS EVANS**—CRS, sorry.

**Mr Leeper**—The purpose of the trials is not to preselect a particular company or organisation to do the work but to allow us to explore more-effective models so we can build a preferred approach.

**Senator CHRIS EVANS**—That is what I would have thought. Once you have a preferred approach, I would have thought that you would think that that preferred approach could be adopted by a range of different people, who may not have had that approach in the trials. Is that wrong?

**Ms Scott**—That could be the case, but the organisations tend to specialise in particular areas and the capacity of those organisations to offer services, even geographically, varies. We will need to await the results of the trials to inform the design details.

**Senator CHRIS EVANS**—Do you know whether it is envisaged that this work will go out to tender?

**Ms Scott**—It may.

**Senator CHRIS EVANS**—The government has not made that decision yet?

**Ms Scott**—No. Part of it may go out to tender; part of it may not go out to tender.

**Senator CHRIS EVANS**—Is it fair to say that we have not made a decision about how it is going to be run?

**Ms Scott**—No. We are waiting for the outcome of the trials, to assess the best way forward. The government has publicly stated that from July 2008 its intention is that this work be fully contracted out—but the arrangement from July 2006 to July 2008 is yet to be determined. It may be a mixture, depending on the results of the trial.

**Senator CHRIS EVANS**—A mixture of what—of models or of contracted out and not contracted out?

**Ms Scott**—All of those.

**Mr Leeper**—Our two tasks for the next six months, in effect, are (1) to determine our business approach, and that will be informed by the outcome of the trials; and (2) to

determine our sourcing strategy—to use a Public Service term—which is how we actually will get the business model on the ground. Bear in mind that, as Ms Scott has said, not all of the agencies or organisations currently involved have expertise that is either Australia wide or across the range of assessments that need to be done—medical, psychological, work capacity and some other small areas.

**Ms Scott**—There may be other players—beside the four that are participating in the trial—which would welcome the opportunity to participate in any tendering process. We would not necessarily—

**Senator CHRIS EVANS**—There would be a whole range of Job Network providers, for instance, that would have thought they had some skills in some of these areas.

**Ms Scott**—We cannot anticipate at this stage who may or may not be interested, but I think it is reasonable to assume that it goes beyond the four.

**Senator CHRIS EVANS**—There is also a range of private companies who do rehabilitation work.

**Ms Scott**—Correct.

**Senator CHRIS EVANS**—There is a range of disability providers and a range of expertise in a range of different areas, isn't there?

**Ms Scott**—That is right.

**Senator CHRIS EVANS**—All you know is that from 2008 you will be putting it out to tender—that is a firm decision?

**Ms Scott**—Yes.

**Senator CHRIS EVANS**—Until then you are going to suck it and see and come up with a grand plan for the two intervening years, is that right?

**Ms Scott**—That is a good layman's description.

**Senator WONG**—Can I just clarify something. For the 2008 tender, why was that date selected for the completion of outsourcing? Is that contemporaneous with the Job Network contract?

**Ms Scott**—I think, in part, it has to do with the development of the market. We know that in some of these areas the market can be a little thin and it is developing over time. Certainly, that has been the view in a number of segments of the market for some time—allied health professionals are in an area of hot competition. I think this is a staged approach to a fully contracted out model. Just how much this intervening stage is contracted out is yet to be determined.

**Senator CHRIS EVANS**—This is obviously very important for an organisation like CRS—because this is its core work, isn't it? If it does not get this work, what work will CRS do?

**Ms Scott**—We would want to make some distinction between the work that it does with vocational rehabilitation and some of the more discretionary work that is undertaken from time to time. I do not want to be too emphatic about what the implications would be for CRS.

It certainly would be an interested player in this area, but you not would characterise it as having no other work if it were not successful.

**Senator CHRIS EVANS**—What percentage of the current assessment work does CRS do?

**Ms Scott**—In this particular better assessment process, better assessment work, a relatively small number.

**Senator CHRIS EVANS**—So what does it do for you?

**Ms Scott**—On work capacity, it is 0.6 per cent.

**Senator CHRIS EVANS**—What does it do for you then? That is obviously a very small part of the work.

**Ms Scott**—It has a business partnership agreement, or a service level agreement, with the Department of Employment and Workplace Relations in relation to vocational rehabilitation. They are not the same thing.

**Senator CHRIS EVANS**—No; I am just trying to be clear. What does CRS do for Human Services currently?

**Ms Scott**—Human Services is a small coordinating department with six agencies. One of the six agencies is CRS. It conducts no services for us at present. It has a service level agreement with the Department of Employment and Workplace Relations.

**Senator CHRIS EVANS**—So its customer is DEWR, not you?

**Ms Scott**—Correct.

**Senator CHRIS EVANS**—Does it provide any services for Human Services? You just used the figure 0.6 per cent.

**Ms Scott**—It does the 0.6 per cent work under the work capacity arrangements as they exist under better assessment, so that is the current model. Under the new model, it may be one of the players operating under the comprehensive work capacity assessments.

**Senator CHRIS EVANS**—When do you formally take responsibility for that? Is that 1 July?

**Ms Scott**—It is 1 July 2006.

**Senator CHRIS EVANS**—So, formally, you have no responsibility until then?

**Ms Scott**—No, not for this aspect of the work, except in terms of service delivery if there was some particular problem. We did work with three agencies and DEWR to facilitate the trials, but the trials, as I said, are being run by DEWR. We have been involved with them, without having a purchaser relationship with CRS.

**Senator CHRIS EVANS**—I always have to make sure that I know who the client is, who the customer is and who the purchaser is, as we move into these new terminologies. What are the assumptions underlying this \$316 million? How many assessments are you supposed to conduct for that amount of money?

**Mr Leeper**—We estimate that up to 400,000 assessments per year will be conducted, at an average cost of \$270 per assessment in 2005-06 dollars. Actual costs will vary up and down,

of course, depending on the particular requirements of the individual, but we have costed it on the basis of a \$270 average.

**Senator CHRIS EVANS**—Is that 400,000 assessments a year?

**Mr Leeper**—Yes.

**Senator CHRIS EVANS**—Is that for each of the three out years?

**Mr Leeper**—The precise numbers are 372,000 in 2006-07, 370,000 in 2007-08 and 348,000 in 2008-09.

**Senator CHRIS EVANS**—Is there any suggestion that there will be a bit of a backlog when the system starts?

**Ms Scott**—No.

**Senator CHRIS EVANS**—So the current system will keep up with the flow, as it were, until then?

**Ms Scott**—One of the tasks of the Department of Human Services will be to manage the exercise to ensure that clients receive a sympathetic assessment process but one focused, where the capacity exists, on moving them into the Job Network and into employment. So it is certainly a management task. That is why I describe it as brokering, oversighting and monitoring.

**Senator CHRIS EVANS**—So why the slight drop in 2008-09? I know it is not a big figure but I am trying to get a sense of what is happening. I am not suggesting it is all that significant a statistic; I am trying to understand what is happening. There is no backlog, you think. I thought at first you might have a bit more to do in the first year if the current system was, not grinding down but—

**Mr Leeper**—I would be speculating. I do not have a precise answer.

**Senator CHRIS EVANS**—Perhaps you could take it on notice as to whether there is any assumption about them decreasing in the out years in 2008-09 and further on, or whether it is just—

**Mr Leeper**—Yes.

**Senator WONG**—Can I clarify one thing? Are those figures predicated on inflows into the DSP or inflows plus existing recipients being put through this process?

**Mr Leeper**—I do not have that information in front of me; all I have at the moment are the overall numbers.

**Senator WONG**—How many assessments was it per annum?

**Mr Leeper**—Between 370,000 and, coming down to, 348,000.

**Senator WONG**—That is the 372,000 to—

**Mr Leeper**—Yes, in total.

**Senator WONG**—Do you understand the process to be existing recipients being reviewed plus inflows? You are responsible for this. What is your market? What is your client group?

**Mr Leeper**—It is predominantly inflow but it also makes provision for regular reassessments of existing clients.

**Senator WONG**—Remembering that this is your brief and your baby, will these assessments be both for people who are entering the DSP and also for the purposes of the periodic reviews of current recipients which are referred to?

**Mr Leeper**—Yes, people with disabilities, parents, mature age people and long-term unemployed.

**Senator WONG**—So it is all?

**Mr Leeper**—Yes.

**Senator WONG**—So it is mature age unemployed—

**Mr Leeper**—Very long term unemployed, parents and people with disabilities, either as they come into the assessment group from a new grant or as they come up for regular reassessment consistent with their conditions of income support.

**Senator WONG**—So are we talking about three or four groups? Very long term unemployed, mature age unemployed and—

**Mr Leeper**—You can be very long term unemployed without being of mature age.

**Senator WONG**—That is what I am saying.

**Mr Leeper**—Yes.

**Senator WONG**—That is my point.

**Mr Leeper**—They are two separate groups.

**Senator WONG**—So very long term unemployed, people of mature age, disability support pensioners or people with a disability, and parents. The numbers are between 348,000 to 377,000?

**Mr Leeper**—In total, yes.

**Senator WONG**—Where are those figures from?

**Mr Leeper**—They are from the task force, I understand.

**Senator WONG**—Can you explain to me how they were arrived at?

**Ms Scott**—It reflects the work of the task force in the design of the system. I cannot go into the detail behind how they arrived at those estimates.

**Senator WONG**—How many of these numbers—they are reasonably precise figures—are estimated to be in each of the four categories you have outlined?

**Ms Scott**—You have already asked that question. You asked earlier for us to take it on notice.

**Senator WONG**—I am a little confused as to when the decision was made that 2008 would be the date of the complete contracting out and that during 2006 to 2008 the hybrid system, shall we call it, would be in operation.

**Ms Scott**—It is reflected in the public documentation. If you give me a few minutes, one of my colleagues will be able to find the reference to it. I found it myself. I will let my colleagues relax. In the press—

**Senator WONG**—Was it Minister Dutton?

**Ms Scott**—No, it was Minister Hockey, the Minister for Human Services. One of the fact sheets, titled ‘Welfare to Work—Comprehensive Work Capacity Assessments’, that came out with the package says on page 3:

The government intends to tender for all elements of comprehensive work capacity assessments no later than July 2008.

**Senator WONG**—I am asking when that decision was made. Was that a budget decision?

**Ms Scott**—Yes, it was part of the Welfare to Work package.

**Senator WONG**—I presume the corrigendum on this bit of your PBS was just a typo, was it?

**Ms Scott**—Yes.

**Mr Leeper**—Yes. As these documents always are, it was done under extreme pressure by a small and dedicated group of staff, who unfortunately made one typographical error that we have found so far. I apologise for that.

**Senator WONG**—When did they have to do it?

**Mr Leeper**—In the period leading up to the budget.

**Ms Scott**—As is always the case, it is quite an exercise putting everything together, especially for a small place and not with very large teams.

**Senator CHRIS EVANS**—I think you will find that the opposition staffers at the moment are having a very jaundiced view of this conversation. They are usually small teams of one, you see.

**Senator Abetz**—Get Mr Beazley to allocate the staff in a more equitable way.

**Senator CHRIS EVANS**—I think it is the total number, as you know. But it is all right—it keeps us lean and mean.

**Senator Abetz**—It is the same percentage as we were granted in opposition.

**Senator CHRIS EVANS**—And those of you who were in opposition for a long time realised how hard it was—ask Senator Hill or others.

**Senator Abetz**—It was a character-building exercise for us—

**Senator CHRIS EVANS**—That is right: lean and mean!

**Senator Abetz**—and I think you can benefit equally.

**Senator CHRIS EVANS**—I hope to give you the opportunity to try it soon.

**Ms Scott**—I have an answer to an earlier question from Senator Wong about the date of the decision relating to the comprehensive work capacity assessment. It was 19 April.



**Senator WONG**—You have had some discussion with Senator Evans about the problems with the current arrangements. The minister comments on that issue in the fact sheet to which you referred me. Was an analysis done of the problems—or the asserted problems—with the current arrangements?

**Ms Scott**—Certainly, reflecting the Prime Minister's announcement on 22 October, there had been a view within government for some time that this was an area for improvement and that there were opportunities for faster and more effective rehabilitation and assessment processes. So this is the culmination of those pressures.

**Senator CHRIS EVANS**—Wasn't there a panel system once before?

**Senator WONG**—In 1991?

**Ms Scott**—We have tried a variety of assessment processes, and I suppose each of them has its strengths. This is about improving on what we already have.

**Senator CHRIS EVANS**—I guess Senator Wong is going to the question of what we have in the way of assessment of the previous models and the history on this that informs the policy decision to look at the new model.

**Ms Scott**—Would you be so kind as to repeat your question?

**Senator CHRIS EVANS**—What do you have in terms of assessment of the current model and previous models that informs this decision to move to a different set of arrangements? What assessment have we done of the previous models and what conclusions have you drawn from those assessments?

**Ms Scott**—Clearly this relates to the work of the task force, so I am not in a position to be able to say what work they undertook. We have had any number of discussions about the system as it operates now, but I suppose you are looking for some definitive assessment that—

**Senator WONG**—Did you do some assessments? You say there is a view within government, but we are asking what analysis of past and current assessment has informed the assertion in the budget decision that the current arrangements are not working and the decision to change them. As opposed to people discussing it, are you aware whether an analysis was done within your department—or elsewhere in government—of the current arrangements or past arrangements?

**Ms Scott**—I am confident that there was an examination of this issue. Exactly how the issue was examined in the work of the task force, I cannot say. But I do know from reports back from our participant in the task force that they were very interested in the time it took and how clients moved through the process. What form that analysis took, I do not know.

**Senator WONG**—That was not something your department did?

**Ms Scott**—No.

**Senator WONG**—Do you know who did it?

**Ms Scott**—The task force worked over a number of months. As it was, they were very long hours, so they would have covered a huge array of issues. I was not on the task force, so I do not know all the different bits of information they had available to them. The Department of

Employment and Workplace Relations is responsible for aspects of this work, and you may wish to direct your question to them.

**Senator WONG**—Is it the case that the tender process could involve tendering to private sector agencies or within government?

**Ms Scott**—That is right.

**Senator WONG**—So there is nothing to preclude a person with a disability from being assessed by a private sector agency?

**Ms Scott**—There has been no decision on the design of the arrangements under the comprehensive work capacity assessment. Those arrangements are going to be informed by the results of the trials.

**Senator WONG**—But you are not ruling out a private sector agency—

**Ms Scott**—We are not ruling out; we are not ruling in.

**Senator WONG**—Can you explain to us why there is a hybrid period between 2006-08, before moving to a complete outsourcing?

**Ms Scott**—I think I answered that question a little earlier. I talked about the thinness of the market.

**Senator WONG**—You are going to try to ensure that in different regions across Australia we are suddenly going to get private sector firms who are capable of doing different aspects of the assessment process?

**Ms Scott**—No, I referred to the fact that that is one aspect. This is a key component to the Welfare to Work process and, while the market is developing, in some segments it is still a very thin market.

**Senator CHRIS EVANS**—There has not been a market up until now, has there?

**Ms Scott**—Yes, there has, because some of this work has been contracted out in the past. Some has been within government.

**Senator CHRIS EVANS**—How much has been contracted out in the past?

**Ms Scott**—It depends upon the aspects. There is the better assessment process.

**Senator CHRIS EVANS**—I am just trying to get a sense of the size. We are talking about how thin the market is. There has not been a huge market, from my experience.

**Mr Leeper**—Under the better assessment arrangements working at the moment, this does not include all the DEWR pilots we have been talking about. The specialist assessments are being done. About half of them are medical and the majority of them are done by Health Services Australia. Work capacity assessments comprise about 28 per cent of assessments, and around 90 per cent of those are done by Advanced Personnel Management. Psychological assessments comprise about 20 per cent of assessments, and those are all done by Centrelink. There are a number of other smaller players in each of those categories, but certainly APM dominates work capacity and you would have to say that HSA is pre-eminent in the medical area.

**Senator CHRIS EVANS**—Effectively, you have three major providers in three different areas of assessment?

**Mr Leeper**—At the present time, yes.

**Ms Scott**—But the market is developing and there certainly has been some action in the market in anticipation of Welfare to Work.

**Senator CHRIS EVANS**—Telstra operates in the market as well. It is a question of what shape the market is in and how open it is. Obviously, if you are going to go to full contract then you are going to need a more open and, as you say, developed market.

**Senator WONG**—Have you had discussions with the Job Network providers regarding this issue?

**Ms Scott**—We have had discussions with the Department of Employment and Workplace Relations, but I have not had any discussions directly with the Job Network. Certainly officers within the agency have been in contact with the Job Network providers.

**Senator WONG**—For the purposes of having some discussions regarding their potential for involvement in the comprehensive work capacity assessments—the developing the market thing?

**Ms Scott**—We will be anticipating initially gathering a range of information, participating in the evaluation of the trials and learning the lessons from those. I expect that during that first stage we will either approach or be approached by any number of potential players.

**Senator WONG**—So there is a possibility that Job Network providers might be involved in these assessments, is there not?

**Ms Scott**—As you indicated earlier, we have not ruled in or ruled out any players into this segment.

**Senator WONG**—But your department has made contact with the Job Network providers for the purposes of exploring this?

**Ms Scott**—No. I want to be clear. We have been in discussions with the Department of Employment and Workplace Relations and we will be engaging with any number of potential players in the very near term. We have had some approaches to us directly; we have had initial discussions with other potential players, but this is the information gathering stage. We have not ruled anyone out or in.

**Mr Leeper**—Immediately after the budget, and reflecting the fact that the other three major providers are actually Department of Human Services agencies—that is, Health Services Australia, CRS and Centrelink—we made contact at officer level with APM, Advanced Personnel Management, just to introduce ourselves. The discussion did not go to any intense directions or decisions, because we have not made them yet. The intention of the conversation was to introduce ourselves, to reassure them that we were in charge of these things from 1 July 2006 and that they should feel it was business as usual over the next period because they are still under the arrangements being managed by the Department of Employment and Workplace Relations, and they appreciated the call. That is the only contact we have made, as far as I am aware.

**Senator WONG**—You said that some people have contacted you. Does that include Job Network providers?

**Ms Scott**—We have had discussions with a number of people who are participating in the better assessment process now and I would welcome contact from potential providers at an early stage. We will also be engaging in a proactive approach with potential providers, but I have not spoken to any Job Network providers since the budget announcement.

**Senator WONG**—No—I was asking you about the contact which had been made with your department, to which you referred earlier.

**Ms Scott**—I do not know of contact that my officers have had with Job Network providers. We have had contact with APM, who are participating in the better assessment process. I simply do not know if they are also a Job Network provider. They may have links into that segment of the market.

**Senator WONG**—Are you doing work on how you will ensure consistency of decision-making through a process of what might be described as fragmentation? Instead of having it done in one area, are you going to have potentially a range of different agencies or organisations involved in the assessment process?

**Ms Scott**—One of the goals is to ensure that assessments are speedier and more effective and that clients can move through the system with greater ease. That will require a lot of coordination and it is part of our role.

**Senator WONG**—And the decision regarding which category people would fall into remains with Centrelink? I think that is what Minister Hockey's release says.

**Ms Scott**—Do you mean the income support decision?

**Senator WONG**—Yes.

**Ms Scott**—Yes, that remains with Centrelink.

**Senator WONG**—But they make that on the basis of the work capacity assessment?

**Ms Scott**—Yes.

**Senator WONG**—I have some questions about that, but I will direct them to Centrelink later.

**Senator CHRIS EVANS**—I will go through the prevocational assistance participation account information in much the same way. I gather this is another one of your children.

**Ms Scott**—Yes.

**Senator MOORE**—Do you run this one by yourself or do you share it?

**Ms Scott**—This responsibility lies with the Minister for Human Services and with the department. All elements of welfare reform will require close coordination, but this responsibility is clearly ours.

**Senator CHRIS EVANS**—So they have given you \$80 million to do it. What does that buy you? What is it supposed to buy us?

**Mr Leeper**—In total, in the three years from July 2006 to June 2009, we estimate this will buy close on 75,000 prevocational assistance participation accounts spread approximately evenly over three years. I suspect if I did the maths in my head they would probably tail off in the same way as the other numbers in the comprehensive work capacity assessments tailed off.

**Senator CHRIS EVANS**—Are you saying basically it is 25,000 accounts a year for those three years?

**Mr Leeper**—It is 25,000, 26,000 and 23,000 over those three years. These accounts will be managed by the assessors undertaking the work capacity assessments and will enable them to link job seekers and people with disabilities with prevocational assistance in a number of areas.

**Ms Scott**—Some of those areas are pain management—some of the people who the agencies currently deal with need assistance in coping with pain and how to lead a more normal life—motivational counselling, anger management and encouraging people who have been out of the work force to think about what they need to improve their fitness for work. These can be things such as light training to build up physical capacity; encouragement in terms of their outlook on life and mental outlook; and mental health counselling in terms of overcoming low levels of anxiety or depression, especially for people who have not been interacting in the work force for a long time.

**Senator WONG**—Mr Leeper, can you give me the breakdown of the 75,000 accounts into three?

**Mr Leeper**—In 2006-07 it is 25,600; in 2007-08 it is 26,400 and in 2008-09 it is 22,900.

**Senator CHRIS EVANS**—That is the range of programs you are looking at. Are these programs—pain management, anger management, motivation and fitness for work—currently offered?

**Mr Leeper**—My understanding is that funding provided to this prevocational assistance account is new money.

**Senator CHRIS EVANS**—I know the money is new; have you, the government—DEWR or FaCS or previous incarnations—offered this sort of service?

**Ms Scott**—Our advice is that government does provide long-term programs to help people come back into the work force and get support, but this sort of quick intervention has not been done before.

**Senator CHRIS EVANS**—So to the best of your knowledge, this has not been offered before?

**Ms Scott**—That is my understanding.

**Senator CHRIS EVANS**—How were these needs identified?

**Ms Scott**—Through the assessment process.

**Senator CHRIS EVANS**—How did the government determine that they needed to offer anger management?

**Ms Scott**—Certainly some of the current providers of assessment services said that the approach that operated in the comprehensive WorkCover market was very different to how we were approaching Centrelink clients. They said, for example, that short, sharp interventions assist people no end in terms of just feeling like they had control of their life—

**Senator CHRIS EVANS**—Is this basically experience from the workers compensation market?

**Ms Scott**—Yes, because some of the players operate in that segment of the market as well, and they strongly advocated faster, short interventions where those are needed. If a client has trouble in managing their emotions and projects a very angry persona, that can be dealt with in a short program. It does not need a long program to get people to be self-aware. Because of their experience in other segments of the market, the players said that these interventions could make a difference.

**Senator CHRIS EVANS**—I am sure there are markets for that in all sorts of places. I am trying to understand what formal assessment was done. I am sure you have people who provide these services in the market and say they are a very good idea—that is not uncommon. What assessment did the Commonwealth do of the various services you say you are going to provide, and what assessment did it do to discover that there was a need in the employment market for these services?

**Ms Scott**—This goes back to the deliberations of the task force and Senator Wong's question about what was some of the analysis that was relied upon to drive some of the design of the measures. I do not have that information available. That relates to the work of the task force. That might be better directed to either Prime Minister and Cabinet or the Department of Employment and Workplace Relations. As I said, we do have the advantage that a number of our agencies operate in more than one market and therefore can look at different approaches. CRS and HSA were very strong advocates of adopting a faster intervention approach and were able to point to their own success. I take your point about people talking to their own book, but it is not clear who is going to be doing this work.

**Senator CHRIS EVANS**—I do not have any difficulty with you exploring these issues. My personal opinion is that there may well be a need for them, so I am not arguing that case. However, you are going to spend \$80 million of taxpayers' money. In the old days we used to do a bit of formal assessment or get a report done by FaCS or commission someone to provide us with some assessment of how they work in the workers compensation area, analyse the usefulness and do a cost-benefit analysis. Is that stuff all passe? Do we just have a secret task force that ticks off on these things now? What is the research that drove the decision?

**Ms Scott**—I think it is a case of asking the wrong person rather than the work not being done. I simply was not on the task force. I do not know all the things that they had at their fingertips over the course of a couple of months of intensive work.

**Senator CHRIS EVANS**—Do not feel picked on. I have asked every department so far, and they have all handballed on, so the last department is going to have a fun time, because it is not going to go until it tells me. You are telling me that you are going to implement a

program but you do not know what the research is based upon and, if there was research, it is at the task force and they have not showed it to you.

**Ms Scott**—I do not think I said exactly that. I suggested that your question is best directed to the department that ran the task force or to the Department of Employment and Workplace Relations. I am happy to draw on the advice that we received from our agencies from their own experience in delivering services to a range of clients in a variety of markets, and I think I have done that as best I can.

**Senator CHRIS EVANS**—So all you have got to go on is the budget papers and the minister's press release?

**Ms Scott**—No.

**Senator CHRIS EVANS**—You are going to implement this program: what are you going to rely on? The advice you receive from CRS et cetera?

**Ms Scott**—The government has determined the design of the program in terms of the types of interventions that may be used and the fact that they are going to be short interventions. They have given us a budget. They have told us who is going to undertake the initial assessment. There is quite a bit of detail.

**Senator CHRIS EVANS**—I just want to know what it is based on.

**Ms Scott**—It is based on the deliberations of the task force and then consideration by cabinet.

**Senator CHRIS EVANS**—But you cannot tell me what they based their deliberations on.

**Ms Scott**—I think if these questions had been directed to another department that department may have been better placed to answer them.

**Senator CHRIS EVANS**—Could you have a guess at which department that would be?

**Ms Scott**—The Department of the Prime Minister and Cabinet was running the task force.

**Senator CHRIS EVANS**—Yes, and they said no. They said I ought to ask DEWR. Do you reckon I ought to try DEWR now as well? I will get you the *Hansard* of the PM&C discussion if you like. They made it clear that they may have headed the task force but were not responsible for any modelling or assessment. I am not necessarily trying to put you under the pump; I would just like to know when I can get to what drove this and what the research was. While PM&C refer me on to the policy departments—

**Ms Scott**—We are not a policy department.

**Senator CHRIS EVANS**—No, but this is your baby; we have established that.

**Senator Abetz**—We have also established that this is not a policy department. I suspect that you are right in saying that DEWR might be the right port of call.

**Senator WONG**—But this is the measure in the budget that this department is administering.

**Ms Scott**—That is right, and we are fortunate to have a clear set of approaches to undertaking the delivery of this program. We have the benefit of having within the umbrella of the department a number of agencies which are expert in this field.

**Senator CHRIS EVANS**—So what is to stop Senator Mason coming to you tomorrow and saying, ‘I run these great pilates and yoga classes. That is just what your clients need’? I could not get away with it, but Senator Mason could because he looks a strapping fit chap!

**CHAIR**—Thank you, Senator Evans.

**Senator CHRIS EVANS**—Against what criteria would you assess his sales pitch that the secret for people getting into work is the assistance that he could provide them with?

**Mr Leeper**—The material that was provided in the budget documentation does say that the comprehensive work capacity assessor will be the one who holds the funds and is able to make a decision to the effect that someone’s immediate short-term needs can be met by application of some of the prevocational assistance dollars that they will be able to drive. The person who is making the assessment about an individual’s capacity for work and labour force attachment may see through that process some indicators of issues which can be addressed through short, sharp interventions and they will then have access to a funding stream to give effect to that.

**Senator CHRIS EVANS**—So they get to choose whether or not they employ Senator Mason, not you?

**Mr Leeper**—The assessor will have the ability to choose a relevant intervention. That is how I understand what is written here.

**Senator WONG**—So the assessor gets to choose whether or not the client gets access to the prevocational account and what form that service will take?

**Ms Scott**—The people undertaking the assessment, by and large, will be either health professionals or allied health professionals. So it will not be a public servant determining that it looks like someone could do with a bit of counselling on their mental attitude or their approach to life. The experts in the area will be in a position to work out whether a short, sharp burst of assistance is required.

**Senator WONG**—That is not where my question was going; I understand what you are defending, but I am trying to get the process right here. On your figures, you have, say, 25,000 in 2006-07 who have access to about one-third of this money. They go to the organisations conducting the comprehensive work capacity assessment.

**Mr Leeper**—Yes.

**Senator WONG**—And if those assessments deem that they should be entitled to assistance under the prevocational assistance participation account then that assistance is provided. Is that how it will work?

**Mr Leeper**—In effect. It is a menu of possibilities.

**Senator WONG**—So is the only way a person can get access to this account is if their assessor determines that it is appropriate that they have a service which this account can fund?

**Mr Leeper**—That is my understanding.

**Senator WONG**—If we have a private sector agency doing the comprehensive work capacity assessments, are you going to preclude them providing any services paid for through



the prevocational assistance account in house, or is that not something the government has a concern about?

**Ms Scott**—Probity is always paramount in issues of procurement. We will be very carefully looking at probity and any potential for conflicts of interest. These issues will be addressed. That does not mean that it would be always inappropriate for a provider to send a client to a service that they may also have a connection to. But we have not determined the micro design details of that. We have already sought and obtained probity advice. We will have very good probity advisors working with us through this process. But, just as we have not designed the comprehensive work capacity assessment, I cannot tell you what the micro design details of how the prevocational assistance preparation account will operate.

**Senator WONG**—This is not micro design; this is a fundamental issue about whether the assessor can also provide the service that they assess the person as requiring. I think what you have indicated is that that may not be inappropriate.

**Ms Scott**—It may or may not.

**Senator MOORE**—In times past—and I know it is long past—there was a system of approved providers so that people making decisions on things like this had some kind of guidance as to the services that were available in their region. At that level, the probity was actually agreed. So the person making the decision was not in the position of having to make decisions about the probity of the various providers. I know this is going back into the dark depths but there would have been a list of which particular agencies in your region would provide various services. That meant that everybody was clear.

**Ms Scott**—Yes.

**Senator MOORE**—In those days, the department made that decision at a higher level. Is that the kind of probity advice you are getting?

**Ms Scott**—That could be one of the arrangements. We have not got to that level of detail. Some of the arrangements that currently operate under better assessments effectively give a designated menu. That means that the individual person has to choose from the designated menu and you do not have that conflict of interest arise. You could potentially have a provider in one area providing the prevocational services but in another area undertaking the comprehensive work capacity assessment. It depends upon the geographical mix.

**Senator MOORE**—Absolutely. If you are talking about Charters Towers, there is nothing—

**Ms Scott**—If we are talking about Deniliquin, we might not have 15 degrees of separation. We will have to explore very carefully with the probity advisors the arrangements that best provide that right range of services for all areas.

**Senator MOORE**—Who gives probity advice now? You said you were getting probity advice: where do you get that from?

**Ms Scott**—We have an internal lawyer who is giving us initial advice, but we will be having a specialist probity advisor for this process.

**Senator CHRIS EVANS**—I was going to make a remark about lawyers giving probity advice but it would upset the lawyers around the table. In this account is there going to be a set amount per client? Are they going to have \$1,000 each—that sort of thing—attached to their name?

**Ms Scott**—No. Effectively, it will depend upon what is required. The amounts have to be seen as an average, rather than everyone getting exactly the same. There will be clients who will not require this and those who do may require two sessions, four sessions or whatever—it will be up to the assessment—

**Senator CHRIS EVANS**—But you are anticipating 25,600 clients in 2006-07, so we have identified the subgroup who we think might get it. Mr Leeper, am I right in thinking that, in my rough maths, that works out at about \$1,000 a client?

**Mr Leeper**—On average, yes.

**Senator CHRIS EVANS**—Is it fair to say that that is the rough assumption for the cost of the program?

**Mr Leeper**—It is an average figure, in the same way that we averaged the costs for the other assessments.

**Senator CHRIS EVANS**—I have \$80 million and about 75,000 potential clients, so it is probably a bit more than \$1,000.

**Mr Leeper**—Not forgetting our \$700,000 to implement it as well.

**Senator CHRIS EVANS**—It was silly of me to forget that.

**Mr Leeper**—We have netted that off.

**Senator CHRIS EVANS**—Once you take your \$700,000 off your commission, what do you end up with as the average projected cost per client?

**Mr Leeper**—It is in the range of \$1,000.

**Senator WONG**—What does ‘in the range of’ mean?

**Mr Leeper**—It is slightly higher.

**Ms Scott**—It is so close to \$1,000.

**Mr Leeper**—It is \$80 million over 75,000 people. I will quickly do the maths if you want, but it is just over \$1,000.

**Senator WONG**—No more deductions.

**Senator CHRIS EVANS**—You talked about the menu of services that people might be able to access. Is the department going to set the menu?

**Mr Leeper**—Yes.

**Senator CHRIS EVANS**—Has that been done or is that in the process of being done?

**Mr Leeper**—It starts on 1 July 2006. I think that work remains ahead of us.

**Senator CHRIS EVANS**—How are you going to determine the menu?

**Ms Scott**—We are going to leave our options open on that.

**Senator CHRIS EVANS**—Does that mean you do not have a damn clue?

**Senator Abetz**—I would have thought you would understand that language in relation to tax cuts, Senator Evans. I would not go there if I were you.

**Senator CHRIS EVANS**—We have been doing very well when you have not said a thing, Minister. I think it will be better if you just keep it that way.

**Senator Abetz**—Before you seek to make assertions that certain people do not have a clue because they do not know what their position is on a particular item, I would have thought Labor Party representatives in this place would be—

**Senator WONG**—Here we go. You just cannot help yourself. How many hours before we have some sort of political diatribe?

**Senator Abetz**—I am defending people at the table from the sort of hypocrisy being displayed.

**Senator WONG**—Wind him up.

**Senator CHRIS EVANS**—You are just showing that you are a smart alec petty interventionist again. You are not adding anything to the process.

**CHAIR**—Order!

**Senator CHRIS EVANS**—Ms Scott, the question is: what does that mean? Does it mean that you do not know yet?

**Senator Abetz**—That is a better way of asking it.

**Senator CHRIS EVANS**—It was not a very satisfactory response, if we are trying to find out how you are going to work it out.

**CHAIR**—It was probably an honest one, though.

**Senator CHRIS EVANS**—It may have been, yes. She may have found out about it only on budget night.

**Ms Scott**—We are yet to determine the suite of offerings for the prevocational assistance. How we determine what is in and what is out has also not been determined.

**Senator CHRIS EVANS**—Will that be determined by the department, a task force or an IDC, or is that purely your job?

**Ms Scott**—It will be the work of the department, obviously in consultation with the minister and our colleagues, to determine how it will fit into the full continuum of welfare to work.

**Senator CHRIS EVANS**—So you have not yet tasked someone with working out the menu.

**Ms Scott**—No.

**Senator MOORE**—Would it be someone in Ms Sperling's area?

**Ms Scott**—Yes, initially. We will be having a special area to look after comprehensive work capacity assessments.

**Senator MOORE**—And it will be in that little boxy area as well.

**Ms Scott**—Yes. Initially it will be in Ms Sperling's area. I expect the final delivery of oversight and monitoring will be in the comprehensive work capacity assessments space.

**Senator CHRIS EVANS**—There were those who thought the flow charts would not be read. Senator Moore reads them.

**Senator MOORE**—I like a flow chart.

**Senator CHRIS EVANS**—So the assistance account will commence from 1 July 2006 and people will be able to access it from then?

**Ms Scott**—Yes.

**Senator CHRIS EVANS**—How do we determine who can access it?

**Ms Scott**—It is determined by the assessor. The assessor would have an interview with the client and, at the end of that process, make a judgment about whether a short intervention is necessary in this case or whether the person could proceed immediately to the Job Network or open employment.

**Senator CHRIS EVANS**—So the assessors will see more than 25,000 clients a year. The assessors will see a larger number of people from whom they will select up to 25,000 a year who will be able to access it?

**Ms Scott**—Yes, that is right.

**Senator CHRIS EVANS**—So how many people will the assessors see?

**Ms Scott**—That was the original number of 400,000 per annum that we were talking about as part of comprehensive work capacity assessments.

**Senator CHRIS EVANS**—So 400,000 will flow through the system and 25,000 will be able to potentially access those accounts?

**Ms Scott**—That is right.

**Senator WONG**—The assessments will be up and running sufficiently from 1 July 2006 to enable people to access the prevocational account at that point if required?

**Ms Scott**—That is right. I suppose we will need to ensure that, when an assessment is made and someone is assessed as needing, for example, anger management, then those services are available. The whole idea is not to have inopportune delays, because keeping people motivated and feeling that there are opportunities in their lives is key to the whole success of the exercise.

**Senator CHRIS EVANS**—I am conscious that the defence department have had this problem, where people volunteer to be recruited and the defence department has had to wait for the health assessments of people in rural areas, and, in the six or nine months it has taken for the health assessment, they have gone off to another job and Defence are frustrated that they have lost the recruit. That is a classic example of where timing is vital.

**Ms Scott**—Certainly there is good evidence to say that the speed at which we get someone from Centrelink to the Job Network is a really good indicator of whether the person will turn up. People who make appointments within two days tend to turn up. Those who say they are

not available for a week or a fortnight tend to be the ones who do not turn up. So there is the speed at which we get referrals happening, both in the Job Network and in assessment processes, in terms of seeing a doctor. The more you are at home feeling that your life is heading nowhere, the less likely that your engagement with the work force is going to go well.

**Senator CHRIS EVANS**—What is the relationship of this new program to the personal support program?

**Mr Leeper**—The PSP is an existing program—I do not know it in detail—that is characterised by having a waiting period, in effect, before you get onto it and it is more longer term in nature. So the idea with prevocational assistance was to very quickly get to those things which could be remedied quickly. The PSP is more longer term in nature, but there is—

**Senator CHRIS EVANS**—Do you administer the PSP or is it DEWR?

**Mr Leeper**—No, DEWR will continue to administer the PSP. That is my understanding in terms of responsibility. DHS's responsibilities would be limited to the comprehensive work capacity assessments and the prevocational assistance.

**Ms Scott**—This may help. People are initially coming in to see Centrelink and ask about income support payments. Some people will instantly be referred to the Job Network and they will not need to move through this assessment space. Other people, as a result of the JCI—the initial classification instrument, which is like a profiling device—will be referred on to the assessment process. The assessment process can send a person off for quick intervention and then on to the Job Network or to the providers within that segment of the process. So some people will move through very quickly. It may be determined that other people do not have a capacity to work, in which case they will go back to Centrelink and will not continue on to the Job Network or to open employment.

**Senator CHRIS EVANS**—But the PSP clients will come from the 400,000 who have been through assessment?

**Ms Scott**—Yes. My understanding is that they will. Because the PSPs are in DEWR's space, they will probably be more definitive than I am going to be today.

**Senator CHRIS EVANS**—I have no confidence in that. That is why I am asking you. You might be my best result. There is no direct link then between the two programs? I know they are meeting a different need.

**Ms Scott**—Somebody may well need longer term assistance. We are responsible for the assessment and the short-term assistance, but there is still longer term assistance like vocational rehabilitation and PSP, so there are still other opportunities out there. These are the two initiatives that we are looking after.

**Senator CHRIS EVANS**—I am just working out how they fit in; that is all.

**Ms Scott**—Short-term assistance. Longer term assistance is the responsibility of DEWR.

**Senator MOORE**—Ms Scott, I have some questions about the liaison positions that we heard about in the last round.

**Ms Scott**—Yes. Correct.

**Senator MOORE**—It is always a worry when people look so relieved!

**Ms Scott**—It is just that it is such a good news story.

**Senator MOORE**—We just want to get on record what has happened in that period, because it came in just around the last lot of estimates.

**Ms Scott**—All right.

**Senator MOORE**—Can you give us an overview of how the department believes the system is working?

**Ms Scott**—We are very pleased with the success of the local liaison officer program. It is proceeding very well. Up until 20 May, 1,315 cases had been dealt with, with 99.9 per cent within the two working day period. We have breakdowns about the use by senators and members of the House of Representatives.

**Senator MOORE**—Good. We would like to get what you have.

**Ms Scott**—All right.

**Senator MOORE**—Is there a graph as well?

**Ms Scott**—I wish I did have a graph on this—

**Senator MOORE**—I was just asking.

**Ms Scott**—but I do have a series of tables, if that helps.

**Senator MOORE**—Good, yes.

**Ms Scott**—I would be happy to table that.

**Senator MOORE**—If you can table that rather than read out all those figures, that would be good. We would like to see that. Generally, what kind of records does the department keep on this service?

**Ms Scott**—There are probably five or six copies there. We have information there about the number of LLOs in the individual agencies. We have figures showing that inquiries have come from 89 per cent of the members of the House of Representatives and from 33 per cent of senators.

**Senator MOORE**—The House of Representatives got into the system earlier than the Senate.

**Ms Scott**—That is true.

**Senator MOORE**—We came on a bit later.

**Ms Scott**—Senators were the second stage of the process. We also have the results in terms of the number of queries relating to particular agencies and the state breakdown. We have figures on the members and senators who are accessing the program. Our record is not perfect. There are six cases that were not dealt with in the two working-day period.

**Senator MOORE**—Is that an internal guideline? You want them to be dealt with in two days?

**Ms Scott**—Yes, that is absolutely our target: two working days. Those cases only occurred because people were away and faxes were sent—that sort of process. We really do want people to use the phone, because you know that you are going to have a human being at the end. So I think the figures are undoubtedly a good news story.

**Senator CHRIS EVANS**—But they clearly also reflect the issue I have raised before about whether people want to use that service.

**Ms Scott**—Yes.

**Senator CHRIS EVANS**—I have to say on behalf of a couple of my electorate officers that they have very good relationships with people in other areas and they have no intention of going to someone else—for example, I think our person is in the CRS—when they have a person in Centrelink who has always delivered for them. So I would like to ask: is there a broader picture of contacts?

**Ms Scott**—We do have broader pictures of contacts, but the speed factor that operates in this was interesting. Centrelink, for example, which is handling about 80 per cent of the LLO process, has now moved to try and do two working days for all members of the House of Representatives and the Senate. So this might be the first of a general roll-out to give speedier responses—and of course we would like to do that with our customers as well. But for an initial exercise I think the results are undoubtedly good news.

**Senator CHRIS EVANS**—I am just a bit concerned, to be honest, about this table—for the very reason that in some ways it could be seen by some people as a reflection of what their local member was doing, which it is not.

**Ms Scott**—No.

**Senator CHRIS EVANS**—I have been a bit worried about this from the start—and I will not pick out any particular examples, but there will be people who do not use the system at all because they prefer to use their contacts.

**Ms Scott**—That is undoubtedly the case.

**Senator CHRIS EVANS**—I am not thinking of anyone in particular as I have not looked at the list yet—

**Ms Scott**—You are on there.

**Senator CHRIS EVANS**—Most people do not think senators do anything at all, so we start from way behind on that. But I think the danger of this sort of list, from some of the members' point of view, will be that this is somehow a reflection of their workload or involvement with their constituents. I just wanted to sound that note of warning. It concerned me from the start. I have raised it with the department before—and the publication of the list, quite frankly, reinforces my concern.

**Ms Scott**—But we were asked for the list. You are right: it is undoubtedly the case that electorate offices, senators' offices, senators and members of the House of Representatives have far more dealings with the agencies than this list says. But, as a new initiative and in terms of ensuring a faster response, I think that the figures speak for themselves. You are

asking a bigger question about contacts. We are hoping to have a broader set of information available over time.

**CHAIR**—I am looking briefly through the list, and some of the newer members of the House of Representatives have said it is an excellent scheme. The honourable member for Bonner, the honourable member for Bowman and so forth are big users. They are colleagues of mine from Queensland, and they think it is an excellent scheme. They are new members of parliament too, so they do not have—

**Senator CHRIS EVANS**—established contacts.

**Senator Abetz**—Even some of us older ones think it is good.

**CHAIR**—Thank you.

**Senator CHRIS EVANS**—I want to put my concern on record. I think something the committee might also think about is how we get the information in the future. I have had a number of members say to me that they are using it a lot and it is really successful; I have had other members say to me, ‘I don’t use it, because I like the way we operated before and I have a contact.’ One of my electorate officers says, ‘If I have a Centrelink query I go not to my LLO’—and this is no criticism of the LLO—‘but where I have always gone, because I get a good result.’ I think we might think about how we incorporate that in the overall contact information for dealing with the department and Centrelink.

**Senator MOORE**—I have a couple of straightforward questions on this issue. Senator Evans raised one of the points we raised at the last estimates, which was that the large bulk of inquiries are Centrelink based—and your stats reflect that.

**Ms Scott**—Yes.

**Senator MOORE**—We want to know how it works. My liaison officer is from Centrelink, so that works. I am not quite sure how it would work if the person came from CRS. How does a CRS person handle an inquiry about Centrelink from a member of parliament?

**Ms Scott**—The local liaison officer acts as a conduit between the member of parliament’s office or the member of parliament and the right agency. They have a small list of contacts, which is basically a number for each of the other agencies. The person at the other end of the line is required to provide a response within two working days. The LLOs do not need to be experts in income support payments; they simply need to say, ‘I understand you’ve got a problem with deriving an answer or getting a response.’ They get the basic details and then transmit them to the agency that has the responsibility, and the agency must provide the response. It is helpful that Centrelink, being the major area of need, is also the major provider of the service. It generally is working well where the person is from the Health Insurance Commission or from another agency, because they do not need to be the expert in the particular area.

**Senator MOORE**—So they do not necessarily have to talk to another liaison person? At one stage we thought that, if you were a liaison person in Centrelink and you had a query for Australian Hearing, you would talk to the liaison person at Australian Hearing, but you do not have to do that.



**Ms Scott**—You would talk to your key contact in Australian Hearing. It should not occur that the local liaison officer then has to find the right person. There is one point of contact. In some organisations that is a person in the head office or the state office. In other places it is by the area. With Centrelink it is already a large organisation. There are very limited numbers and, as soon as the local liaison officer makes that first contact, that is the last contact they should be making. The agency then has to do the delivery in terms of the response.

**Senator MOORE**—Does the agency or the liaison officer get back to the MP?

**Ms Scott**—The agency gets back to the MP, and the local liaison officer ensures that it happens. They are meant to check back, for example: ‘Senator, have you now heard from X agency?’

**Senator MOORE**—Have any costings been done on how much this system has cost?

**Ms Scott**—We have had some small costs within the department. We have had one officer working on this in a very dedicated way, and now that the system is established we will still have an officer working on it but not at the same level. We have had costs in terms of information and needing to get some basic infrastructure in place, but we are reliant on the good work of the agencies. As Senator Evans indicated, most of the agencies had some sort of arrangement in place. In the case of Centrelink, it is almost as if the functions that were previously done have now been enhanced by the work of the LLOs. It is a very low cost initiative.

**Senator MOORE**—Are they still all volunteers?

**Ms Scott**—They were people who either came forward or were asked to do this work. Sometimes they were asked to do this work because they were nominated by members of parliament as being people who were responsive and able to get answers quickly.

**Senator CHRIS EVANS**—Oh, that sort of volunteer; someone dobbed them in!

**Ms Scott**—In some cases they came recommended.

**Senator MOORE**—Has there ever been any particular training necessary for these people?

**Ms Scott**—Yes. There has been training, and we are undertaking ongoing training. We also provide training for the backup person.

**Senator MOORE**—So you have a key person and a backup?

**Ms Scott**—Yes. People might be away from the phone, on holidays or whatever.

**Senator MOORE**—I understand that some liaison people are liaison people for a couple of offices. Is that true?

**Ms Scott**—I do not think so. I am happy to check that, but it is certainly not my understanding. It was a designated person—

**Senator MOORE**—and a backup when that person is away.

**Ms Scott**—Yes. We have also done some feedback sessions where local liaison officers have met with the coordinator and provided information about what is working and what is not working, what they would like to see done differently and how they would like to see the

process go on. We have done that. More could be done, and it is an evolution. We see this as interesting in demonstrating that we can provide a superior service and that the agencies themselves are now starting to see how some of these time lines could be used in other areas of their work. I mentioned that Centrelink is now trying to use the two-day working time for all requests from members of parliament, whether they come through the LLO or the already established and well-working processes.

**Senator MOORE**—Who has paid for the training? Is it Human Services?

**Ms Scott**—Yes. Human Services have been coordinating and undertaking the training, and we have been doing that sometimes through the business television network of Centrelink.

**Senator MOORE**—Is this being coordinated at the national or state level?

**Ms Scott**—The national level.

**Senator MOORE**—Has there been any extra travel as a result of this? Have staff had to take travel time or anything like that?

**Ms Scott**—We have had some small travel costs ourselves, but because we have been using the business television network the costs have not been substantial. We have drawn people from the different agencies in to Centrelink office sites to use the television network, but costs for travel would not be excessive. I am not necessarily volunteering to do the costings, but I am confident that they would be very modest.

**Senator MOORE**—Does being a liaison officer carry any particular status in an office? Is it considered a good thing to be chosen to be a liaison officer, or is it just another thing that is layered onto people who are good?

**Ms Scott**—I am hoping that people will see this as a further demonstration of their capacity to deliver and as something that would certainly look very good on a person's CV. That is not to say that they would be given favourable treatment in any sort of merit selection process. However, I think the success of the venture to date—and I hope it continues—reflects well on all the officers that are doing this work.

**Senator MOORE**—My understanding is that you do your full job and this is on top, so has any consideration been given to a formal allowance for the extra work, has there been any acknowledgment that there is extra work, and have you been asked these questions before—because you look like you have?

**Ms Scott**—I think last time around there were questions in this general area. In February we said we would assess the situation, see what was happening and look at workloads and so on. I think the response from each of the agencies is a little different. Centrelink, which has the great bulk of the LLOs, used to have officers that did liaison work, but now the LLOs are operating. I think there has been some consideration given to the right configuration. I think that we are expecting that, if we handle a response within two days, then we will not get a fulsome and cranky letter from a member of the Senate or the House of Representatives that then takes six weeks to churn through the system and involves a comprehensive four-page response. At this point in time, it appears that the agencies and individual officers are coping, but we will continue to monitor it. That is part of the reason why we did the focus group work with individual officers. We will continue to monitor the situation. We would not want to see

the service deteriorate because of any sense of burnout. It is not what I am hearing, but we will continue to monitor it.

**Senator MOORE**—Have staff raised the issue? Has this come up in the focus groups—people thinking that it could well constitute a reason for having some form of allowance?

**Ms Scott**—I do not know how senior the person was in the CPSU, and I do not know who raised it, but I know that when this was announced there was some initial discussion about whether some of the agencies would provide a special allowance. However, to the extent that some of the agencies have freed up these officers from their other work, that does not seem to be playing out in any forceful way.

**Senator MOORE**—So you will continue to monitor it, and we will continue to ask you questions.

**Ms Scott**—I expect that this will continue to evolve.

**Senator MOORE**—In terms of Senator Evans's questions earlier about people perhaps continuing to use their other systems, do you maintain records of how many other forms of query you get? For instance, if I choose not to use the liaison person and choose to use other people in the network, do the departments keep a record about being contacted, how much work it took and all that kind of thing so we can build up the whole picture?

**Ms Scott**—I am going to volunteer an answer. If it turns out that I have to vary it later I hope you will appreciate that.

**Senator MOORE**—Sure.

**Ms Scott**—The simple record-keeping that we have with LLOs—it is not complicated—is encouraging a number of the agencies to look at their current systems for recording contacts with members' offices and with members and senators. I think we will have, over time, a better system for recording the sort of contact that Senator Evans and his office have, using the normal run-of-the-mill contacts. I do not think we have a robust system in all agencies now. After lunch I will come back and correct that if I have misled you in any way.

**Senator MOORE**—Can you follow up one other thing for me on that same kind of theme. I know that people from other levels of government do get queries about a lot of your agencies, simply because of the client groups that are there. Can you follow up what system you have for seeing whether particular state members or other agencies are contacting the officers for help as well. It is often an issue in that some clients go to lots of places with their issues, and departments could be being contacted all over the place about one family. That is following through on some previous work that was done through audits about just how different agencies maintain that kind of outreach function. So it is all in the one box, if you could follow up on that as well.

**Ms Scott**—Yes. I will take that on notice. Senator Moore, you asked earlier whether LLOs were being shared. I have an answer. In the case of the House of Representatives, no LLOs are with more than one designated member of parliament. In the case of the Senate, there are 10 LLOs with two senators. There are two LLOs who look after a member of the House of Representatives and a senator. I also have an answer to Senator Wong's question about web sites. The guidelines for web sites are produced by the Australian Government Information

Management Office, or AGIMO, which is now part of the Department of Finance and Administration.

**Senator Abetz**—It has a very good minister, I am told.

**Ms Scott**—Paragraph 19 of the guidelines states:

Departmentally supported sites may contain linkages to external, non-government internet resources.

It then goes on to talk about the need to exercise care in making external links to ensure that APS values are not breached. I have confirmation that we did speak recently to PM&C to ensure that we were not in breach of those guidelines.

**Senator WONG**—Was that the contact as a result of the matter being in the press?

**Ms Scott**—Yes. I referred to that earlier. There was contact between the department and the office of the minister about the web site linkages, and that occurred in January this year.

**Proceedings suspended from 12.45 pm to 1.49 pm**

**CHAIR**—The committee is still examining the Department of Human Services, output 1, Core departmental activities.

**Senator WONG**—Ms Scott, this may be a matter for Centrelink—which you will no doubt handle, if it is—but I want to explore some of the implications of the tasks which are now proposed to be done outside of government under the comprehensive work capacity assessment. Is it the case that, under social security law, the decision as to whether a person is entitled to a benefit and what the benefit is is a matter vested in the secretary, which is then delegated in accordance with the legislation? Is that right?

**Ms Scott**—That is right. I will draw Centrelink to the table, so I will ask Mr Whalan to join us. But it is the case that the power has been delegated to Centrelink in terms of determining income support eligibility.

**Senator WONG**—We are coming back to Mr Whalan later on, and I am conscious that my colleagues want to move on. Just to clarify, was there any involvement in seeking legal advice by the department, or is that a matter I should address only to Centrelink?

**Ms Scott**—Does this relate to some of the public commentary regarding whether Job Network was going to determine eligibility? Is that the issue that you are—

**Senator WONG**—I am interested in whether the department sought any legal advice regarding the parameters of who could do what in the process, when it comes to the comprehensive work capacity assessment?

**Ms Scott**—No, they have not. The issue that is played out in the media is who determines income support eligibility, but the comprehensive work capacity assessment is providing information to both the client and Centrelink and then Centrelink will have to make the determination. Clearly, it will be based on what the comprehensive work capacity assessment reveals regarding someone's work capacity.

**Senator WONG**—Was any advice sought from the department about the interaction between the assessor and the decision maker regarding the entitlement to benefit?

**Ms Scott**—We have sought no legal advice on this subject and, to the best of my knowledge, our internal legal area has not been asked about this subject matter from other parts of government.

**Senator WONG**—So you have not provided advice on this issue to other parts of government?

**Ms Scott**—No. The issue has not arisen.

**Senator MOORE**—Some of these questions will relate to the whole department. I want to get some general information about the recruitment process in the department, in particular regarding the proposed changes that are encouraging people into work. At the last round of estimates I asked you about Aboriginal employment, and there was a discussion about encouraging Aboriginal people into the department and you were going to have a look at that. I am particularly interested in the area of flexible work practices to allow people who would be able to work between, say, nine and three. What options are there in your agency or across the whole department? Also, what is the current state of people with disabilities employed in the department? Will there be any kind of departmental strategy, in line with the community strategy, to actively engage people with disabilities into the department? I have put all my questions on the table at once.

**Ms Scott**—The core department currently has about 54 people on deck. I mentioned in an earlier answer that we have recruited 29 permanently. We are participating, as are other sections of the APS, in a strategy being championed by the Public Service Commission in terms of Indigenous employment opportunities. I do not have an Indigenous worker in my team at this stage, but certainly we would like to facilitate that. In terms of the recruitment processes that we follow, we have brought people in on transfer, a substantial number on secondment, as we set ourselves up. We will try to use secondments on an ongoing basis as we move through particular issues. We do not need to retain substantial expertise on a topic if we have got through the set-up stage—

**Senator MOORE**—You just have the two seconded officers at the moment?

**Ms Scott**—No. I will give you the number.

**Senator MOORE**—There are some at other levels at well?

**Ms Scott**—Yes.

**Senator MOORE**—In my treasured flow chart here you have two names.

**Ms Scott**—I have about 17 seconded, non-ongoing or contract officers at the moment. The majority of those are secondees from a variety of agencies. Quite a number are from Centrelink. We have permanently 29 and the rest are made up of contract staff from the private sector—some in the IT area—one non-ongoing staff from the private sector and the rest I think I can describe as secondees.

**Senator MOORE**—Have you actually reached your core number now?

**Ms Scott**—No, we have not got to 54. We are still recruiting. There will be advertisements in the papers on the next couple of weekends and we are going through the gazettal process.

The target has changed as a result of acquiring the responsibility for the comprehensive work capacity assessment that we referred to earlier. We now have 62 as our new target.

**Senator MOORE**—That slight increase all relates to that one program?

**Ms Scott**—Yes.

**Senator MOORE**—In the department is there a strategy to look at people's disabilities for employment?

**Ms Scott**—We are just in the process of formulating—and in some cases we have tied them down—our policies in the human resources area. We would be interested in recruiting staff who reflect the diversity of Australian society, including the disabled, and really cover as much of the age spectrum too. We are conscious of those issues. You have asked also about part-time work.

**Senator MOORE**—Yes, opportunities for flexible work.

**Ms Scott**—In the set-up stage we were working very long hours, and I am worried that we need to moderate the pace somewhat. Yesterday I was talking to a number of senior staff and said that we are happy to consider part-time arrangements where we can do that. Certainly to attract some staff that might be the sort of thing we need to do. I would be happy to have that—I have had it in other locations where I have worked and it has worked out very well.

**Senator MOORE**—And you are only answering on behalf of the core Department of Human Services.

**Ms Scott**—Yes.

**Senator MOORE**—We will put the same questions to the other agencies and will put these questions on notice for the ones we have allowed to go home.

**CHAIR**—Do you have an absence management policy in the department? I take an interest in these issues at the moment about personal leave. Have you developed a policy?

**Ms Scott**—I have been conscious that there have been questions in the last couple of days about absences. In our own department I am pleased to say that our absences have been very small. Levels of motivation have been high. We recently gave out flu shots, and that seems to have had a good effect. We do have a strategy. It is a really small team.

**CHAIR**—I understand that.

**Ms Scott**—Every absence is discernable. In our chief executive instructions and our just-completed manuals on HR are policies about requirements for doctor's certificates, the number of sick leave absences and the responsibility of managers to manage it. It is a wider issue in some of the larger agencies. Maybe as the agencies are called you may wish to ask your question.

**CHAIR**—We will be pursuing it.

**Ms Scott**—Some of our smaller agencies have very small rates of absenteeism. Human Services Australia and Australian Hearing I think I can characterise as having very low rates of absenteeism. Some of the larger agencies' records are not as good, but they are in the process of addressing that issue.

**CHAIR**—Do you think it would assist your department if the Public Service Commission could develop guidelines for the Public Service? They could be standard guidelines, in effect, for the collection of information—for example, data about the days of the week that people are away, the reason they are away, dates of absence, the age of the employee, the gender of the employee, length of service, the work unit or location, where they work in the department and so forth—so the parliament can get a handle on why people are away and who is away. Do you think that is a good idea?

**Ms Scott**—I see merit in it. In our own examination of some of the agencies—and I do not think Centrelink would object if I say that it has been pursuing a particular strategy to reduce the number of unplanned vacancies—macro data is so broad. You are looking for a pattern. I do not know about you, but I would be looking for Mondays and Fridays.

**CHAIR**—Precisely, that is an example.

**Ms Scott**—I think we have found that some of those obvious patterns are not there. But it might be more of a cultural issue. People might think that work is hard and it is acceptable to take unplanned and inappropriate leave. Centrelink is following a policy of going right down to individual areas of work in teams larger than 20 and looking at how absenteeism is going in each of their areas. The macro picture will tell you something. I think it will tell you that a number of our organisations, including a number of our agencies, have a real issue with absenteeism. But only when it is tackled at the individual workplace are you going to get a solution. In a big organisation, the fact that you have a high number of absentees does not necessarily motivate you to change your own behaviour or that of those around you. I think it is easier in smaller organisations. If you leave your work, no-one else is going to pick it up so you are going to return to it. Certainly the APSC does keep all sorts of data and that sort of data would be useful. I also think that some years back there was a sort of a lessening of interest in getting doctor's certificates and being much more flexible there. I think that probably sent a mixed signal to staff.

**CHAIR**—That is very well put. I agree with that. I think that is part of the problem. Senate committees want to address issues like that to find out what the cost has been and what the department is doing about it.

**Senator MOORE**—I know that you are a reasonably new agency, but it is my understanding that the issue of absenteeism has been part of enterprise agreements for at least 10 years now. Agencies have signed up and given a commitment that they would be doing these reviews. I know that Centrelink is one. I am just wondering whether you have data or information that goes back a few years on this. It is not a new issue.

**Ms Scott**—No, it is not. I am sure Mr Whalan will be able to tell you much more about it because he has been addressing it in a very determined way, as has his senior management. But it is of continuing concern. There is a target number of days and that is not being met. It is being exceeded. Even though it has been reflected as an issue for some time, it is certainly getting a renewed focus. They are adopting a range of strategies, so I am sure he would be well placed to answer your questions.

**Senator MOORE**—I look forward to hearing that discussion.

**Ms Scott**—In some ways—

**CHAIR**—I think you are right.

**Ms Scott**—CRS—they are not here—follows a very interesting strategy in relation to part-time work that you might want to explore on another occasion. Allied health professionals, predominantly women, have high rates of turnover because of family responsibilities and CRS has followed a number of policies to retain those women. It operates flexible practices, such as allowing people to work from home or to commence their working day from home, rather than coming into work and going off to somewhere else. We hope to over time learn the lessons of particular agencies and see if they can have wider application among the group of agencies.

**Senator MOORE**—Good. I have one last question following on directly from that about family friendly workplaces. Is there any capacity within your agency, and also the wider department, to look at giving support to families who are seeking child care?

**Ms Scott**—That is a very pertinent question. We have looked into this issue by gathering information about what each of the agencies have available. It does vary and I do not think any agency would say that they were state of the art. Some places offer carers rooms; some agencies offer a subsidy for vacation care; others do not offer the same level of assistance. It is an area for future work. We are conscious that we have many individuals with family responsibilities and this is clearly a pressure in their working life. We have undertaken some of the initial preliminary work and we have a spreadsheet on what each of the agencies are doing. But we have not gone the next step to what could be done and what the costs and benefits associated with that might be. I would have to say that it is early days.

**Senator MOORE**—And that work is across the whole portfolio: Centrelink, CRS—

**Ms Scott**—Yes, it is across each of the agencies.

**Senator MOORE**—Good. That is it on HR.

**CHAIR**—There being no further questions on output 1, the core department activity, the committee will now examine output 2, the Child Support Agency.

[2.07 pm]

### **Child Support Agency**

**Ms Scott**—I should mention that last night the Australian Business Excellence Awards recognised the Child Support Agency as achieving a very high level of business excellence. It received the bronze award. A gold award was not awarded. This is only the second Commonwealth agency to receive this award, and the citation talks about Australia's best practice across a range of categories.

**CHAIR**—Thank you very much, Ms Scott. Congratulations, Mr Miller.

**Mr Miller**—Thank you.

**Ms Scott**—Mr Miller only recently joined the agency. He has been four weeks in the job.

**CHAIR**—So who deserves the congratulations, Ms Scott, for this wonderful result?

**Ms Scott**—I think it reflects extremely well on the whole work force of the Child Support Agency, who are working in what is clearly a very difficult area.



**CHAIR**—Yes, indeed. Thank you.

**Senator CHRIS EVANS**—I offer my congratulations to the CSA as well. By way of your indulgence, Chair, I make the comment that I visited Britain recently and spent some time with officials with their child support agency. If we think we have troubles, it was unbelievable to me what a mess they had gotten into. I had better be careful, I suppose, and circumspect as these things sometimes get reported. But they are in a terrible pickle, facing many of the challenges that our Child Support Agency faces but not coping nearly as well. They were looking to Australia a great deal for models, although they had an interesting thing on simplification, which I will not raise today but which I want to talk to officials about at some stage at a briefing. It was interesting to get another perspective on it. That was by way of editorial. I am sorry, Mr Chairman.

**Ms Scott**—Just on that, Ms Bird spent 12 months working with the equivalent of the Child Support Agency in Britain, so when you do come to those issues at another time you might like to draw on her expertise.

**Senator CHRIS EVANS**—I am not going to hold her responsible, though, she will be pleased to know.

**Ms Scott**—She may be able to draw out some of the differences.

**Senator CHRIS EVANS**—They spoke of the exchanges fondly, but I am not going to attribute any blame.

**Senator MOORE**—I have some very general questions. You are having an easy time, Mr Miller, for your first time here. Welcome. I am from Queensland, Mr Miller. There was a burst of media interest when you were first appointed which took up a couple of days on talkback radio in Queensland. Was that an interesting introduction to the department?

**Mr Miller**—It was, particularly as I was at the Gold Coast on holiday. But I think people soon move beyond that. I would like to think I left Queensland with a strong record of delivering for government and for stakeholders in particular. I think people get over the media and really judge you on your own performance.

**Senator MOORE**—For me it was quite interesting because we very rarely get media coverage of someone winning a Public Service position. The focus in the media on your gender was interesting at best, I thought.

**Senator CHRIS EVANS**—Is that a sign of progress that they focused on a male's gender?

**Senator MOORE**—I have no idea. I just thought I would throw that in there.

**Senator WONG**—Don't go there.

**Senator MOORE**—Mr Miller, the first question is quite straightforward. It is to do with the financial statements. It is my belief that the agency has not provided the consolidated set of financial statements as part of the portfolio budget statements. Is that your understanding?

**Mr Miller**—It is not my understanding, but I will ask my assistant general manager, Sheila Bird, about that.

**Senator MOORE**—Ms Bird, did the department provide a consolidated set of financial statements as part of the portfolio budget statements?

**Ms Scott**—Yes.

**Senator CHRIS EVANS**—I think there is some confusion about Human Services and FaCS, and we are just trying to work out what is happening.

**Ms Scott**—I think we should answer that.

**Mr Leeper**—The portfolio budget statements provide a couple of sets of views. One is a consolidated statement for the department as a whole. Then, for example, at page 47 it splits out the budgeted financial statements for the Child Support Agency in its own right. Similarly, a few pages further on, there is a set of budgeted financial statements for the Commonwealth Rehabilitation Service. Is your question whether these have previously been provided?

**Senator MOORE**—It was clarifying exactly where it was in the documentation.

**Mr Leeper**—It is on page 47.

**Senator MOORE**—Was it a clear strategy to do it in that way so that it came in that sequence?

**Ms Scott**—We are endeavouring to ensure transparency. While we are required to present our figures as a department, I am seeking to, as much as I can, identify the CSA separately so that people can look at these figures and not find that the combination of the two masks things.

**Senator CHRIS EVANS**—Do the figures for 2004-05 represent half, for instance?

**Mr Leeper**—They represent a part-year effect, yes. It is approximately eight months.

**Senator CHRIS EVANS**—That is what we are trying to get on top of.

**Senator MOORE**—Then next financial year it will go into the standard basis and we will be able to go through it.

**Ms Bird**—That is right.

**Senator MOORE**—So it is only the transition year. My second couple of questions relate to the child support review that is going on.

**Ms Scott**—I just seek your indulgence. We will have a full 2004-05 set of financial statements in our annual report. It is complicated in this arrangement because of the part-year effect of the AAO change. But we will endeavour to have that in there, and that should provide the picture that you are after.

**CHAIR**—When is that likely to be produced, Ms Scott?

**Ms Scott**—Normally the annual report come out around October.

**CHAIR**—But yours might be late?

**Ms Scott**—We would seek to achieve the same excellence in this area as we have in other areas.

**CHAIR**—Well said.

**Senator MOORE**—I can assure you, Ms Scott, that when the odd department has missed that deadline it is always picked up at Senate estimates, and it is not a happy occasion for those people involved.

**Ms Scott**—I have noted that.

**Senator MOORE**—The formation of a ministerial task force and reference group in the child support area was announced by the minister on 16 August 2004. I want to find out a little about the role of the Child Support Agency in giving support to that particular task force and reference group. What role do you have? Is the department providing any kind of secretariat or backup support for that group, and how many people from the agency are involved in that?

**Ms Scott**—We will start with the departmental view and then we will go to the Child Support Agency, if you are comfortable with that?

**Senator MOORE**—Yes, of course.

**Mr Leeper**—The support for the ministerial task force has been provided through the Family and Community Services portfolio and the Department of Family and Community Services.

**Senator MOORE**—Through the previous owning agency?

**Mr Leeper**—No. Minister Patterson has policy responsibility, whereas the Child Support Agency delivers the policy of the government of the day.

**Senator MOORE**—So FaCS has the policy ownership.

**Senator CHRIS EVANS**—When child support gets criticised, everyone ducks and no-one responds.

**Senator MOORE**—Mr Leeper, are you saying that secretariat support and ownership is provided through FaCS, rather than through Human Services or the Child Support Agency?

**Mr Leeper**—The support for the task force and the reference group has been provided by the Department of Family and Community Services. The Department of Human Services and the Child Support Agency from time to time provide assistance with the work of the task force and the secretariat. As you would appreciate, there are data matters and things with which they need assistance. There are factual issues relating to the operation of the current scheme, and that information is being provided as required. The secretariat itself, as far as I am aware, is only staffed by officers of the Department of Family and Community Services.

**Ms Scott**—In relation to the work of the task force and the separate but related work into family relationship centres, the Department of Human Services—that is, the core department—Centrelink and the Child Support Agency have cooperated in putting together certain advice on each of those. In relation to family breakdowns, often Centrelink gets involved at a very early stage anyway. We have taken the opportunity to try to provide a coordinated response.

**Senator MOORE**—So you are contributing rather than supporting?

**Ms Scott**—That is right. We are contributing; I think that is the best way of putting it. Ms Bird might like to add to that, from the child support perspective.

**Ms Bird**—Only in terms of clarification: our role has been to provide information when requested by the task force generally through the secretariat.

**Senator MOORE**—You have no personnel working full time?

**Ms Bird**—No.

**Senator MOORE**—My next questions are on an organisation called Family Advantage. What is your knowledge of Family Advantage?

**Ms Bird**—My knowledge of Family Advantage is that they are an organisation which is looking to set up a child support scheme themselves and that their scheme would be such that the person who is paying child support, or who is liable to pay child support, could approach Family Advantage for them to work out how much child support is payable. Family Advantage have a web site, which is where we have got most of the information from. They have written to the Child Support Agency to ask for our assistance or support, and our response has been that the Child Support Agency delivers services for the government and that it would not be appropriate for the agency to assist that organisation or any other organisation in setting up their own services.

**Senator MOORE**—I have a quote here from that same web site, which is where our knowledge has come from. Family Advantage say:

We are also working with government to make the Child Support assessment service available as soon as possible.

They are working with government, but they are not working directly with the Child Support Agency?

**Ms Scott**—No.

**Senator MOORE**—Are they working with Human Services?

**Ms Scott**—No.

**Senator MOORE**—Minister, are they working directly with government?

**Senator Abetz**—Are you inquiring about a particular group?

**Senator MOORE**—A particular group called Family Advantage, who have made claims on their web site.

**Senator Abetz**—I am not aware of that. I can take it on notice.

**Senator MOORE**—Please take it on notice and give us information about the government's knowledge of them.

**Senator Abetz**—Done.

**Senator MOORE**—Thank you, Minister. My last questions are the same questions that we put to Human Services. I refer to HR policy to do with recruitment, particularly in line with Aboriginal recruitment and the development of knowledge there, and in line with the return to work scheme that the government is promoting for people with disabilities and single parents. I also refer to your knowledge of what is happening in the Child Support Agency in terms of flexible working practices and encouragement for people with disabilities to work in your agency.

**Senator CHRIS EVANS**—You could ask about gender balance too.

**Senator MOORE**—I will put gender balance in—just so that the ABC in Brisbane is very happy. That would be really useful.

**Ms Bird**—The Child Support Agency supports a number of family friendly policies. We have a strong contingent of permanent part-time workers within the Child Support Agency. There are about 460 permanent part-time staff out of a work force of about 3,200.

**Senator MOORE**—That is a significant percentage, isn't it?

**Ms Bird**—Yes, it is.

**Senator MOORE**—They are permanent employees?

**Ms Bird**—They are permanent ongoing employees who work part-time hours, and they tend to be individual arrangements to suit the parent. They could be that they work, for example, three days a week or that they work five days a week but short hours.

In relation to Indigenous people and people with disabilities, the Child Support Agency staffing is below the Australian Public Service average. We are reviewing recruitment strategies within the agency with that particular area in mind, to try to make sure that nothing in our recruitment practices disadvantages Indigenous people or people with disabilities.

**Senator MOORE**—Are you below the APS average in both categories?

**Ms Bird**—Yes.

**Senator MOORE**—Do you know whether you have been below for an extended period or whether you have just had a dip? What is the history?

**Ms Bird**—I do not know the precise figures but I would expect that we have been relatively static.

**Senator MOORE**—You are reviewing that matter internally and looking at recruitment practices?

**Ms Bird**—Yes.

**Senator MOORE**—Is there an internal goal to increase your employment rates in those areas, particularly in the area of disabilities?

**Ms Bird**—We do not have a specific target that we are aiming for, no.

**Senator MOORE**—I now refer to family friendly policies with child care. I know that your officers are located in key regional areas and had quite high hopes of having formalised child care arrangements but they did not come through.

**Ms Bird**—The Child Support Agency does not have dedicated child care centres or anything like that. However, there are some sites where we are collocated with the Australian Taxation Office, which in some areas has child care centres that Child Support Agency staff are able to use.

**Senator MOORE**—If want to work in your agency and one of the issues is child care, when I am going through the recruitment process is there any support within the agency as to where local child care centres are and other such practical support?

**Ms Bird**—I do not think that there is anything at the formal induction level in relation to that but on-the-ground practice would probably be such that that local information would be shared.

**Senator CHRIS EVANS**—Has the change of home department had any impact on your locations—that is, the number of officers, the need to relocate et cetera?

**Ms Bird**—No, there has been no change to the offices that we are in at the moment.

**Senator CHRIS EVANS**—There is not expected to be an impact because of the change of home department?

**Ms Bird**—No.

**Senator CHRIS EVANS**—I want to ask about the trend in private settlements. As I understand it, parties can arrange settlement regarding child support. I do not know if they have to register but a private settlement does not involve the CSA helping in the decision making. I know that I am using the wrong terminology. I am interested in what is happening in terms of the trend, if you like, in private versus CSA monitored arrangements.

**Ms Bird**—There are two separate areas that I should comment on here. The first is that parents can choose to make an agreement that sets how much child support is payable, how that will be paid and so on. That agreement can be registered with the Child Support Agency. Only a small proportion of the population does that, and that proportion has been relatively static over time.

**Senator CHRIS EVANS**—What sort of figure are we talking about?

**Ms Bird**—I think it is about six to eight per cent, but I will check that.

**Senator CHRIS EVANS**—Thank you.

**Ms Bird**—The other area is parents who register with the Child Support Agency, and the CSA produces an assessment of how much child support is payable. It provides that assessment to both of the parents and updates it on a regular basis, but the parents then choose to pay the money directly to the other parent. That is what the Child Support Agency refers to as ‘private collect’. The percentage of parents who transfer the money directly between themselves has been increasing steadily over the years, and I believe the figure is now something like 52 or 53 per cent of parents registered with the Child Support Agency.

**Senator CHRIS EVANS**—Would you mind giving me the figures for that over time? It is probably in your annual reports.

**Ms Bird**—It is in our publication called *Child Support Scheme: facts and figures*.

**Senator CHRIS EVANS**—I will look that up, but it has basically been increasing steadily over time—

**Ms Bird**—Yes.

**Senator CHRIS EVANS**—and it is now in the order of 52 or 53 per cent.

**Mr Miller**—To add to Ms Bird’s comment, the new client stream rate is 64.9 per cent for private collect—so that is building. But why it is increasing and a crossover has occurred—

**Senator CHRIS EVANS**—I think it is through education and awareness of the scheme—I am guessing, but I think it is part of the development of a culture and awareness in the Australian community about these issues.

**Ms Bird**—Yes, and there is also a very strong focus within the Child Support Agency on helping parents meet their responsibilities.

**Senator CHRIS EVANS**—Do you have a requirement that that option cannot be taken if the family receives more than the base rate of the family tax benefit?

**Ms Bird**—Centrelink requires parents to take reasonable action to obtain maintenance. Parents can collect privately, irrespective of their arrangements for the family tax benefit. Some parents would like to have that purely private agreement to work out themselves how much child support would be payable—and the precise figure for that is 4.3 per cent. Before the Child Support Agency can accept a private agreement from those parents, it has to refer the agreement to Centrelink, which will determine whether that child support agreement meets the reasonable maintenance action test. If Centrelink says that it does not, then the Child Support Agency is required to refuse to accept that private agreement—and the child support assessment would continue.

**Senator CHRIS EVANS**—Is that a regular occurrence? I am trying to get some sense of the impact. I guess people would know; you would advise them of the rules, so they would not get to that stage very often. Is that right?

**Ms Bird**—That is correct. We do not keep precise figures on the number of agreements rejected by Centrelink. It would be a relatively small number.

**Senator CHRIS EVANS**—What is the process for the private collect?

**Ms Bird**—The private collect process is identical, irrespective of whether the parents are receiving the family tax benefit. The parent who is entitled to receive the child support simply advises the Child Support Agency that they would like to collect that privately rather than have the agency collect it for them.

**Senator CHRIS EVANS**—On notice, could you please ascertain the number of press releases issued by the policy and administrative minister on child support matters since the change in arrangements.

**Ms Scott**—I think I may have all of Minister Hockey's press releases here. We may be able to give you an answer.

**Senator CHRIS EVANS**—I have had a look at the site, so I have a rough idea. But maybe I should just take it on notice because I just want to be sure that someone else has checked and the figures I have are right. So if I could have both that would be great.

**CHAIR**—Mr Miller and Ms Bird, on 10 March I asked a question on notice to the Minister for Human Services with respect to the Child Support Agency and Centrelink. The question related to the total number of sick days taken by agency employees and other related matters. I have had a reply from Centrelink and the ever-efficient Mr Whalan, but I have not received a reply yet from the Child Support Agency. I am just wondering whether the reply had gone to the minister or, if it has not, where it is.

**Ms Scott**—I apologise: there was an oversight. The answer has been provided. We do have that data. It was in the clearance process and for some reason we thought it had been submitted and it had not. So that problem is being rectified.

**CHAIR**—Has it been cleared yet? You cannot give it to me orally?

**Ms Scott**—We should be in a position to be able to give you that information before three o'clock.

**CHAIR**—That would be terrific. I had some questions that would in a sense have followed on from that.

**Ms Scott**—It would only take a certain amount of time to ensure that we have that answer: it might be less than 20 minutes.

**CHAIR**—Mr Miller and Ms Bird, could you wait for a short time? We will see the data and I may have some questions. If not, that would be fine.

**Ms Bird**—We would be happy to.

[2.32 pm]

#### Centrelink

**CHAIR**—Welcome.

**Mr Whalan**—Would you like me to anticipate some of the questions or to wait for them?

**CHAIR**—It is probably best to wait for them.

**Senator WONG**—I did not realise ESP was one of your talents, Mr Whalan!

**CHAIR**—Unless you have an opening statement it is probably best to wait for them.

**Senator CHRIS EVANS**—If he has been busy preparing or rehearsing we ought to allow him to!

**Mr Whalan**—I just meant it in the sense that you have been asking each agency about people related issues and child-care related issues et cetera. Would you like me to kick off on that?

**Senator CHRIS EVANS**—I thought it was going to be on compliance! We will save that one for later.

**Senator MOORE**—The set of questions I have for you, Mr Whalan, if you have got the answers to them, are on Indigenous people, people with disabilities, flexible working hours and child care.

**Mr Whalan**—These figures are from 30 June 2004, from the annual report. There are 914 Indigenous staff of 24,907 ongoing staff, which amounts to somewhere around four per cent. There are 1,514 people with a disability of that 24,907, which is six per cent and which is the largest proportion of people with disability of any agency in the Commonwealth

**Senator MOORE**—I was wondering whether you would mention that, Mr Whalan. You are the employer of the highest number.

**Ms Scott**—Yes.



**Mr Whalan**—By far.

**Senator MOORE**—Congratulations.

**Mr Whalan**—Do you want me to move on to talk about child care?

**Senator MOORE**—Yes. The background of the question is just general information about what is happening with the employment rates, but, in particular, in the light of the push from the government to have single parents and also people with disabilities encouraged into the workplace, I am trying to find out what the government is doing as an employer to facilitate that as well.

**Mr Whalan**—I will start by saying that about 20 per cent of Centrelink staff are part time.

**Senator MOORE**—Are they nine to three part time or two days out of five part time?

**Mr Whalan**—There would be the whole variety.

**Senator MOORE**—There is no data that defines that?

**Mr Whalan**—I do not have the data with me. I will check on that for you, but it would be the whole variety. In terms of child care, starting at one end of the spectrum, we have breast-feeding rooms available in a number of locations, but they are not dedicated rooms. We pay an allowance for school holiday care for staff who choose to work over December and January, and we provide information to staff across Australia on the location of child-care services—the full range, whether it be centre based day care, occasional care, family day care, vacation care et cetera. If staff move into a new location or they are not familiar with the area, there is a professional service that helps them find out where there are appropriate services.

**Senator MOORE**—How long have you been doing that? I cannot remember when you started that, but I think it is well entrenched now in Centrelink.

**Mr Whalan**—Yes. I will check whether anyone knows when we started. I do not have that in my mind, but we will see if we can find that out for you. The other thing—and it is more in the call centres than universally across the organisation—is that we have rooms available with computing facilities, toys, cots et cetera for people who have children who are ill enough so that they cannot go to school or the parents do not feel as if they can go to child care but well enough so that the parents can bring them into work.

**Senator MOORE**—What about school-free days and things like that?

**Mr Whalan**—Pupil-free days, or staff might have a child who is not contagious but not really 100 per cent and for some reason they do not feel as if they can take them to school or a child care service, so the mother or father can bring them in. The staff can basically work in one of these rooms, where they have a TV and a Nintendo and a bundle of toys, and there is a workstation as well.

**Senator MOORE**—And that is mainly in the call centres?

**Mr Whalan**—I have not been to the Tasmanian call centre, but they are in the majority of call centres, and we are putting them in every new lease we are taking.

**Senator MOORE**—Have you done any review within the organisation about the value of these services to staff?

**Mr Whalan**—We have not done a formal review. I know that anecdotally one of the issues is that whenever we provide one of these services it is almost booked solid, and the issue is whether we need to provide more. My view is that they increase productivity.

**Senator MOORE**—Within Centrelink, is there any capacity for hours of work that look particularly at nine till three? Has there been any consideration of that kind of working pattern in call centres or in public contact areas at the various outlets that you have?

**Mr Whalan**—Not really on the scale that you might be considering. Recently we have hired a very large number of part-time staff in call centres, which is not reflected in the figures I have given you. We have done that basically because it is coming from a different angle. We have been trying to match staffing numbers with demand. If we look at call patterns, there is a big demand early in the day and there is a big demand late in the day. If most of the staff are full time, you need to supplement the staff. If you give people the choice, the majority would rather work earlier than later, so we have been specifically recruiting staff to work part time and to work a slightly later block of time, so they would come on mid-afternoon and go until very late afternoon or early evening.

**Senator MOORE**—What times do people on the early shift start at?

**Mr Whalan**—Once again, it varies, but they would start between 7.30 and 8.30 in the call type environment. They would not call on the phones that early, but they start before they go onto the phones because they do training.

**Senator MOORE**—You mentioned in a previous answer that you are looking at maximising the ability of the call centre to get people at home when you are looking at doing late calls. Is that in an overtime capacity, or is it with people on the west coast calling people on the east coast?

**Mr Whalan**—It is both.

**Senator MOORE**—So you have scheduled overtime to cover that?

**Mr Whalan**—Yes.

**Senator MOORE**—How long have you been doing that for?

**Mr Whalan**—We only started several weeks ago.

**Senator MOORE**—So by the next round of estimates we will be able to get some modelling about how much it cost, the value of it and that kind of thing?

**Mr Whalan**—Yes. We would have started it just prior to the budget.

**CHAIR**—I have some HR questions. I suspect you know what I am going to ask. I will give you a bit of background. My interest was sparked by the Australian National Audit Office's report in the middle of 2003, *Absence management in the Australian Public Service*. Back in 2001-02, the absence rate for Centrelink was 15.47 days per full-time employee per year. The response to my question on notice to the minister noted that that fell to 11.52 in 2003-04, which was a more than 25 per cent drop. Why? Was that good luck or good management? What did you do?

**Mr Whalan**—I do not think that is the full story. The 11.52 days per full-time equivalent employee is for people who are ill. It is not what I would call the full unplanned leave figure.

The full unplanned leave figure is 15.78, which is higher than the Public Service average. We are putting a great deal of focus on this. You would expect that operational areas of organisations would have higher levels of leave and central offices would have lower levels of leave. Levels of leave are partly affected by cultural considerations. There are people in some organisations who believe that sick leave, or however you describe it, is an entitlement and something you should not waste.

**CHAIR**—Precisely what do you mean by ‘something you should not waste’?

**Mr Whalan**—I am suggesting that that is a wrong view, and it is a cultural change that a lot of organisations are going through.

**CHAIR**—This got flagged before. I understand.

**Mr Whalan**—In my view, getting a reduction in leave is partly about visibility and people being clear that the amount of leave being taken is being watched and partly about people understanding the impact of that unplanned leave on their colleagues and the productivity of the organisation.

**CHAIR**—If it is 15 unplanned days and 11 sick days—

**Mr Whalan**—It about 15 unplanned days, of which 11 are sick days.

**CHAIR**—Sure. That is three weeks a year per employee, and 11 days is a bit over two weeks. It is a lot, isn't it?

**Mr Whalan**—It is too much. My job, with other people in Centrelink, is to reduce that level.

**CHAIR**—What are you doing about it?

**Mr Whalan**—What we are doing at the moment is recording and publishing the figures by work group every month. We have them colour coded red, orange and green showing whether people are above or below the APS average.

**Senator MOORE**—What is the APS average?

**Mr Whalan**—The APS average—and I will just confirm this—in round figures is 14 days.

**Senator MOORE**—Fourteen days of all leave?

**Mr Whalan**—Of all leave.

**Senator MOORE**—It is only one above.

**CHAIR**—But what about sick leave? What is the average in the APS for sick leave?

**Mr Whalan**—Sorry: this is all of what I call unplanned leave.

**CHAIR**—Unplanned leave.

**Mr Whalan**—There is a common definition of this which operates across all organisations. The common definition covers all leave other than recreation leave and maternity leave et cetera. The APS average is about 14 and we are above that average.

**CHAIR**—Okay. What is the APS average for sick leave?

**Mr Whalan**—I do not know.

**Ms Scott**—I was talking to a number of colleagues this morning about absenteeism and I understand the figure is closer to 10 days, but I will try to see if I can get a colleague behind me to establish that that is the case.

**Senator Abetz**—Does absenteeism increase during Senate estimates?

**Senator MOORE**—They are all watching their television screens!

**CHAIR**—Thank you, Minister.

**Senator Abetz**—There is no answer needed.

**Mr Whalan**—We will just try and get you those figures. In essence, what we are trying to do is give a clear management focus on it and—

**CHAIR**—And responsibility devolved to the work unit.

**Mr Whalan**—clear visibility at the local level. What we will also do is put more emphasis on healthy lifestyles. That is a longer term strategy but I think a positive strategy. When the Health Insurance Commission gets up they might be able to talk about some of the things they are doing. They have made good progress in recent times.

**CHAIR**—Are you keeping data about unscheduled absence? I have flagged this with Ms Scott before. Are you keeping data on why there is unscheduled leave, the dates of their absence, the employee age, their gender, their length of service, their work unit location and the particular days of the week they are taking off—classically Mondays, of course? Are you collecting that sort of data?

**Mr Whalan**—We do. We look at patterns such as whether people are taking Mondays or Fridays off and what blocks they take. We look at patterns for every day of the week. We look at it by work team. We provide that information to supervisors and say that it is part of their responsibility to talk to staff about those issues.

**CHAIR**—Have you changed your workplace agreement in Centrelink with respect to personal leave in recent years?

**Mr Whalan**—We are in the process of doing that.

**Ms Scott**—There was a loosening in terms of this provision and it is going to be tightened up in the course of—

**CHAIR**—That is what I was after. Can you tell me how it is being tightened up—what it was and what it will be?

**Mr Whalan**—There is a proposal in the proposed draft of the new Centrelink certified agreement that a doctor's certificate or equivalent will be required for absences after five days leave has been taken in any one year.

**CHAIR**—And that is not currently a requirement?

**Mr Whalan**—Correct.

**CHAIR**—That is very generous.

**Ms Scott**—It is a very loose requirement at the moment. It is loose in a number of departments and I think there is an effort to reverse this trend.

**CHAIR**—So that is five days in any one year?

**Mr Whalan**—Correct. At the moment no certificate is required for any sick leave. What we are proposing is that after either five individual days or a block of five days a medical certificate is required.

**CHAIR**—There was never unlimited personal leave in Centrelink, was there?

**Mr Whalan**—No. Returning to a couple of the questions you asked, the Public Service average is 11.9 and the best practice benchmark is nine days for agencies with greater than 100 staff.

**CHAIR**—Is that for sick leave?

**Mr Whalan**—Yes.

**CHAIR**—I asked Ms Briggs, the Public Service Commissioner, whether she would be developing guidelines for absence management. I think it is fair to say—and I do not think I am verballing her—that she had not given it much thought. Do you think it would be helpful if the Public Service Commission did develop those guidelines?

**Mr Whalan**—I note the Public Service Commissioner has written to all agencies—

**CHAIR**—Yes, she has written.

**Mr Whalan**—with suggestions about the approach that could be taken. My view is that the best value that could be added is by giving examples of what has worked, because it would be different in different places.

**CHAIR**—Small and large?

**Mr Whalan**—Yes. It is partly about the culture of the organisation.

**CHAIR**—A central office, a state office?

**Mr Whalan**—Very much so. There are some really great, creative examples of things that are done at the local level which will work very well in some places and not in others. I think the sort of information about who has been able to turn around a unit, a large part of an organisation or a whole organisation and how they have done it would be very valuable.

**CHAIR**—I will pursue that with the commissioner. Thank you very much for your endeavour.

**Ms Scott**—For what it is worth, the issue of absenteeism has occupied quite a bit of time in discussions between managers in Centrelink, and the publication of those figures—the red figures and the green figures for the individual work units—does seem to be having an impact on the trend of absenteeism.

**CHAIR**—That is good news. Thank you very much.

**Mr Whalan**—I would like to respond to some questions that have been asked. Holiday child care commenced in May 1999. Carers rooms started in 1997. Going back to a question on notice asked by Senator Wong earlier today, which is on a different topic, about data provided in respect of Welfare to Work, we provide a flat file of data on a weekly basis to DEWR. That is a huge chunk of an extraction of the data from the database, which enables

them to analyse anything they wish. We were not approached and did not provide any specific data.

**Senator WONG**—As a result of the Welfare to Work task force?

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—Does that mean they effectively have complete access to your data?

**Mr Whalan**—That is right. FaCS have it virtually online and we provide a weekly load to DEWR.

**Senator WONG**—I would like to go back to the scripts. Did you manage to—

**Mr Whalan**—Yes, we have. I have the scripts and I have the day that they were finalised. What was missing in terms of your questions was the day that they were released. I have asked them to write, next to each one, the day they were released.

**Senator WONG**—That is very efficient of you, Mr Whalan. I have a question regarding the reduction in the number of personal advisers. That is a savings measure allocated to DEWR, which I presume is the purchaser of the service. Is that why it comes out of their portfolio?

**Mr Whalan**—That is why it is tagged there, yes.

**Senator WONG**—How many staff will that be?

**Mr Whalan**—In 2005-06, it will be 31 personal advisers and in 2006-07, an additional 34.

**Senator WONG**—That is the reduction?

**Mr Whalan**—Correct.

**Senator WONG**—What is that as a proportion of the current number of personal advisers?

**Mr Whalan**—Currently, we have 783. It will drop—these people are full-time equivalents—to 752, with that reduction of 31 in the next financial year, and it will drop in the second financial year, 2006-07, to 718.

**Senator WONG**—What about the outer years?

**Ms Scott**—It stays flat in the outer years.

**Senator WONG**—But the budget measure shows savings over 2007-08 and 2008-09.

**Mr Whalan**—I think the issue with the out years is that—

**Senator WONG**—Once you have already reached it, you continue to have the savings over the forward estimates?

**Mr Whalan**—That is right.

**Senator WONG**—What other Centrelink processes that are associated with this measure—which are referred to on page 146 of Budget Paper No. 2—will be streamlined? The paper refers to rationalisation. It says, ‘The government will streamline Centrelink processes’—that is a description associated with the reduction in the number of personal advisers. Can you let us know what that streamlining means?

**Mr Whalan**—Between now and 1 July 2006 there will be additional work around how the Welfare to Work processes will operate. We are expecting, as part of that additional work, that we will look at the roles of the different job categories within Centrelink.

**Ms Hogg**—The current personal adviser role is a very targeted strategy by the government to look at certain groups of customers. Over the period that the personal advisers have been working in Centrelink, we have seen that some customers in those groups can obviously benefit from that sort of intervention more than others. My view of that is that the government are saying, ‘We will cease to purchase those services in some categories of those groups.’

**Senator WONG**—Have you been advised which categories will no longer have the service purchased for them?

**Ms Hogg**—The budget description certainly talks about some groups in which there would be some rationalisation.

**Senator WONG**—Indigenous Australians?

**Ms Hogg**—Released prisoners and activity test exempt. And from our experience, we can assist some of those groups and others do not need the assistance, and I think it is a reflection of that. It is a retargeting, in that sense.

**Senator WONG**—Were you asked therefore, as part of the budget process, to reach these figures of 31 and 34? If those categories are taken out, is that an assessment of the number of advisers that could be jettisoned?

**Ms Hogg**—Yes, we did provide input into that.

**Senator WONG**—On the basis of the figures you have, do you say that around 31 advisers—obviously these are effective, full-time equivalents—would be servicing those categories?

**Ms Hogg**—Certainly not all of the people in those categories but some proportion, yes.

**Senator WONG**—Can I ask just a very quick question about mutual obligation on Newstart—the number of interviews that people are required to attend. As I understand it, if they have a job seeker diary it is the case that the number of interviews is anything between six and 10. Is that right?

**Ms Hogg**—In general terms, I can tell you that Centrelink has some flexibility in terms of the number of job referrals or job vacancies that a customer is expected to follow up. I do not have the figures with me, but I can get the exact figures for you.

**Senator WONG**—I understand that these figures are not hard and fast and that there is flexibility according to—

**Ms Hogg**—Depending on the labour market et cetera.

**Senator WONG**—I am just trying to get a sense as to what the general proposition is. If they have a job seeker diary, is it six to 10 inclusive per fortnight and, if they do not have a job seeker diary, is it at least four applications a fortnight?

**Ms Hogg**—I will have to take that on notice.

**Mr Whalan**—We will quickly get someone to confirm that.

**Senator WONG**—I presume it is in one of your guides.

**Ms Hogg**—Yes, it will be.

**Senator WONG**—Perhaps you could refer me to where it is so I can make sure that we have got the right thing.

**Mr Whalan**—We can do that.

**Senator CHRIS EVANS**—Could I ask some questions about the compliance issues and in particular the budget allocation to Centrelink and what that means. Mr Whalan, I thought when you promised to give us an intro before you might have covered that, but you disappointed me and pleased Senator Moore, so that is fair enough—you know who to keep on the right side of on this committee. Obviously, there is quite a substantial change in compliance policy represented in the budget. I see you are getting \$198.2 million of the \$241 million for compliance activity. Would you like to give us an overview about the compliance activity, what the money is to be used for and how this is going to work.

**Mr Whalan**—One compliance measure is about the overseas income automation, so this about data matching with some countries overseas that we have reciprocal income support agreements with.

**Senator CHRIS EVANS**—These are the eight new countries.

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—How much is that worth? Is that part of the \$198 million?

**Mr Whalan**—It will be. What I am going to do is run through each of the items and then ask someone to give me the figures and I will come back to the cost of each, if that is okay with you.

**Senator CHRIS EVANS**—Yes.

**Mr Whalan**—Number one is overseas income automation. A second area is the 10 per cent levy on the recovery of fees for debts. A third area is the recovery from tax refunds, where we will be doing more automated—

**Senator CHRIS EVANS**—I will get you to explain in detail each of the measures in a minute, if that is okay.

**Mr Whalan**—Yes. The fourth area is the extra work that will be associated with an eight-week non-payment period for some clients in the future.

**Ms Scott**—That is the new suspension regime.

**Mr Whalan**—And the fifth area is the related case management of customers serving a non-payment period. I think we talked sufficiently about the data matching with overseas agencies.

**Senator CHRIS EVANS**—What was the fifth one again?

**Mr Whalan**—The case management of customers associated with the suspension regime, if they are suspended for periods of—

**Senator CHRIS EVANS**—So all of these are a cost to Centrelink?



**Mr Whalan**—They involve additional work by Centrelink.

**Senator CHRIS EVANS**—Is it work as in new systems, or is it additional costs in ongoing costs?

**Mr Whalan**—It varies for each. For example, the social security agreements, the reciprocal agreements, would need some negotiations with overseas countries and then the building of the system to do the data match.

**Senator CHRIS EVANS**—Do you have the figures on all five? Then we will go through and have a good chat about each one, if that is all right.

**Mr Whalan**—We will come back with those in a few minutes. I would like to keep going through the explanation, if I may.

**Senator CHRIS EVANS**—You cannot find the money?

**Mr Whalan**—The money is there; we are just finding the splits.

**Ms Scott**—The published documentation does not go to that level of disaggregation.

**Senator CHRIS EVANS**—No, and that is why I am asking.

**Ms Scott**—That is right.

**Senator CHRIS EVANS**—We can have the discussion. I was hoping to have the figures first so I knew whether we were talking about \$2 million or \$50 million. But if we have to wait I would rather press on—I know time is short. If you can take us through each of the measures, we will see how we go. As I understand it, the overseas income measure means that you will be able to better monitor whether clients of Centrelink have had an increase in their income from overseas pensions.

**Mr Whalan**—That is right. One of the problems that exists, particularly with the more elderly clients who have an overseas pension, is that they sometimes receive an increase in the rate and do not advise us of the increase in the rate. So this will actually simplify it and will lead to fewer overpayments.

**Senator CHRIS EVANS**—But that is also a savings measure, isn't it?

**Mr Whalan**—It is a savings measure, because it makes sure that people who have income from overseas pensions are declaring it.

**Senator CHRIS EVANS**—So it means that you will pay out less in Australian income support—

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—as result of having a better guide on what they are receiving from overseas?

**Mr Whalan**—I am going to assume that is the case, and I will get the figures. But, yes, it will cost us to implement it and there will be a saving overall.

**Senator CHRIS EVANS**—I would like both those figures, if you can provide them. Also, I understand—I was not involved at the time—that there was a bit of a problem when we did this with the Dutch. There were a lot of debts and a lot of angst. Do I take it that we are better

prepared and have learnt from that lesson and that we are not going to have a lot of old people frightened about this?

**Ms Hogg**—In that instance, I think a lot of Dutch people assumed that this would be automatically adjusted. I think the lesson from that obviously is that the issue is to actually automate it and therefore tell people that it is happening. A lot of people did not declare in those circumstances because they felt that government-to-government interaction took place.

**Senator CHRIS EVANS**—Yes, but that was a question of you going back, wasn't it? I guess the question is: are you going back when you introduce this system, or are you just starting from whenever you have it up and running—1 July 2006 seems to be the date these days? Say you negotiated with one of the countries—I forget which ones are on the list—and put in arrangements from 1 July 2006, would that apply just to adjustments from then on, or would you be seeking to issue debt recovery notices to those people who it would seem had not properly declared?

**Mr Whalan**—This will partly be decided on the basis of our negotiation with each country about the data that they have available.

**Senator CHRIS EVANS**—It is also a policy question for you, though, isn't it?

**Mr Whalan**—It is going to be a policy question for the Department of Family and Community Services. It will be an implementation question for us.

**Senator CHRIS EVANS**—So you are telling me that I ought to ask FaCS about the policy question?

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—And you will make the implementation decision once you know what their policy decision is—is that correct?

**Mr Whalan**—Yes.

**Senator MOORE**—There will be a systems adjustment, won't there, in terms of data matching and it will then be automatic—

**Mr Whalan**—Yes.

**Senator MOORE**—So the expense is going to be in the systems work?

**Mr Whalan**—Yes.

**Senator CHRIS EVANS**—What does No. 2, a 10 per cent levy on the recovery of debts, mean?

**Mr Whalan**—It was announced in the budget that, where a customer has knowingly underdeclared or has failed to declare to Centrelink their income from employment, there will be a recovery fee of 10 per cent. The guidelines for this and the full details—

**Senator CHRIS EVANS**—How does the 10 per cent recovery fee work?

**Mr Whalan**—The details are yet to be finalised, but essentially it applies to all working-age payments. Prior to a decision being made about any recovery fee, Centrelink will discuss the circumstances of the debt with the customer to ensure it was the customer's intention to

deliberately underdeclare or fail to declare their earnings. We will have to develop guidelines and detailed instructions about how that will operate and we have not done that as yet.

**Senator CHRIS EVANS**—Will you do that or will FaCS do that?

**Mr Whalan**—We will do that in conjunction with DEWR.

**Senator CHRIS EVANS**—So basically, if someone has underdeclared their income and owes you \$1,000, you are going to charge them \$1,100—is that right?

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—So there is a 10 per cent penalty loading on any debt which you deem to be the result of deliberate understatement?

**Mr Whalan**—Where it is clear it is deliberate.

**Senator CHRIS EVANS**—Who is the decision maker on that?

**Mr Whalan**—Centrelink officers will be the decision makers.

**Senator CHRIS EVANS**—Questions of appeal rights et cetera are yet to be worked out?

**Mr Whalan**—Yes, there will be appeals available.

**Senator MOORE**—Will you be able to appeal both the original debt and the 10 per cent impost?

**Mr Whalan**—You can appeal the original debt now.

**Senator MOORE**—Yes. People may appeal the original debt, but they may also wear the debt and then genuinely appeal against it being deliberate and having the 10 per cent added on.

**Mr Whalan**—Yes, they are two separate decisions, so you could appeal either or both.

**Senator CHRIS EVANS**—Did this come out of the Breaching Review Task Force?

**Mr Whalan**—It was a decision in the budget.

**Senator CHRIS EVANS**—I am aware that it was a decision in the budget. We are just trying to trace some of the origins and foundations of these budget decisions.

**Mr Whalan**—I do not believe it was the Breaching Review Task Force.

**Senator CHRIS EVANS**—Did Centrelink provide any advice on the question of a 10 per cent penalty?

**Mr Whalan**—Both Human Services and Centrelink were consulted.

**Senator WONG**—By whom?

**Ms Scott**—Just as part of the normal budget process.

**Senator WONG**—By the task force, by Finance, by DEWR—who are we talking about?

**Mr Whalan**—I understand this was done by the Welfare to Work task force.

**Senator CHRIS EVANS**—So the task force consulted Centrelink about a proposition which it had to apply a 10 per cent penalty.

**Mr Whalan**—Yes, and we had a representative on the task force.

**Senator CHRIS EVANS**—But the original idea for it did not come from Centrelink: were you asked to respond to the suggestion?

**Mr Whalan**—It came from the task force: I do not know what happened within the task force.

**Senator CHRIS EVANS**—Did you provide policy advice or advice about implementation and the systems et cetera?

**Mr Whalan**—It would have been advice about implementation.

**Senator CHRIS EVANS**—Policy advice would have come from DEWR or FaCS?

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—And on the recovery of tax refunds?

**Mr Whalan**—Presently, under the current reconciliation processes, tax refunds and top-up payments are not used to recover family assistance debts incurred in previous years. This change will allow family tax benefit top-up payments and annual tax refunds to offset any outstanding debts that a customer may have. The work there is about data matching with the Taxation Office.

**Senator CHRIS EVANS**—So you will effectively be able to garnish the tax refund of a client in respect of what debts? Is it just the family tax or other debts?

**Mr Whalan**—The genesis of this was about how you actually try and reduce the number of family related debts at any period in time. So this is one positive way of doing that. It is only in respect of family assistance debts from previous years that this would occur.

**Senator CHRIS EVANS**—So it is limited to family tax debts from previous years?

**Mr Whalan**—Yes, family assistance debts from previous years.

**Senator CHRIS EVANS**—So if there was a debt from that current year you are not able to have an impact on that?

**Mr Whalan**—I would have to confirm that, but going any further on this is really the responsibility of the Department of Family and Community Services. They will set the rules around how this will operate.

**Ms Scott**—I might be able to help a little. The maintenance income credit means that most child income support payees are unable to control when the back amounts that they are owed are paid to them. This can have an impact on their family assistance and creating a debt for them through an overpayment. This measure will allow families to access their unused maintenance income free areas for previous years to offset late maintenance payments. There is both a positive and a compliance aspect to this. This is the positive aspect. This will mean that families receiving these maintenance income payments that have been owed to them will be able to draw on their unused entitlement from previous years and this will be of benefit to them. So that is the positive aspect of the measure.

**Senator CHRIS EVANS**—So what is the cost to Centrelink? Is it in systems administration again?

**Mr Whalan**—Once again, we are going to come back to each of those.

**Senator CHRIS EVANS**—I know you are going to come back with the figures. Why have you been given money? Is it because you have to change your systems to achieve this?

**Mr Whalan**—We will have to do more data matching with the tax office and change the systems to do data matching in this particular area.

**Ms Scott**—This measure is expected to benefit just over 18,750 customers.

**Senator CHRIS EVANS**—And how many is it estimated to hurt?

**Ms Scott**—I will see if we can ascertain those figures for you. The positive measure is on page 165 of Budget Paper No. 2. There is an initial capital cost associated with the measure, and then it will result in benefits to families of around \$15 million or \$16 million in a full year.

**Senator WONG**—Ms Scott, in answer to Senator Evans's question I think you gave a figure of the number of families that would be benefited—or did I mishear?

**Senator CHRIS EVANS**—I think it was 18,000.

**Senator WONG**—So, if you have that, what is the other side of the coin?

**Senator CHRIS EVANS**—How many tax returns are expected to be affected?

**Senator WONG**—If you have figures on one, surely you have figures on the other, Ms Scott.

**Ms Scott**—We are trying to do that.

**Mr Whalan**—We are having trouble doing the splits. We are going to try and get it before the end of your session, but we are having trouble doing the splits.

**Senator CHRIS EVANS**—This is on identifying the financial costs?

**Mr Whalan**—This is the amount per measure.

**Senator CHRIS EVANS**—We should be having a bit of detail on who it affects, too. Would you rather we did this a bit later in the day or something?

**Mr Whalan**—One of our difficulties here is that, if you were asking FaCS the question, I am sure they would have the answer very much at hand. If you could come back to it, that would be helpful.

**Senator CHRIS EVANS**—I do have FaCS next week. I do not want to waste the time of the committee and/or put undue pressure on your officers if it is something that we are confident that FaCS are going to be able to provide and they do not tell me, 'You should have asked Centrelink that last week.' When I get that story, I get a bit wild. But as long as you are confident that FaCS will be confident and prepared to assist us in this, I am happy to defer that consideration until they appear before us.

**Mr Whalan**—I will confirm that before the end of the session.

**Senator CHRIS EVANS**—Thank you. We will leave the question of the detail to FaCS. I reckon it is always a disadvantage coming in the second week, because by then you have had so many handballs that you are really just lined up, and DEWR and FaCS have more than

their share coming. I am sure they are all listening in and busily preparing. What is Centrelink's involvement in the whole new compliance and breaching—

**Mr Whalan**—The new suspension arrangements.

**Senator CHRIS EVANS**—Okay.

**Senator WONG**—Is suspension the fourth measure that you have described?

**Mr Whalan**—Yes, the fourth and I think the fifth. The last measure was the case management of customers serving a non-payment period. That is related to—

**Senator WONG**—That is suspension, so what was the fourth measure?

**Mr Whalan**—The fourth was where we are involved with a customer for an eight-week non-payment period, where a customer has failed to meet the requirements without a reasonable excuse three times in the one year.

**Senator CHRIS EVANS**—What is your involvement in this new suspension regime, in terms of settlement? Were you consulted about the new regime? Is this out of the Welfare to Work task force again?

**Mr Whalan**—We were asked for input, so, yes, we were consulted.

**Senator CHRIS EVANS**—Was that request from the Welfare to Work task force?

**Mr Whalan**—The request came from the Welfare to Work task force.

**Senator CHRIS EVANS**—For input?

**Mr Whalan**—Yes, that is correct.

**Senator CHRIS EVANS**—Input into what—the proposition that we might move to a new suspension regime?

**Mr Whalan**—We had an officer in the task force and, whilst they were doing their work, they asked for comments, but really the work was being done in the task force. We were aware that this was something that they were considering and they did get comments from us on it.

**Senator CHRIS EVANS**—So, apart from providing some comments on the proposition that has been adopted in the budget, did you do any modelling on it?

**Mr Whalan**—No.

**Senator WONG**—Did you seek any legal advice?

**Mr Whalan**—No.

**Senator WONG**—Were you asked to provide advice about the legal framework for decisions such as suspension?

**Mr Whalan**—No.

**Ms Scott**—There is no change in who makes the decision.

**Mr Whalan**—Centrelink officers still make the decision on who receives a payment.

**Senator WONG**—Within what time frame?

**Ms Scott**—They will attempt to contact a customer on at least two occasions.

**Mr Whalan**—The aim is for that to happen on the day of the suspension, but, once again, I think the fine details of this have yet to be worked through and agreed between now and—

**Senator CHRIS EVANS**—What attempts did you say you are required to make?

**Ms Scott**—Centrelink will attempt to contact the customer on at least two occasions, including on the day the suspension is applied, to determine the reason for failing to meet a requirement.

**Senator CHRIS EVANS**—What is the form of the contact that Centrelink is required to make?

**Mr Whalan**—If you want, we can take you through the current arrangements and the post arrangements, if that is helpful.

**Senator CHRIS EVANS**—Yes, I am happy to do that in a second. What sort of contact is there?

**Mr Whalan**—Phone contact.

**Senator CHRIS EVANS**—You have already given evidence today that phone contact is proving quite difficult for people during the day. Is it envisaged that you will be making these call at night or out of normal hours?

**Mr Whalan**—We will be flexible in the way that we do it. We would do it across a broad span of the day. We operate over a good 12 hours of the day.

**Senator CHRIS EVANS**—Would you take us through the key differences?

**Ms Hogg**—In the current process, the Job Network initially makes two attempts to contact the customer and, if they cannot contact the customer, they send Centrelink a participation report.

**Senator WONG**—If they cannot make contact, what do they then do?

**Ms Hogg**—If they are unsuccessful in contacting, for instance, the job seeker, they send Centrelink what is called a participation report, which is virtually a record of why they were trying to contact the customer and how they have tried to contact the customer et cetera and been unsuccessful. When Centrelink receives the report, we then try again to phone the customer, at least twice. If that is unsuccessful, we then suspend payment pending some contact from the customer. When the customer contacts Centrelink we then make a decision about whether a breach penalty should apply. At the moment you have a regime which is suspension and then potentially a breaching process at the end of that which can involve a reduction in payment or indeed stopping payment for some periods. That is the current process.

It is very early days for the new suspension model but, under the suspension model, the breaching process itself is removed completely. Again, the Job Network would attempt to contact the customer about the failure to meet a requirement and, in the same way as the current model, if that is unsuccessful a participation report will be sent to Centrelink. On receipt of that report we will then immediately suspend payment, unless we already have evidence. Through our contacts with the customer we quite often know that the customer

would not be available because they might be working already et cetera or indeed they might have a medical certificate. However, if we do not have those sorts of indications we will attempt to try to contact the customer at least twice by phone.

**Senator CHRIS EVANS**—That is after you have suspended them?

**Ms Hogg**—Yes. If the contact is unsuccessful, the payment will remain suspended, pending contact with the customer. When the customer does make contact, we get in touch with the customer and work out their circumstances. If the customer had a reasonable reason for not complying with the requirement, we then have the option of restoring payment from the original date of suspension, so there is no loss of payment to the customer. However, if the reason for the noncontact is not reasonable then we can only restore—we have the choice of making the restoration from the date of contact with the customer, so there would be a period of nonpayment in there.

**Mr Whalan**—I have a couple of comments. One is that this approach, I understand, is consistent with the approach of the Breaching Review Task Force. What it effectively means is that, if a person for legitimate reasons has not attended and is suspended, rather than proceeding under the breaching arrangements where they can risk losing money, they actually get the money backdated—so they have no break in their funding once we have contacted them.

**Senator CHRIS EVANS**—But they starve to death in the meantime?

**Mr Whalan**—This is a draft and the details of it have yet to be fully agreed with DEWR, noting that this is not to be implemented until 1 July next year.

**Senator WONG**—You are not suggesting, are you, that the task force recommended suspension, without contact, only on the basis of a Job Network provider's report?

**Ms Scott**—I think Mr Whalan is referring to the fact that this moves away from breaching and towards the suspension system and that is effectively what the breaching task force highlighted.

**Senator WONG**—We are not to know that, are we? Have we got it yet?

**Ms McGregor**—The Breaching Review Taskforce report was provided to Minister Andrews to send out, I believe. It was considered in the context of Welfare to Work. The suspension model has been in existence in part since 2002 in relation to some of the AWT measures. It would probably be best for DEWR to comment, but I do not believe that when the suspension applied was necessarily covered specifically. The notion of this new model, as Mr Whalan has said, is that, unlike the current regime, the suspension is the penalty. These people are actually meant to be available and actively looking for work. If we make contact with them and they have a legitimate reason, they will not be penalised. The aim of the suspension model is to maintain connection. That is the essential difference between the current system and the new system proposed for 1 July 2006.

**Senator CHRIS EVANS**—When was the Breaching Review Taskforce report made public?

**Mr Whalan**—On 12 May. It was tabled in the Senate.



**Senator CHRIS EVANS**—I see that the phrase that has been adopted is ‘consistent with the findings’. That is a question for argument, I suspect.

**Ms Scott**—I think the exact words are ‘consistent with the directions’.

**Senator CHRIS EVANS**—Whose exact words are they?

**Ms Scott**—They are on page 11 of the budget papers on Welfare to Work.

**Senator WONG**—They are not the budget paper’s words; they are the media release’s words.

**Senator CHRIS EVANS**—So it is the government’s line on it. Whether it is consistent or not is a subject that I am happy to have a discussion about, but this is not the place.

**Senator Abetz**—We are in heated agreement on that!

**Senator CHRIS EVANS**—I am just suggesting that we are not all perhaps as convinced of consistency with the Breaching Review Taskforce findings. There are some key aspects of this that I want to explore. Senator Wong alluded to them. One aspect is the decision to effectively rely on the Job Network provider’s information alone before suspending payments to a recipient. That is a new development, isn’t it?

**Ms Hogg**—I repeat that Centrelink will look at the information that is provided by the Job Network member before it takes any action. Centrelink does not necessarily just act on participation reports. It looks at what is recommended and what the Job Network has actually found. It looks at its own records and contact with the customer to see whether what the participation report is saying is robust. We do not just act unilaterally on the participation reports.

**Senator WONG**—When you went through the current process and the suspension model before, you said, ‘On receipt of the report we will immediately suspend and then we will attempt to contact.’ Those are my notes. The point Senator Evans is making is that there is no independent inquiry of the job seeker by the decision maker until after the decision to suspend.

**Ms Hogg**—I read from a process which clearly says that, when we receive the participation report, unless Centrelink already has evidence that the customer was unable to comply because they have a medical certificate, they were exempt from the activity test, we knew they were working or they had previously told us that they were not available, we would then suspend. In the process described here, we would look at our own records, obviously, but then we would, and we would then attempt to contact the customer.

**Senator CHRIS EVANS**—I have looked at the Minister for Workforce Participation Mr Dutton’s material and the budget papers. The emphasis seems to be very much on Centrelink moving to suspension if the job seeker does not comply with the participation requirement. It does not seem to talk at any great length—or at any length at all—about Centrelink then engaging in some other process.

**Ms McGregor**—The main issue with these new arrangements and the idea of suspending at the front of the process rather than at the end is that, from our studies and even the pilot we have been running in conjunction with the Job Network over the last year, we know that the

speed of contact and reconnecting—getting the person back in—is the key to success. What this model proposes is reducing the time taken to action a participation report from 16 days to one day so that the customer is straight back in and able to reconnect with their provider. That is the best chance of their, first, getting a positive outcome and, second, not losing any of their benefit.

**Senator CHRIS EVANS**—Doesn't it also mean that their payment is suspended much faster? Isn't that another way of saying the same thing—that you will suspend their payment within a day?

**Ms McGregor**—Until they connect with us, that is the period of suspension.

**Senator CHRIS EVANS**—But that is right, though, isn't it—it is another way of saying the same thing? You put the positive spin, I put the negative spin but we are saying the same thing.

**Ms McGregor**—I am a 'half full' sort of person.

**Senator Abetz**—I am not sure whether this is necessarily a topic for estimates—the semantics that you can put in press releases and assert.

**Senator CHRIS EVANS**—We are trying to tease out what Centrelink are going to do, and this is a key issue, it seems to me. I do not think that anyone argues that this is not a major change in the breaching and suspension arrangements.

**Ms McGregor**—I guess what you are saying is correct but the point really is that the suspension, once the contact is made, is lifted.

**Senator CHRIS EVANS**—If and when it is made.

**Ms McGregor**—Yes, but under the current system a breach is imposed as well.

**Senator CHRIS EVANS**—A friend of mine has a son who has periodic mental health episodes. He goes missing for a couple of weeks. He is the sort of person I am thinking about.

**Ms McGregor**—And I think that is the issue that Ms Hogg covered—

**Senator CHRIS EVANS**—If he does not turn up for a job interview that is reported and he is suspended. He is not going to respond to a phone call—he does not respond to his parents' phone calls.

**Mr Whalan**—Ms Hogg has already mentioned that Centrelink might already have evidence that a customer is unable to comply. We have yet to work through the details of that between now and 1 July next financial year, when this commences—in 13 months time—and other sorts of issues.

**Senator CHRIS EVANS**—Do they have a phone, do they speak English—all those other barriers that we have long recognised, and we are moving to an automatic suspension regime. We want a reassurance that the automatic suspension regime does not fall very harshly on those people.

**Mr Whalan**—For the vast majority of the population this ought to be a better system. Firstly, it happens very fast. Secondly, we know that when people are reconnected quickly they are more likely to get a job. Thirdly, if anyone is aware, even if we do have difficulties

contacting them, that their money stops they very quickly get in touch with us. The combination of those factors, for the vast majority of people, means that they are not out of pocket and are connected very quickly. Under the current system if you are not in contact for a period of time you can end up being out of pocket as a result. Under this system, if there is a—

**Senator CHRIS EVANS**—If you are not in contact you are out of pocket.

**Mr Whalan**—If there is a reasonable reason you get the money.

**Senator WONG**—You have still got the discretion. But if it is unreasonable—

**Mr Whalan**—The difference is that a breach meant that you lost money. A suspension means ‘explain why, and if it is a reasonable explanation you get the money’. You lose access to it for a period of time but this is a very fast process and you get your money.

**Senator WONG**—Presumably you can contact them.

**Ms McGregor**—That is right.

**Mr Whalan**—Yes.

**Ms McGregor**—As I alluded to before, with the work we were doing in a trial in South Australia called Rapid Reconnection, what has led to the success of connection is the dialogue between the Job Network and Centrelink. During the pilot we found that we could get a reconnection rate of 98 per cent in 24 hours. Since we have rolled out this process, intrinsic to the success of it is the dialogue. It seems quite a small thing but by conversing between the Job Network and Centrelink we are reaching nationally a 71 per cent rate of reconnection appointments within 24 hours. While you have that concern we still have the evidence that the contact can be made, and the suspension is a trigger to get the contact. If they realise that they have not been paid then they will want to find out why pretty quickly. The evidence of the trials is showing that it brings about a behavioural change. I suppose that is one way of describing it.

**Senator CHRIS EVANS**—One of my other concerns, though, is that under the new system more people who would traditionally have been on DSP will now be on Newstart and subject to the new suspension regime. There is a whole client base with mental health issues who are moving from DSP onto Newstart.

**Ms McGregor**—This is not to be flippant at all but we have not solved all the procedural arrangements, and that is what we will be doing in conjunction with DEWR over the next 13 months. These are the sorts of issues that have been raised. In terms of making concrete those procedural arrangements, DEWR is undertaking consultation in the finalisation of these arrangements.

**Senator WONG**—DEWR is undertaking them. This is, under statute, your decision, isn't it?

**Mr Whalan**—Yes, once we have all the evidence.

**Senator WONG**—Do you understand that under statute the discretion lies with your organisation to require you to ensure that there is an independent assessment of the material presented to you by Job Network seeking that a person be suspended?

**Mr Whalan**—I would like to either take some advice or take that on notice. You are suggesting that it does but I would like to either take some advice or take it on notice.

**Senator WONG**—There is a lot of law around inappropriate delegation of statutory discretions. I am surprised that, given what is being suggested is a situation where you essentially rubber-stamp a Job Network agency's report for the purposes of making a decision under the act, there has been no legal advice sought on this issue.

**Mr Whalan**—What we do is take account of the report and the evidence that we have.

**Senator WONG**—So tell us what you actually do. As I understand what Ms Hogg went through, the attempt to contact is made only after suspension has occurred. So you read the—what did you describe it as, the participation report, was it?

**Ms McGregor**—Yes.

**Senator WONG**—Was that the phrase?

**Ms McGregor**—Yes.

**Senator WONG**—And you might check your own records as to whether you have a current medical certificate. I think that was one example. What else are you proposing to do?

**Mr Whalan**—Take account of what other information is on the file and our knowledge of the customer.

**Senator WONG**—The existing file?

**Mr Whalan**—Correct.

**Senator WONG**—But no further investigation?

**Mr Whalan**—It will be an existing customer.

**Senator WONG**—What is on the existing file, I am saying—no further investigation regarding the specific alleged breach or alleged noncompliance which has occurred. You will not do that before you suspend them.

**Ms Hogg**—As I mentioned previously, we look at the participation report very carefully in terms of the information that is being provided to Centrelink about why Job Network consider that the customer has not complied with the requirements. We often go back to the Job Network initially and talk to them about the information that they have provided. We may well share information with the Job Network about why this customer might not have been able to comply in terms of them making sure that their knowledge of the customer is as good as ours. We do look very carefully at the report first.

**Senator WONG**—We are not talking about the past process, we are talking about the future.

**Ms Hogg**—We do not intend to have anything different in that.

**Senator WONG**—So are you saying that under the new model it is open to Centrelink to refuse to suspend if you are not happy with the Job Network provider's participation report? Is that right?

**Ms Hogg**—My view would be that if we were unclear, uncertain, unsure of the recommendation that Job Network was making, yes, we certainly would question that with the Job Network before we did anything.

**Senator WONG**—But the question is: do you understand that you retain a discretion to refuse to suspend, notwithstanding—

**Ms Scott**—Any number of times the government is on record as saying that the decisions about people's payments, including suspensions, will remain with Centrelink.

**Senator WONG**—Yes, Ms Scott. I note that those press releases were released after some press reportage—not the other way around—but let us not go there. I just want to focus on this issue. Is it not the case that a very substantial proportion of Job Network participation reports are not acted on by Centrelink?

**Ms Scott**—Just bear with me and I will find you the figures on this. Mr Chair, would it be reasonable to knock over one of the other questions that you asked us earlier about CSA and absenteeism?

**CHAIR**—Yes.

**Ms Scott**—That has now been tabled, and we can read the answer into the transcript, if you wish, while my colleagues find the figures that Senator Wong asked about.

**CHAIR**—Yes; we would appreciate that.

**Mr Miller**—In respect of your question on the Child Support Agency for the 2003-04 financial year, the number of days taken for sick leave was 36,401. This comprised 30,772 days paid sick leave and 5,629 days unpaid sick leave. The average number of sick days taken was 12.69 per full-time equivalent employee. The Child Support Agency certified agreement and individual Australian workplace agreements provide for 15 days each year. Unused sick leave in any year accrues and may be granted in accordance with standard leave provisions to the employee in subsequent years. Employees are able to purchase sick leave under certain circumstances up to a maximum of 20 days. Sick leave taken by an individual is directly monitored and reviewed by the employee's team leader on an ongoing basis and in line with the agency-wide strategies and policies. Agency-wide sick leave is considered by the agency's executive and the National Occupational Health and Safety Commission as a part of regular performance management, monitoring and review.

**CHAIR**—I do have questions on this, but now is not the time because my colleagues have plenty of questions. Could you just take one question on notice in relation to an issue that Mr Whalan flagged before?

**Mr Miller**—Sure.

**CHAIR**—You mentioned that the average sick leave taken for a full-time employee is 12.69 days. Could you also give the figures for the broader category that Mr Whalan flagged—that is, the unscheduled absences? Sick leave seems to be about three-quarters of the broader category.

**Mr Miller**—In the case of CSA, it is 16.64.

**CHAIR**—It does seem high, but now is not the time to progress that issue.

**Mr Miller**—I am happy to do it later if that is what you want.

**CHAIR**—I am finished with you.

**Senator CHRIS EVANS**—You might want to organise a briefing on the subject.

**CHAIR**—Mr Miller, some other time perhaps. Mr Miller and Ms Bird, thank you very much for your attendance. The committee no longer requires you.

**Mr Whalan**—Returning to Senator Wong's question, 77 per cent are rejected.

**Senator WONG**—Have you been given a target of how many they want you to act on under the new scheme?

**Mr Whalan**—We will treat them on their merits.

**Senator CHRIS EVANS**—How can you erect a system based on the automatic acceptance, or presumed acceptance, of reports if you currently reject 77 per cent of them?

**Ms Scott**—We do not have to do that. If we already have on the file that the person has a medical condition, is in a bereavement period, has a sick child or whatever, suspension will not occur.

**Senator CHRIS EVANS**—No, but the presumption is that you get the employment report from the Job Network provider and after two failures you are supposed to do something, unless there are mitigating circumstances.

**Ms Scott**—That is right, so it is not a blind acceptance; it requires the officer to be informed about what is on the file.

**Senator CHRIS EVANS**—I accept that, but the question still remains, doesn't it? You have not answered the central question, which is: how do you build a system on the edifice that you reject already 77 per cent of those reports?

**Mr Whalan**—We will do that over the next 13 months, together with DEWR. I think we are straying into a number of questions that would be better to ask DEWR.

**Senator CHRIS EVANS**—I accept that. There is frustration for members of the committee, as I think you would have noticed in our last report on the matter. There was a unanimous report which indicated that we were unhappy with those arrangements, because the reality is that we did find talking to FaCS and Centrelink at the same time a useful way of resolving our business. The new administrative arrangements are proving a bit of a burden in terms of those issues. It is not my intention to labour these issues with Centrelink today, because I will take them up with FaCS and DEWR. I once again record the frustration at having to do it with different parts of the program. I will not persist with this, but I do not know whether Senator Wong wants to persist with it.

**Senator WONG**—No. The only thing I wanted was the scripts that we are waiting on.

**Mr Whalan**—I will table them now.

**Senator WONG**—Thank you.

**Senator CHRIS EVANS**—I want to ask you this, because I know if I ask FaCS next week they will say that it is a Centrelink officer. I understand the officer despatched to the Philippines to assist Vivian Alvarez Solon Young is a Centrelink officer.

---

**Mr Whalan**—Correct.

**Senator CHRIS EVANS**—I do not want the officer's name but which section are they out of and what seniority are they?

**Mr Whalan**—The officer is a business manager who works in the Northern Territory and is also a social worker.

**Senator CHRIS EVANS**—So there are two Centrelink officers?

**Mr Whalan**—No, she is all of those.

**Senator CHRIS EVANS**—She is a social worker and a business manager—

**Mr Whalan**—Who works in the Northern Territory.

**Senator CHRIS EVANS**—for Centrelink. I see. I was told that on this one you were the lead agency; is that correct?

**Mr Whalan**—No, PM&C are the lead agency.

**Senator CHRIS EVANS**—I will have to check the *Hansard*. I thought they doxed you in on this one. I must be wrong.

**Mr Whalan**—PM&C are the lead agency.

**Senator CHRIS EVANS**—All right. Who does this officer report to?

**Mr Whalan**—Professionally she reports to Centrelink. The guidance for the majority of her work is coming from the Department of Family and Community Services. Prime Minister and Cabinet are doing the coordination.

**Senator CHRIS EVANS**—That is right, I think they told me FaCS was the lead agency and they do the coordination role.

**Mr Whalan**—Yes, to be more explicit, PM&C has the coordination responsibility and FaCS has the policy responsibility.

**Senator CHRIS EVANS**—I think that is what PM&C said. They referred to FaCS as being the policy lead, and they are doing the coordination. So the direction of this officer's role is coming from FaCS now, is that fair to say? Who is she reporting to for the day-to-day management of what she is doing in the Philippines?

**Mr Whalan**—Centrelink. This is what she does. We are the communication point through to her, but what we are asking her to do is being framed by the Department of Family and Community Services. So she works for Centrelink.

**Senator CHRIS EVANS**—If I were to ask the question whether you have offered social work or counselling to Ms Vivian Alvarez Solon Young, would you tell me to ask FaCS or would you tell me the answer to that?

**Mr Whalan**—I am quite happy to say that the Centrelink officer is over there providing support to Ms Solon.

**Senator CHRIS EVANS**—Yes, but if I want to know information as to the type of support being provided—

**Mr Whalan**—Then no-one will tell you, because that is a matter about an individual and it would be inappropriate to tell you.

**Senator CHRIS EVANS**—Is that right?

**Mr Whalan**—We do not disclose information about individual customers.

**Senator CHRIS EVANS**—Is that a direction in relation to this?

**Mr Whalan**—No. It applies if you ask me about any customer.

**Senator CHRIS EVANS**—I do not think the Centrelink officer is over there purely in a Centrelink role. She has been despatched, as I understand it, under PM&C coordination, to perform a particular task. I do not think anyone pretends it is purely a Centrelink task.

**Mr Whalan**—From our perspective, she is over there playing a professional role with a customer. That is why we deliberately chose a social worker to go.

**Senator CHRIS EVANS**—So will you despatch someone to any other Australian citizen overseas who requires your services? I think we would agree that this is a rather unusual case. There is a whole-of-government response.

**Mr Whalan**—Even though it is unusual, the original principle applies. There are a lot of unusual cases both in Australia and overseas, with individual clients, that get a lot of press. We are involved with virtually every one of them, and I cannot talk about them.

**Senator CHRIS EVANS**—Have you had any advice about that matter?

**Mr Whalan**—No. That is my judgment.

**Senator CHRIS EVANS**—So if the parliament wants to know what sorts of services are being provided to Ms Solon Young, you would say that that is none of the parliament's business?

**Mr Whalan**—Other than talking broadly. If a minister with the responsible authority wanted to know then I would tell him or her.

**Senator CHRIS EVANS**—I am not trying to breach privacy rights, as you would understand. I am not after any particular private information, but I am interested—and I think the Australian public are interested—in what support services we are now providing to this woman. When we asked PM&C about this, we were referred to FaCS and Centrelink as the responsible agencies. I am just trying to get a sense, Mr Whalan, of whether in the circumstances that is a reasonable response. I accept that if I asked you about what you are paying Mrs Jones around the corner in pension payments you would rightly say to me that that was a private matter.

**Mr Whalan**—FaCS may be able to go further on what the government is proposing to offer. I say 'may'. But we are looking at it from the perspective of an individual Centrelink officer and a customer.

**Senator CHRIS EVANS**—All right. I will leave it at that.

**Senator WONG**—I have a question about the DSP rapid connection and reconnection initiative, which Ms McGregor could take on notice. There is a reference to questions and answers on that in the scripts which I have been provided with. Could you provide the script



and/or the question and answers which are utilised in the rapid connection initiative. They are referred to in the script. I would prefer it if you could provide the answer soon so that we have the opportunity to look at it during the estimates period.

**Mr Whalan**—We will take that on notice.

**Senator WONG**—Perhaps you can indicate whether there is a problem with that, Mr Whalan.

**Mr Whalan**—I do not believe so. Chair, I have one clarification to make. I need to clarify that tax refunds are currently used to offset current year debt. The change I referred to earlier, which will come in from 1 July 2006, will allow tax refunds to offset family debt from previous years.

**Senator McLUCAS**—Because that was in the previous policy?

**Mr Whalan**—Correct.

#### Proceedings suspended from 4.05 pm to 4.24 pm

**Senator ALLISON**—My first question probably needs to be taken on notice, and I apologise if it has been asked before. Tell me if anything I ask has already been dealt with. How many first, second and third breaches were imposed in 2004 on newstart allowance recipients who had been in receipt of payments for more than three years? Is it possible to distinguish between administrative and activity breaches and to specify how many eight-week payment suspensions were imposed?

**Mr Whalan**—We do not have that detail here. We will take that on notice and will try and provide you with as much of that as we are able.

**Senator ALLISON**—That has not been published before, has it? You cannot get that by going to the web site or the annual report?

**Ms Scott**—No.

**Mr Whalan**—Not at that level of detail.

**Senator ALLISON**—As I understand it, the personal adviser rationalisation means a cut in the number of personal advisers. Is that correct?

**Mr Whalan**—We already went through a series of questions on this which went to how many had been cut by year and what work would change as a result of the cuts.

**Senator ALLISON**—Is that over the next three years?

**Mr Whalan**—Yes. There will be two years of cuts. There is a drop into next financial year, and a further drop into the following financial year.

**Senator ALLISON**—Did you answer those questions?

**Mr Whalan**—Yes.

**Senator ALLISON**—I will look at the *Hansard*. Will activity tested parents and mature aged jobless people still be able to use the personal advisers?

**Ms Hogg**—Certainly over the coming year the personal advisers and the job that the personal advisers do will remain, except for where the government has decided to start to

reduce the personal adviser activity. But after that the government has decided on a different approach to participation. Those customers will still have access to participation advice but through a role that Centrelink has which deals more broadly with participation, which is what we would call a participation adviser. In short, the answer is: yes, they will still have access to those services.

**Senator ALLISON**—So the new position is called a participation adviser?

**Ms Hogg**—It is an existing position. Over the next 12 months, we intend to transition most of the personal advisers' specific roles into those jobs, which will actually broaden their role.

**Senator ALLISON**—What difference will that make to people who seek this advice?

**Mr Whalan**—It should make no difference. The officer they see will have a different title but the same skills and experience.

**Senator ALLISON**—But the participation advisers do other jobs as well.

**Ms Hogg**—Yes, they will do the income support process as well, which is not something that the personal advisers currently do. So it will be broadened in that sense to include this stronger view of participation, encouragement et cetera with the income support role.

**Senator ALLISON**—Are there going to be more participation advisers to pick up the work that was done by the—

**Ms Hogg**—Yes.

**Senator ALLISON**—Will it be an equivalent number?

**Mr Whalan**—It will be a large number more.

**Senator ALLISON**—Will activity tested parents and mature aged jobless people still be able to use the personal advisers?

**Ms Hogg**—In the same way as we describe the transitioning of the role, they will have access to the participation adviser.

**Senator ALLISON**—Is that also true for Indigenous people, people released from prison and people with activity test exemptions?

**Ms Hogg**—It is true of all customers that have a participation requirement.

**Senator ALLISON**—Who, if anyone, will still have access to the personal advisers?

**Ms Hogg**—Over the next year, access to personal advisers will be more targeted, given the government has decided to reduce those services for some customer groups. However, over that period and leading up to July 2006, we will be transitioning the personal adviser role into that of participation advisers, so after that point we will be moving away from the personal adviser role into a broader role. Basically, all customers that have a participation requirement will get access to those services, so the government is actually broadening who gets access to those sorts of services.

**Senator ALLISON**—So eventually there will be no personal advisers as such?

**Ms Hogg**—It would be in name only. That would be my understanding of the government's intention.

**Mr Whalan**—We would expect that the people will still be there or we hope that the people would still be there. We will give them extra training.

**Senator ALLISON**—So the people who are currently personal advisers are being retrained as participation advisers?

**Mr Whalan**—We expect to give the personal advisers extra training to have a greater focus on participation and getting people into work. They will be there in the role of participation advisers.

**Senator ALLISON**—How significant is this change in emphasis? Do personal advisers not do that sort of work at present?

**Mr Whalan**—They have increasingly had a focus on engaging people with work as well as working with individuals on barriers to work, but we are going to further increase that emphasis.

**Senator ALLISON**—How many personal advisers altogether are employed at Centrelink?

**Mr Whalan**—There are 783.

**Senator ALLISON**—Will they all be retrained to be participation advisers?

**Mr Whalan**—Yes, that is what I would expect. My only hesitation is that some of them may say they would like to do something else. We would consider that as well. But we will be inviting them to be retrained as participation advisers.

**Senator ALLISON**—It does not sound like a very substantial change if they are just getting a bit more training and that is it.

**Mr Whalan**—That is only one element of this very large new package. The package includes funding for a very large number of additional staff who will also be working in this area focusing on participation and connecting people to work.

**Ms Scott**—I think we need to see this change as part of an overall shift towards a greater focus on work. In the past, there has been a focus on social participation as well as work participation. The focus will increasingly be on work participation and ensuring that those people who have a capacity to work are put in touch with people who can assist them into work. Viewed in isolation, it does not look like a dramatic change. But, when you consider that it is part of a \$3.6 billion package with changes already under way—and we discussed that this morning—you will see that it is part of a larger picture where the focus is on moving those people who are able to work into work.

**Senator ALLISON**—Can you give a case study or example of the work that is currently done by a personal adviser that will not be appropriate after the rationalisation, just so we can understand what that means in effect? What sort of social advice is being given that will not now be given? What sorts of people will be in the situation of receiving a different and more targeted message?

**Ms Hogg**—As the secretary said, the government's agenda prior to the latest Welfare to Work initiative was obviously preparatory in the sense that it focused on certain groups in a targeted way to encourage them to participate, largely in a voluntary capacity. All of the skills that Centrelink engendered in its staff for that process are still very valuable. What the

government has done is broaden that group of people who it wants to assist back into the work force. Therefore, Centrelink will work with those same staff and others to target them particularly. They will have the same conversations they have had with a broader group of customers, although those customers will have a requirement now to seek work and not all of them will have the same voluntary capability. They will now be looking at the whole issue of Centrelink's role—that is, basically, what the income support entitlement is, what the requirements are, how they can put the customer in contact and how they can get them to the Job Network as quickly as possible—and also talking to the customer about their obligations.

That is the difference between the new role and what you will see a personal adviser do. It is basically voluntary. It is an encouragement role and there is no requirement. Our new role will certainly be required to explain all those issues to the staff as well as employ the skills that the PA currently uses.

**Ms Scott**—Let us look at a particular segment. Parenting payment recipients from 1 July 2006 who have their youngest child over the age of six will be required to seek work. The participation advisers will be an important part of moving those through the system so that they can get assistance if that is required and if they are able immediately to be referred to the Job Network. So that is a group who at the moment only have a voluntary requirement.

**Senator ALLISON**—I understand that. I am just trying to understand what the difference will be in the advice they receive or the service they receive from what used to be a personal adviser and from what is now a participation adviser. I am not clear on what they used to do, apart from having a nice chat with people and not putting any pressure on them. Is that the extent of it?

**Ms Hogg**—A lot of it is indeed working with people in a sense to encourage them to move from certain social activities that they might already be involved with and to see potential in what they currently do, to see their skills as marketable in a buoyant labour market, and to encourage people to have the confidence to get back into the labour market. They will still use those skills and have those conversations because it is about encouragement and support for people, but the government has put tighter obligations over some customers who do not currently have them and our staff will need to explain that new policy as well as doing the encouragement. It is a bigger role but you will basically use the same skills and have the same conversation but also explain the new policy.

**Mr Whalan**—And the emphasis is on work and connecting with work, as well as the change from voluntary to compulsory, rather than on social participation.

**Ms Scott**—As opposed to, for example, being a volunteer in a tuckshop.

**Senator ALLISON**—They would be encouraged to look for work in a tuckshop; is that right?

**Ms Scott**—They would be encouraged to work in a paid capacity.

**Mr Whalan**—Rather than, for example, participate as a volunteer.

**Senator ALLISON**—Does that mean a lot of tuckshops are going to be without mums to help out with serving?

**Mr Whalan**—People who work are often able to do that as well.

**Ms Scott**—That is true.

**Senator ALLISON**—So you think a mother who helps in the tuckshop and has to get a job as well may be able to do both things?

**Ms Scott**—I have workers who are able to work and attend tuckshop duty.

**Senator ALLISON**—With six-year-olds?

**Ms Scott**—There were two children who were in primary school.

**Senator ALLISON**—Some people are super mums. Are the JET and return to work programs going to continue?

**Mr Whalan**—I do not believe there is any change in those programs, but that is a matter for the Department of Employment and Workplace Relations.

**Senator ALLISON**—Will the non-activity tested parenting payment recipients still have access to JET child-care assistance and funds for training?

**Mr Whalan**—We will take that on notice.

**Senator ALLISON**—Could you also take on notice the current allocation, the number of places and the cost? How has that changed, or how is that proposed to be changed, from previous years?

**Mr Whalan**—Yes, we can.

**Senator ALLISON**—Will people have access to both personal advisers or participation advisers and employment preparation at the same time?

**Mr Whalan**—We have just explained that, increasingly, personal advisers and participation advisers will be the same thing. What was the third group—personal advisers, participation advisers and?

**Senator ALLISON**—Employment preparation.

**Mr Whalan**—Yes.

**Senator ALLISON**—Has there been any assessment done on the likelihood of finding jobs for people in the targeted groups and perhaps the non-targeted groups? Some will be easier than others to get back into the work force.

**Mr Whalan**—That is a matter for the Department of Employment and Workplace Relations. They do that work.

**Senator ALLISON**—Okay; so it is not something that you concern yourself with. Were questions asked earlier about ANAO's report *Centrelink's customer feedback systems*, which includes detail on Centrelink's customer complaint management and feedback review system?

**Mr Whalan**—No.

**Senator ALLISON**—That report found:

... significant inconsistency across the customer service network in the frequency of prompt resolution of complaints ...

From that report, what steps has Centrelink put in place to see that it captures the available benefits for the organisation and its customers from resolving complaints where possible at the initial contact?

**Mr Whalan**—There are a large number of recommendations in this report, and I just have to find the right one. We are in the process of making changes to our complaints system to make it easier for customers to make complaints. That will be part of the approach. We are also making changes—

**Senator ALLISON**—Just before you go on, ANAO said that a very large percentage of Centrelink customers did not have sufficient knowledge about the complaints mechanisms. To raise awareness, have you put up signs or done extra training for staff?

**Mr Whalan**—I just need to confirm which of these we have actually done and which ones we are in the process of doing. We are making changes to our web site and publications to have easier access and easier to read information on how to make a complaint. We are providing a standard script, a standard set of words, that will be used by Centrelink staff on the availability of the complaints system. Our customer services officers use them whenever they are dealing with a customer. We are putting up a web page that customers can use to give feedback at any time. We are sending surveys to customers, asking for feedback.

**Senator ALLISON**—To all customers?

**Mr Whalan**—No; there will be random samples of customers. We are reviewing the design of the customer comment card, trying to improve it so that customers at the front counter can use the card to lodge a complaint. That is the mix of actions that we are taking.

**Senator ALLISON**—And do you expect that to improve awareness of the complaints process?

**Mr Whalan**—Yes, we do.

**Senator ALLISON**—How will you measure that?

**Mr Whalan**—One way of measuring it will be the surveys that we are doing of our customers' satisfaction with Centrelink.

**Senator ALLISON**—And measures to improve the resolution of complaints at the initial contact?

**Mr Whalan**—We are taking this very seriously, as you will see. We are ensuring that data is being collected on oral complaints received at customer service centres and we are recording that data. We are implementing a process to track complaints and to act on those complaints. There is a lot of detail—

**Senator ALLISON**—And you will know when a customer has made several complaints? You were unable to do that previously, apparently.

**Mr Whalan**—We are going to include the extraction of data on individual complaints and the identification of multiple complaints on an issue from a single customer. The range of those initiatives will allow us to respond to that criticism.

**Senator ALLISON**—What about the capacity to analyse the complaints and the data that—

**Mr Whalan**—Given that we have the extraction of data on individual complaints, that will allow us to analyse.

**Senator ALLISON**—And will you identify trends and how will you report those identified trends?

**Mr Whalan**—That is something that we will be able to do with that information. I am happy to report on them.

**Senator ALLISON**—Yes, but will you report automatically?

**Mr Whalan**—They will be reported to me automatically.

**Senator ALLISON**—And you will report when requested, or will it go on the web site, or report to the annual report or the parliament or—

**Mr Whalan**—I am happy to provide public information. Let me make a judgment about how to best do that. I am happy to provide you with advice about that.

**Senator ALLISON**—I am thinking about more into the future rather than now—I see, you want to give advice about how the trends will be reported.

**Mr Whalan**—I am happy to provide you with advice about how I intend to do it.

**Senator ALLISON**—Good. I understand.

**CHAIR**—There being no further questions, thank you very much for your assistance.

[4.50 pm]

#### **Health Insurance Commission**

**CHAIR**—I welcome Ms Argall and the officers of the HIC. You have a large contingent with you, I notice. We will start with general questions.

**Senator McLUCAS**—It is nearly six months since the HIC moved out of the Department of Health and Ageing into the Department of Human Services. We touched last estimates on how the arrangements have changed. I would just like to start with you explaining the way that move happened and whether it has affected operations—and there is no value judgment associated with that. What activities of the HIC have changed as a result of the movement from DOHA into DHS?

**Ms Argall**—As I think I said last time, the actual physical and operational arrangements are much the same as they were previously. We have very strong relationships with our primary customers, the Department of Health and Ageing, the Department of Veterans' Affairs and the Department of Family and Community Services, and we are now working through the Department of Human Services.

I would like to talk about some of the positives of the new arrangements. One of the most significant positives of the new arrangements has been a very much stronger relationship with some of the other operational organisations that exist under the umbrella of the Department of Human Services, particularly Centrelink. Good cooperation is happening there. One of the major areas of cooperation has been around the Family Assistance Office services. As you know, Medicare officers have had responsibility for the delivery of FAO in a virtual service delivery arrangement. The reality has been that, because of some of the difficulties around

access to systems, our role up to this point in time has been more about accepting applications and passing those on and providing information. We are now working in partnership with Centrelink so that we can over the next 12 months deliver full Family Assistance Office services out of Medicare offices. That is a very significant and notable positive coming out of the new relationships.

Cooperation also exists around some of the concessional data that we receive from Centrelink. We have been working in cooperation with Centrelink to enhance the quality of the data exchange around concessional status. For customers, that is very important to the work that we do in the Health Insurance Commission. Another positive, while probably not as significant in a major sense as those changes, is some of the cooperation between us and other agencies within DHS about contractual arrangements. We are working together in going out to the market for common services. Those positives will continue into the future.

**Senator McLUCAS**—You talk about stronger relationships. Is there agreement between you and, for example, the Department of Health and Ageing about lines of communication? Do you report to DHS, who reports to DOHA? In a practical sense, how are those discussions—

**Ms Argall**—In a practical way, at any given point we have many staff in the Health Insurance Commission communicating directly with the Department of Health and Ageing, as they do with our other key customers. That is working, as it always has done, and will continue working into the future.

**Senator McLUCAS**—That is how the operation existed prior to the move?

**Ms Argall**—That is correct.

**Senator McLUCAS**—In terms of more formal reporting, do you send statistics and data on a regular basis to Health and Ageing? I am looking at the regular information exchange with DOHA of all the data that you hold.

**Ms Argall**—On a daily basis, we routinely transfer data to the Department of Health and Ageing in relation to the payments that we make.

**Senator McLUCAS**—On a daily basis, you tell the department what payments have been made?

**Ms Argall**—For example, in relation to Medicare benefits.

**Senator McLUCAS**—You would tell the department what Medicare benefit payments have been made? Do you also tell the department about Medicare safety net payments? What do you tell the department in that daily list of information that is transferred?

**Ms Argall**—With the introduction of the safety net, in addition to the routine daily reports on payments there was a weekly report on Medicare payments.

**Senator McLUCAS**—You provide the Department of Health and Ageing on a weekly and daily basis the number of payments? Can you give me an understanding of what you are providing to the department?

**Ms Argall**—I will ask Ms O'Connell to give you details of the reports. We have a few examples with us.



**Ms O'Connell**—The data we give to the department of health on a daily basis is the Medicare transaction information deidentified, so it covers benefits paid and so on. As Cathy Argall said, we had also been producing weekly reports in relation to Medicare initiatives and that provided data on safety net expenditure, total Medicare expenditure and so on.

**Senator McLUCAS**—That information is a week's worth of expenditure or is it cumulative?

**Ms O'Connell**—It is cumulative, as well as broken down.

**Senator McLUCAS**—Disaggregated?

**Ms O'Connell**—Again, deidentified data.

**Senator McLUCAS**—So it is payments made on Medicare?

**Ms O'Connell**—Total Medicare payments, safety net payments, numbers of services—basic data involved with our administration of the Medicare Benefits Scheme.

**Senator McLUCAS**—Could you read the list of what you provide on a weekly basis?

**Ms O'Connell**—On a weekly basis we provide data on paid services, the total benefits paid, the total MedicarePlus safety net benefits, the standard benefit, the number of the services and the out-of-pocket expenses.

**Senator McLUCAS**—Can you explain the standard benefit?

**Ms O'Connell**—The standard benefit payable.

**Mr Andreatta**—The report that we provide to the department on a weekly basis, as Ms O'Connell has said, contains the number of the services and the benefits amount for the claims that were processed in that period. The standard benefit is the benefit at the 85 per cent mark, which is the normal Medicare rebate. The additional safety net benefit on top of that, which is the 80 per cent of the out-of-pocket expense, is the additional line item that we collect.

**Senator McLUCAS**—So that is described in the report.

**Mr Andreatta**—Yes.

**Senator McLUCAS**—Mr Andreatta, technically who owns the data?

**Ms Argall**—The Health Insurance Commission owns the data. But of course we pass that data back to the Department of Health and Ageing. We collect the data through our systems and we pass it back to the Department of Health and Ageing.

**Senator McLUCAS**—There is no technical issue about ownership in that relationship between you and DOHA?

**Ms Argall**—Not that I am aware of, no.

**Senator McLUCAS**—Was the delivery of information from HIC to DOHA prior to your move into DHS done on the same basis?

**Ms Argall**—Yes.

**Senator McLUCAS**—So this is ongoing?

**Ms Argall**—Certainly. I have been with the Health Insurance Commission only since January this year. This is a historical relationship between the HIC and the Department of Health and Ageing.

**Senator McLUCAS**—I want to turn to some actual figures, Ms O'Connell. Do you collect registration levels of people who are applying to go onto the Medicare safety net?

**Ms O'Connell**—Yes, we do. We collect figures on the number of people registered for the Medicare safety net.

**Senator McLUCAS**—Do you have that data with you at the moment?

**Ms O'Connell**—I do. Which period are you interested in?

**Senator McLUCAS**—I am getting to that point. I just wanted to know in the broad. At the end of March 2004, how many people were registered on the safety net?

**Ms Argall**—That is probably a level of detail that we would need to take on notice if we were going back over many months. As I said, we are providing the detail of information on a daily basis and on a weekly basis, so that means going back through weekly reports that have previously been provided.

**Senator McLUCAS**—So, Ms O'Connell, in those weekly reports to the Department of Health and Ageing, the number of people registered on the safety net is also provided?

**Ms Argall**—Yes. The information is included.

**Senator McLUCAS**—It was not on that first list that you read out to me. Have I just overlooked that?

**Ms Argall**—We were reporting on the core data on payments. There is a column at the end of the report which shows the total number registered for the safety net.

**Senator McLUCAS**—What else is there that I do not know to ask for?

**Ms Argall**—The print is very small. I think that was the complete list.

**Senator McLUCAS**—So it is the Medicare benefits paid, the safety net payments paid, the standard benefit payable and the number of people who are registered on the safety net.

**Ms Argall**—There is a column on the percentage of services and a column on the percentage of out-of-pocket expenses.

**Senator McLUCAS**—What does 'the percentage of services' mean?

**Ms O'Connell**—That relates to whether they are GP related services, specialist services or other services.

**Senator McLUCAS**—And the percentage of out of pocket costs is out of pocket as a percentage of what?

**Ms O'Connell**—As I understand it, it is of the total benefit paid.

**Senator McLUCAS**—The total payment?

**Ms O'Connell**—Yes.

**Senator McLUCAS**—And the final column is the number of people who have registered for the safety net?

**Ms O’Connell**—Yes.

**Senator McLUCAS**—I am looking for the number of people who were registered for the safety net, and I have a number of dates that I want to pursue. Is it possible to provide the figure as at the end of March 2000?

**Ms O’Connell**—Yes.

**Ms Argall**—Can we get the dates, and then it is probably better if we make sure we give you the accurate information off these reports. If we can take the dates and the information you are seeking—

**Senator McLUCAS**—March 2004, April 2004, May 2004, June 2004. Then I am looking for the figures right through until the end of August 2004. Then, on notice, I would be interested to know the levels, on a monthly basis, of people who have registered for the safety net up to now.

**Ms Argall**—Just to be clear, you are interested in all of the information that we just described?

**Senator McLUCAS**—I am looking for all of it on a monthly basis up to now, but particularly I would like to talk about those months from March 2004 through to August 2004.

**Ms Argall**—That is something we will need to provide you on notice. It is a lot of information that we will need to collect and provide back to you.

**Senator McLUCAS**—But Ms O’Connell said you have the number of registered people at the end of March 2004.

**Ms O’Connell**—I have got an example table here, which is the annual total for 2004. The safety net operates on a calendar year.

**Senator McLUCAS**—I am looking at the number of registrations, though.

**Ms Argall**—On a monthly basis?

**Senator McLUCAS**—Yes.

**Ms Argall**—The point we are trying to make is if we want to break it down to a monthly basis we will need to provide that on notice. We have the annual figures.

**Senator McLUCAS**—So no-one here has that data?

**Ms Argall**—Not with us. We have the annual summary. We need to check that we have the full data set when we give you information, because it is individuals and families based.

**Senator McLUCAS**—I was looking for the separation of that.

**Ms Argall**—We want to make sure that the information we give you is the correct information in relation to the details underpinning the data, and to do that we would need to take that on notice. There is a lot of information to go through.

**Senator McLUCAS**—Those weekly reports are being produced.

**Ms Argall**—Yes, so it will not take very long to provide that information.

**Senator McLUCAS**—Would it be possible to have that data, say, after dinner?

**Ms Argall**—No. There is too much information to be able to provide that level of detail tonight.

**Senator McLUCAS**—As I have described, I am looking for the number of people who were registered to the Medicare safety net at those dates.

**Ms Scott**—For clarification, you want it broken down into individuals and families where we can do that?

**Senator McLUCAS**—Yes. So registered as an individual, registered as a family.

**Ms Scott**—I am advised that there may be an issue about whether the data will capture the information so that you will have a totally accurate picture. But let us explore that.

**Senator McLUCAS**—I understand that when you fill in the form you identify as a family or as an individual.

**Ms Scott**—I have just had it suggested that we need to explore particularly that aspect, so we will do that.

**Senator McLUCAS**—How does the system work then?

**Ms Scott**—We will need to look at this aspect in looking at those data sets to see whether the registrations give you sufficient detail to indicate the total number of people or whether the figures are showing both family sets and individuals—whether we are looking at apples and oranges or apples and apples. That is what I am trying to convey.

**Senator McLUCAS**—I need to know the number of registrations and, if possible, the separation between families and individuals. The other thing I am interested in knowing is how many people reached those thresholds at those same dates. How many people reached the family threshold and how many people reached the individual threshold, starting from March 2004 to current?

**Ms Argall**—Yes.

**Senator McLUCAS**—That is not part of the report that is provided on a weekly basis to the department. How is data about the people meeting the thresholds provided to DOHA?

**Ms Argall**—I will have to clarify that and get back to you with the information you have requested.

**Senator McLUCAS**—You are providing them with information on the payments that are made on the safety net.

**Ms Argall**—Yes.

**Senator McLUCAS**—But not the number of people?

**Ms Argall**—I am going to provide you with the number of people and the payments being made, to answer your question.

**Senator McLUCAS**—I am talking about the discussion between the HIC and DOHA. In that weekly report you do not provide the number of people, do you?

**Ms Argall**—No.

**Senator McLUCAS**—Just the total payment?

**Ms Argall**—That is correct.

**Senator McLUCAS**—In the initial costing of the Medicare safety net was the HIC requested specific sets of data to develop those costings?

**Ms Argall**—Did the Department of Health and Ageing use data provided to it from the Health Insurance Commission?

**Senator McLUCAS**—Yes.

**Ms Argall**—I cannot answer that question.

**Senator McLUCAS**—Because you weren't there then?

**Ms Argall**—No, I am presuming that they have used the information that is available from the Health Insurance Commission. What I am saying is that I cannot answer how they went about their estimating process, because that is not our role or responsibility. Our role is to provide them with information on payments and to provide them with estimates and, if there are going to be changes in policy, the costs of HIC implementing those changes in policy.

**Senator McLUCAS**—Was the HIC requested to provide data that would inform that policy? I am thinking back to March 2004.

**Ms Argall**—The data sets that the HIC has are available to the Department of Health and Ageing. So we would not need to be asked to provide that information, because that information is available to the Department of Health and Ageing, but we are not involved in the policy analysis.

**Senator McLUCAS**—I am just trying to ascertain whether there was a specific request for data from the HIC that would have informed the discussions around making the policy in March 2004 and, if that happened, what was requested.

**Ms Argall**—I think I can answer that simply by saying no, on the basis that all of the data we have would be available to the Department of Health and Ageing, so there would be no requirement to ask us for information.

**Senator McLUCAS**—Other than the weekly report that is being sent—of course, at that stage it did not have the safety net information in it because the safety net did not exist—it is on the basis of that information that the Department of Health and Ageing would have made some assessment of the costs of the Medicare safety net.

**Ms Argall**—On the routine daily information that is exchanged between HIC and the Department of Health and Ageing, yes.

**Ms Scott**—Wouldn't this question be best directed to the Department of Health and Ageing, which would be closer to the action, rather than us guessing what they may or may not have done?

**Senator McLUCAS**—I think that it has to be asked at both places. You are the holder of the data, and I think it is important for this committee to understand what data was provided by the HIC to the department in order for it to fully inform itself in making policy about the Medicare safety net.

**Ms Scott**—But the Department of Health and Ageing are not going to be able to ascertain how that data was used and what other data was available, so the question, ‘Did we think that our data was used in a costing exercise in another place?’ is a hard question to answer accurately. It would be best directed to the Department of Health and Ageing.

**Senator McLUCAS**—But that is why I asked the question: was there specific data requested in the time frame of the development of the policy outside of the weekly report—

**Ms Scott**—But, even if the data was requested, how are we to say how it was used in another department?

**Senator McLUCAS**—Because of the strong relationship between the two entities.

**Senator CHRIS EVANS**—You can tell us whether you have provided it.

**Ms Scott**—We have answered that question. But the question went on to how the data was used, and we do not know how the data was used.

**Senator McLUCAS**—The question was: what information that was provided in the lead-up to the development of the safety net policy would have been provided by the HIC? And, given Ms Argall’s comments about the strong relationship, I am sure there were discussions other than: ‘Can you provide me with this set of data, please?’

**Ms Scott**—But the policy issue of the safety net is best directed to the policy department rather than the Health Insurance Commission.

**Senator McLUCAS**—I am not asking about the policy. I am asking about the information that that entity would use to inform itself prior to making a policy decision.

**Ms Scott**—But I understood your question to be: ‘Did we think that this data was used in the development of the costings?’

**Senator McLUCAS**—I think I said, ‘What data was provided?’

**Ms Scott**—Whether the data was provided or not, we still do not know whether it was used in the costing of the exercise, which was the inference of your question. In fact, I thought the specifics of your question were—

**Senator CHRIS EVANS**—I think we are getting a bit circular. Let the senator ask her next question, and if officials do not want to answer or think that it is not within their remit then we can do something—otherwise we are going around in circles.

**Senator McLUCAS**—In the lead-up to the development of the Medicare safety net policy in early 2004, were there specific sets of data requested of the HIC by DOHA?

**Ms Argall**—No.

**Senator McLUCAS**—So no data was requested from HIC other than the weekly report.

**Ms Argall**—The weekly reports were introduced after the introduction of the safety net. Prior to that, all of the information which was available to the HIC was also available to the Department of Health and Ageing. So my point was: no, we have not been asked for specific information, because all of the information was already available to the Department of Health and Ageing.

**Senator McLUCAS**—How then, at that point in time, did DOHA officials access that information?

**Ms Argall**—I think that is a question for—

**Senator McLUCAS**—This is the commission that we are talking about.

**Ms Argall**—As I mentioned, we exchange data on a daily basis with the Department of Health and Ageing. That is an electronic transfer of data that they have available in their data warehouse.

**Senator McLUCAS**—But I thought you were saying that, prior to the introduction of the safety net, there was no—

**Ms Argall**—Not the weekly report.

**Senator McLUCAS**—So what was in the daily report?

**Ms Argall**—All of the information around payments made on behalf of the Department of Health and Ageing.

**Senator McLUCAS**—So it would have been Medicare payments made, a standard benefit payable—

**Senator CHRIS EVANS**—Were you saying that there was a daily report or that it was available on a daily basis if they wanted it?

**Ms Argall**—A full data set is available to the Department of Health and Ageing.

**Senator CHRIS EVANS**—Yes, but are you saying that you provided that daily or that they just had daily access to it if they wanted—that is, they had automatic access to it prior to the weekly reporting mechanism?

**Ms Argall**—They have deidentified data sent to them daily.

**Senator McLUCAS**—And they had that prior to the introduction of the safety net?

**Ms Argall**—Yes.

**Senator McLUCAS**—Were any meetings held between HIC and the Department of Health and Ageing or the Department of Human Services at that time to discuss the policy of the Medicare safety net?

**Ms Scott**—I can answer for the Department of Human Services. We came into existence on 26 October 2004.

**Senator McLUCAS**—That is a good point! What about HIC?

**Ms Argall**—No.

**Senator McLUCAS**—You would be aware that the health minister put out a press statement on 12 March 2004 saying that 450,000 individuals and families in any one year would benefit from the safety net. Can the HIC confirm whether that number was provided from the HIC or would that have been provided to the minister by the Department of Health and Ageing?

**Ms Argall**—I cannot answer the question on advice provided to the Minister for Health and Ageing.

**Senator McLUCAS**—I will rephrase that. Did HIC do work that would ascertain that 450,000 individuals and families would benefit from the safety net?

**Ms Argall**—I can answer that question by saying that the Health Insurance Commission has not been involved in the development of the policy around the safety net. Our job is to implement the government's policies.

**Senator McLUCAS**—Using the data that was being provided to the Department of Health and Ageing at that time, which was simply payments—

**Ms Scott**—I am sorry, who was using it?

**Senator McLUCAS**—The Department of Health and Ageing.

**Ms Scott**—So this is a question about the Department of Health and Ageing?

**Senator McLUCAS**—I am trying to ascertain what data was being provided to the Department of Health and Ageing by HIC at that time.

**Ms Argall**—We have said there were deidentified daily data transfers between the Health Insurance Commission and the Department of Health and Ageing. If you would like information on the full data set that is provided on a daily basis, we can provide that to you on notice.

**Senator McLUCAS**—But currently it is different to what was happening in February and March of 2004?

**Ms Argall**—Not as far as I am aware. There was an additional weekly report that was produced after the introduction of the safety net.

**Senator McLUCAS**—If you could table that, it might be of assistance.

**Ms Argall**—I will take that on notice.

**Senator McLUCAS**—In the lead-up to the budget this year, was the HIC involved in developing the updated costing for the Medicare safety net?

**Ms Argall**—No.

**Senator McLUCAS**—Were you asked for specific information about safety net figures outside of the weekly report?

**Ms Argall**—No, the only information we have been asked for is information in relation to the implementation costs.

**Senator McLUCAS**—And the implementation costs are your costs, I imagine?

**Ms Argall**—That is correct.

**Senator McLUCAS**—Just for the record, what were they?

**Ms Argall**—They are in the budget statement. It is a reduction in costs to the Health Insurance Commission of \$134,000 in 2005-06, \$800,000 in 2006-07, \$842,000 in 2007-08 and \$897,000 in 2008-09.

**Senator McLUCAS**—So essentially you are telling me that the HIC provides information on a weekly basis and DOHA has not requested information around take-up thresholds of access to the safety net other than through that weekly report?



**Ms Argall**—That is correct. That is a policy analysis role and that is properly the responsibility of the Department of Health and Ageing.

**Senator McLUCAS**—Was the HIC involved in the compiling of the safety net data by electorate which was released by the minister on 16 September 2004?

**Ms Argall**—Are you talking about the bulk-billing rates by electorate?

**Senator McLUCAS**—No, the safety net.

**Ms Argall**—The safety net figures. I cannot answer that question at the moment. I could provide you with that answer on notice. Sorry: yes, we did.

**Senator McLUCAS**—When was that data provided and to whom?

**Ms Argall**—It is part of the data that we transfer to the Department of Health and Ageing on a regular basis.

**Senator McLUCAS**—So HIC is providing safety net information by electorate to the department on a regular basis? Is that part of the weekly report or another report?

**Ms Argall**—I would have to check the exact date and exactly how much information was provided in relation to that particular release.

**Senator McLUCAS**—I thought I asked if other data was being provided and you said that just the weekly report was being provided. I am not quite clear now.

**Ms Argall**—I am advised that the information you are referring to was a separate report provided to the Department of Health and Ageing but we have no date in relation to that.

**Senator McLUCAS**—That is one separate report outside of the weekly report?

**Ms Argall**—And the daily routine report.

**Senator McLUCAS**—We will go to this one first and then we might see if there are other separate reports that have been provided. You cannot give me the date it was provided. Can you tell me to whom it was provided? This is the safety net data by electorate released by the minister in September 2004.

**Ms Argall**—I am sorry: that was the same question you just asked.

**Senator McLUCAS**—As I said, you cannot tell me the date that it was provided.

**Ms Argall**—No. I will provide that for you.

**Senator McLUCAS**—Thank you. Can you tell me to whom it was provided? Was it given to the Department of Health and Ageing? Was it given to the minister's office? Who requested that data and who received it?

**Ms Argall**—It would regularly go to the Department of Health and Ageing.

**Senator McLUCAS**—When do you think you will be able to provide us with that information?

**Ms Argall**—Sorry?

**Senator McLUCAS**—When do you think you could provide us with the information about, firstly, the date that the separate report was provided to the department? I would also like to know which section of the department requested it.

**Ms Argall**—We will endeavour to get that as soon as possible.

**Senator McLUCAS**—Is it possible today?

**Ms Argall**—I do not believe so.

**Ms Scott**—We are going back to September last year, at half past five today.

**Senator McLUCAS**—What other separate reports has the department requested of HIC outside the normal daily and weekly reporting?

**Ms Argall**—That may well be reasonably extensive. We are getting down to a level of detail and, I am sorry, I will have to take that on notice.

**Ms Scott**—We will have to take into account the workload associated with documenting every request from the department of health. The initial questions were about the day-to-day business relationship and the ongoing business relationship being unchanged. Seeking to document every request that the Health Insurance Commission ever receives from the Department of Health and Ageing could be a very extensive exercise. If you could narrow down your request to something that is a bit more workable, that would be appreciated.

**Senator McLUCAS**—Could you provide the committee with information on the number of times the Department of Health and Ageing has requested safety net data by electorate and provide a copy of that data? Ms Scott, I think you would be aware of the discussion, not in this committee but in the Community Affairs Committee, about by-electorate data. You may or you may not be aware of that. It is an issue that this committee is interested in. The minister has put one view about the cost of preparing bulk-billing figures by electorate, but it would seem that he is prepared to wear the cost of safety net figures by electorate. So this committee is interested in knowing how many times DOHA has requested the HIC undertake a by-electorate analysis of data—in this case, the safety net data.

**Ms Argall**—I will take that question on notice.

**Senator McLUCAS**—Could we get those reports as well, given that they have been prepared and there is no cost associated with re-preparing them? If possible, we would like to see it in terms of the two thresholds: those who are individuals and how the individual family is split; and those people who are eligible—you may not be able to do this, but the relationship with Centrelink might improve it—because they are family tax benefit A recipients. There is a series of other differentials that might be able to be provided that I will put on notice to you. I ask that question with a proviso: if that data has already been prepared then this committee would be interested in it; if it will have to be prepared then I think you should tell the committee that that is the case. Do you understand what I am asking?

**Ms Scott**—Yes. We can look at your request.

**Senator McLUCAS**—Did the HIC brief any other agencies about the thresholds being met or the numbers being met?

**Ms Argall**—No.

**Senator McLUCAS**—Not PM&C?

**Ms Argall**—No.

**Senator McLUCAS**—Finance?

**Ms Argall**—No. It is not our role. We have not been involved in any part of the evaluation of policy around the safety net.

**Senator McLUCAS**—No, I am talking about the data that would inform discussions about that. PM&C has been involved, it would seem, in these discussions; Finance has been involved in these discussions. Has Finance ever asked the HIC for this data?

**Senator Abetz**—Excuse my intervention here, but what I think occurs is that HIC might make the data available to Health and Ageing, who then might make it available to others, like PM&C.

**Senator McLUCAS**—Sure. That is what I am trying to ascertain. That is all I want to know. If that is what is happening—

**Senator Abetz**—I think that is the route that the information would go.

**Ms Scott**—It would be best to ask those questions of the Department of Health and Ageing.

**Senator McLUCAS**—But you have confirmed that HIC data has not been requested by any department other than DOHA.

**Ms Argall**—That is correct.

**Senator MURRAY**—Am I right in recalling that Senator Allison raised the issue of the HIC compensation recovery program suspending action to recover money in the case of 340 Tasmanian wards of the state at the February estimates?

**Ms Argall**—That is correct.

**Senator MURRAY**—In response the Department of Health and Ageing was to conduct a review of policy in the area. Not only was it to conduct a review but it was also to be completed in a short period. Once the review had been completed the suspension of action would have been lifted, is that correct?

**Ms Argall**—We did say that. That is correct.

**Senator MURRAY**—Can you bring the committee up to date with what has happened?

**Ms Argall**—Yes. The policy was reviewed and there was no change to the existing policy.

**Senator MURRAY**—Does that mean that those wards of the state will be detrimentally affected?

**Senator Abetz**—No, it will not, if I may intervene here, being a Tasmanian, and having followed this matter very closely, being involved in some of the public discussion on this issue. The state government acknowledged that it should pay more to the victims to cover this situation.

**Senator MURRAY**—So it was topped up, in effect?

**Senator Abetz**—Yes. The Law Society and other organisations came out in support on the basis that if you do it for one group of victims in the community then why wouldn't you be doing it for other victims, that it would be a dangerous precedent to set and that those that are guilty of the crime—albeit vicariously—the state government, should be making the payments rather than the Australian taxpayer. At the end of the day the Tasmanian victims were not—

**Senator MURRAY**—Disadvantaged?

**Senator Abetz**—Yes, not disadvantaged.

**Senator MURRAY**—Frankly, I have been quite impressed by the efforts made by the Tasmania government to address some of these issues, so I am pleased to hear that. I did not quite understand what you meant about the Law Society. Did you mean that their views were essentially heard but not heeded?

**Senator Abetz**—No. The assertion was made by the state government that the federal government should not be seeking the health insurance contribution, if that is the correct term, from the victims, whereas the Commonwealth's argument was that it was the state government or the perpetrator that was short-changing the victim. That was an argument that the Law Society supported. There was a public policy point of view that if you allow one perpetrator, albeit vicariously—I stress that—to have the responsibility paid for by the taxpayer, why wouldn't you allow others as well. The state government would be one of the more pecunious or capable of making the contribution to the Health Insurance Commission.

**Senator MURRAY**—So, in summary, those 340 cases have been settled satisfactorily from the point of view of the 340 people?

**Senator Abetz**—Yes. Also, Steve Fisher, who is a spokesperson for the victims, at the end of the day came out and supported the federal government approach on this and said that the state government should be topping up and making that payment.

**Senator MURRAY**—Thank you.

**Senator McLUCAS**—I just want to come back to the request for the monthly information about registration thresholds and the separation between people meeting thresholds and the separation between families and individuals. You provide those reports on a weekly basis to the Department of Health and Ageing. Is the difficulty in providing that quickly being exacerbated by the fact that I am asking for it 'at the end of the month' rather than on a four-week rotation?

**Ms Argall**—Not specifically. It is the volume of data that you are actually requesting.

**Senator McLUCAS**—Given that those reports are compiled weekly, if I were say 'at the end of each four-week period' rather than 'at the end of each month', would that make it easier? Surely it is a matter of addition.

**Ms Argall**—We will provide the information as quickly as we can. I do not think it should be a very long time, but you are talking about the best part of a year's data.

**Senator CHRIS EVANS**—Senator McLucas is trying to find a way of meeting what she wants and what is easiest for you. She does not want to define the question in a way that

makes it harder for you. We are just trying to tease out how we can make the least demand on your resources and Senator McLucas gets the information she is after.

**Ms Argall**—That is fine. We will look at what we can provide as quickly as possible.

**Senator McLUCAS**—Does the HIC collect data on bulk-billing by electorate?

**Ms Argall**—Yes.

**Senator McLUCAS**—How regularly is that compiled into a report?

**Ms Argall**—I believe we have provided that information only once, but the Department of Health and Ageing compiles the report on an electorate basis from the data provided.

**Senator McLUCAS**—In what form do you provide the data to the Department of Health and Ageing? You have the event and the payment. How do you tell the Department of Health and Ageing in what electorate the event occurred?

**Ms Argall**—As I mentioned, there is a routine exchange of de-identified data to the Department of Health and Ageing.

**Senator Abetz**—Do you mean by postcode?

**Senator McLUCAS**—That is what I am asking.

**Ms Scott**—Provider postcode.

**Senator McLUCAS**—You provide by postcode?

**Ms Scott**—Provider postcode, so someone actually postcodes the—

**Senator Abetz**—So it is by the doctor's postcode as opposed to the patient's postcode. Is that right?

**Ms Scott**—I think that is right.

**Senator Abetz**—Yes, I am being told from behind me that that is right.

**Senator McLUCAS**—Has the way that you provide that information to the department changed?

**Ms Scott**—The information has been provided only once. Have I got that right?

**Ms Argall**—As a full report, it has only been provided once by the HIC.

**Senator McLUCAS**—When was that?

**Ms Argall**—I would rather not guess.

**Senator Abetz**—Can you take it on notice.

**Ms Argall**—Unless we have the information here, I will take that on notice.

**Senator McLUCAS**—If it is here, that would be great. Otherwise, we will have it on notice.

**Ms Argall**—No, we do not have the data with us.

**Senator McLUCAS**—Do we know if it was recent? Was it in the last 12 months?

**Ms Scott**—I have a sense that it was a few months back. It might be more accurate if we give you a considered answer, rather than guesswork.

**Senator McLUCAS**—I you get that as quickly as you can, that would be terrific. I want to go to see some specific data sets, separate from the other questions. Has the HIC provided the department with specific data on access to IVF procedures?

**Ms Argall**—Have we provided specific reports?

**Senator McLUCAS**—A specific report, or a separate report.

**Ms Scott**—Like an analytical report, or are you after data sets again?

**Senator McLUCAS**—Data sets, or an analytical report.

**Ms Argall**—I think this goes to the regular routine transfer of data. All of the payments that we make are part of the regular daily data exchange with the Department of Health and Ageing. It is not necessary for them to ask us for specific reports. But, if you would like me to check, I can take it on notice to see whether we have been requested to provide any particular reports.

**Senator McLUCAS**—Then we are going back to the original discussion about what is included in that first weekly or daily report—does it go as small as the number of IVF procedures?

**Senator Abetz**—Does that have a separate item number?

**Ms Argall**—It would list the item numbers in relation to payments.

**Senator McLUCAS**—When you provide me with the pro forma data report, it will show all of that? So it will show everything that DOHA is able to read out of the figures?

**Ms Argall**—What it would provide is the data set that is provided to the Department of Health and Ageing.

**Senator McLUCAS**—And that includes item numbers as well?

**Ms Argall**—It would have medical benefits schedule item numbers, by provider.

**Senator McLUCAS**—By provider number.

**Ms Argall**—The data set is the medical benefits schedule item.

**Senator McLUCAS**—I understand. Can you provide us with advice as to whether or not a specific request was made of HIC around access to IVF?

**Ms Scott**—Is there any particular time period you are thinking about?

**Senator McLUCAS**—Yes—in the last six months. Also, can you provide the origin of that request—whether it was from DOHA or another department or from the minister's office. That is all I need to ask.

**CHAIR**—Is there anything else for the HIC? Senator Crossin is on her way.

**Senator Abetz**—For HIC?

**CHAIR**—No, for Australian Hearing. I think that is all for the Health Insurance Commission. Officers, thank you very much for your help.

[5.51 pm]

### **Australian Hearing**

**CHAIR**—Ms Green, welcome. Senator Crossin, I think you have questions.

**Senator CROSSIN**—Can you start by telling me what your budget is for the 2005-06 year for Australian Hearing?

**Ms Green**—For the CSO component?

**Senator CROSSIN**—Yes.

**Ms Green**—We have been advised by the Office of Hearing Services that the total CSO budget will be \$34.6 million.

**Senator CROSSIN**—That is for the total CSO budget, is that correct?

**Ms Green**—Correct, yes.

**Senator CROSSIN**—What was that last year?

**Ms Green**—Last year it was \$32.7 million.

**Senator CROSSIN**—Of the \$34.6 million, how much is actually set aside to deal with Aboriginal and Torres Strait Islander people?

**Ms Green**—Special programs for the Indigenous are now sitting at \$3.8 million. As you know, there was a budget initiative in the budget session.

**Senator CROSSIN**—I do. That was around \$10 million over four years—is that correct?

**Ms Green**—Yes.

**Senator CROSSIN**—Previously, your allocation for Indigenous people was only around \$1 million—is that correct?

**Ms Green**—Over the last year the allocation for the outreach program was \$1.5 million.

**Senator CROSSIN**—That is now \$3.8 million in this financial year 2005-06? Is that correct?

**Ms Green**—Yes.

**Senator CROSSIN**—Have you got a forward prediction of 2006-07?

**Ms Green**—No, I think they have staged the Indigenous funding—I will just look it up under the budget. The additional funding for 2006-07 is \$2.5 million, so that would be added in in addition to the ongoing funding that we have at the moment. We would not receive all of that. Some of that goes to the Office of Hearing Services.

**Senator CROSSIN**—Some of the new \$10 million initiative will be going to the Office of Hearing Services?

**Ms Green**—A small amount, yes.

**Senator CROSSIN**—Do you know what that is year by year, or should I ask them that next week?

**Ms Green**—I can tell you what it is for this coming year, 2005-06. In the budget papers the allocation is \$2.042 million. We have been advised that we will be getting \$1.78 million.

**Senator CROSSIN**—Of that?

**Ms Green**—Yes.

**Senator CROSSIN**—With your \$1.78 million, there is not much increase on your normal recurrent funding of \$1.5 million. Is that correct? If you took away the \$1.78 million, what would you have?

**Ms Green**—You would have, roughly, \$2 million left. We anticipate this financial year that we will be spending approximately \$2 million.

**Ms Scott**—If I understand the numbers correctly, then the \$1.75 million increase on a base of about \$2 million is actually a very large increase.

**Senator CROSSIN**—Yes. I am just trying to work out whether there has been a variation in the base from year to year, without the budget initiative. It seems as though there hasn't been.

**Ms Scott**—But I think that means it is a dramatic increase, doesn't it?

**Ms Green**—In 2003-04, it was \$1.5 million; in 2004-05, it is \$2 million; and, in 2005-06, it will be \$3.8 million.

**Ms Scott**—That is a doubling.

**Senator CROSSIN**—That is correct.

**Ms Scott**—That is a 100 per cent increase.

**Senator CROSSIN**—Yes, but is the \$1.78 million that you have now been given as a result of the budget initiative specifically money to target Indigenous people on the CDEP and children under the age of 16?

**Ms Green**—The budget announcement was for a change in eligibility.

**Senator CROSSIN**—Which now includes?

**Ms Green**—It now includes all adults over 50 and those people eligible for the CDEP or who are on the CDEP.

**Senator CROSSIN**—When you get the \$1.78 million, must you spend that amount on only those two categories?

**Ms Green**—That is what the money is intended for and that is where we will be targeting our programs.

**Senator CROSSIN**—In previous years, what have you spent your \$1.5 million base funding on?

**Ms Green**—I can give you the client numbers.

**Senator CROSSIN**—Thank you.



**Ms Green**—I can give you the year-to-date figure as well. The total Indigenous clients seen through our outreach program and other programs—but not through our voucher program—is 2,455.

**Senator CROSSIN**—Adults?

**Ms Green**—Adults and children. So far, this year we have seen 2,013, and we anticipate we will be about 15 per cent ahead at the end of the year on that figure.

**Senator CROSSIN**—You are saying that you anticipate seeing 15 per cent more people this year than you saw last year, but you do not have a 15 per cent increase in your base funding, though, do you? So how do you do that? Do you do that within existing resources?

**Ms Green**—Yes. There has been some reallocation of money within the \$32.7 million and that reallocation was a direction of funding. The Office of Hearing Services advised us that we could handle the CSO adult clients differently. When they come on to the CSO adult program, they are given an assessment, a fitting and a follow-up under the voucher scheme. The funds that that released were attributed across to the Indigenous services. So, in effect, we have had about \$500,000 additional funding in Indigenous services this financial year. That is how we have moved from \$1.5 million last year to \$2 million this year.

**Senator CROSSIN**—So that will cope with the 15 per cent increase?

**Ms Green**—We are anticipating that, yes.

**Ms Scott**—It is a 33 per cent increase in funding for a 15 per cent increase in the client base.

**Senator CROSSIN**—But you are including the \$1.78 million when you say there is a 33 per cent increase in funding, aren't you?

**Ms Scott**—No, I am including the \$500,000—

**Ms Green**—It has gone from \$1.5 million to \$2 million and then it has gone from \$2 million to \$3.7 million.

**Senator CROSSIN**—Yes. I know what the bases of funds are. How many Indigenous people on CDP are you anticipating you can service in that \$1.7 million this year?

**Ms Green**—The program starts on 1 December.

**Senator CROSSIN**—This year?

**Ms Green**—Yes.

**Senator CROSSIN**—Why so late? Why not 1 July?

**Ms Green**—That was the budget initiative that was announced.

**Senator CROSSIN**—So the \$1.78 million is for only a six-month period from December to the end of the following June?

**Ms Green**—Correct.

**Senator Abetz**—That is seven months.

**Ms Green**—Yes. We are anticipating in that time to see between 1,500 and 2,000 clients, some of which will be CDEP and some of which will be adults who are 50-plus.

**Senator CROSSIN**—I have raised this every year for six years, so I am absolutely thrilled to see Indigenous people who are CDEP recipients now included and money provided for it. I just want to place that on the record. It is a great achievement, I think, for those Indigenous people.

**Senator Abetz**—We will await the press release!

**Senator CROSSIN**—It is there! I thought that people who raise it in estimates year after year and Australian Hearing, which has also raised the issue, need the due credit. Are the rest of the funds that you get from the Office of Hearing Services tied in any way? That total allocation of \$3.8 million must be used on Indigenous people?

**Ms Green**—Correct.

**Senator CROSSIN**—Your total budget is \$34.6 million this year, isn't it?

**Ms Green**—In 2005-06, yes.

**Senator CROSSIN**—So still a very small percentage of your overall budget is targeted at Indigenous people?

**Ms Green**—Yes.

**Senator CROSSIN**—So there is still another battle to be won there. It is a little bit less than 10 per cent.

**Ms Green**—The percentages are going up each year.

**Senator Abetz**—What is the Indigenous population percentage?

**Ms Green**—It is 2.2 per cent.

**Senator Abetz**—So it is 2.2 per cent with 10 per cent of the budget.

**Senator CROSSIN**—But there are many more Indigenous people who have hearing problems.

**Senator Abetz**—Of course, there is an issue of need. But you would assert that it would be five times the average population?

**Ms Green**—The funding that we go to in 2005-06 will be 11 per cent of the total CSO budget.

**Senator CROSSIN**—Can I ask you about the process for reviewing the bonus schemes. I think that, in answer to questions I asked previously, the new specialist allowance was being introduced for clinicians with a high CSO case load. You are currently undertaking review of the bonus schemes. Where is that review at?

**Ms Green**—The review has been completed. In May we announced to the staff and our stakeholders that we are changing the bonus arrangements across the whole organisation. The majority of people in Australian Hearing will get bonuses based on team performances. In particular, the specialist audiologists who are working on CSO will get an additional allowance per year if they meet certain thresholds. If they are doing 70 per cent or more work in the CSO area they will get a special allowance to recognise their particular skills and expertise in that area. So they will get both the team bonus and the allowance loading.

**Senator CROSSIN**—Is it possible to get an executive summary of the outcomes of the review?

**Ms Green**—The review was of our core values and what Australian Hearing valued. When we looked at our core values—work that is underway still—we identified four core values that were important to the organisation. After looking at those we decided to change our bonus platform to recognise those values. That is how the changes came to pass. It was not so much a statistical review as a review about philosophy and approach.

**Senator CROSSIN**—What are those values?

**Ms Green**—The values are caring for our clients and ourselves, innovation, integrity and high-performing teams.

**Senator CROSSIN**—Is there a change in the monetary value of the teamwork and the caseload?

**Ms Green**—There will not be a change in the caseload but there will be a change in the way we assess how people qualify for these bonuses. It will be about efficiency and team performance. We will have quite clear gateways for that. In addition, for the clinical specialists in the CSO area there will be this additional allowance, which is based on the volume of work. Both factors have some quality criteria. We are anticipating that—

**Senator CROSSIN**—How will it affect clinicians with a high CSO caseload?

**Ms Green**—They will be getting more money, in effect, because they will be getting an allowance that they have not got before—if they qualify by being at the 70 per cent level.

**Senator CROSSIN**—Is there a concern that perhaps the new incentive scheme might compromise the independence and professionalism of the audiologists?

**Ms Green**—Actually, the new scheme is intended to strengthen the professionalism. The old scheme worked around individual commissions on the sale of hearing aids. This scheme does not work like that at all. This scheme works to ensure that the efficiency of the team and how the team is working is what generates the bonus. We have responded and led the field in terms of changing our bonus platform from one that operates on an individual commission basis to something else.

**Senator CROSSIN**—So how do you measure that teamwork?

**Ms Green**—We are going to use the earnings before interest and tax—EBIT—measurements. If you are managing efficiently, you can do well on that measure. That is the gateway into various levels of bonus. The important thing about the EBIT gateway is that if your revenue is moving up and down but you are containing your costs then you will still do well on that measure. It is not a measure of revenue generation alone. The previous bonus system rested on revenue generation in a certain area, which was sale of complex and advanced hearing aids.

**Senator CROSSIN**—Who was involved in the review? Were people in the field—audiologists and other professionals—involved in the review?

**Ms Green**—There was a representative group comprising executives and district managers who looked at the core values. That group made some recommendations. We distributed those

through the organisation in some of the management areas and had discussions about them. There were some preliminary discussions with the district managers. I must say that the staff feel very good about the change because the change—

**Senator CROSSIN**—Was it more of an internal review than a—

**Ms Green**—Yes, it was an internal review.

**Senator CROSSIN**—So it did not actually go to audiologists in the field who might be affected by this?

**Ms Green**—It certainly went to a representative group of nine of the district managers who were directly managing many of the audiologists.

**Ms Scott**—And some of them are audiologists.

**Ms Green**—They are audiologists.

**Senator CROSSIN**—Your district managers were on that?

**Ms Green**—Yes.

**Ms Scott**—Some of the district managers are audiologists.

**Ms Green**—Most of them are.

**Senator CROSSIN**—Would they be audiologists who are currently servicing CSO clients?

**Ms Green**—Some would, most definitely, yes.

**Ms Scott**—The centres are so small that the managers see clients as well as managing.

**Senator CROSSIN**—You use audiologists who are based with other medical organisations, not just your own Australian Hearing audiologists, don't you?

**Ms Green**—No.

**Senator CROSSIN**—You do not contract people from outside agencies who might be involved in audiology?

**Ms Green**—No, we do not.

**Senator CROSSIN**—Just your own internal people.

**Ms Green**—Yes.

**Senator CROSSIN**—You also have an internal mechanism for attributing revenue to each hearing centre for work undertaken. Is that right?

**Ms Green**—Yes. Revenue attributed through the voucher scheme is very clear. Revenue attributed through the CSO is done on the basis of time spent with individuals.

**Senator CROSSIN**—Is it right that there is a loading applied for remote locations?

**Ms Green**—That is correct.

**Senator CROSSIN**—What is that loading currently?

**Ms Green**—We would have to take that on notice.

**Senator CROSSIN**—Is it based on the department's ARIA index, the Accessibility/Remoteness Index of Australia?

**Ms Green**—We use the remote area index for our remote clients. It also extends to the outreach program.

**Senator CROSSIN**—What is the mechanism, then, for attributing the revenue to each hearing centre for work undertaken? How do you do that?

**Ms Green**—It is basically on hours. In the outreach program it is based on time and it has a loading. It basically rests on hours spent with CSO clients.

**Senator CROSSIN**—Does that mean the longer you spend with someone the greater the loading?

**Ms Green**—With the outreach program it is the hours that are taken to get to the visiting site and the time taken at the visiting site. As you know, in some of those very remote communities the number of clients that is seen varies. Other work is done. They liaise with teachers, district nurses and local community health workers. That time is what is counted.

**Senator CROSSIN**—As part of the loading?

**Ms Green**—Yes.

**Senator CROSSIN**—So you build in travel time, then.

**Ms Green**—We build in travel time. We build in a loading also for the administrative work, because before they go they have to get their filing system organised and when they come back they have reports to write.

**Senator CROSSIN**—So the travel time might change? It is not a standard 10 hours for remote Australia. Does it vary?

**Ms Green**—I am sure it does.

**Senator CROSSIN**—There is not a standard allocation: if you are going 100 kilometres that is two hours et cetera.

**Ms Green**—No. I think it is actually clocked.

**Senator CROSSIN**—In the literal time taken?

**Ms Green**—Yes.

**Ms Scott**—It reflects the circumstances.

**Senator CROSSIN**—Do Australian Hearing staff meet the targets, given the longer travel times associated with servicing remote communities?

**Ms Green**—They do. We have set targets for all our CSO groups and we work very hard to meet them. In the outreach program a target is difficult, because you can expect to see a number of children and then, when the audiologist turns up, the children might not be there but other people might be. That is a fairly common pattern in the most remote centres.

**Senator CROSSIN**—What would be a target in a remote community?

**Ms Green**—It would vary. The targets for outreach programs are based on hours because of the difficulty in knowing how many clients will be there. But we count the clients very carefully. They are the figures that we have given you.

**Senator CROSSIN**—So they are based on hours.

**Ms Green**—Yes.

**Senator CROSSIN**—How many centres would not have met their targets in servicing remote communities in the last 12 months?

**Ms Green**—The targets are set and the chances of not meeting the targets once you get out to the communities are very low. If you go out to the community and there are fewer clients than you expect, you would spend the time with the other health professionals or the community. We are on target at the moment for our outreach and Indigenous clients in terms of our target hours.

**Senator CROSSIN**—You are telling me that Australian Hearing staff actually meet their targets in servicing remote communities. There is not an instance where they have not met their targets?

**Ms Green**—Not that I am aware of. Certainly at the moment the figures are suggesting that they are on target for the Indigenous services, yes.

**Senator CROSSIN**—That means remote communities does it?

**Ms Scott**—These are national targets so, if I understand it correctly, it is not as though one remote visit is going to be held to account for the fact that the number of clients they saw is less, the number of hours is what is targeted and there is a national target for clients.

**Senator CROSSIN**—But you also have, do you not, a target for each hearing centre? Each hearing centre has a target?

**Ms Green**—Each hearing centre would have targets across a range of CSO services, yes, and we do have targets for outreach for some hearing centres. Not all hearing centres would do that sort of work.

**Senator CROSSIN**—Are there any hearing centres that have not met their target in the 12 to 18 months when it comes to a client group and a particular remote communities?

**Ms Scott**—This is any client group and then as part of that—

**Senator CROSSIN**—No, I am assuming that when you go to a remote community you by and large only see Indigenous clients.

**Ms Scott**—The information you are after is were targets met relating to Indigenous communities in remote areas?

**Ms Green**—Remote sites, under the terminology of remote in the Office of Hearing Services, will have some clients other than Indigenous. There are other communities in those remote sites under the ARIA codes. In the outreach program it is mainly Indigenous. Very rarely do they see non-Indigenous people. My understanding is that across the country we are currently on track. There may be some centres that may be a little behind but they normally catch up in this quarter because travel conditions are good particularly in the remote areas.

**Senator CROSSIN**—Can you take on notice for me then whether or not any centres have failed to meet their targets in travel time associated with servicing remote communities?

**Ms Green**—Certainly.

**Ms Scott**—You are worried that they are travelling too little or too much?

**Senator CROSSIN**—I understand that you measure outputs by associated travel time.

**Ms Green**—It is not just travel time.

**Ms Scott**—It is time spent with clients.

**Ms Green**—It is time spent getting to the community and being at the community.

**Senator CROSSIN**—What I want to know is whether there are any centres visiting remote communities that have not met their target? That should be fairly easy based on how you measure it.

**Ms Scott**—We just want to clarify it so we do not get the wrong end of the stick. If the target is expressed in hours spent in a remote community—not actually the travel time getting there—and let us say someone thought that you could get there and spend four hours in the community, you want to know how many times the target time has not been met.

**Senator CROSSIN**—Correct.

**Ms Scott**—Okay.

**Senator CROSSIN**—You attribute revenue to time spent with clients. In remote communities my understanding is that that time includes the cost of travel getting there. I am wanting to know if there are any hearing services that have not met that target.

**Senator Abetz**—Do you have any specific ones in mind or is it just a general question?

**Senator CROSSIN**—I would just like to know generally.

**Senator Abetz**—That has been taken on notice.

**Senator CROSSIN**—Ms Green, are you the new CEO at Australian Hearing?

**Ms Green**—I have been there two and a bit years. I am the managing director.

**Senator CROSSIN**—What level of staffing have we got in Australian Hearing?

**Ms Green**—The total organisation currently is 895 staff. Of clinical staff, we have 359 audiologists and 16 audiometrists.

**Senator CROSSIN**—What sort of duties would the rest of the staff undertake?

**Ms Green**—There are technicians and there are customer service officers in each of the hearing centres—a total of 371 in customer support and technicians. In head office, including research, there are 118 FTEs.

**Senator CROSSIN**—How many resignations has Australian Hearing had in the last 12 months?

**Ms Green**—I do not have the number of resignations, but I have the organisation turnover. The year to date to March figure is 14.3 per cent of all cessations. Clinically, the turnover is 5.6 per cent. We got benchmarks from Mercer Human Resources Consulting and we were told that the turnover for organisations of 500 to 1,000 staff is 18.35, that for all industries overall it is 17.86 and for the public sector it is 14.19.

**Senator CROSSIN**—This is in just the past 12 months, is it?

**Ms Green**—That is really nine months, year to date.

**Senator CROSSIN**—Can you provide me with figures on resignations for each year for the last five years?

**Senator Abetz**—Is that reasonably obtainable?

**Ms Scott**—Would it be acceptable to give you organisational turnover—just the sort of figures we gave you then—for the last couple of years?

**Senator CROSSIN**—You can. I am just interested to know how many out of that would have resigned.

**Ms Scott**—Yes, I understand. I am just trying to think of the costs associated with dipping into files to find out whether someone resigned, retired—

**Senator CROSSIN**—It is not a statistic you keep automatically on your staff when they leave?

**Ms Scott**—Can we take it on notice and see how easy it is to obtain?

**Senator CROSSIN**—All right. Is there a uniform that Australian Hearing people wear?

**Ms Green**—No. Some centres have shirts that have monograms on them; some centres have a style of shirt that they wear. That is something that we are looking at and building into our next business plan for 2005-06.

**CHAIR**—Perhaps you could advise them, Senator Crossin.

**Senator CROSSIN**—I am just wondering whether it has been suggested that staff should wear scarves or brooches to work. Is that not something that has been part of a suggestion?

**Ms Green**—No.

**Senator CROSSIN**—So there is no corporate uniform?

**Ms Green**—No.

**Senator CROSSIN**—Those are all the questions I have for you. I await with interest your annual report this year. But, before you go, I would be interested to have an organisational chart for Australian Hearing.

**CHAIR**—There being no further questions, I thank very much all the witnesses for their assistance.

### **Proceedings suspended from 6.25 pm to 8.00 pm**

#### **Department of Finance and Administration**

**CHAIR**—I welcome back the department, which was partly heard the other day. We are up to outcome 3, Efficiently functioning parliament, output group 3.1, Ministerial and parliamentary services.

**Senator CARR**—On Monday I got back some answers to questions asked at the last round. Is there any reason why they should be so late?

**Senator Abetz**—Which questions are we talking about?

**Senator CARR**—This is F38, which is a series of questions to do with ministerial staff.



**Mr Suur**—We did have a delay in answering the questions from the last hearings. That is not typical of the way in which we deal with these things but, with the pressures of the budget and things like that, we were later in lodging our answers than we have been in the past. We did keep the committee secretariat informed of our progress, but we regret our tardiness.

**Senator CARR**—How many weeks late do you think they were?

**Mr Suur**—In the end, the final answers were lodged at the beginning of this week, and that was about seven weeks after the initial cut-off date identified by the committee.

**Senator CARR**—Have you been that late before?

**Mr Suur**—We have had instances where individual questions have been a little late, but by and large we have met the time frames set by the committee. In this case we did have the answers lodged before the hearings and, as I said, we regret the delay.

**Senator CARR**—I just think seven weeks is a bit over the odds for a series of questions—it was not just one.

**Mr Suur**—There were 41 questions asked in total, and we answered two during the hearings last time. That left us with 39 questions, which had over 100 parts.

**Senator CARR**—I can assure you that is a pretty light load compared to many other committees.

**Mr Suur**—Together with the budget, it did test us. However, as I say, I agree that we were tardy and we will try to do better next time.

**Dr Watt**—We take your point on board, and we will do better next time.

**Senator CARR**—What is the current ministerial and parliamentary staffing entitlement for ministers and parliamentary secretaries? I have here your answers to questions F38(1)-(6), which indicate a total as of February 2005 of 384.6. That is not a contemporary figure, is it? Where do we stand at the moment?

**Mr Edge**—I have a handout which we may wish to table. We have handed this information out in the past, and it has details of government, opposition and independent staffing numbers.

**Senator CARR**—Thank you. That would be very helpful. There is three, four, five; what is the total?

**Mr Edge**—I need to explain to you how the numbers vary a little bit. The presentation format is slightly different on the table that is attached to the question on notice in the information I just gave you. You will see on the table that we just handed out ministerial personal staff. These are established staff positions. Some positions may have more than one staff member in them.

**Senator CARR**—That is the entitlement—

**Mr Edge**—This is the establishment. There are 345.5 ministerial staff, 34 personal staff positions for parliamentary secretaries. Included in the number that you would have seen, the 384.6, was also staff from the cabinet policy unit. You will see on the second page of that table that that is seven positions; the 0.1 of a position is a consultant position.

**Senator CARR**—Where is that based? Is that in the Prime Minister's office?

**Mr Edge**—Yes.

**Senator CARR**—The opposition has 86 staff? Is that right? I thought it was only 84.

**Mr Edge**—That is correct. There are a 85 opposition establishment positions plus an additional position, which is allocated to Mr Crean, making a total of 86.

**Senator CARR**—The Democrats have 15?

**Mr Edge**—That is correct.

**Senator CARR**—Is there any decision on the continuing entitlement to 15?

**Mr Edge**—I would not be able to comment on that. I am not aware of a decision.

**Senator MURRAY**—There has been no decision.

**Senator CARR**—Going back to the original answer, I see that the Prime Minister's office has increased by three positions. Is that right?

**Mr Edge**—The staff numbers in the table that was attached to the answer to the question for the Prime Minister's office indicate that as at 1 February 2005 there were 40.2. The table I just distributed shows 40.1; the other 0.1 is the consultant position.

**Senator CARR**—I see the variation, yes. Is it reasonable to conclude that the cabinet policy unit is contained within the Prime Minister's establishment?

**Mr Edge**—Yes, it is. The reason for the slightly different presentation of the two tables is that the table I just distributed has basically all of the personal staff positions, including the CPU, identified separately. When we were responding to the question on notice, the question related simply to ministerial and parliamentary secretaries staff, so we changed the formatting a little to reflect the cabinet policy unit and also the consultant position. In the top two lines of the table that was that was attached to the response to the question on notice you will see the 0.1 of a position in the 40.2, and then for the CPU there is a number of seven appearing just underneath.

**Senator CARR**—I see that. Thank you for that. Again we come back to the proposition that there has been an increase of three in the Prime Minister's establishment. What is the reason for that?

**Mr Edge**—I am not following you, Senator. I do not see an increase of three based on the 1 February to 1 May figures.

**Senator CARR**—No. Is there not a variation on the allocation for the previous year? Has it gone up by three?

**Mr Edge**—I do not have information about the staffing establishment in the Prime Minister's office going back past 1 February, but the 1 February number was 40.1, which is the same as that table is showing now, exclusive of the cabinet policy unit and the 0.1 of the consultant position. The short answer is that even including the cabinet policy unit and the 0.1 of the consultant position there has been no change from 1 May to 1 February.

**Senator CARR**—Let me go through it with you. The way I read the table—you can correct me if I am wrong—is that in February 2004 it was 39.2 and in February 2005 it was

40.3. So there were five-plus in the cabinet office and it went to seven. I see that as an aggregate increase of three.

**Dr Watt**—Mr Edge was giving you the numbers for February 2005 going back to February 2004. You are right.

**Mr Edge**—Yes.

**Senator CARR**—Can you tell me why it was necessary to increase the establishment by three?

**Mr Edge**—I would not be able to comment on the reasons for the increase in the establishment. Those positions are approved by the Prime Minister.

**Senator CARR**—Clearly, from the answers you have given me, he has the capacity to do that under the existing administrative arrangements. What were the levels of seniority for those three new positions?

**Mr Edge**—I would have to take that on notice. We may be able to get the answer for you in the next little while. I am just not certain whether we can get it—

**Senator CARR**—Thank you. I turn now to the issue of the consultant. We have 0.1 of a consultant. Can you explain to me how that works?

**Mr Edge**—It is a part-time position. The 0.1 of a full-time position is based on the amount of work and remuneration associated with the position. The view is that it reflects about a tenth of a full-time position.

**Senator CARR**—It is the only consultant within the ministerial and parliamentary secretary's personal staff?

**Mr Edge**—That is correct.

**Senator CARR**—Who holds that position of 0.1?

**Senator Abetz**—I have adopted a practice of not gratuitously mentioning individuals' names at these estimates, as I think there are certain issues involved. However, there is a list that I am advised is published about September or October each year which lists all the consultants engaged by the government, and this particular consultant would be found on that list.

**Senator CARR**—Do we have a copy of it?

**Ms Mason**—We are obtaining one now.

**Senator CARR**—Thank you very much. Is that the only consultant in the entire list? It is not hard to identify that person if you have the other list. I thought it would be easy for you to tell me.

**Senator Abetz**—I just have a practice that gratuitously mentioning people's names is—

**Senator CARR**—No, it is not gratuitous. You have one person. I would just like to know who the consultant is. Can someone tell me why that arrangement has been made, given that it is applying to just 0.1 of a position in one office? What is the rationale?

**Senator Abetz**—Undoubtedly the Prime Minister saw the need for it, and he makes the decision.

**Senator CARR**—Is that the only explanation for it? It was a personal decision of the Prime Minister?

**Senator Abetz**—Yes. It may surprise you that the Prime Minister determines what staffing needs his office might have and the number of consultants. If I recall, the previous Labor government had quite a number of consultants on board.

**Senator CARR**—I do not dispute that. What is the value of the consultancy?

**Senator Abetz**—It may well be—and we will find this out—in the annual report.

**Senator CARR**—So will you take that on notice and come back to me on that?

**Senator Abetz**—Yes. We will take it on notice, but hopefully we can get you the table tonight.

**Senator CARR**—I do not think it is a difficult question to answer. The Treasurer has increased establishment from 12.4 to 14. Are you able to tell me why that has occurred?

**Senator Abetz**—There has been an addition of 1.6, and that would be the mathematical answer.

**Senator CARR**—I can read that.

**Senator Abetz**—Good. The other answer or the answer that, undoubtedly, you are looking for is that a need was determined and, as a result, more staff were allocated. If you go through the lists, as I understand it, people were added to various staffing allocations and some were taken off. Overall, I think there has been a slight increase.

**Senator CARR**—There has. What is the level of seniority of the new positions?

**Mr Edge**—We can tell you the variation quite readily between 1 February and 1 May this year. It will take us longer to provide information about the variation between February last year and February this year.

**Senator CARR**—I am interested to know where the shift has come after the election, why it has occurred and at what levels of seniority these new appointments have been made.

**Mr Edge**—Okay. As I said, we can readily provide you with information on the variation between the 1 February and the 1 May numbers for this year.

**Ms Mason**—The table attached to the question does allow one to work that out, but if you are asking for a summary of the seniority of positions an officer will need to sit down and—

**Senator CARR**—I am happy for you to take that on notice. I am not looking at any ambush here; I am simply trying to establish how the staffing structure works and what the overall costs are, which no doubt we will get to. Equally, I would be interested to know about the two officers who have had reductions in their allocations. Senator Coonan's office went from 13 down to 11, so two positions were removed. Can anyone explain to me why that is?

**Senator Abetz**—Undoubtedly it was in relation to the perceived workload. I do not know exactly the reasons why, but these allocations are made on a basis of determined need. Whilst

I am not sure that it was necessarily responsible for two positions, I know that part of her portfolio went to Finance and Administration, for example.

**Senator CARR**—Why has the Parliamentary Secretary to the Minister for Health and Ageing, Mr Pyne, had an increase from two to five?

**Senator Abetz**—I am assuming that what you are saying about that increase is correct. At the end of the day, it is the Prime Minister's call as to the allocation of staff to various frontbenchers, as it is, indeed, as I understand it, amongst the opposition, where staff are in fact allocated to the opposition leader, who then allocates them to various shadow spokespersons. In the government, ultimately the Prime Minister decides the perceived needs.

**Senator CARR**—Invariably, it would be said to be the work effort. I am just wondering why it is that the number for the parliamentary secretary has increased from two to five when Senator Coonan appears to have an increased workload but has had a decline.

**Senator Abetz**—Why would you say 'an increased workload' when part of her portfolio has gone to Finance and Administration?

**Senator CARR**—It is a view I take.

**Senator Abetz**—All right.

**Senator CARR**—I wonder if you can explain why it is that there have been these changes. That is the explanation I am seeking from you. I am also interested to know what the new positions are that have been created and at what levels.

**Senator Abetz**—We will get that information for you. As to determining that, that is at the discretion of the Prime Minister.

**Senator CARR**—Yes. When were they appointed? Could you tell me that?

**Senator Abetz**—I think we can get that for you on notice as well.

**Senator CARR**—I have just noticed also, in the chart you have provided me with, that there is a series of new categories of senior advisers. Have I read the chart correctly on that issue?

**CHAIR**—Which one is that?

**Senator CARR**—It is answer to question F38(1)-(6). There is an attachment to that answer. Have there been new categories of senior advisers created?

**Mr Edge**—In the table that was attached to the response to the question on notice and in the table you were just given, there is a category of Senior Adviser (Chief of Staff) (Cabinet). That position is also reflected in the table, in the answer to the question on notice. Also, the category Senior Adviser 2 (PM/Deputy PM/Treasurer) is there; Senior Adviser 1 (Cabinet) is there; and Senior Adviser (Chief of Staff)/Senior Adviser (non-Cabinet) is there. Then we move into the media adviser categories.

**Senator Abetz**—Senator Carr, are you suggesting that these categories have not existed in the past?

**Senator CARR**—I am saying: there are new categories. If I read this correctly, in 2004 the Prime Minister's office had 12 senior advisers and in February 2005 there seems to have been a reclassification. Have I read that correctly?

**Ms Clarke**—Yes, you have read that correctly. In January 2004, if my memory serves me correctly, an additional classification was created, called Senior Adviser 2. It picks up senior advisers in the Prime Minister's office, in the cabinet policy unit, and in the Deputy PM's and the Treasurer's offices, recognising that the work that they may do is perhaps a little higher than your average senior adviser in cabinet.

**Senator CARR**—Okay. So let us go through it: there is the Prime Minister, the Deputy Prime Minister, the Treasurer and the cabinet office, which is in the Prime Minister's office.

**Ms Clarke**—The cabinet policy unit, within the Prime Minister's office.

**Senator CARR**—So three senior ministers have new classifications for their senior staff?

**Ms Clarke**—That is correct.

**Senator CARR**—What is the rationale, again, for those three officers and not the rest of the cabinet?

**Ms Clarke**—It was seen that, with the work that was associated with those officers, there was a point where it was justified to have a classification that was separate from Senior Adviser (Cabinet).

**Senator CARR**—Can you explain to me what the nature of this special work is that requires a new classification for just three officers?

**Senator Abetz**—I think you have already been given the answer—

**Senator CARR**—No.

**Senator Abetz**—the seniority of the office. It would be fair to say that the Prime Minister, the Deputy Prime Minister and the Treasurer are the subject of most public focus. I would assume—I do not know—that they would get by far the most questions in the parliament. I would have thought they would be charged with the oversight of a whole range of other policies and whole-of-government approaches which require special expertise.

**Senator CARR**—Does that mean that Minister Vanstone, given the amount of attention that she is getting, should get an additional classification? It would follow on that logic.

**Senator Abetz**—No, because that is not on a permanent basis. Every now and then even you, Senator Carr, and I hit the top of the pops in the ratings in the media. It never lasts for long, thank goodness, but sometimes you get that blip. However, it would be fair to say that those three that I have mentioned have a sustained period of interest in them.

**Senator CHRIS EVANS**—Sometimes the attention means that your tenure is about to end as well and that maybe that is not the best place to be employed.

**Senator CARR**—Are you seriously contending that that is the reason for the reclassification for only three officers?

**Senator Abetz**—You can say it seriously or not seriously. I do not care how you are classifying it—I am telling you that that is the answer as given by Ms Clarke.

**Senator CARR**—Then why are the media staff being classified differently as well—if I read the table correctly? And can you confirm that I have read it correctly?

**Ms Clarke**—Which media advisers?

**Senator CARR**—Let us just go through the table again. If we look at the media staff in the Prime Minister's office, in 2004 there was a media adviser but in 2005 there is not—there was a reclassification. It seems to be the same in Trade, Defence, Foreign Affairs and a whole series of portfolios down that list. In fact, there has been a reclassification in all of them except Transport and the Treasury. Can you explain to me why that is?

**Ms Mason**—The classifications that appear in the table are the staffing allocations that have been approved by the Prime Minister as suitable and applicable to the ministers concerned. The task of the department is to administer the decisions that have been taken.

**Senator CARR**—That is fine. So it was the Prime Minister who decided to have a reclassification—is that the answer?

**Senator Abetz**—Ultimately.

**Ms Mason**—Yes.

**Senator CARR**—Does it mean that higher salaries are now being paid as a result of the reclassification?

**Ms Mason**—It may or may not. There are different salary ranges applicable to different classifications, and the salaries of individuals would be covered by those ranges in most cases.

**Senator CARR**—Then what is the difference between the 10 senior advisers being listed in the Prime Minister's office in 2004 and the new senior advisers grade 2 and new senior grade 1 being listed now? What is the aggregate difference in the salary costs?

**Ms Clarke**—I can give you the salary ranges. Would that help?

**Senator CARR**—Yes, it would be very helpful. Do you have it in a chart?

**Ms Clarke**—I do.

**Senator CARR**—It would save a lot of time if I could see it in a chart. I see a nice bar graph there; I always like bar graphs.

**Senator Abetz**—We will just make sure there are not any other attachments to it for Senator Faulkner.

**Ms Mason**—We can table a copy of the chart that Ms Clarke is referring to, but we would like a copy back so that we can answer any questions.

**Senator CARR**—Okay. We will come back to that. What is the total annual cost of salaries and other remuneration benefits for the full staffing complement of the chart headed up 'Government personal staff as at May 2005'?

**Ms Mason**—That is a question we would need to take on notice. It is actually a very difficult question to answer because it basically involves analysing the salaries and allowances of every single person listed, and these people do change from time to time, so there are ons and offs.

**Senator CARR**—But we have a finite period from 1 May. That is the chart you have provided me with so I would like to know what the cost is.

**Senator Abetz**—As at 1 May?

**Senator CARR**—That is what it says there—1 May 2005. That is the chart you have given me. Could you do that and give me the equivalent year to date going back to 2001-02 so I can get a comparison? Is that possible?

**Ms Mason**—Can I clarify your question so we make sure we get the data you are asking for? You are asking for it as at 1 May in each year since 2001?

**Senator CARR**—Yes. I am looking for the variation in running the personal staff of the government over that period of time. Surely it will be roughly the same as for the opposition in that we have a ration of, I think, one to five.

**Ms Mason**—Twenty one per cent.

**Senator CARR**—That is a little over one to five.

**Senator Abetz**—More generous than one to five.

**Senator CARR**—There is no proposal to change that, is there?

**Ms Mason**—No.

**Senator CARR**—Can we go back to the reclassification of the staff in these three offices? What is the variation there? What does it mean in financial terms?

**Ms Clarke**—If you are looking at the senior adviser level 2 range, the salary range goes from \$111,000 up to \$139,000. The senior adviser level 1 range goes from \$80,500 up to \$125,000. So if you were a senior adviser level 2 you would be in that earlier range that I mentioned and as a senior adviser level 1 you would be in the latter range.

**Senator CARR**—So the net effect of the reclassification, if I read it correctly, is that the top of the range under the old classification was \$122,000 and the top of the range now will go up to \$139,000. Is that right?

**Ms Clarke**—Yes, that is correct.

**Senator CARR**—For the senior adviser, chief of staff, it is about \$132,000—it is a slightly lower rate.

**Ms Clarke**—Yes, that is correct.

**Senator CARR**—So for the first category there is an increase there of \$14,000. Is that right? Is it a \$14,000 pay rise?

**Ms Clarke**—Which category?

**Senator CARR**—If we take the top of the range for a senior adviser level 1 to the top of the range for senior adviser level 2 in the new classification that is a variation at the top of the range of about \$14,000.

**Ms Clarke**—Yes, that is what my maths says too.

**Senator CARR**—So the net effect of the reclassification was to provide pay rises of \$14,000 at the top of the range.



**Ms Clarke**—No, the net effect of the reclassification was to provide a salary range within that.

**Senator CARR**—I understand that, but the top of the range has increased by \$14,000.

**Ms Clarke**—That is correct.

**Dr Watt**—But that does not mean that any individual has got a pay rise.

**Senator CARR**—We will get to what the individual has got in due course. Since you will not tell me, I will have to extrapolate from that. Equally, it can surely be said that the top of the range for the senior adviser, chief of staff, has also increased. Would that be right?

**Ms Clarke**—There are general increases for all the salary bands for both government and non-government that occurred in April this year and which were approved by the Prime Minister.

**Senator CARR**—I am interested to know what the reclassification meant.

**Ms Clarke**—That is then a different salary increase.

**Senator CARR**—That is right. There was a standard aggregate salary increase, but it appears that a reclassification has occurred on top of that?

**Ms Clarke**—The new classification was brought about in 2004. Since then, there have been increases in the salary bands.

**Senator CARR**—There are a number of MOPS staff employed at salaries above the specified range in their classification. That is correct, isn't it?

**Ms Clarke**—That is correct.

**Senator CARR**—How many would there be?

**Ms Mason**—Currently there are 10.

**Senator CARR**—And how many of them are on the government side?

**Ms Clarke**—All 10 are on the government side.

**Senator CARR**—How many of the staff would get a salary above the range of each classification level?

**Ms Clarke**—I am sorry, I do not have that information with me.

**Senator Abetz**—Just as a clarification or addition to the answer just provided, it should also be noted by the committee that no non-government staff are currently employed at salaries above the specified salary ranges. No requests have been made. So it is not that a request has been rejected, but simply that no requests have been made.

**Senator CARR**—I see. And all 10 of them, I take it, are getting above the salary range though, are they not? Would that be a fair comment?

**Ms Clarke**—That is correct—they have salaries above the bands.

**Senator CARR**—While I know you do not provide individual salary details, could I get a breakdown of how many of the above-the-range employees are employed in each of the individual ministerial offices?

**Senator Abetz**—That would allow individuals to be identified, especially if there were only one particular person in a ministerial office on that sort of arrangement.

**Senator CARR**—Are you saying you will not say where the persons who are receiving salaries above the salary range are located?

**Ms Mason**—You asked an earlier question about what levels the people above the range are classified at, and we have undertaken to answer that on notice. If you put that together with information about the offices in which those people are employed, I think you would get to the point of being able to identify the individuals. So, we can give you one answer to those questions, but not both.

**Ms Clarke**—May I correct the record please? In providing you with details about the top of the range for the senior adviser 2, I said it was \$139,000. The lines in the graph are faded—I have just been corrected. The top of the range is \$132,200.

**Senator CARR**—It is just that my reading of your table, which is in front of me, suggests the figure is \$139,000.

**Dr Watt**—I think the bar in the graph is a touch misplaced. Either that or the lines are not quite straight.

**Senator Abetz**—The person with the crayons went up a bit too far.

**Senator CARR**—I see. So the figure is \$132,200?

**Ms Mason**—Yes.

**Senator CARR**—Can you tell me how many of the people on personal classifications are currently employed as MOPS staff?

**Ms Clarke**—Personal classifications?

**Senator CARR**—Yes.

**Ms Clarke**—There are 28 government staff with personal classifications. Four of those have a lower classification level than the position against which they are held. There are seven non-government staff with personal classifications. If it would help, I have a handout which gives—

**Senator CARR**—Yes, that would be very helpful and I would like that, thank you. I get the feeling you may have anticipated this question.

**Senator Abetz**—It is spooky, but we think we can read your mind.

**Senator CARR**—That is very good. How does it compare with previous years, though? You have given me information as at 1 May, and I appreciate that, but how does that compare with previous years?

**Ms Mason**—I am sorry, I do not have historical data in front of me.

**Senator CARR**—Would you be able to do the same as I have asked before: go back to 1 May as of the previous three years—back to 2001?

**Ms Clarke**—I do not think there is a problem there—I will take it on notice.

**Senator CARR**—You have not given me the classifications for these tables, or where people are located. Are you able to tell me that? Can you take that on notice?

**Ms Clarke**—The document that we circulated has that down the bottom. You will see that there are three senior advisers level I, nine special advisers—

**Senator CARR**—I apologise. Yes, I do see that. Thank you for that. How many special advisers are currently employed as MOPS staff?

**Ms Clarke**—There are nine government special advisers and one non-government special adviser.

**Senator CARR**—How does that compare with recent years?

**Ms Clarke**—I will have to take that on notice. I do not have historical data in front of me.

**Senator CARR**—Can you do the same pattern for me, please, as before.

**Ms Clarke**—Certainly.

**Senator CARR**—Can you tell me where they are located.

**Ms Mason**—We can give you the classifications and some historical data. We will give you as much as we can without risking identifying the individuals. The answers to some of the questions that you are asking this evening have been given in previous estimates hearings. We can certainly draw out material from those previous hearings and also from our own records to give you the answers you want.

**Senator CARR**—There is another classification again, is there not, and that is the special remuneration category? Is there another category entirely outside of these categories?

**Ms Clarke**—Not that I am aware of.

**Senator CARR**—I thought the Prime Minister had the capacity to make a special determination. The answer to question No. F38 10 says that the Prime Minister has legislative authority under the Members of Parliament (Staff) Act to determine the arrangement for the engagement of staff. The terms and conditions of employment are established in accordance with that authority and under agreement making provisions of the Workplace Relations Act. Is it true that there is a special remunerations arrangement, where the Prime Minister agrees, for MOPS staff?

**Ms Clarke**—The Prime Minister has agreed to the salary bands that you see before you. The Prime Minister can agree to pay salaries above the band where the money is available and he is inclined to do so. He can do that both for government and the non-government side.

**Senator CARR**—How many people attract that good fortune?

**Ms Clarke**—They are the 10 I mentioned earlier.

**Senator CARR**—All 10? Are the locations of those people listed?

**Ms Clarke**—No. We have taken that on notice.

**Senator CARR**—So we will come back to that. Thank you. Are those people on AWAs? Is that how it is described?

**Ms Clarke**—Yes, they would be.

**Senator CARR**—How many are employed at adviser level or below? Are there any employed on AWAs at adviser level or below?

**Ms Clarke**—No. Their employment terms and conditions are covered by the certified agreement.

**Senator CARR**—There is no-one outside the certified agreement at adviser level or below?

**Ms Clarke**—No.

**Senator CARR**—I notice that on the new table you have provided to me tonight—and I appreciate that—the Government Members Secretariat is listed. It has an establishment of 10. Is that right? Have I understood the table correctly?

**Mr Edge**—That is correct.

**Senator CARR**—Under the classifications there is one principal adviser and there are two senior advisers. Is that right?

**Mr Edge**—Looking at the GMS, you read across the table.

**Senator CARR**—I have read that wrong, haven't I?

**Mr Edge**—Yes. The senior adviser is a staff position.

**Senator CARR**—What is the salary range for that position? Is it the same as the other?

**Mr Edge**—‘Senior Adviser (Chief of Staff)’ and ‘Senior Adviser (non-Cabinet)’ are on the second table from the right.

**Senator CARR**—That is a range of \$80,000 through to \$109,000 on the graph. Is that roughly right?

**Senator Abetz**—Yes.

**Senator CARR**—Then we have two media advisers who are employed at between \$80,000 and \$109,000. Is that right?

**Mr Edge**—Reading across the table, I can only see media advisers in the GMS.

**Senator CARR**—There are five advisers and three assistant advisers.

**Mr Edge**—That is correct.

**Senator CARR**—What is the assistant adviser salary range?

**Ms Mason**—While we are retrieving that material, I will let you know that we have the annual report on consultancies that was tabled on 30 November 2004. We could provide another copy if that would be convenient.

**Senator CARR**—Thank you. Does that include the cost of the consultancy?

**Ms Mason**—It does not.

**Senator CARR**—Are you able to tell me what the cost of the consultancy was?

**Ms Mason**—Not without taking it on notice.

**Ms Clarke**—You asked about the assistant adviser range. I am looking in the certified agreement for MOPS staff, and that range goes from \$52,365 up to \$60,153 and, of course, attracts the parliamentary staff allowance of \$14,297.

**Senator CARR**—Is there any other salary packaging?

**Ms Clarke**—That is the assistant adviser range.

**Senator CARR**—That is the whole lot?

**Ms Clarke**—Yes.

**Senator CARR**—You have an administrative assistant. Are you able to tell me the salary range there?

**Ms Clarke**—The administrative assistant range goes from \$34,241 up to \$44,851. The parliamentary staff allowance varies. For salaries below \$42,095 it is \$8,937, and for salaries above that it is \$14,297.

**Senator CARR**—Is the trigger figure about \$42,000?

**Ms Clarke**—Yes.

**Senator CARR**—Could you assist me with the Government Members Secretariat. Is Belinda Charles still with the Government Members Secretariat?

**Senator Abetz**—These things are in printed directories, but trawling the names of individuals through the *Hansard* is not a practice that I would encourage, and your colleagues in the past have desisted from it.

**Senator CARR**—I know there is a long history on this matter, and I think you will find that we have been able to assist the work of the committee by identifying who actually works in the Government Members Secretariat. Are you able to tell me whether Belinda Charles still works in the government secretariat?

**Senator Abetz**—I would invite you not to ask that question, otherwise government senators can ask whether it is true that such-and-such still works in Senator Carr's office or Senator Murray's office. If there are particular questions or issues about the conduct of a particular employee, then I think it is fair enough. I recall the unfortunate history of some of the staff of the former member for Richmond, which was quite properly raised here.

**Senator CARR**—I cannot find Ben Morton or David Constantine in the government directory. Do those persons still work for the government secretariat?

**Senator Abetz**—I will take that on notice.

**Senator CARR**—Could you tell me, if they have left, when they left?

**Senator Abetz**—Yes.

**Senator CARR**—Are you able to tell me if they have transferred within the government staffing? Could I ask how many of these staff were employed during the election campaign last year?

**Senator Abetz**—You can, and I dare say we can provide you with a raw figure as to how many of the existing complement were engaged on 9 October. Is that what you want to know?

**Senator CARR**—I would like to know whether they were employed during the federal election campaign.

**Senator Abetz**—How many of those that are currently part of the GMS complement—

**Senator CARR**—Yes, were employed in the federal election campaign.

**Senator Abetz**—From whenever it was called until 9 October?

**Senator CARR**—Yes. I am interested to know whether any of these staff were transferred to other locations during the election campaign. Can you tell me that?

**Senator Abetz**—We will take that on notice. We can start asking about whether certain other staff were transferred to other locations. These people are employed at the behest of the employing members, ministers, leaders et cetera. I am not sure that we would necessarily want to go down that path but I will take it on notice.

**Senator CARR**—Thank you. Could I ask you whether Chris Fryar is still with the government members secretariat?

**Senator Abetz**—I will take that on notice as well.

**Senator CARR**—Thank you. What is the total annual cost of running the government members secretariat?

**Senator Abetz**—Corporate would be the normal place for that. So you want what?

**Senator CARR**—I have an answer to question F17—everything has been provided. Senator Robert Ray asked the question on 17 February 2004. That is the 2004 figure, not 2005.

**Senator Abetz**—Right.

**Senator CARR**—For the period 2002 to 2003, the cost for travel expenses, motor vehicle allowances, travel allowances, ministerial staff allowance, parliamentary staff allowance, salaries and administrative expenses was said to be \$958,786. What I would like to have is an updated figure, if I could. I would like to have it so I get an annual cost of the operations of this unit. Could I have it broken down in the same way—

**Senator Abetz**—As it was in that particular answer?

**Senator CARR**—Yes.

**Senator Abetz**—All right. We will take that on notice.

**Senator CARR**—Do you have a figure here with you?

**Senator Abetz**—Unfortunately, I do not. I thought I might have but I do not.

**Senator CARR**—Is it possible to give me a time series on that? Do you have historical data on what the changes have been since 1996? Is that readily retrievable or not? Is it possible to get that?

**Dr Watt**—We will have a look. We do not know how far back our data run goes. We will have a look.

**Senator CARR**—Could I get it back as far as you can get it without—

**Dr Watt**—Without excessive work.

**Senator CARR**—excessive work or cost?

**Dr Watt**—Sure.

**Senator CARR**—In terms of equipment, could I get a full list of equipment presently in the office, along with the cost of each item and the date of purchase? You must have an audit.

**Dr Watt**—We would, but that is starting to become a heck of a lot of work. Why don't we—

**Senator CARR**—But you must have an audited asset list.

**Dr Watt**—I have no doubt we have an asset register. That will tell you what we have. It may not relate directly, however, to purchase price. Why don't we see what we can find? We might want to confine that to major equipment.

**Senator CARR**—Yes.

**Dr Watt**—Clearly you are not worried about staplers and things like that.

**Senator CARR**—No, I am not interested in petty stuff. There have been a series of questions asked over a number of years on this matter. I know the drill. I have read your material in the *Hansard*. But I would like to see what the level of equipment purchases have been, what equipment is there now and what the cost of provision has been. Are you able to provide that?

**Dr Watt**—We will see what we can do.

**Senator CARR**—I am talking about any significant changes. I do not want to know how many staplers have been bought.

**Dr Watt**—The issue for us will be how far back we go and how deep we go into the detail.

**Senator CARR**—Thank you. I would just like to know what that current asset list is.

**Dr Watt**—The major asset list.

**Senator CARR**—Thank you.

**Senator Abetz**—If you want us to follow the lines of your good friend and colleague Senator Robert Ray, I think we can oblige.

**Senator CARR**—I am sure you can. Thank you very much. Are there any additional media monitoring services offered to government members other than that provided by the GMS?

**Senator Abetz**—Sorry: by who?

**Senator CARR**—By MOPS staff. Are there any additional media monitoring services undertaken by the government members' staff?

**Senator Abetz**—From who?

**Senator CARR**—Are there any media monitoring services undertaken for the government? What is the cost of them?

**Senator Abetz**—I would have thought that every office would have such a person—

**Senator CARR**—Someone who reads the paper. I had no doubt that you would answer in that way. I would like to know what the cost is of media monitoring in the government at the moment. Are you able to tell me that?

**Senator Abetz**—Media monitoring is done, I would have thought, in every office of every backbencher and of every minister as well. For every minister, that would be a cost borne by the home department of that particular minister.

**Senator FAULKNER**—That is not true. I do not do it in my office. I do not get any media to monitor. Count me out. It is probably true for everybody else.

**Senator Abetz**—So your staff do not monitor the media for you?

**Senator FAULKNER**—They do not. They are far too busy working on other matters.

**Senator Abetz**—Fair enough. Apart from Senator Faulkner and a few others, I would suspect—

**Senator CARR**—Are there any media monitoring companies engaged by the government, such as Media Monitors?

**Senator Abetz**—You would have to ask every home department whether or not they engage such a media monitoring service.

**Senator CARR**—So you want a question put on notice for every department? Is that what you are saying?

**Senator Abetz**—No, I do not. But that is the only way you are going to find the information that you want.

**Senator CARR**—I understand that Mr Hanke is not a member of the GMS. However, I see that he is still listed in the latest directory as being employed by Kevin Andrews. Is that right?

**Senator Abetz**—When was the latest directory published?

**Senator CARR**—April 2005.

**Senator Abetz**—I will take that on notice.

**Senator CARR**—It says, ‘Senior Adviser’ on page 102.

**Senator Abetz**—I thought he had moved.

**Senator CARR**—That is my point.

**Senator Abetz**—I am not sure, but I will take it on notice.

**Senator CARR**—He is in the latest directory. I am seeking to confirm his present employment status. Mr Andrews seems to have been able to get by without him in recent times. I see in the press that Mr Hanke is working in the Northern Territory on a three-month contract, on a salary of \$15,000 a month. The *Australian* dated 21 April reports to that effect. There are various reports from the Northern Territory to that effect. Are you able to confirm that he is no longer with the government and that he is working in the Northern Territory?

**Senator Abetz**—We will take that on notice.

**Senator CARR**—Has Mr Hanke taken leave?



**Senator Abetz**—We can take that on notice as well. I have not seen him around the corridors of late, so the chances are he is in the Northern Territory.

**Senator CARR**—What is his registered home base?

**Senator Abetz**—As to the details of all that, I am not privy to them and I will take all of that on notice.

**Senator CARR**—Could you inform me as to what his registered home base is when he is with the Commonwealth?

**Senator Abetz**—I will take that question on notice and I will give it consideration.

**Senator CARR**—If he is on leave, is it intended that at the conclusion of his leave he will return to Mr Andrews's staff?

**Senator Abetz**—That is undoubtedly a matter for the minister and others to determine. It is not for this department to know either what is in the mind of the minister and/or about Mr Hanke's desire to return.

**Senator CARR**—He has not been seen around lately, I am told.

**Senator Abetz**—If what is alleged is correct—that he is in the Northern Territory—with a bit of luck, he might be the chief of staff to the new Chief Minister of the Northern Territory. I do not know, but we will see what happens.

**Senator CHRIS EVANS**—I am hoping we can have a wager with you. I bet you do not put your money where your mouth is on that one!

**Senator CARR**—It is also reported in the press that Mr Hanke was on leave during the Western Australian election campaign. The *Age* reports it that way. Can you confirm for me that, during the Western Australian election campaign, he was also on leave?

**Senator Abetz**—I indicate that I find particularly distasteful this sort of questioning as to what staff do or do not do. If there were assertions—clearly, there have not been—that he was doing things whilst employed by a minister that would not have been appropriate then I can understand the trawling of this. But, as I understand it, if you are asserting that he takes leave when he engages in other activities, then I would have thought there is nothing surprising about that. It sounds very proper to me, and there is no need for this gratuitous trawling of an individual's name through *Hansard*.

**Senator CARR**—It is a simple question: was Mr Hanke on leave during the Western Australian election?

**Senator Abetz**—I know it is a very simple question.

**Senator CARR**—It is a simple question: is Mr Hanke currently on leave for the Northern Territory election? I do not think it is trawling through anything. I have asked two straightforward questions about Mr Hanke.

**Senator Abetz**—And we can start asking questions about Labor—

**Senator CARR**—I am not making any assertions whatsoever about Mr Hanke's role in the government. I have not made any assertions whatsoever about his role in those elections. I am just asking straight questions.

**Senator Abetz**—We can start asking similar questions about Labor staffers. I would have thought that, in general terms, there was an agreed approach by all sides of politics that, unless there were a particular issue of concern—

**Senator CARR**—Nothing has been agreed about people engaging in those state elections while they are still on the payroll—

**Senator Abetz**—But you are not alleging that.

**Senator CARR**—Therefore, I am asking the question: is he on leave? If he is on leave, that is a different question. I think we are entitled to answers.

**Senator Abetz**—I will take it on notice and I will give it consideration.

**Senator FAULKNER**—I believe there have been some changes to the global communications allowance that basically allows members and senators to subscribe to online publications. Is that correct?

**Ms Clarke**—There has been a change to the newspaper entitlement. It has been made more flexible so that senators and members are now able to go out and purchase—

**Senator FAULKNER**—Sorry, am I using the wrong terminology? I said ‘communications’ when I should have said ‘newspaper’. I apologise for that. Let me ask the same question but substitute ‘newspaper allowance’ for ‘communications allowance’. I think you know what I mean now.

**Ms Clarke**—Yes.

**Senator FAULKNER**—Is there a capacity with—I am calling it a ‘mini global budget’; is that the right description?

**Ms Clarke**—We would call it a budget flexibility. However, if you want to purchase online newspapers, there is a capacity to do that under that arrangement.

**Senator FAULKNER**—Has advice been given to members and senators that that is the case?

**Ms Clarke**—A circular was sent out when that was changed, but I am not aware of the exact contents.

**Mr Edge**—I have a copy of it here. There was a circular distributed on 28 February setting out a range of administrative details, including the possibility of subscribing to internet based publications, editions of newspapers and so on.

**Senator FAULKNER**—That is right, but an internet publication is obviously not a newspaper, is it? By definition that is something different.

**Senator Abetz**—Correct me if I am wrong, but some newspapers have teasers that allow you to read the front page or whatever, but if you want the whole paper on the internet you have to be a subscriber. I think that is right. That would then require a payment.

**Senator FAULKNER**—That is an important intervention, because that is what I want to ask about. I assume it is not limited to internet newspaper subscriptions. I will use myself as an example. I personally subscribe—and the minister will be appalled to hear this—to Crikey. I also subscribe—and you may be less appalled—to Newmatilda, another online publication.

**Senator BRANDIS**—We are seeing a whole new side of you tonight.

**Senator FAULKNER**—Yes, that is right.

**Senator Abetz**—This is like a confessional.

**Senator BRANDIS**—You do not subscribe to *Quadrant* online, do you?

**Senator FAULKNER**—I do not subscribe to *Quadrant* online, nor do I subscribe to it offline. Anyway, having established all my eccentricities, which no doubt can be used against me—

**Senator Abetz**—Are the taxpayers willing to pay for them—that is the question.

**Senator FAULKNER**—I do not intend to ask the taxpayers. I am saying this because I am making it quite clear that I do not have a particular pecuniary interest in this because I happen to have a personal subscription to some of these publications. As I read the communication that Mr Edge has referred to, it appears to be perfectly okay for any member of parliament to subscribe to Crikey, Newmatilda or any other online publication—and there are many—using that allowance. I would appreciate you informing me whether that understanding, which a number of members of parliament have, is correct.

**Ms Mason**—Circular 2005/17 signed by Mr Edge does talk about you being able to either continue with your current supplier of newspapers and periodicals or change to another supplier. It also goes on to say that, if you wish, you may subscribe to electronic internet based editions of newspapers and periodicals. I guess the answer to your question turns on whether publications such as Crikey would fall into the category of a newspaper or publication. It is not a question that we have been asked to date. It is one that we can reflect on and advise senators or members accordingly so that people can make informed decisions. But I think that, on the face of it, it is probably the case that those publications would fit into that category and would be permissible to purchase from the allowance, provided the appropriate documentation was available.

**Senator Abetz**—Whilst we will take it on notice for a definitive answer, I must say my hunch would be that it would be allowed, because MAPS and I would not want to be getting into deciding whether a particular publication is an appropriate periodical or not in relation to these sorts of matters.

**CHAIR**—And that is periodicals as well as newspapers?

**Senator Abetz**—Yes.

**Senator FAULKNER**—I think that is a fair response. I thought Ms Mason's answer was a pretty reasonable one in the circumstances. I raise it because one or two people have asked me about it. I am only using those two examples because they are two online publications that I happen to subscribe to. Do not look at me like that, Senator Mason—I have no intention of mentioning the online material that you subscribe to!

**CHAIR**—The *Gentleman's Quarterly*?

**Senator FAULKNER**—Do not go there, Senator Mason. Wherever you want to go, I do not want to go there with you!

**Senator Abetz**—Can I just put a plug in for the *King Island Courier*?

**Senator FIFIELD**—I think Senator Faulkner has just won a free subscription to Crikey!

**Senator Abetz**—I daresay he will not have to draw on it anyway. We will monitor the tax invoice that is provided us very carefully, Senator Faulkner!

**Senator FAULKNER**—Which tax invoice is that?

**Senator Abetz**—The one from crikey.com. We reckon you have a few free subscriptions because of your gratuitous mentioning of them!

**Senator FAULKNER**—You would be wrong. I may have had a free subscription in the past—the damned thing just appeared on my email—there is no doubt about that. It was very generous of them too. But I can assure you that I pay for a subscription to Crikey on an annual basis. I am not interested, frankly, in advertising for Crikey. But the thing that should be accepted as a serious point from MAPS' perspective is that there is a bit of a grey area here. Maybe there is not, but there is some uncertainty here. It might be useful for Mr Edge or Ms Mason to have a look at this and clear it up.

**Ms Mason**—We will look at it now that it has been raised with us. As with any use of entitlements, senators and members are free to contact their entitlements manager to ask for advice about any publication. But I guess the bottom line is that the publications, in that Commonwealth moneys are used to purchase them, need to be publicly defensible. So I think that, in the case of the publications you mentioned, there is a case. For other publications it may be less clear.

**Senator BRANDIS**—What about serious academic journals like, for example, the *Australian Journal of Politics and History* or *Political Science Quarterly* or—

**Senator FAULKNER**—Or *Labour History*.

**Senator BRANDIS**—some academic journal which bore upon the work—

**Senator Abetz**—Or the *IPA Review*.

**Senator BRANDIS**—of a member of parliament. Is that all right? Is that within the entitlement?

**Senator FAULKNER**—Or the *Hummer*.

**Senator Abetz**—Whatever that might be.

**Senator FAULKNER**—That got you. It is a very good publication of the Sydney branch of the labour history society. Moving right along—

**Senator Abetz**—Yes, I was just going to suggest that!

**Ms Mason**—I think senators need to be able to justify their use of Commonwealth moneys. The publications that decide—

**Senator BRANDIS**—But if it were a serious journal that bore upon political topics?

**Senator Abetz**—I think that, if you could relate it to your work, endeavours and research as a parliamentarian, it would be justifiable. But if it was, say, a monthly golfing magazine, I think it would be pretty hard to justify.

**Senator BRANDIS**—Unless you are the minister for sport.

**Senator Abetz**—Yes, you are quite right. But chances are that your own department would pay for that rather than MAPS. At the end of the day, I think it is a question of looking at it case by case.

**Senator FAULKNER**—I agree that you have to apply some good sense to this. Some of the examples that have been mentioned—that is, the two mentioned by me and those mentioned by Senator Brandis—would actually fit the bill, I think, if I were to make a judgment. If you were to use such an allowance to subscribe to, say, a publication about your hobby or a personal interest, I think that would be inappropriate. It would certainly be inappropriate to subscribe to those sorts of magazines and publications that Senator Mason subscribes to, whatever they might be!

**Senator BRANDIS**—We have no idea what application Senator Mason makes of those magazines!

**Senator Abetz**—We will try to get special coverage for the party room!

**CHAIR**—Thank you, Senator Abetz—very kind!

**Senator MURRAY**—The answer here is that if it relates to your portfolio or your clear political parliamentary activities it is likely to fall within the scope.

**Ms Mason**—It needs to be parliamentary or electorate business. The senator or member concerned needs to be satisfied that it is justifiable for that purpose.

**Dr Watt**—That is an important distinction: I think Ms Mason is saying that MAPS will not be the one doing the defining; it will be the senator or member.

**Senator FAULKNER**—I want to ask about an issue that goes to the questions that were answered in the last round. Could I take you to question F22, please. This was a question that was taken on notice in relation to the number of MOP staff—these are, in fact, ministerial staff—who had completed and submitted statements of private interests to their employing minister. The last figure that was provided, which was a figure at 1 October 2004, indicated that only 77 of 520 employees had so submitted statements. Have we got an updated figure?

**Senator Abetz**—I can indicate that as at 24 May MAPS has received advice that 414 of 517—I dare say that is a higher complement—have submitted a statement of private interest to their employer and, might I add, MAPS has received advice that that has occurred.

**Senator FAULKNER**—I assume you would be able to give the figures unless MAPS had received advice.

**Senator Abetz**—That is quite right, but what I am saying is that the other 103 may well have provided that advice to their employing minister but that has not been passed on to MAPS.

**Senator FAULKNER**—You can score one up to the Finance and Public Administration Legislation Committee there. That is obviously a very significant improvement. Were steps taken—and I assume they were, given that very significant improvement—to try to ensure that these requirements were complied with?

**Ms Mason**—Yes. I think we covered at the last hearings that we were planning to remind ministers and parliamentary secretaries of the request that lodgments of statements of private interest be notified to MAPS. Yes, we certainly did follow those up.

**Senator FAULKNER**—Are you planning any further follow-up in relation to the almost precisely 20 per cent of staff who are outstanding in the notification to MAPS?

**Senator Abetz**—There is always some churning of staff, so you will always have some outstanding, but one would not imagine it would be a figure of 20 per cent. Steps are being taken to follow up on those offices where the notifications have not been given to MAPS.

**Senator FAULKNER**—What are those steps?

**Ms Mason**—Letters and phone calls—letters informing employing ministers and parliamentary secretaries about the records held by MAPS in relation to the lodgments. I pointed out at the last estimates hearings that there may well be a gap between the number of people that we have been notified have lodged their statements and the number that actually have. So we are seeking to bridge that gap by gaining information from the employing offices. We have also phoned and asked about the current status and asked for that to be confirmed with us.

**Senator FAULKNER**—That is good. Whatever work has been undertaken has obviously had an impact and, as I say, that is good. We can probably chalk one up for this committee for it being raised. What about, broadly, other requirements that are placed on MOP staff on commencement? There is obviously, first of all, an obligation to sign an employment contract—that is correct, isn't it, Ms Mason?

**Ms Mason**—Yes.

**Senator FAULKNER**—There are decisions required to be made about superannuation by staff—I think that is right too, isn't it?

**Ms Mason**—Yes.

**Senator FAULKNER**—There are decisions to be made by staff in relation to the provision of details for the payment of salary—is that also true?

**Ms Mason**—We need certain information to be able to pay salary, such as bank account details.

**Senator FAULKNER**—For certain staff—obviously this does not apply to them all—there are issues of security clearances, aren't there?

**Ms Mason**—Yes.

**Senator FAULKNER**—Are there any other issues? They are the ones that came to my mind.

**Senator Abetz**—Home bases, I suppose.

**Ms Mason**—Yes, the minister is quite right—home bases and also addresses for correspondence and things like that. It is the normal administrative information that one would need to keep records of employment.

**Senator FAULKNER**—In all these sorts of areas, as with the previous matter—statement of interests—that we were speaking of, efforts are made, I assume, with similar follow-up, to ensure you have up-to-date and contemporaneous records in all those areas. You talked about—it seemed to me sensible—phone calls, letters and, I assume, emails and the like.

**Ms Mason**—Generally, yes. There are somewhere between 1,400 and 1,500 MOPS employees, and there is a much smaller number of people in the department who are administering the entitlements. There certainly is follow up if information appears to be incorrect. However, most of the information is provided at the point of employment.

**Senator FAULKNER**—What about security clearances? Are there now requirements in relation to security clearances in all ministerial offices, or in only some? Or is this something that MAPS does not particularly engage in?

**Ms Mason**—It is all ministers' and parliamentary secretaries' personal staff.

**Senator FAULKNER**—All?

**Ms Mason**—Yes.

**Senator FAULKNER**—Is there a checking mechanism for that too?

**Ms Mason**—Yes.

**Senator FAULKNER**—I assume that it would be fairly important to ensure that security clearances for MOP staff working in ministerial offices were updated on a very regular basis.

**Ms Mason**—Yes. When we are notified that a new employee is commencing in a minister's office, we have a security vetting service that sends them a security clearance pack which is then completed by the staff member and returned for consideration of the clearance.

**Senator FAULKNER**—You have given us some figures, which were encouraging, in relation to the compliance levels with the statements of private interests that have been reported to MAPS. Does MAPS also keep a record of compliance levels in relation to completed security clearances?

**Ms Mason**—Yes.

**Senator FAULKNER**—I assume the target, obviously, would be a 100 per cent rate for security clearances, would it?

**Ms Mason**—Certainly. It does take a little time to achieve a security clearance because of the checks that need to be undertaken.

**Senator FAULKNER**—What would you say is the normal time involved in that?

**Ms Mason**—I could not put a normal time on it; it depends on the circumstances.

**Senator FAULKNER**—What is the compliance rate like in relation to security clearances?

**Ms Mason**—I would need to take that question on notice and check.

**Senator FAULKNER**—If you could, say, as of today's date indicate to us what the compliance rate is, what the longest outstanding period of time for a staffer is and what the longest acceptable period would be? You would want this to be completed within a matter of weeks or a month or two at the most, would you not?

**Ms Mason**—We would normally expect the documentation to be promptly returned, but it does require people to gather documents in support of their application for a security clearance. Sometimes those documents can take a little time to obtain. In the meantime, of course, the staff member concerned is not permitted to have access to security classified information. They may be engaged within the office, but they would be working on tasks that do not require them to have access to sensitive information.

**Senator FAULKNER**—There is clearly a disbenefit, or there may be a disbenefit, if you do not have a security clearance, isn't there?

**Ms Mason**—It depends on the work undertaken within the office.

**Senator FAULKNER**—Yes. So if you could take on notice, as of today's date, what the compliance rate is. Could you also supply the rate for noncompliance—that is, how long have clearances been outstanding? I do not expect you to have that information at your fingertips tonight, but would you take that on notice and provide that?

**Ms Mason**—Certainly.

**Senator FAULKNER**—I will move now to another issue. I want to indicate my appreciation to Ms Mason and her staff for chasing up a matter that I really raised in the margins of the last estimates round in relation to what I would describe as a personal issue relating to a MOPS staffer. I thought that was a sensible way to handle that issue. Although I have not checked recently, my understanding was that it either was very close to a satisfactory conclusion or had been satisfactorily concluded. I know that at a minimum a lot of progress had been made. I indicate to all the staff involved that I appreciate that and stress that I think it was a sensible way of dealing with it. But it leads us to the broader issue. I was able to raise this in this way because I was aware of it. What concerns me is that there might be a similar case or cases which a member of parliament or a senator may not be aware of and officers at the table may not be aware of. In the light of the experience of that case, would it be sensible for MAPS to undertake an investigation into whether there are any other similar circumstances or have you already undertaken that work?

**Dr Watt**—We are conscious of the broader issue and that what can happen to one could have happened to others, and we are looking at the broader issue. We appreciate that.

**Senator Abetz**—From a MAPS point of view, they deal with about 1,500 staff, and especially after a change of government there is a substantial change not only in personnel but to those who may have been on higher ministerial salaries who drop back in salary to other positions from government to opposition. Unfortunately and very regrettably, the situation that you have outlined does occur. I understand that the department, as a result of being alerted to that particular situation, went through to ascertain whether there might be others.

**Senator FAULKNER**—Dr Watt, I heard the answer that you gave.

**Senator Abetz**—It would be fair to say that a few others appear to have been identified as well, so MAPS are doing a thorough job to ascertain whether this was more widespread.

**Senator FAULKNER**—That is what I was going to ask Dr Watt as a follow-up to his answer, which I appreciated. Dr Watt, can you assure me that what you are doing is comprehensive?



**Dr Watt**—Yes, it is.

**Senator FAULKNER**—Minister, you are saying that as a result of this perhaps another couple of cases have been found. Are there two cases?

**Senator Abetz**—Yes. I think the term we are using is ‘a few’.

**Ms Mason**—We have settled the case that you drew to our attention.

**Senator FAULKNER**—Good.

**Ms Mason**—In identifying that case, both Dr Watt and I were concerned that there was a possibility that there might be others. We have done a thorough search and we have identified a very small number of other cases. Those cases are also being fixed as quickly as, and in a similar way to, the case that you are aware of.

**Senator FAULKNER**—That is excellent. I do not want to go into any further detail except to ask you for the number of cases we are talking about. It is a small number, but what is that small number?

**Ms Mason**—There were four in addition to the one that you drew to our attention.

**Dr Watt**—That is all we expect to find.

**Senator FAULKNER**—I suppose the spirit of my question to you, Dr Watt, is that I want to be assured that your checking is comprehensive. For the sake of the four individuals I am pleased that that has been identified. I think that is a proper action on the part of the department. If you can assure me that that is a comprehensive check—

**Dr Watt**—We can.

**Senator FAULKNER**—and that you will deal with it in a similar way, I think we can probably chalk another one up for the finance and public administration committee.

**Senator CHRIS EVANS**—We are going well tonight.

**Senator Abetz**—Let us hope that the circumstances do not arise again for a long time.

**Senator FAULKNER**—As part of that, I suppose, there are annual review processes. The circumstance you talk about is a change of government, but the serious issue here is the annual review and whether there have been inadequacies in that annual review. I do not want to go into the detail of this; I just want your assurance that as you deal with the broader issues you will ensure that the review process is not a flawed one but a more than satisfactory one.

**Ms Mason**—The complexity in these cases was that the treatment of salary for superannuation purposes had changed and that change had not been picked up in the review process. It had actually changed a couple of times. We are now aware of the correct treatment, we have checked all of our cases and we are taking action to fix the small number that we have identified that were incorrect. I made a general statement at the last hearing that occasionally we do make mistakes. We are dealing with very large volumes of transactions. If we find that we have made a mistake and we can verify that then we take steps to fix it as quickly as possible and not only to fix the individual case but to look for any systemic flaws, things that can be improved in our processes, and to put those improvements in place.

**Senator FAULKNER**—I say quite seriously to you, Dr Watt, that there would have been an issue here if this matter had not been raised in this forum and effectively dealt with in the margins of the committee. As a member of the committee I—and, I suspect, the minister—had absolutely no involvement in it as the officers got to work with individual staff and their representatives and sorted the issue out. That is fine. That is as it should be, and I am not critical of it. However, it does strike me that if it had not been raised or identified here we might not have got to a solution and we might not have found that there was this deleterious impact on the entitlements of a total of five staff members.

**Senator Abetz**—What you say is right to a certain extent. But I am sure that, if the staff member with concerns had written to MAPS, that concern would have been treated very seriously by the MAPS staff and we would have had exactly the same outcome. Having said that, I am not at all critical that it was raised at estimates. That is part of the estimates process; that is what it is here for. It was one avenue for this grievance to be raised. I suggest, though, that other avenues could have been pursued to achieve the same outcome.

**Dr Watt**—I suspect the problem would have been solved sooner or later. The thing that raising it on the margins of this committee did was probably solve it sooner rather than later. Given there were a number of individuals affected, sooner or later it would have come up in one case or another. Obviously, once a case like this comes up you make good retrospectively. It would have been solved sooner or later, but the committee certainly helped it along.

**Senator FAULKNER**—I had one other issue I was going to raise but the hour is late.

**Senator Abetz**—Can we put it on notice?

**Senator FAULKNER**—Possibly, if I can be bothered.

**Senator Abetz**—Well! Let me discourage you.

**Senator FAULKNER**—I do not need much discouragement, but it is better if the discouragement does not come from you, Senator Abetz!

**Ms Mason**—While you are thinking about that, can I give a quick correction to something I said earlier?

**Senator FAULKNER**—I have thought about it. I have decided not to progress my questions. I am thinking I may not even bother placing them on notice as I am in such a good mood tonight.

**Ms Mason**—That is appreciated. I said earlier that personal staff of ministers and parliamentary secretaries needed to have security clearances. In fact, to correct the record, all staff of ministers and parliamentary secretaries need to.

**Senator FAULKNER**—I thought you said ‘all staff’.

**Ms Mason**—I think I said ‘personal staff’ rather than ‘all’.

**Senator FAULKNER**—Okay. Thanks for that. I have no further questions. I will put the cue in the rack, as they say.

**Dr Watt**—Thanks very much. Can I let them go, Chair?

**CHAIR**—Yes, thank you.

**Senator Abetz**—Just before we do, I pay tribute to Mr John Edge, who has appeared six times before this committee.

**Mr Edge**—I think it is about six.

**Dr Watt**—It was a lot more than six. He has been doing it since I started.

**Mr Edge**—It may be more.

**Senator Abetz**—He has had many appearances.

**Senator FAULKNER**—I can tell that he is going to get a leave pass.

**Senator Abetz**—Yes. He will be moving on to a very important task, albeit within the Finance portfolio. But he will now longer be with MAPS. Most of us, if not all of us, would be agreed that John has done an excellent job in looking after entitlements and other areas for senators, members and ministers. Thank you, John.

**Senator FAULKNER**—I suspect I have asked Mr Edge more questions than anybody else at this committee, so I have probably caused him more agony than anybody else. The opposition also wishes him well in whatever future role he has in the finance department.

**Senator Abetz**—T3.

**Senator FAULKNER**—T3.

**Dr Watt**—The Telstra scoping study.

**Senator Abetz**—Sorry: the Telstra scoping study. I should not get ahead of myself.

**Senator FAULKNER**—I am glad you corrected that, Dr Watt, because we only have to wind the clock back some 36 hours and we could have started again.

**Dr Watt**—No, thank you, Senator.

**Senator MURRAY**—Shouldn't we move on?

**Senator Abetz**—We should.

**CHAIR**—Dr Watt, are you about to leave?

**Dr Watt**—I am indeed.

**CHAIR**—I thank you once again for being with us and assisting us so much.

[9.40 pm]

#### **Australian Electoral Commission**

**Senator Abetz**—Whilst the opposition is deciding who is to lead off, seeing that I finished the last group with accolades I will start this section of the estimates by paying tribute to Mr Andy Becker, who has served the Australian community very well as Electoral Commissioner for a number of years. He retires on 1 July and we announced yesterday the appointment of a new Electoral Commissioner from 2 July, Mr Ian Campbell, who may be known to a number of people as deputy president of the Repatriation Commission. He has been a long-time Commonwealth public servant in various portfolio areas and he has a strong administrative track record. Mr Becker has served the Australian community very well. He has received the Centenary Medal for his services to the Australian Electoral Commission and has overseen

the Australian Electoral Commission over many years with outstanding service. I wish to pay tribute to Mr Becker for his services to the Australian community.

**Mr Becker**—Thank you.

**Senator FAULKNER**—We in the opposition also wish you a happy retirement, Mr Becker. Retirement sounds alright to all of us, I think.

**Mr Becker**—Thank you.

**Senator MURRAY**—Before we move in, let me concur on behalf of my party. We have appreciated the services provided by both you, Mr Becker, and the Electoral Commission. We have thought it has been of a high standard.

**Mr Becker**—Thank you.

**Senator FAULKNER**—Let us cut to the chase after all those niceties, Mr Becker. Ms Mitchell, I thought we might save a bit of time if you could just give us a status report of the live and recently completed inquiries in your area.

**Ms Mitchell**—To recap from last Senate estimates, I advised that the issue of whether Australians for Honest Politics was an associated entity was finalised and the advice is on the web site. The issue about whether certain organisations that gave money to the National Party were associated entities has also been finalised and the advice is on the web site. Since then we have also finished looking at whether the Fair Go Alliance is an associated entity and that advice is on the web site. In all three cases the answer was no. The advice in relation to the Liberal Party Ryan FEC—the one that involved Mr Johnson and an apparent loan—has been finalised and is on the web site, and the issue in relation to the Liberal Party and the Bowman FEC—which was about a gift in kind of office space to Mr Laming—has also been finalised and is on the web site.

**Senator FAULKNER**—I know, but for the sake of the record you should probably say what the outcomes of those two are as well.

**Ms Mitchell**—In both cases the updated disclosure returns have been received and have been placed on the returns part of the web site as well. In relation to the matters that in short hand I will describe as Minister Ruddock and donations to the Liberal Party and Senator Bolkus and donations to the South Australian ALP, in both cases we still have some outstanding issues to resolve. I will reiterate advice from the last Senate estimates that at this stage in time none of those matters that are outstanding directly involve either the minister or the senator. The Liberal Party Ryan FEC matter in relation to the dinner and Mr Ricky Ponting is being looked at in terms of our standard compliance review process. But at this stage all funds appear to have been disclosed in the relevant annual return.

**Senator FAULKNER**—I suppose I want you to provide a bit of a guesstimate, but just indicate to the committee if you can when you expect the Mr Ruddock and Senator Bolkus issues might reasonably be concluded.

**Ms Mitchell**—I am hoping that both matters will be finalised by the end of July.

**Senator FAULKNER**—Do you think the Ryan FEC-Ricky Ponting issue will be finalised by the end of the Ashes series?

**Ms Mitchell**—I am not much of a cricket aficionado, so I do not know when that is. I am terribly sorry to confess that.

**Senator FAULKNER**—What about being finalised by the Lords test?

**Ms Mitchell**—Again, I have no idea when the test is. It will be finished by the end of the calendar year, so—

**Senator FAULKNER**—You are answering both questions I have asked in the affirmative, if that is the case. By the end of the calendar year?

**Ms Mitchell**—Yes.

**Senator FAULKNER**—No earlier than that?

**Ms Mitchell**—As I have said, it is part of our standard compliance review activities. Because of that they run from mid February through to at least late November.

**Senator FAULKNER**—Are there any new live inquiries that you have?

**Ms Mitchell**—No, I am thankful to report.

**Senator FAULKNER**—So your workload might have significantly diminished then, Ms Mitchell? I know you are going to say that is not the case.

**Ms Mitchell**—In terms of matters that require particular attention that probably is the case, yes. But in terms of ongoing workload: no.

**Senator FAULKNER**—Yes. I knew you would say that, and I am sure that is true. I thought it might be useful to get the broad status report.

**Senator CARR**—Has the Electoral Commission undertaken any inquiries about donations for aged care corporations?

**Ms Mitchell**—I do not recall having been asked to look into that particular issue.

**Senator CARR**—You do not recall?

**Ms Mitchell**—I have been in the section for only the last four years, so I can attest only to what has happened in my time. But please prompt my memory if I am wrong.

**Senator CARR**—Are there any other officers with a longer corporate memory on this issue.

**Mr Dacey**—I have certainly been around a long time but, unless you have a specific name, I do not recall anything in relation to aged care.

**Senator CARR**—You have not undertaken any that any of the officers can recall?

**Senator Abetz**—I think the answer you are getting is no. And a lot of blank faces that will not be recorded by Hansard.

**Mr Dacey**—That does not mean we have not, but I certainly do not recall anything.

**Ms Mitchell**—I cannot immediately recall anything.

**Senator CARR**—I am wondering whether or not there are any concerns being expressed, even though it has not led to inquiries, within the commission about possible links between

political donations for aged care companies and those companies' plans for project approvals and future expansions.

**Ms Mitchell**—It is not an aspect in general that we look at. The issue for us is whether or not donations have been disclosed, not why donations were given.

**Senator Abetz**—Are you talking about pre 1996?

**Senator CARR**—I am talking about now. But, since you have had no inquiries, we will have a look at that. Have you undertaken any research on the impact of raising the non-disclosure threshold of the electoral act? Has there been any research undertaken within the commission on that issue?

**Mr Becker**—Only to the extent that we have looked at the effect of the CPI on the \$1,500 threshold. Ms Mitchell could probably amplify that answer a bit.

**Senator CARR**—What is the nature of that research?

**Mr Becker**—I think that brought it to \$2,040 or \$2,200 or something. That was from 1992-93.

**Mr Becker**—As I recall, from 1992 to the March quarter of 2004, it would give a result of \$2,056 in today's terms.

**Senator CARR**—That is a normal CPI increase?

**Ms Mitchell**—Yes.

**Senator CARR**—The impact of a \$5,000 threshold would obviously be substantially above that level. You have done no assessments on that proposal?

**Ms Mitchell**—It is a bit difficult to do that, because at this stage in time some of the information we do not know. We do not know the number of people who already are not disclosing because they do not have a requirement to disclose. Some of the research that we could do would be of limited use. At this stage in time we can certainly look at some statistics, but obviously parties are not required to disclose amounts under \$1,500, and from the donor returns you will only get amounts under \$1,500 where they gave a sufficient number of donations under \$1,500 to reach a \$1,500 threshold in a financial year.

**Senator MURRAY**—So if there were, say, donations in six different state jurisdictions of \$1,499 by the same person to the state parties you would not know, would you?

**Ms Mitchell**—No. You would only know about amounts less than \$1,500 where multiple amounts of less than \$1,500 had been given to a single branch or division of the party and—

**Senator MURRAY**—Yes, but if it were at six state branches of a party you would not know?

**Ms Mitchell**—No. There is no requirement to disclose.

**Senator MURRAY**—Thank you.

**Senator FAULKNER**—The AEC has, as you would appreciate, Mr Becker, now I believe for many years in formal submission to the Joint Standing Committee on Electoral Matters supported the retention of the \$1,500 threshold. I think I am being fair in saying that, but you can correct me if I am wrong. I think that is a fair statement, is it not?

**Mr Becker**—Generally speaking, yes.

**Senator FAULKNER**—Generally speaking? That has been the view of the AEC. I do not know if we have the corporate memory at the table, but can someone tell me how long that has been the view of the AEC?

**Ms Mitchell**—Certainly I can tell you that in a submission to the Joint Standing Committee on Electoral Matters on 20 September 1996 the AEC addressed the issue of the possible raising of the disclosure threshold and discussed the implications of that at the time.

**Senator FAULKNER**—I recall that submission. So it was as early as 1996. We do not know whether it predated that—

**Ms Mitchell**—In discussions with my predecessor in the position, his recollection is that there were some discussions at both JCEM and Senate estimates prior to and subsequent to that submission in which questions have been asked and the AEC has discussed the practical implications.

**Senator FAULKNER**—Yes, but I am only talking here about what has been the view of the AEC as best expressed, frankly, in the written submissions to the Joint Standing Committee on Electoral Matters. So since 1996 the view of the AEC has been that it is in support of the \$1,500 threshold. I think we accept that. There is no argument with that, Mr Becker, is there?

**Mr Becker**—No, there is no argument with that.

**Senator FAULKNER**—Is that still the view of the AEC, or has it changed in the last few weeks?

**Mr Becker**—No, it certainly has not changed in the last few weeks. But I think the issue is now about what is a reasonable level to set. I suppose, part of the argument is the workload it places upon Ms Mitchell's section. The other issue is the ethical one, as to whether or not by raising it too much you get to the point where you are providing a mechanism to avoid disclosure.

**Senator MURRAY**—Particularly if you have donations in multiple states of the kind I just outlined.

**Senator CARR**—But it was the AEC's view in your last submission, last year, that it should not be raised, that you maintained support for the existing arrangement.

**Ms Mitchell**—In that submission there was general discussion about the practical consequences of raising the threshold.

**Senator FAULKNER**—So what is the current view of the AEC? If it is any different from support for the \$1,500 threshold, when did it change? Are you able to tell me what the current view is? We have had this historical view since 1996. As far as I am aware, it is still your view but you can tell me if it is right or wrong.

**Mr Becker**—It is certainly still my view but that is not necessarily the view of the full commission. It certainly has not been raised as far as the full commission is concerned, to my knowledge.

**Ms Mitchell**—No.

**Senator FAULKNER**—You are the Australian Electoral Commissioner, Mr Becker, albeit you will be in that position only until 1 July. Your view is that the \$1,500 threshold should be maintained.

**Mr Becker**—That is my view, yes.

**Senator FAULKNER**—You cannot tell us whether it is the view of the commission?

**Mr Becker**—No.

**Senator FAULKNER**—Because it has not been put to the commission lately?

**Mr Becker**—That is correct.

**Senator FAULKNER**—I am just trying to cut to the chase. That is fair enough; it has not been put to the commission lately but it remains your view.

**Senator CARR**—The submission last year was put to the commission. As at late last year that was certainly the commission's view, wasn't it? It was contained in your submission.

**Mr Becker**—That was an agency view but the submission has come from the agency.

**Senator Abetz**—In 1992, when the threshold was raised, was the AEC consulted? A 50 per cent increase seemed appropriate to the AEC at the time?

**Mr Dacey**—I can't recall.

**Senator FAULKNER**—You are now asking questions of the AEC, Minister. You in a much stronger position to ask questions than we are of your colleagues at the table, because you are the minister.

**Senator Abetz**—I think most people would accept that my question was a rhetorical one to indicate that in fact the threshold had previously been increased by a Labor government.

**Senator FAULKNER**—Let us just treat that as a rhetorical question and we will move right along. What we know, Mr Becker, is that you support the \$1,500 threshold. You have been frank with us and I have to be fair to you and say that it has been your consistent view since you have been the Electoral Commissioner. Is there any plan to take this to the commission prior to your retirement on 1 July?

**Mr Becker**—No. I have no plans to do that. I am really treating these last few months as a caretaker commissioner until a new one is appointed. Those sorts of decisions will be best left until we have a new commissioner in the chair.

**Senator FAULKNER**—All we can say tonight is that it is possible that this matter may go to the commission at a later stage but it appears to me from what I have heard that you have made it quite clear that your view has not changed, you support the \$1,500 threshold and there is no evidence to suggest that the commission has moved from its view.

**Mr Becker**—That is true.

**Senator FAULKNER**—I refer to some press speculation. It may or may not be true. I am not sure whether this is best directed to you, Ms Mitchell—in fact I do not think it is best directed to you. I am not sure which official it is best directed to. Mr Becker, you can perhaps assist me with this. I would like to ask about press coverage of an issue in April, which was requests made of the AEC to investigate certain claims about interest rates in the recent



election. I am dependent on press coverage so I will ask a couple of questions about this. To which official do I best direct this?

**Mr Becker**—Are you talking about the Reserve Bank issue?

**Senator FAULKNER**—Yes.

**Mr Becker**—Mr Dacey.

**Senator FAULKNER**—I was not sure who was dealing with this. As you would recall, there was some press coverage of this. Just to cut to the chase—and it is 10 o'clock at night and we will not have a spill-over day, so let us deal with this quickly—could you give us a brief status report on the background to this and where it might be up to, if it is up to anywhere currently?

**Mr Dacey**—Back on 17 September last year, the RBA forwarded to the AEC a complaint that they had received from a member of the public. The AEC contacted the RBA on the same day and asked for original copies of the material in question.

**Senator FAULKNER**—I am sorry to interrupt you. When you talk about days, just to save time, could you give us the dates as we move through the chronology, please?

**Mr Dacey**—On 17 September 2004, the Secretary of the Reserve Bank forwarded a complaint that the RBA had received from a member of the public. On that same day, 17 September, the AEC contacted the RBA and asked for original copies of the material in question. We received copies of that material on or about 22 September 2004. The AEC examined that material and determined that the material was not false or misleading in the terms prescribed by section 329 of the act and advised the Reserve Bank accordingly by letter on 23 September 2004. The AEC suggested that the only remedy for the RBA's concern was to contact the authoriser of the material, Mr W Meehan, and ask him to discontinue publication. That was the end of the matter as far as the AEC was concerned, until we had the press coverage in April this year.

**Senator FAULKNER**—Are you able to provide the committee with a copy of the Reserve Bank communication?

**Mr Dacey**—Yes, we can, because it is on the Reserve Bank web site, or it was at that time. I do not have it with me.

**Senator FAULKNER**—Fair enough. I was not aware of that, but I appreciate that.

**Mr Dacey**—The Reserve Bank published the correspondence on their web site in April 2005.

**Senator FAULKNER**—It was published at the time it became a public issue?

**Mr Dacey**—That is correct.

**Senator FAULKNER**—Has the formal response of the AEC been made public?

**Mr Dacey**—Yes, it has.

**Senator FAULKNER**—And that is on your web site?

**Mr Dacey**—It is on the RBA web site.

**Senator FAULKNER**—And that final communication closed the matter, as far as the AEC was concerned?

**Mr Dacey**—Yes.

**Senator FAULKNER**—Okay. I will have to go to the RBA web site. It is far too hard to do that at night, even though Senator Lundy—

**Mr Dacey**—I cannot guarantee that it is still on their web site. Certainly, if it is not, we could provide—

**Senator FAULKNER**—And I cannot guarantee that I will actually do that either, to be honest. Neither you nor I are willing to give guarantees in relation to those matters.

**Senator MURRAY**—But if you have to pay for it, you are now entitled to claim it.

**Senator FAULKNER**—Yes, that is right. I would like to ask about one other matter. Mr Becker, I assume that the Joint Standing Committee on Electoral Matters—although I am not a member of that august body any longer, which probably comes as a relief to all the other members of the committee—is grappling with a whole range of issues, some of which have received some publicity and some of which, I think it is fair to say, have received some notoriety. I note that some of the commentary indicates that the AEC had engaged Minter Ellison. Could someone briefly explain to the committee the nature of that consultancy and what the cost of the consultancy was—in other words, how they were tasked?

**Senator Abetz**—Did we go through this last time?

**Mr Becker**—We certainly covered Minter Ellison but I do not know whether we covered the cost.

**Senator FAULKNER**—I think Minter Ellison may have been mentioned. I am just interested in the costs of the thing and the broad tasking, Mr Orr. You do not have to spend a great deal of time on it. I think the cost of this is core business for the committee. But let us be clear that the substantive issues are mainly going to be grappled with by another committee of the parliament.

**Senator Abetz**—And they have been, in fact.

**Senator MURRAY**—That is right.

**Mr Orr**—Minter Ellison was asked to inquire into the issues associated with postal voting at the last election. They were asked to look into a range of specific issues in relation to postal voting that were, I guess, generally under the heading of delays, to consider whether or not a process called central production was the preferred way to go and also to make other recommendations as they saw fit about the way the AEC handled postal voting. As to the cost of the consultancy, it was \$83,791.93.

**Senator FAULKNER**—Was that consultant chosen in an open tender process?

**Mr Orr**—The AEC has a legal panel which was selected on the basis of a process. They were already on the panel and they were chosen on that basis—they were one of the four panel members.

**Senator BRANDIS**—Why was a law firm chosen?

**Senator FAULKNER**—You beat me to it.

**Mr Orr**—Mr Becker may wish to take that question.

**Senator BRANDIS**—I read the report, Mr Orr, in another capacity. It did not seem to be a report that called upon the skills of lawyers at all. Perhaps auditors or people like that might have been more appropriate to call upon.

**Mr Becker**—I think it called on anybody who was capable of conducting the appropriate research. I think lawyers have just the same sort of rigor as accountants and other researchers. I cannot remember specifically why we chose Minter Ellison, but we did know of the talents of a particular person there.

**Mr Dacey**—That was certainly one of the reasons. There were staff at Minter Ellison who had had many years of experience with electoral matters and electoral law. They have not been staff of the AEC, but in other capacities they are quite familiar with electoral law.

**Senator BRANDIS**—By extension from that, you thought they would therefore be very familiar with the AEC's processes and that would be—

**Mr Dacey**—No, not necessarily very familiar. But, as Mr Orr said, we had an open tender process for a panel of legal advisers and Minters was one on the panel. We felt they had the skills necessary to conduct this review.

**Senator Abetz**—Would there have been issues of breach of contact with the supplier or issues of that nature raised or not?

**Senator FAULKNER**—There have been. I am not on the Joint Standing Committee on Electoral Matters and even I know there have been questions about at least one Brisbane based company that had contractual arrangements with the AEC. I have read that myself. I cannot put my hands on it, but I have read that in the media myself some time ago.

**Senator Abetz**—I am just wondering if that may have been one of the reasons—I do not know.

**Senator FAULKNER**—Our task here, Senator Abetz, is not to wonder—it is to try and see if we can nail it down.

**Senator Abetz**—I fully agree. The AEC is an independent statutory authority and my intervention was to see if the mention of contracts jogged anybody's memory. Clearly it has not. I daresay that contract law was not part of the consideration.

**Senator FAULKNER**—Given that they are an independent statutory authority, let us try and see if they can answer.

**Senator Abetz**—I am just here to help.

**Senator FAULKNER**—You are not helping.

**Senator Abetz**—That is painfully obvious!

**Ms Davis**—I might mention some other contributory factors in reaching that decision. Obviously, what we are exploring is the nature of the problems that we experienced. Given that there were some contractual partnership arrangements at the very core of our automated postal voting system—

**Senator Abetz**—I think I was helpful.

**Ms Davis**—Yes, thank you, Minister. That was one of the reasons we wanted someone experienced in contract law. The other issue was the timeliness of the decision. We wanted to move quickly. We were very concerned about what had happened through this process, and obviously going to an open tender process would have taken quite some time. These things can take a matter of months. We had a tender process in place that had selected Minter Ellison out of a number of firms and that was certainly a contributive factor in making that decision. We have had experience engaging auditors before to look at electoral process matters and we have found that there is quite a long lead time with them familiarising themselves with electoral law.

**Senator BRANDIS**—What Mr Dacey said before perhaps gives me a clue—it at least satisfies me, but does not satisfy Senator Faulkner—that there had been an antecedent familiarity by Minter Ellison because of previous dealings with the AEC which might have given them a head start.

**Mr Dacey**—I do not know about a head start. Mr Becker can correct me but I am sure Mr Becker spoke to the Acting Auditor-General at the time. Our first approach was to ask the ANAO to conduct this review. They said they were not in a position to do it because there may have been a conflict if they were asked by someone else, the government or the joint standing committee to look at the issue. So our first port of call—

**Senator MURRAY**—I can detect one of the reasons was an urgency, and the panel system enables almost a short circuit of what is a traditional tender process. Was that a major consideration?

**Mr Dacey**—It was. We wanted the issue referred to someone for review as soon as possible.

**Senator MURRAY**—So in summary the two reasons were speed and the availability of someone who had reasonably specialist knowledge?

**Mr Dacey**—That is correct.

**Senator FAULKNER**—I want to ask about the status of this thing. I have read in the media—not always the best source for these things—that the AEC has requested that the Minter Ellison report remain confidential to JSCEM. Is that right?

**Mr Becker**—That is correct. And they have accepted that.

**Senator FAULKNER**—And it is being treated as confidential at JSCEM at this stage?

**Mr Becker**—To date, yes.

**Senator MURRAY**—Like Senator Brandis, I have read it.

**Senator FAULKNER**—Ordinarily I might ask for a copy of this thing, but I think it is fair enough if it is before another parliamentary committee in these circumstances for us to let that slide through to the keeper. It will no doubt become public in due course.

**Mr Dacey**—There is, and has been since the report was produced, an executive summary of the report on the AEC's web site. The main reason for asking the JSCEM at this stage to keep the report confidential is because there is certain commercial-in-confidence material

concerning contracts in the report. It is not the nature of the findings that is confidential. The findings and the recommendations are all on our web site. It is just that it does refer to certain suppliers and commercial-in-confidence information in relation to contracts.

**Senator CARR**—It was the actual terms and conditions of the contract that you wanted to be kept secret, wasn't it?

**Mr Dacey**—Yes, it was the commercial-in-confidence nature of it.

**Senator FAULKNER**—Does this leave, in the view of the AEC, any long-term issue in relation to the report being made public?

**Mr Becker**—It is not really an issue for the AEC as such; I think it is more of an issue for the firms that are mentioned within the report. Apart from the obvious criticisms in the report of some of the practices and the fact that we did not have a proper contractual arrangement with one of our suppliers, we have no reason to hide any of that sort of information, and I am sure that Senator Brandis and Senator Murray—and Senator Carr, I presume—have seen a copy of that report.

**Senator CARR**—I have and I have read it.

**Mr Becker**—And they would know that that is not a concern of the AEC at all; it was just a request from the committee.

**Senator CARR**—As you said, it was a matter for another committee. But, from my reading of the report, it is possible to extract certain paragraphs from it that go to the issue of those contractual arrangements yet still maintain the thrust of the report—the detail of the criticisms of the arrangements that were made. Can that be done?

**Mr Becker**—We did that and it looked terrible.

**Senator CARR**—It was all blanked out, was it?

**Mr Becker**—It looked worse. It looked as though we were truly trying to hide something.

**Senator FAULKNER**—Three of my colleagues on this committee are in the happy position of being on the other committee, and we will leave it to the good judgment—one hopes it is the good judgment—of that committee. Things certainly have improved on that committee since Mr Pyne was removed as chairman.

**CHAIR**—That is uncharitable, Senator Faulkner.

**Senator FAULKNER**—I know he is one of your team.

**Senator BRANDIS**—He was not removed, Senator Faulkner; he was promoted.

**Senator FAULKNER**—He was promoted to parliamentary secretary. In fact, he would be setting a world record by now as the longest serving parliamentary secretary in the history of a Commonwealth parliament. He has absolutely no chance of ever being a minister while Mr Howard—

**Senator BRANDIS**—I do not like to hear disobliging remarks about colleagues, Senator Faulkner.

**CHAIR**—I flag, Minister, that I have some questions on personal leave, but this is neither the time nor the hour for them. We will put them on notice. Thank you for your assistance, Mr Becker.

[10.20 pm]

**Australian Government Information Management Office**

**CHAIR**—Welcome, Mr Grant. Thank you for joining us at this very late hour.

**Senator LUNDY**—I would like you to outline the process of the transfer of AGIMO from DCITA to Finance and Administration and to give me some dates so I can fill in the time line of that transition process.

**Mr Grant**—Certainly. On 22 October the Prime Minister announced that AGIMO would be incorporated into the Department of Finance and Administration. We immediately moved across into that department and, from my recollection, on 27 October we formally became a part of the department and on 4 November we were abolished as a separate entity. I will have to check those dates; they are my best recollection.

**Senator LUNDY**—Did you say that it was announced on 27 October or 22 October?

**Mr Grant**—The 22nd.

**Senator LUNDY**—That was pretty fast moving. What did that involve physically for the officers of AGIMO? Did they have to move files and equipment? Was it a physical move?

**Mr Grant**—Initially, no; there was no physical move. We remained in the Burns Centre. There has been a move since.

**Senator LUNDY**—Could you go through that?

**Mr Grant**—The reason for the move was that there was an opportunity for us to be co-located with other parts of the department.

**Senator LUNDY**—When was that physical move?

**Mr Grant**—I think it was the end of March, early April. The building that we were occupying was able to be used by another department, and in this case it was Human Services. All the moons aligned and it made it easy to move.

**Senator LUNDY**—So Human Services moved into the Burns Centre and you moved where?

**Mr Grant**—We moved into the Minter Ellison building.

**Senator LUNDY**—Where is that?

**Mr Grant**—It is about 300 metres down the road.

**Senator Abetz**—It is a big building on the way down to Manuka, on the left.

**Mr Grant**—It is towards the Press Club.

**Senator LUNDY**—Yes, I know the one. So you did not go far?

**Mr Grant**—No.

**Senator LUNDY**—Did you start to say that the motivation for that move was to be co-located with other operations inside DOFA?

**Mr Grant**—That is right.

**Senator LUNDY**—Who are you co-located with now?

**Mr Grant**—The Financial Management Group and one of their divisions, in particular—that is, the Financial Framework Division. In addition to that, another element of Finance is there.

**Mr Bowen**—We could get the detail of that for you.

**Senator Abetz**—But is it necessary? Does anything swing on this, other than other areas of Finance?

**Senator LUNDY**—I am always curious about where AGIMO finds itself.

**Mr Suur**—The other area of Finance that is in the Minter Ellison building is the Office of Evaluation and Audit.

**Senator LUNDY**—Thank you. What is the rationale behind your co-location with those groups?

**Mr Suur**—We were an organisation that with the acquisition of AGIMO found itself spread across five buildings within the parliamentary precinct. We wanted to consolidate to as few buildings as possible. Minter Ellison is an A-grade building and it allowed AGIMO to be co-located with other finance staff, which meant that from the point of view of security and the point of view of synergy between different groups within the organisation we were able to achieve what we wanted.

**Senator LUNDY**—What costs were associated with the move?

**Mr Suur**—I do not have those costs with me but there were fit-out costs involved. The rental is pretty comparable. I can get those figures for you.

**Senator LUNDY**—Could you take on notice the details of the fit-out costs, the costs associated with the move, the rent paid formerly and the rental terms on the new lease?

**Mr Suur**—Yes.

**Senator LUNDY**—In 2004 in March, the Joint Committee of Public Accounts and Audit reported on the management and integrity of electronic information in the Commonwealth. The government subsequently responded very positively to the recommendations of that report. I would now like to ask the officers to report back on the responsibilities that the government agreed would be allocated to the office as a result of the recommendations in that report. I would prefer it if we could work through each of the recommendations of the report. If you indicate where you do not have information, I will pursue answers through the responsible agencies and departments.

**Mr Grant**—Do you want me to go through them one at a time?

**Senator LUNDY**—Yes, please.

**Mr Grant**—Okay. In relation to recommendation 1, that is a responsibility of the Protective Security Coordination Centre, part of the Attorney-General's Department.

**Senator LUNDY**—The recommendations I am looking at say that it is the Defence Signals Directorate, in conjunction with other agencies. So one other agency is the Protective Security Coordination Centre?

**Mr Grant**—That is right.

**Senator LUNDY**—Please continue.

**Mr Grant**—In relation to recommendation 2, again that is with the Protective Security Coordination Centre, or PSCC.

**Senator LUNDY**—When was the determination made by the government that that role would not belong to the Australian Government Information Management Office? Is that part of the recommendation?

**Mr Grant**—That was part of the response.

**Senator LUNDY**—Okay.

**Mr Grant**—Recommendation 3 was not supported by the government, but the government noted that it had established the Information Security Incident Detection, Reporting and Analysis Scheme and the OnSecure web site, and those are ongoing activities. Recommendation 4 was not supported by the government. In relation to recommendation 5, we said that Finance will develop a better practice checklist for agency reporting requirements under the Information Security Incident Detection, Reporting and Analysis Scheme. That in fact has been done and made available. It is a checklist that in fact had been developed prior to this report and it has been updated as required. It is available.

**Senator LUNDY**—Are you able to table that?

**Mr Grant**—I am sure that I can.

**Senator LUNDY**—So the response to recommendation 5 was to update that factual advice to agencies and departments and recirculate it?

**Mr Grant**—That is right. That has been looked at and it is available on the internet. We also note that the *Protective Security Manual* is being revised. Again, that work is in relation to the PSCC, the Protective Security Coordination Centre. We also noted the OnSecure web site.

**Senator LUNDY**—I beg your pardon?

**Mr Grant**—We also noted the OnSecure web site's availability and that it would continue to operate.

**Senator LUNDY**—At the time of the inquiry the PSM was being updated. Is it still being updated or has an updated copy been distributed—

**Mr Grant**—You would have to ask the PSCC. I do not know the answer to that. In relation to recommendation 6, again that was supported in principle and the PSCC is responsible primarily because these matters relate to the *Protective Security Manual*. The response also noted the capability of agencies to subscribe to AusCERT, the national computer emergency response team for Australia, to be made aware of alerts. In relation to recommendation 7, the National Archives has responsibility for archival policy. In relation to recommendation 8, it



noted that Finance will further support departments and agencies by developing a best practice check list based on these lessons. Emergency Management Australia is developing a practitioners guide. It is still in draft form. When that practitioners guide is finalised we will help to develop the check list to make it easy for agencies to make use of the guide. In relation to recommendation 9, the gatekeeper strategy is being reviewed at present. We are still awaiting finalisation of that report. Those are all the recommendations.

**Senator LUNDY**—In terms of the role of the Australian Government Information Management Office, can you describe your involvement with these electronic security matters? Previously, the office provided secretariat support and resources to the development of these policies and procedures. Is that still the case?

**Mr Grant**—No, not in all areas. As I think we talked about, we had established a working group relating to security. That working group essentially did its job, and there have been a group of other arrangements dealing with security. We have a close relationship with the security agencies. When we identify something, or when they need our help, we talk. We have an ongoing relationship with them.

**Senator LUNDY**—So what is the process? In what way do you get involved? Is it the PSSC?

**Mr Grant**—The PSSC.

**Senator LUNDY**—Does the PSSC produce information or advice or coordinate?

**Mr Grant**—They do.

**Senator LUNDY**—Do you have any role in distributing it, given that you are the Australian Government Information Management Office?

**Mr Grant**—No, no formal role in distribution. Sometimes we work with them to turn what can be quite technical manuals into simple checklists where people can then go back to the manual. But again, that is by arrangement.

**Senator LUNDY**—How would you characterise your role in e-security related issues? It seems to have vastly diminished over time from what your involvement was at this time last year, when the office was effectively, as far as I could ascertain, driving this strategy and encouraging other agencies and departments to take it seriously and to get involved. Why has it been taken away from you?

**Mr Grant**—It has not been taken away. In fact, our involvement has always been in relation to the e- rather than security. Security is the responsibility of the Attorney-General, DSD and other agencies of that ilk. We have become involved where there is a particular ICT related element on which they require our expertise. We add value where that is appropriate. But otherwise we are there to provide advice and to assist those agencies.

**Senator LUNDY**—So when this report was prepared by the committee—I think you can also judge it by the reasonable support it did ultimately get from the government—ICT related security was not a strong point. In fact, the report found it was fundamentally weak. It is difficult to ask you this, but is it your understanding that the attention being paid to electronic security issues has been strengthened within the PSSC?

**Mr Grant**—I suppose if I speak from my impressions, the attention being paid to electronic security now is higher than it has ever been. Again, that is effected by the security agencies in that we add value when it is appropriate to do so.

**Senator LUNDY**—Is there still an interdepartmental working group on this matter? You mentioned that before and you seemed to imply that it had played its role. Is there still one in existence?

**Mr Grant**—No. That group was always a short-term working group and it fulfilled its role.

**Senator LUNDY**—One of the findings of the committee was to do with the number of laptops, desktops and other hardware that went missing or were lost or stolen from Commonwealth agencies. Corrigendum (e) of this report has a list of that lost equipment. Do you have an updated version of this list which would include any figures from 2004-05?

**Mr Grant**—No, we do not. That information is held by agencies and the reporting arrangements are not through AGIMO.

**Senator LUNDY**—My recollection of the government's acceptance of the recommendations did allocate that reporting to, I think, DSD. Is that your memory of it? Certainly through ISIDRAS any thefts should be reported, so I would expect that with DSD managing ISIDRAS they would be the ones to have those lists.

**Mr Grant**—I think you are correct.

**Senator LUNDY**—So if I wanted to know what the updated figures were across the Commonwealth it would be the Defence Signals Directorate who should be able to tell me.

**Mr Grant**—You would have to ask them. I do not have the answer.

**Senator LUNDY**—So if you are not doing much on e-security anymore, what are you doing?

**Mr Grant**—We do a lot.

**Senator LUNDY**—What about the Critical Infrastructure Advisory Committee? Are you still involved in that?

**Mr Grant**—Yes, we have been involved in that.

**Senator LUNDY**—Are you still?

**Mr Grant**—Yes.

**Senator LUNDY**—In what way?

**Mr Grant**—In terms of the recommendations that may arise from that.

**Senator LUNDY**—From that committee?

**Mr Grant**—That is right.

**Senator LUNDY**—Are you a participating member of that committee?

**Mr Grant**—The department of finance is.

**Senator LUNDY**—So previously the office had quite a significant coordinating and supporting role—is that no longer the case?

**Mr Grant**—That was in fact under the guise of the National Office for the Information Economy, not under AGIMO.

**Senator LUNDY**—So what role do you have with respect to critical infrastructure and the protection of ICT assets and networks as opposed to their security?

**Mr Grant**—We obviously recognise the importance of ICT to the business and operation of government, and we do work with the security agencies in relation to those types of issues.

**Senator LUNDY**—What sort of work? What does that mean?

**Mr Grant**—Let me give you an example of something that we operate, which is FedLink, the encryption system to allow government information to be sent across the public network securely. We manage the FedLink system, and it is part of the broader network for government and communications.

**Senator LUNDY**—How many departments are part of FedLink?

**Mr Grant**—There are 42 at present that are connected. From recollection, about 14 are in the process of being connected. About another 20 have indicated that they will commence being connected in the near future. With the first two groups alone, I understand that we capture about 80 per cent of traffic across the Public Service.

**Senator LUNDY**—What about ICON?

**Mr Grant**—ICON is not something that we have responsibility for.

**Senator LUNDY**—Who does?

**Mr Grant**—Its management, I believe, is out of the Department of Foreign Affairs and Trade. I might add that ICON, I understand, is run by a management board

**Senator LUNDY**—That is a dedicated network, is it not?

**Mr Grant**—I do not know if it is a network. It is a communications system, certainly, but I do not think you would call it a network.

**Senator LUNDY**—How many departments are in Gatekeeper, how many are pending, and how many are out?

**Mr Grant**—From recollection, the Health Insurance Commission and the Australian Taxation Office have accreditation under the Gatekeeper strategy. In addition, Customs and, I think, the Department of Employment and Workplace Relations use Gatekeeper accredited suppliers for some of their activities. Off the top of my head, I cannot tell you any more. They are certainly the key users at this stage.

**Senator LUNDY**—Can you take that on notice.

**Mr Grant**—I could take that on notice.

**Senator LUNDY**—Can you also give me an update on the status of the review that was one of the accepted recommendations of the e-security report?

**Mr Grant**—I can give you that status now. The review commenced probably close to four months ago. It is looking at Gatekeeper in terms of whether Gatekeeper is too costly, its effectiveness and what might be done to improve it. This is about authenticating online. You

may recall that we launched the Australian government authentication framework, which tried to match risk with the level of authentication required. That is helping us look at Gatekeeper. I would expect the review of Gatekeeper to be completed within the next four to six weeks.

**Senator LUNDY**—Will the findings be made public?

**Mr Grant**—I cannot see why are they would not be. Gatekeeper is a public strategy. I would suspect that one of the things we would want to do is test it to make sure that what is being proposed may offer a better approach to authentication.

**Senator LUNDY**—Have you updated annual costs of project Gatekeeper?

**Mr Grant**—In terms of the my group in Finance's direct costs, I have between two and three people, depending on the workload, working to support the Gatekeeper standard. In addition, there is the accreditation process, because it is a standard of which the Gatekeeper accredited organisations are aware, and I suppose the participation, as part of that accreditation, at times of the likes of DSD.

**Senator LUNDY**—Could you just take on notice to do the best you can to try to allocate a cost against Gatekeeper. If you have access to the costs experienced by other agencies involved in the Gatekeeper authentication system, could you please provide those as well. I think some of those costs were in this report, but I cannot remember.

**Mr Grant**—On the latter, I do not have access to those costs. In terms of our administration costs, I will get you something.

**Senator LUNDY**—Okay. We will leave it at the administration costs. What about FedLink costs?

**Mr Grant**—The cost of FedLink is relatively small. In terms of the people in my organisation who provide administration, I would think no more than two average staffing levels, so it is relatively small. Connection is also quite cheap. But what connection does entail because you are expected to meet the security requirements for protected level can be a little more expensive, but that is for agencies to in fact put in place. They are built on the government's security manual.

**Senator LUNDY**—So you do not wear the costs for that?

**Mr Grant**—In terms of connection, the cost for less than 50 staff is \$1,100 and for more than 100 staff is \$5,445. The subscription fee on an annual basis for less than 50 is \$660 and for more than 100 is \$8,400. Other costs that can come in are gateway connection, which is about \$45,000; potentially that gateway subscription fee, which can be around about \$60,000; and then the security assessment necessary to ensure you reach the standard required, which is about \$15,000.

**Senator LUNDY**—Those amounts look pretty large for an agency or a department. What is the justification for that cost? Is that a software licensing figure or does it relate to the physical installation of the equipment?

**Mr Grant**—It is not software licensing; it is maintenance of the system and continuing operation. In fact, in the end we are talking about somewhere between \$120,000 and \$135,000, which I think is a pretty reasonable cost to be able to transmit information securely

across the public network. I think most agencies think it is actually quite a reasonable cost as well, which is why we have had quite a good take-up to date.

**Senator LUNDY**—The management advisory committee has a CIO subcommittee to which the office provided secretariat support. Do you still do that?

**Mr Grant**—Yes.

**Senator LUNDY**—What status does the CIO committee currently have?

**Mr Grant**—Perhaps I can clarify it. The information management strategy committee is a group of 12 secretaries and CEOs of major agencies who—

**Senator LUNDY**—Yes. Sorry, I called it the management advisory committee—

**Mr Grant**—There is the management advisory committee—

**Senator LUNDY**—and underneath that is the information management strategy committee, but underneath that is a CIO committee.

**Mr Grant**—That is right. The whole framework has no legal or mandated structure. It is essentially an attempt to bring good governance to ICT by identifying matters that affect multiple agencies or whole-of-government by looking at them in a way which is hopefully innovative and open and coming up with the highest common denominator option, and then using the leadership capability of the information management strategy committee for it to be taken up.

**Senator LUNDY**—One of the criticisms of AGIMO in its various former incarnations was that it did not have enough status to provide that leadership to agencies and departments. Was the move to Finance a recommendation of any of those three groups? Was the thinking behind it to try to give the office the status it required to provide the leadership on these issues to other agencies and departments?

**Mr Bowen**—Perhaps I can comment on that by saying that it is difficult for us to make those sorts of observations. The move of AGIMO to Finance was part of the AAO changes, which are matters for the government. AGIMO has a whole-of-government responsibility. It has come to a central agency in Finance that has a whole-of-government responsibility. I really cannot say much more than that.

**Senator LUNDY**—I understand that. It is not the first time that this office or something of its shape, size, look and feel has been located in the Department of Finance and Administration. Last time around it was not such a great success. I think that is fairly firmly on the record now. What is going to make it different this time?

**Mr Bowen**—Perhaps Mr Grant can comment on that.

**Senator LUNDY**—I am referring to the previous IT outsourcing initiative which was managed initially by OGIT and then OASITO, which the government then scrapped. It moved the whole operation, or what was left of it, over to DCITA.

**Mr Bowen**—As you are very well aware, there has been an evolution over time in the way that the government has gone about the management of IT. It is quite complex story. Without acknowledging your proposition that it has been a failure in any way, I think that tonight we

would be quite happy to talk about the agenda that AGIMO has before it. That is the constructive thing for us to do.

**Senator LUNDY**—I am happy to proceed in that way. What role will AGIMO have with respect to coordinating IT outsourcing projects? Will the government be returning to the previous model of basically managing as a third party the contracting arrangements of other agencies and departments in relation to ICT?

**Senator Abetz**—I think you have been there and done that. You have commented about those things in the past. I am very tempted to make comments about that, but I will not. Suffice it to say that I think one of the reasons—

**Senator LUNDY**—I am trying to focus on the future.

**Senator Abetz**—that AGIMO was moved into Finance and Administration was that it was seen by the government as mainstreaming ICT rather than having it in the department, where it was seen, with great respect, that the geeks might be—

**Senator LUNDY**—Controlling the agenda?

**Senator Abetz**—Yes. The move mainstreamed it as an administrative consideration in every single department. I hope the lateness of the hour excuses me for using the term I used.

**Mr Bowen**—It was very technical language!

**Senator Abetz**—Yes. It was the desire of the government that it be more mainstreamed. Having said that, AGIMO is an agency of encouragement, cajoling and all of those sorts of things, but it cannot mandate or direct other departments. So it is more our persuasive powers than our dictatorial powers that will determine whether or not our agenda is fulfilled.

**Senator LUNDY**—Indeed. I am sure you are aware that one of the issues in the previous program's demise was the assertion that, under the Financial Management Act, departments retained the right to make their own contracting decisions and a third party—in that case, OASITO—actually did not have the authority to negotiate on behalf of agencies in the way that they were. I am just checking that you are not trying to reconstitute that model through this move.

**Senator Abetz**—The simple answer to that is no.

**Senator LUNDY**—So what role does AGIMO have in terms of cajoling and encouraging agencies and departments and being a useful provider of hopefully useful information to them, specifically in relation to outsourcing?

**Mr Grant**—In relation to outsourcing, I would have to say none. In relation to sourcing, it is a different matter.

**Senator LUNDY**—If you want to call purchasing from an entity outside of government selective sourcing, strategic sourcing, outsourcing or contracting out I do not really mind.

**Mr Grant**—Okay. That is where the environment has changed.

**Senator WONG**—Or insourcing.

**Mr Grant**—Or insourcing.

**Senator LUNDY**—Insourcing is different again.

**Senator Abetz**—What we are really trying to do is get the departments to consider all the options that might be available to suit their particular needs, rather than making them fit into a—

**Senator LUNDY**—preconceived model.

**Senator Abetz**—Yes. So the idea is that we make the ICT more effective and efficient. What is the word I am looking for, Mr Grant?

**Mr Grant**—Productive.

**Senator Abetz**—Yes. We want to make it more productive so as to meet each particular department's needs. You would have seen some of the launches in recent times. We are doing things such as encouraging departments to consider open source software. If they give that active consideration and then come to a commercial decision, having taken into account not only the initial cost but the cost of the period of whatever contract they might have and all their needs, then we think to a large extent we have done our task.

**Mr Grant**—In essence, it is an informing role. We remove some of the things that are not true so departments can take informed decisions.

**Senator LUNDY**—In advising on something like open source, would you provide that advice at the request of agencies and departments, or are you more proactive than that? Do you push the information and provide encouragement by intervening in some way at the point of departments publishing a request for tender? How does it work?

**Mr Grant**—We are more proactive than that. In fact, as the minister said, we recently launched the open source guide. What that does is provide information to agencies about open source.

**Senator LUNDY**—So you are trying to get them before they prepare their tender documentation to get them thinking about that?

**Mr Grant**—That is right. It is about informing people and making sure that they go in aware of the options, rather than with biases.

**Senator Abetz**—We are also trying to make the contractual arrangements easier by providing a model contract for open source. If you were in a department which has not contracted in such a way, you could well imagine there might be some resistance in terms of people saying: 'How do we go about this? What sort of contractual arrangements should we enter into? Who else has done it?'

**Senator LUNDY**—And the implications of the general licence and so on.

**Senator Abetz**—It might seem too risky, and so they might not even consider it. If we can provide a model contract and give some government imprimatur that it is okay to consider open source then hopefully that will be of benefit to the various departments.

**Senator LUNDY**—What about interoperability issues between the underlying data sets of government? I was not here for the Department of Human Services, which I was very disappointed about. What about opportunities for increased efficiencies with that back-end equipment? What is AGIMO's role in those kinds of big picture, IT organisational, interoperability issues?

**Mr Grant**—We play a leading role and a leadership role in that area. As you are probably aware, we have published a technical interoperability standard. We have now published two versions of that, and it continues to be updated to encourage the ability to interoperate. We are working on an information interoperability framework so that we start to have a look at how data can be used. It is do with not only the technical framework but also the legal framework—the security of information, privacy and things like that. We work with other jurisdictions to develop pilot programs, to test interoperability and, hopefully, to be able to reuse the outcomes of those tests—so you do not have to reinvent all the time. We actually have quite a leading role. In that context, the ministerial online council takes an interest in that. There is also a cross-jurisdictional CIO group which looks at opportunities.

**Senator LUNDY**—Was that cross-jurisdictional CIO group set up under the ministerial council?

**Mr Grant**—No, it was not. The ministerial council is supported by an officials group. Rather than policy people, the CIOs tend to be the people who are doing it.

**Senator LUNDY**—I appreciate that, but I had not heard of that committee before.

**Mr Grant**—It is an informal group. It is one we are testing at present. As I said, it is the people who are doing it. So they come with a wish to work together.

**Senator LUNDY**—I do not know whether you will be able to answer my next question. You may be able to answer it from a corporate perspective for your own group. What is the strategy to deal with things like the legacy contracts that have licensing agreements for software that are designed not to interoperate with anything else and to cling to that proprietary nature with the hope of forever being the client of government?

**Mr Grant**—I am not aware that there are too many of those contracts left. Systems integration has been around for quite some time, so we do see far more often systems that are able to talk to each other. Nowadays when departments do go out for contracts, I think they are looking for the capability to link into existing systems.

**Senator LUNDY**—What about issues of passive incompatibility, where the systems are interoperable but they make the software run like a dog?

**Mr Grant**—I cannot answer that, Senator. I do not have an answer.

**Senator LUNDY**—This is a problem because there is a certain operating system—which I am happy to say on the record is Windows—which has a habit of running like a dog if you load other proprietary or non-proprietary software onto the operating system. It affects us here in Parliament House. I think it is part of this legacy of the proprietary nature of software companies trying to keep their market share. Are you looking at big questions like that that drill down to the actual experience of users of this software on a daily or hourly basis, or is that not really your patch?

**Mr Grant**—It really is not, because the users in the end are the departments themselves who have the systems that need to be integrated and then of course the clients or the stakeholders that they deal with. It seems to me that the capability nowadays to deliver a service across the internet or to transfer information is better than it has ever been, and we



keep working to continue to improve that. It has not been identified by the CIOs as a particular issue that needs to be addressed from a whole of government perspective.

**Senator LUNDY**—Going back to the issue of outsourcing—I think this is probably a question for you, Minister—has the government identified any savings figure to be associated with the way the government purchases or procures its ICT needs? I did not see anything in the budget, but I thought it would be worth asking anyway.

**Senator Abetz**—I might be a bit slow on that. Could you run that question by me again?

**Senator LUNDY**—Has the government identified a savings figure on expenditure on your ICT needs? The minister is shaking his head.

**Senator Abetz**—Which means no.

**Mr Bowen**—There is no overarching figure for savings on ICT throughout the Commonwealth. Various agencies would have costs and saves—

**Senator LUNDY**—I know—efficiency dividends.

**Mr Bowen**—I was not going there particularly.

**Senator LUNDY**—I think it is a pretty obvious one.

**Mr Bowen**—Yes, but some of the investments that individual agencies are making are actually offset by savings. There are examples of that in the budget, but no overall figure is collated.

**Senator LUNDY**—I am sure you are very familiar with the various Audit Office reports into the various formulas used previously by the department of finance to determine whether savings were made under the previous program.

**Mr Bowen**—I am not very familiar; they were a very long time ago—

**Senator LUNDY**—It makes for fascinating reading.

**Mr Bowen**—but they were audits of OASITO, from memory.

**Senator LUNDY**—That is correct. The Audit Office formed an opinion on the methodology used by OASITO as opposed to the department of finance. I take your correction. My question is: does either AGIMO or the department of finance have a monitoring role on the ongoing costs of ICT in agencies and departments, given their history and particularly given some of the larger clustered contracts? I think two of them still have a year to run. Do you do any of that sort of work?

**Mr Bowen**—I will speak from the point of view of the budget role. We operate in a devolved management environment, and deliberately so, as government policy states that we operate in such a way. IT is one of the devolved functions, along with all other management functions. We do not monitor all agencies' expenditure on IT—

**Senator LUNDY**—Even if there were a story of waste—

**Mr Bowen**—except to say this, and I think this is an important point: the general rule is no, but where a particular amount of new policy money might be provided for a large IT investment then it may well be monitored. There are live examples of where we are doing that. The investments have been based on business cases which in some cases have involved

savings in administered programs, and some have been departmental. As you know, we take the departmental savings immediately—

**Senator LUNDY**—Yes, I know.

**Mr Bowen**—and we monitor the achievement of the administered savings. So we do that, but it is targeted more at particular projects rather than saying, ‘We’re going to look at an agency’s IT per se.’

**Senator LUNDY**—Which ones do you monitor? Can you provide that data to the committee?

**Mr Bowen**—We could provide you with some examples. I will take that on notice. I cannot give the information to you tonight.

**Senator LUNDY**—Okay. Is one of those about the Customs cargo management re-engineering project?

**Mr Bowen**—Yes, we received reports on the Customs cargo management re-engineering project.

**Senator LUNDY**—Can you provide those to the committee?

**Mr Bowen**—No, I cannot provide you with the reports, but I can tell you that we do have the reports.

**Senator LUNDY**—Why not?

**Mr Bowen**—It is internal to the management of government.

**Senator LUNDY**—It is about its expenditure of taxpayers’ money.

**Mr Bowen**—Yes, but that is an example and there are others.

**Senator LUNDY**—What about the Edge project?

**Mr Bowen**—I literally cannot comment on the Edge project. It was not one that was monitored by Finance. We did not participate in monitoring it.

**Senator Abetz**—If anyone should have been there, it is Human Services.

**Mr Bowen**—Yes.

**Senator LUNDY**—I will read the *Hansard* with interest.

**Senator Abetz**—I do not think there was even one—

**Mr Bowen**—I did not hear all of Human Services’—

**Senator Abetz**—I had a few briefs on it, but I do not think I ever had to dust them off.

**Senator LUNDY**—We will make sure that we make up for that next time.

**Senator Abetz**—It has been a long day, but I cannot remember.

**Senator LUNDY**—Are you able to tell the committee what other projects you are monitoring?

**Mr Bowen**—I will take that on notice.

**Senator LUNDY**—I would rather know now, and you can take on notice providing the actual reports.

**Mr Bowen**—You would, I know.

**Senator LUNDY**—Come on then; we have a few minutes.

**Mr Bowen**—We are over time already.

**Senator LUNDY**—I know. I think it is very useful information, so I would like to know.

**Mr Bowen**—I will take the question on notice and see what I can provide but—

**Senator LUNDY**—On what grounds are you not providing it?

**Mr Bowen**—I cannot provide you with any reports.

**Senator LUNDY**—You need to tell me on what grounds you are refusing.

**Mr Bowen**—I do not have the information with me.

**Senator LUNDY**—You can take it on notice then and provide it.

**Senator Abetz**—He has said that.

**Mr Bowen**—I have said that I will take on notice the provision of examples of projects that we have monitored.

**Senator LUNDY**—But Mr Bowen has said that he will not take on notice providing the reports.

**Mr Bowen**—I did.

**Senator LUNDY**—I am asking you to give the grounds.

**Mr Bowen**—I cannot do that.

**Senator LUNDY**—Is it not just a report showing how effectively taxpayers' money is being spent? That is a lot to do with the budget, and it has a lot to do with accountability.

**Mr Bowen**—These reports have been requested by government and provided to government; they are not public reports.

**Senator LUNDY**—So they are cabinet documents?

**Mr Bowen**—They are government documents.

**Senator LUNDY**—I would like to formally place my request on the record and ask that you state in writing your grounds for refusing to provide that information to the committee.

**Mr Bowen**—It is your prerogative to put a question on the record.

**Senator LUNDY**—And it is your obligation to answer it, unless you provide an excuse that is within the bounds of parliamentary procedures.

**Mr Bowen**—We are aware of our responsibilities.

**Senator LUNDY**—I am sure you are. Finally, I would like to turn to the issue of the publication of government documents and information. Some time ago there was quite a substantial cut to and the closure of the government bookshops, and the responsibility to produce those documents online became the charter of what is now AGIMO. What are the

policies and protocols for the timely and accurate publication of and access to government documents?

**Mr Grant**—I do not have the exact details with me. I can provide you with guidelines that we have in relation to that; I will do that. Perhaps I can put it into context. We have not moved all publications simply to online. In fact, what happened with the bookshops was that they were very seldom used to sell Australian government publications. There was a very low turnover. We looked at that and at who was buying them, and we thought there must be better ways. The reason they were not being used was that agencies were not forced to use the bookshops, and many were using other mechanisms. Customers were not going to the bookshops to buy government books. What we tried to do, in fact, was to look at the environment and put a much better mechanism in place to at least let Australians know what government is publishing and to make it easier to get those publications by having the online publications directory. I can give you a copy of the guidance relating to publications.

**Senator LUNDY**—If people want to download a directory is it a user-pays system, or do they order it online and the physical copy gets sent to them? How does it work?

**Mr Grant**—It depends on the agency. Most government publications are now online. In fact, a good example of this is that the government used to both sell and sometimes give away annual reports. They are all online now, and people just go to them as they want. It is up to the agency.

**CHAIR**—Are sales increasing?

**Senator LUNDY**—They do not sell them.

**Mr Grant**—They do not really get sold anymore.

**Senator LUNDY**—You do not have to put your credit card in to have a look at them!

**Mr Grant**—It comes back to the agency publishing the document as to whether they sell it or give it away.

**Senator LUNDY**—You are going to provide on notice the policy framework in which they do—

**Mr Grant**—There is guidance associated with government publications, and we will provide that.

**Senator LUNDY**—What role does AGIMO have in issues of electronic information management and archiving?

**Mr Grant**—That is for the National Archives.

**Senator LUNDY**—Do you have any role at all?

**Mr Grant**—We have an interest, but it is really the responsibility of the National Archives. As is the case in the security area, we work with National Archives but it is their responsibility.

**Senator LUNDY**—That is all. I will be placing some questions on notice.

**CHAIR**—Thank you very much. I particularly thank you, Minister, for your patience. Mr Bowen, Mr Grant, officers, thank you very much for your attendance late at night. There

being no further questions, that completes the committee's examination of the budget estimates for the 2005-06 financial year. I remind agencies that the committee has set 8 July 2005 as the date for the submission of written answers to questions taken on notice. On behalf of the committee, I would like to thank all officials appearing over the last few days. I would also like to thank the committee secretariat, the Senate attendants and the officers of DPS for the *Hansard* and broadcasting services.

**Committee adjourned at 11.16 pm**