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Official Committee Hansard

SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION
COMMITTEE

ESTIMATES

(Budget Estimates)

THURSDAY, 25 MAY 2006

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SENATE

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

Thursday, 25 May 2006

Members: Senator Mason (*Chair*), Senator Murray (*Deputy Chair*), Senators Brandis, Carol Brown, Fifield and Forshaw

Senators in attendance: Senators Bernardi, Brandis, Carol Brown, Chris Evans, Faulkner, Forshaw, Heffernan, Ian Macdonald, Mason, Moore, Robert Ray and Stott Despoja

Committee met at 9.05 am

FINANCE AND ADMINISTRATION PORTFOLIO

In Attendance

Senator Minchin, Minister for Finance and Administration

Senator Colbeck, Parliamentary Secretary to the Minister for Finance and Administration

Department of Finance and Administration

Executive

Dr Ian Watt, Secretary

Ms Thea Daniel, Executive Officer

General

Mr Jonathan Hutson, General Manager, Corporate Group

Mr Ian McAuley, Branch Manager, Parliamentary and Corporate Support

Mr Michael Hirschfeld, Branch Manager, Strategic Partnerships

Ms Philippa Crome, Branch Manager, Human Resources Services Branch

Mr Geoff Hill, Director, Portfolio Coordination Unit

Mr Glenn Black, Senate Estimates Coordinator

Ms Louise Heath, Portfolio Coordination Unit

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

Ms Samantha Dickinson, Financial and e-Solutions Group Point Person

Outcome 1

Mr Phil Bowen, General Manager, Budget Group

Mr Lembit Suur, Division Manager, Industry, Education and Infrastructure Division

Mr John Ignatius, Division Manager, Budget Policy and Coordination Division

Mr Peter Saunders, Division Manager, Government and Defence Division

Mr Joe Roach, Branch Manager, Defence Capability Branch, Government and Defence Division

Ms Jackie Wilson, Division Manager, Social Welfare Division

Mr Mathew Fox, Branch Manager, Budget Coordination Branch

Mr Tim Pyne, Branch Manager, Budget Analysis Branch

Mr Luke Stanley, Budget Group Point Person

Ms Kathryn Campbell, General Manager, Financial Management Group

Ms Anne Hazell, Division Manager, Financial Reporting and Cash Management Division

Mr Brett Kaufmann, Branch Manager, Financial Reporting Branch

Mr Tony Olliffe, Financial Reporting Branch
Ms Karen Doran, Division Manager, Superannuation and Governance Division
Ms Sandra Wilson, Branch Manager, Superannuation Branch
Mr Martin Cashel, Branch Manager, Superannuation Financial Branch
Mr Michael Cullhane, Branch Manager, Future Fund Branch
Dr Tom Ioannou, Governance Structures Branch
Mr Ian Willis, Acting Director, Office of Evaluation and Audit
Mr Patrick Batho, Acting Branch Manager, Office of Evaluation and Audit
Mr Mike Loudon, Division Manager, Financial and Budget Framework Division
Mr Neil Robertson, Acting Branch Manager, Financial Framework Branch
Mr Marc Mowbray, d' Arbela, Branch Manager, Legislative Review Branch
Mr Robert Higgins, Branch Manager, Financial Management Group 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, Property and Construction Division
Mr John Grant, Division Manager, Procurement Division
Mr Robin Renwick, Branch Manager, Asset Sales Branch
Mr Geoff Anderson, Branch Manager, Major Projects Branch—Immigration
Ms Adora Monteiro, AMG Point Person
Mr Simon Lewis, General Manager, T3 Sale Taskforce
Mr Mark Heazlett, Branch Manager, Offer Structure and Institutional Marketing, T3 Sale Taskforce

Outcome 3

Ms Jan Mason, General Manager, Ministerial and Parliamentary Services
Ms Kim Clarke, Branch Manager, Entitlements Policy
Ms Carolyn Hughes, Branch Manager, Client Services
Mr Ken Sweeney, National Manager, COMCAR
Mr Greg Miles, Branch Manager, Entitlements Management
Mr Greg Smith, M&PS Point Person

Outcome 4

Ms Ann Steward, General Manager, Australian Government Information Management Office
Mr Patrick Callioni, Division Manager, Australian Government Information Management Office
Mr Brian Stewart, Branch Manager, Strategic Directions
Ms Robyn Fleming, Branch Manager, Investments and Enabling Projects
Mr John Lalor, Branch Manager, Service Delivery Branch

Australian Electoral Commission

Mr Ian Campbell, Electoral Commissioner
Mr Paul Dacey, Deputy Electoral Commissioner
Ms Barbara Davis, First Assistant Commissioner Business Support
Mr Kevin Bodel, Director, Funding and Disclosure
Mr Tim Pickering, First Assistant Commissioner Electoral Operations

Ms Paula Anderson, AEC Point Person

ComSuper

Mr Leo Bator, Chief Executive Officer

Ms Cindy Briscoe, Deputy Chief Executive Officer

Ms Michelle Crosby, Chief Finance Officer

Public Sector Superannuation Scheme and Commonwealth Superannuation Scheme Boards

Mr Steve Gibbs, Chief Executive Officer, Public Sector Superannuation Scheme

Mr Peter Carrigy-Ryan, Chief Business Operations Officer, Commonwealth Superannuation Scheme

Commonwealth Grants Commission

Mr John Spasojevic, Secretary

Mr Malcolm Nicholas, Assistant Secretary

Mr Owen Rodda, Director, Corporate Services

Future Fund

Mr Rob Barnes, Future Fund Management Agency

Mr David Murray, Chair, Future Fund Board of Guardians

CHAIR (Senator Mason)—Ladies and gentlemen, good morning. I call the committee to order. I welcome back Senator Colbeck, Dr Watt and officers. You may have overhead the conversation before the commencement of proceedings. Basically, without wishing to preempt my committee colleagues, we may finish questions to Ministerial and Parliamentary Services by around morning tea time—let us say 11 o'clock. Then Senator Lundy has questions on outcome 4, Dr Watt, relating to the Australian Government Information Management Office. In that gap of, let us say, an hour and a half, it might be to everyone's convenience to call the Department of Human Services. So we might do that.

Dr Watt—Can I confirm that the intention is still to finish AGIMO before lunch?

CHAIR—That is correct. Then of course we will go back to Human Services. That is the running sheet for the day thus far. We will see how we go. In that case, we will commence this morning with Ministerial and Parliamentary Services.

[9.07 am]

Department of Finance and Administration

Dr Watt—Before Senator Ray starts, I have two things to come back to from last night, one of which relates to MAPS and was discussed when Senator Joyce was here. Senator Joyce raised a question about Comcar's use of E10 blended fuels. We promised him some numbers. Ethanol usage nationally for the Comcar fleet was 51 per cent of fuel in April. It was 53 per cent in the ACT and, if you take out the three states where there is no ethanol available—that is, Western Australia, Tasmania and Queensland—the national usage was 63 per cent. So, within the constraints of using it sensibly whenever you can, rather than driving across town to fill up, that is pretty high usage.

CHAIR—Thank you, Dr Watt.

Dr Watt—Also, when Mr Yarra was talking last night about TOP in relation to Senator Sherry's question, was not able to say the precise value of Tuggeranong Office Park. He

promised to come back with that. On page 203 of the annual report the value is shown as \$128.35 million. Mr Yarra thought it was about \$127 million. That might save a question on notice.

Senator ROBERT RAY—Approximately how many questions were taken on notice by the MAPS division in the February session?

Dr Watt—We are adding them up.

Senator ROBERT RAY—I said ‘approximately’.

Ms Mason—Exactly 12.

Senator ROBERT RAY—How many of those were answered within the required time limit set by estimates?

Mr Hutson—None of them were tabled in the originally allotted time frame.

Senator ROBERT RAY—No elephant stamp, Dr Watt?

Mr Hutson—Over half of the questions asked of the department were answered within the allotted time frame.

Senator ROBERT RAY—I am asking about the MAPS division.

Mr Hutson—Sure.

Senator ROBERT RAY—So none of the 12 came within the time?

Mr Hutson—Most of them were tabled on 9 May.

Senator ROBERT RAY—That is some 39 days late. What is the explanation for that? Could I say, sometimes it is the complexity of the question—that would be a hard one to run here, and I am happy to argue that one out on most of the questions that were taken on notice—or that they were submitted to a minister’s office and not cleared or departmental indifference. We have all those possibilities, so why don’t we explore them?

Ms Mason—I think that you have covered the field fairly well, except that I would rule out the last one: departmental indifference. The questions that were asked last time do, on some occasions, involve very complex interrogation of our systems and a need to quality-assure the information to ensure that it is correct. We also go through a process of clearing the answers through our minister’s office. That is part of the process that is done as the minister is available to consider the draft answers. In some cases, for some of the 12 questions, further work was requested by the minister’s office in relation to the draft answers prepared by the department. In a couple of cases, that involved significant additional work by the department, again to interrogate our systems, and the draft answers were revised and provided again to the minister’s office as quickly as we were able to do that, and the answers were tabled as soon as they were cleared by the minister’s office.

Senator ROBERT RAY—I see. Let us take question F25, which I think is a question that both Senator Faulkner and I asked. That would require fairly substantial interrogation, wouldn’t it, because what we were really asking for was the total costs of the ‘Boswell boondoggle’ —the extra 10 staff for the National Party? That would mean a fairly intense

interrogation, I would have thought, and it would take some time to compile that answer. Is that right?

Ms Mason—No, that was not a question that took a particularly lengthy period of time.

Senator ROBERT RAY—Okay. F25 does not fall into that category. What about F20? It is a very simple question: when did the cabinet policy unit move to seven; when did it change; why did it change? Is that a very complex question? Look at F21 while you are there. It is the same question.

Ms Mason—No, I do not think that is particularly difficult for us to prepare an answer to.

Senator ROBERT RAY—What about F21?

Ms Mason—Again, no.

Senator ROBERT RAY—F26?

Ms Mason—No.

Senator ROBERT RAY—F27?

Ms Mason—No.

Senator ROBERT RAY—About two minutes for that one really, isn't it? Roll out the standard weasel words and, bang, it is done. What about F22?

Ms Mason—No.

Senator ROBERT RAY—F23 and F24, to save a bit of time?

Ms Mason—No is my answer to F23. For F24: no.

Senator ROBERT RAY—And F29?

Ms Mason—That one took a little longer.

Senator ROBERT RAY—So for the first 10 we cannot say it was the complexity of the answers.

Ms Mason—I have not actually been adding up as we go along, but I accept that if it is 10 then it is 10.

Senator FAULKNER—Or, to use your terminology perhaps, it did not require significant interrogation of your—

Ms Mason—Of our systems.

Senator FAULKNER—Of your systems.

Ms Mason—Correct.

Senator ROBERT RAY—F34, let me concede, falls into the more complex category. It is beyond me to understand how that is a 38-day complexity in terms of getting the answer, getting it cleared and getting it in. Nevertheless, it is more complex.

Mr Hutson—That is not technically a MAPS question. That is one for corporate group. It was not included in the previous numbers. When we talk about the number of questions that were allocated for MAPS, that question was not included in that list because that is handled by corporate group.

Senator ROBERT RAY—I do not have the other two. What were the other two about? Were they complex? So far we have 10 simple ones and one that we could argue about. What about the other two that you regard to be in the 12? Is F32 one of them?

Mr Hutson—F32 is on staff duties. That is one for corporate.

Senator ROBERT RAY—So that is not one of them.

Senator FAULKNER—Can you identify the numbers of the other two MAPS ones?

Ms Mason—Yes, I can.

Senator FAULKNER—That might help.

Ms Mason—They are F30 and F58. The answer is that both fall into the more complex category for us.

Senator ROBERT RAY—What was the broad subject-matter of both of those?

Ms Mason—One related to details of travel by staff of the Prime Minister and the other—

Senator ROBERT RAY—I have not seen that answer. It could be me.

Ms Mason—F30 was the tracking of salary bands over a lengthy period of time.

Senator ROBERT RAY—Did this F58 come in in a different batch to the rest?

Ms Mason—My recollection is that that was a question from Senator Evans.

Mr Hutson—There has not been a response tabled to question F58.

Senator ROBERT RAY—But you have included that amongst the 12 you said were tabled.

Ms Mason—No, you asked how many questions had been asked of MAPS. We said there were 12. We have worked through which ones were complex and which ones were not. We have explained the process of preparing them. The department prepares a draft answer which is submitted to the minister's office for clearance and then lodged with the committee once cleared. Sometimes there is a loop in that process where a draft may be returned to the department for further work to be done.

Senator ROBERT RAY—So F58 has not been responded to?

Ms Mason—Correct.

Senator ROBERT RAY—What about F30?

Ms Mason—That one also I do not believe has been lodged at this stage.

Senator ROBERT RAY—You see, we then come back to the 10 that have been lodged. I put the proposition to you that there could be three reasons. Now we can rule out complexity in all but one case—and we struggle on that one case—for not making the timetable. You cannot argue these two, because they have not even been tabled yet. So I am still seeking an explanation for why the deadline was not met. If they were submitted by the department on time and the minister failed to clear them on time then Senator Colbeck can explain why. But I need to know that first.

Ms Mason—Draft answers are submitted to the minister's office once the department has prepared answers, quality assured them and is confident that they are correct. The minister's office then considers those drafts and, in some cases, asks for further work to be done by the department. Then, when the answers are cleared, they are lodged.

Senator ROBERT RAY—When were they lodged with the minister's office?

Senator Colbeck—My advice is that the past practice of the minister has been that the questions are tabled as a group lot. However, because there were issues of complexity regarding the two questions that have not yet been tabled—I think F30 and F58—and there was concern about the time that had been taken to put the questions on the table, those two were left and the others were tabled on the date that you have already noted.

Senator ROBERT RAY—Thank you for that, but that was not the question I asked. I still seek an answer to the question I asked.

Mr Hutson—Were you asking about when the draft questions were provided to the minister's office?

Senator ROBERT RAY—Yes.

Mr Hutson—There is some variation around dates, but, in general, the majority of the answers were provided to the minister's office on 9 March.

Senator ROBERT RAY—And this committee received them on 9 May. That is not very good, is it, Parliamentary Secretary? It is treating the committee with total contempt, isn't it?

Senator Colbeck—As I have just explained to you, the practice that the minister has followed in the past is to lodge them as a job lot. Because of the concern about the time being taken to finalise two questions, the minister decided to table the rest without those two questions. If you are happy to have them answered as they arrive in his office rather than in one group, I am sure the minister is prepared to consider that as an option.

Senator ROBERT RAY—We do not set cut-off dates for the fun of it. One of the reasons we got rid of supplementary additional estimates—and you did not have a Senate majority when we did this—was to take some of the crowding out of the timetable to allow some of these logical things to happen. What was happening was that answers were not coming back from additional estimates by the time we got to supplementary additional estimates. We thought, 'Take that out—at least by the time of budget estimates we'll have the answers.' I draw your attention to a quite reasonable question I put on notice—and I am not objecting to the answer—saying that we should be given the staff tables five days before estimates simply so we can analyse them, rather than having them put on the table here and having to rush through them. But what is making it worse is that we put the questions on notice on 13 February and we are expected to catch up with them some time in May to be prepared for today. Of course they should be put forward. What is the argument for job lot, other than the delay and frustration of this committee?

Senator Colbeck—It is merely what has been the minister's practice. If you would prefer that they come to you as they are answered rather than in a group, I am sure the minister is prepared to consider that, and I will put that to him.

Senator FAULKNER—I am not even sure it has been the practice.

Senator Colbeck—That is as it has been put to me.

Senator FAULKNER—I have been sitting on this committee for far too long and I do not recall any such practice. I do recall the grouping of answers but not waiting for all of them to be completed. However, two reasons have been given to us. One was that some answers required significant interrogation of the database. That is my terminology, but I think you have a different one, Ms Mason. How do you describe it?

Ms Mason—Systems and records.

Senator FAULKNER—Alright: significant interrogation of systems. And the other one was the fact that in some of these questions there is an iterative process between the department and the minister. Given that in each case—F20 through to F30 and F58—they were first lodged with the minister on 9 March—

Senator ROBERT RAY—But maybe not all.

Senator FAULKNER—But maybe not all; that is true. But this was the first draft answer, I assume. It was not as a result of an iterative process with the minister. The department had its first drafts available for the minister on 9 March. I want to check that.

Mr Hutson—In the majority of cases that is correct.

Senator FAULKNER—In the majority of cases. What is the situation with the other cases?

Mr Hutson—There were some other dates on which answers were provided.

Senator FAULKNER—Let us hear what they are.

Mr Hutson—F20 was first provided on 10 March, F21 on 10 March, F22 on 13 March, F23 on 9 March, F24 on 9 March, F25 on 9 March, F26 on 9 March, F27 on 9 March, F28 on 21 March, F29 on 15 March and F30 on 10 March.

Senator FAULKNER—And F58?

Mr Hutson—F58 was provided on 15 March.

Senator FAULKNER—Which of these questions, if any, were submitted to this committee in a different form from that which went to the minister? In other words, which ones were changed by the minister?

Senator Colbeck—I do not think that is necessarily appropriate to ask the officer. You have got answers—except for two, obviously, that we are still waiting for—and I do not think—

Senator FAULKNER—That is rubbish, Senator Colbeck. This is a process question. I am not going to ask what the changes are. Just so you can put your mind at rest, I am not interested. Well, I am interested in the changes but I suspect that you are not going to tell me what the changes are so I am not even going to bother asking the question. It is a process question about an iterative process. We have heard from an officer at the table that there are two reasons for the delay. One relates to the significant interrogation of systems; the other relates to the fact that there is an iterative process between the department and the minister in relation to these questions. I am just going to the process issue of which were changed so we

know, as we start to look through the reasons for this extraordinary two-month delay in tabling, which ones were changed.

Ms Mason—For the sake of completeness, there is one other reason—which I do not believe was applicable to any of these 12—why the preparation of drafts may take a little longer. That is that the department may need to consult with third parties. As I said, from memory I do not think that applies to any of these 12, but in other cases we may need to talk, for instance, with the Department of the Prime Minister and Cabinet and that can sometimes delay the preparation of a draft answer.

Senator FAULKNER—I understand that, and I thank you for the completeness of the record. I think that is helpful and I accept that. So there may be three reasons, but two have been given in relation to these 12 questions. We have dealt with one—the significant interrogation of the finance systems. Now, Senator Colbeck, I do not want to go to the nature of changes made. I just want to know which were changed, so I can test the question of whether the iterative process caused the delay. That is a process question, and I would respectfully suggest that you should ask the officials to answer it.

Senator Colbeck—In my view, that is a process between the minister and the department—

Senator FAULKNER—Yes, so what? Of course it is a process between the minister and the department; that is obvious. So is the lodging of a question from the department to the minister; that is also a process between the department and the minister. Of course it is. That is like saying the sun comes up in the morning!

Senator Colbeck—I have indicated that I do not believe that the officer should answer that question. You have received answers to the questions that you have asked—except for two, obviously—and that is essentially where I see the situation at this point.

Senator ROBERT RAY—You will not identify which ones may have been changed. Was there any iterative process that slowed down the lodging of these questions that have actually been lodged? I am not talking about the other two that are yet to be lodged. That is a legitimate question. Did it occur?

Ms Mason—I can probably say that there were iterative processes that affected some of those questions. I cannot offer an opinion on whether or not the iterative process led to a delay in lodgement.

Senator ROBERT RAY—We will draw our own conclusions as to why they were not lodged. You mentioned that one of the 10 required a fair bit of interrogation and that this may have been one of the reasons why things have slowed down. On which of all those dates you read out was the one that required a bit of interrogation lodged with the minister's office?

Senator FAULKNER—I think it was F29.

Ms Mason—There is a bit of confusion on our side about to which question you are referring.

Senator ROBERT RAY—I am not a great note-taker, but Senator Faulkner is. We went through questions and I asked you: 'Was this one complex? Did this slow you down?' and we

finally got to one where you identified that, yes, it falls into that category. Senator Faulkner thinks it may have been F29.

Senator FAULKNER—F29 was described by you—it was your terminology, Ms Mason—as taking ‘a little longer’.

Senator ROBERT RAY—When was it lodged? I just want to test whether this is one of the later ones.

Mr Hutson—Question F29 was lodged with the minister’s office on 15 March.

Senator ROBERT RAY—Well, we can dismiss that one because the simple ones were lodged on 9 March and the complex one on 15 March.

Senator FAULKNER—F30, which still has not been answered, was lodged on 10 March, wasn’t it?

Mr Hutson—That is correct.

Senator FAULKNER—And F58, which was the other apparently more complex one, was also lodged on 15 March. So I accept that complexity—I think most reasonable people would accept that complexity is an issue—might have cost the best part of a week.

Ms Mason—I think I should explain the process further. When we submit the draft answers, if the minister’s office requires further work, it may be that we have to not once but twice interrogate our systems. It is possible that some of the questions that you are referring to are those that required two different substantial pieces of work.

Mr FARMER—And there is a very significant word in the answer you gave, Ms Mason. I accept the answer; it makes sense to me. I think any fair-minded person would accept it. That was a two-letter word: ‘if’.

Ms Mason—If we are talking about F30, which is not yet lodged, that is one of the—

Senator FAULKNER—I was talking about all of them. Are you now going to tell us about the iterative processes of F30? It is something that Senator Colbeck did not want us to know about, but let us hear about it.

Ms Mason—I identified a couple as requiring significant work by the department to interrogate our systems and records. I do not think the parliamentary secretary had difficulty with that. Those questions—F58 and F30—both required significant work.

Senator FAULKNER—Yes, but F30 was lodged on 10 March and F58 was first lodged on 15 March. End of story. All these questions—with one exception, F28, which we have not mentioned—were lodged over a period of five working days from 9 March to 15 March. That is true, isn’t it?

Ms Mason—First drafts, yes.

Senator FAULKNER—First drafts.

Ms Mason—That is correct.

Senator FAULKNER—And I suspect that a lot, most or possibly all first drafts were final drafts. But of course Senator Colbeck does not want us to hear that, because that is embarrassing.

Senator IAN MACDONALD—He looks very embarrassed!

Senator FAULKNER—Well, he ought to be. No wonder he looks embarrassed.

Senator ROBERT RAY—He has not quite learnt your skills at not answering questions, that is to be said.

Senator IAN MACDONALD—He might end up where I did.

Senator ROBERT RAY—He would be at the feet of a master. One final thing: do we have any prospect of getting an answer to F30 and F58 in the next few weeks or not? You would know that, wouldn't you, Parliamentary Secretary?

Senator Colbeck—I am not sure about F58 but I do know that F30 is with the minister's office at the moment.

Senator FAULKNER—Could we have it this morning? Will the answer be tabled this morning? That would be helpful.

Senator Colbeck—We will see what we can do.

Senator FAULKNER—It would be a good opportunity to—

Senator ROBERT RAY—And F58?

Senator Colbeck—I am sure the minister is keeping an eye on proceedings.

Senator FAULKNER—I doubt that. Things are in your capable hands.

Senator ROBERT RAY—Get a life, I say.

Senator IAN MACDONALD—I agree with you.

Senator ROBERT RAY—What about F58?

Senator FAULKNER—One thing we can be sure of: the minister's minders keep a very close eye on these things.

Senator Colbeck—I will follow this up for you.

Senator ROBERT RAY—If you could, that would be handy. Two of the answers I received at the last hearing have been corrected; thank you for that. But I just have to ask this question for process reasons: when was the error in the evidence discovered? There are two instances—they are not very serious, by the way. One is in relation to the timing of Senator Boswell's staff and the second one is simply a mathematical calculation of entitlement. When were the mistakes actually discovered?

Ms Mason—I do not have precise dates, but I have some general information for you on both of those. The error about the increase in Senator Boswell's staffing levels was discovered when I was checking the *Hansard* record. That occurred a couple of days before the letter was dispatched to the committee correcting the record. The other one, on staffing tables, was discovered when we were compiling a draft answer to a question on notice. When we were double-checking our information we found that error, and Mr Miles rapidly corrected that within a short time of discovering the error.

Senator ROBERT RAY—So in both cases there was only a short period of time before the record was corrected. That is the appropriate procedure in these instances; thank you for

that. Could I ask a more general question about the operation of the MAPS division. You usually operate under legislation, Remuneration Tribunal rulings, the issuing of regulations—which you are entitled to do—and practice. It seems to me that there is an increasing tendency for all those four orbits to collide in terms of interpretation and where to draw the line. Is there any overall look at these issues now to see how you rationalise this to make sure that there is no overlap or conflict of interpretation? I do not want to go into the details of some that have involved this and have required you to get legal advice and then one interpretation has changed because of the legal advice. I do not want to go into the details of that, because it is a difficult area, but are you having a look at the overall position?

Ms Mason—I do not think there has been a back to the drawing board approach to entitlements over a long period of time, but, that said, Ministerial and Parliamentary Services do, wherever we find contradictions or opportunities to improve the entitlements framework, make recommendations to the Special Minister of State to consider how those things might best be improved. Sometimes those recommendations are pursued, and on other occasions they are not. Not all of the decisions about improvements are, as you have already acknowledged, within the power of the Special Minister of State. Some of them would require changes to legislation or different determinations by the Remuneration Tribunal—and, as you are probably also aware, the Remuneration Tribunal does review entitlements on an annual basis and prepare a number of determinations to deal with issues that have been raised with it, either by the government, individual senators or members, or third parties such as members of the public.

Dr Watt—This is not unusual. We are going through an exercise departmental wide to look at areas where we can improve the administration of programs and policies. I emphasise administration because it predominantly resides in the department's hands and is where the department has some influence. We are finding quite a few things we can do generally as well as in the MAPS area to try and simplify and to try and remove overlap and duplication. Sometimes administrative simplicity is not the primary reason for doing something, but it is something we do keep under notice in MAPS and departmental wide.

Senator ROBERT RAY—It does throw up difficulties. Regarding one of the ones involving me, I thought my interpretation was right. It was subsequently proved, by the way, that I was right, but there were a few victims on the way through. Anyway, there was no malevolence involved. It is just that I feel that sometimes, because you look at legislation—and an insufficient explanatory memorandum or otherwise might bind your hands—you have the right to regulate and you go off past practice, it leads to strange rulings or inaction, simply because you do not quite know which source to go to.

Dr Watt—If you want me to agree that ministerial and parliamentary entitlements is one of the most complex areas that I have ever seen in government, then I am very happy to do that, because it is an extraordinarily complex area. I think MAPS does a good job with what we have. You are not disputing that. Ms Mason, in her time in MAPS, which predates me, has always looked for ways of doing it better, and she will keep doing that, with my strong support.

Ms Mason—Although fixing or simplifying the framework is a major challenge, one of the things we have done within the department to try and make it easier for clients to

understand what is a very complex framework is to provide more guidance material through our MOPS intranet site and through the publication of circulars to attempt to explain, in plain language, how the entitlements work and to keep clients informed of developments as they occur.

Senator ROBERT RAY—It would be churlish not to put my view on the record that that is one area of improvement that has been dramatic in the last few years—especially in the last three or four years. That form of guidance in writing makes everyone's life much better. I acknowledge here that that has been done.

Dr Watt—That is something we have tried to do departmental wide in other areas as well—to give more advice and guidance. It is not the only solution by any means, but it does help.

Senator IAN MACDONALD—I have some questions to follow on from that. There are many of these complex areas, of course, and I have become more interested in them in recent times. One area that I am wondering about is the allocation of mobile phones to members and senators. What is the entitlement there? Is it two mobile phones per senator or member?

Ms Clarke—Senators and members are allocated personally one mobile phone each and there is one mobile phone allocated for use in the electorate office, so there are two, in effect, allocated.

Senator IAN MACDONALD—I appreciate that ministers are not in your department, but for minor parties what is the allocation? Does the leader of a minor party get the same allocation?

Ms Clarke—The leader of a minor party would get the same allocation as senators and members—that is, one each and one for the electorate office. If the leader of a minority party was in fact a minister or something similar, a parliamentary secretary, they would get some allocated by the portfolio.

Senator IAN MACDONALD—How many minor parties are there in the parliament at the moment?

Ms Clarke—I suppose under the Parliamentary Entitlements Act—

Senator IAN MACDONALD—If you are not sure of these things I would be happy for you to take them on notice. Does that help you?

Ms Clarke—Yes, it does. There are, in fact, no minor parties under the Parliamentary Entitlements Act.

Senator IAN MACDONALD—There are no minor parties?

Ms Clarke—There are no minor parties—they have no minor party status under the act.

Senator IAN MACDONALD—So there are no payments for deputy leaders of what we call minor parties or for whips of what we refer to, obviously incorrectly, as minor parties?

Ms Clarke—Minor parties under the Parliamentary Entitlements Act are defined as those who have five representatives in the parliament. The only minor party that previously existed was the Democrats and they no longer have minor party status. Another minor party might be

the National Party, but because they are part of government they in fact do not have minority party status; they are seen as part of government.

Senator IAN MACDONALD—Who pays deputy leaders and whips? Do they get extra money?

Ms Clarke—I would have to go back to the Remuneration Tribunal determinations. The chamber departments pay basic senators and members entitlements and then there is an add-on for ministers, parliamentary secretaries and opposition office holders that we pay. But I would have to go back to the Remuneration Tribunal determinations—

Senator IAN MACDONALD—Do opposition office holders include leaders and deputy leaders?

Ms Clarke—That is correct.

Senator IAN MACDONALD—And whips?

Ms Clarke—I do not know. I would have to take that on notice.

Senator IAN MACDONALD—Shadow ministers? I am not arguing about this, mind you. I think shadow ministers are entitled to assistance, having been one for many years.

Ms Clarke—I have just been informed that the chamber departments pay for the additional salaries for whips; MAPS pays for the additional salaries for ministers, parliamentary secretaries and the opposition leader.

Senator IAN MACDONALD—Okay. I will have to read that in the *Hansard* to understand that. So who are minor party or opposition office holders? Do you know that or can you get that for me on notice?

Ms Clarke—Minority parties, under the Parliamentary Entitlements Act, are those who have got five representatives in parliament and are not in government.

Senator IAN MACDONALD—And you said before that does not include the National Party.

Ms Clarke—That is right, because they are in government they are not included as a party with minority party status.

Senator IAN MACDONALD—Thanks, that has been helpful. For those for whom you pay for the mobile phones, I would like to get a confirmation in writing in relation to members and senators including all those in minor parties. None of the minor parties' leaders or deputy leaders has special status, you are telling me, so what I need is your assurance, on confirmation, that they get two phones, the same as everyone else.

Ms Clarke—Just to confirm: there are no minority parties under the Parliamentary Entitlements Act now.

Senator IAN MACDONALD—Okay. So that makes it easy: will you just confirm that no-one is getting more than two mobile phones? That is all. Take it on notice.

Senator FAULKNER—To assist Senator Macdonald: there are two definitions of 'minor party'. There is the upper-case 'M' minor party and then the lower-case 'm' minor party, and the National Party fits into the latter category.

Senator IAN MACDONALD—I would of course argue with you on one of our coalition groups of people, but I hear what you say. Just for any purposes of the parliamentary entitlements that you would administer, could someone give me a definition of what are office holders and those who would, by whatever description, get entitlements beyond what senators and members would get?

Ms Clarke—We will take that on notice.

Senator IAN MACDONALD—I do not really require an answer to this but perhaps I could urge upon the portfolio minister and the department some consideration of the broad policy on mobile phones in this day and age. They were a rarity, something unusual, 10 or 15 years ago. Now they are part of daily life for all electorate offices, I would have thought. You might just consider that as a general policy issue.

Senator FAULKNER—This might be an appropriate time to deal with a couple of broad issues relating to the management of MAPS. The first thing I wondered is whether you could indicate where the RFT is up to for the service provider for travel management services.

Mr Taylor—The tender has been advertised and responses have been received. We are in the process of evaluating those responses.

Senator FAULKNER—We are in the tender evaluation process stage.

Mr Taylor—That is correct.

Senator FAULKNER—Can you outline to me the proposed time frames for the stages of this tender? First of all, it is a public tender, isn't it?

Mr Taylor—It is.

Senator FAULKNER—Obviously it has been advertised as such?

Mr Taylor—Yes. We would expect that the evaluation period would take between four to six weeks. Then there would be negotiations with any preferred tenderer. I will just have to check details in terms of the timetable beyond that. Was there any further information you are seeking?

Senator FAULKNER—I was interested in hearing what the timetable for the tender process was, if you have it available.

Mr Taylor—I could get some more information on that. I have it with me so I will check it.

Senator FAULKNER—The current service provider's name is TQ3 Navigant Travel Solutions. Is that correct?

Mr Taylor—That is correct.

Senator FAULKNER—They have been contracted as your travel management service provider since November 2002. Is that the case?

Mr Taylor—I would have to check the date but, yes, it has been for some time.

Senator FAULKNER—Was that a four-year contract or was it a contract for a shorter period of time with an options clause?

Mr Taylor—My recollection is that it was three years with options. Once again, I would like to check that.

Senator FAULKNER—I think we are best off not having recollections. Would it be helpful, Dr Watt, if we came back to this issue a little later in the morning?

Dr Watt—We are happy to come back to it. The officer will refresh his memory.

Senator FAULKNER—Obviously, the tender process is underway. I have a number of process questions about the tender and the like.

Dr Watt—We are happy to come back to it.

Senator FAULKNER—You will let me know when you are able to deal with that?

Dr Watt—We will.

Senator FAULKNER—That is a broad management issue in relation to the MAPS that I wanted to raise. We will come back to that. The second matter relates to issues of DOFA funded overseas travel. I flagged with Ms Mason that I might touch on this. For the record, could you outline the three or four categories—or whatever it is—of overseas travel that is funded by DOFA for parliamentarians?

Ms Hughes—You are correct, there are four categories of travel. The first is overseas study travel, which is provided by the Remuneration Tribunal. You need to be in parliament three years to qualify for that, and then you get a first-class around the world airfare. There is travel as a member of a parliamentary delegation, and that derives from the Parliamentary Entitlements Act. That is from a program approved by the Presiding Officers and we make a payment based on advice from the Parliamentary Relations Office. We are not aware of the basis of selection. There is official overseas travel by ministers, parliamentary secretaries and certain officeholders, and that is all approved by the Prime Minister. The final category is representing the government, a minister or Australia, and that head of authority is the Parliamentary Entitlements Regulations 1997.

Senator FAULKNER—In relation to that fourth category, can you go through the process of determining how that entitlement is accessed?

Ms Hughes—It is all approved by the Prime Minister. I am not aware of what approaches are made to the Prime Minister. We get the letter which authorises us to make the financial arrangements.

Senator FAULKNER—All travel in that category is approved by the Prime Minister.

Ms Hughes—That is correct.

Senator FAULKNER—What is the process for a member of parliament travelling under that category? How does the actual mechanics of payments and the like work? That is what I am trying to understand. I do not think the Prime Minister goes through people's receipts in his office.

Ms Hughes—We receive a letter from the Prime Minister's office indicating that the Prime Minister has approved travel by an individual under regulation 3C, usually, which is representing Australia. As you are probably aware, a number of opposition members and senators travelled under that.

Senator FAULKNER—I am aware that both government and opposition members and senators have accessed that entitlement. I understand that. You receive a letter from the Prime Minister's office saying that travel has been approved. Does that act, if you like, as a head of power to make payments?

Ms Hughes—Yes, to make the funding arrangements. That is correct.

Senator FAULKNER—In relation to those funding arrangements, are there any guidelines or capping of entitlements or the like? Can you explain that to me? What is the procedure?

Ms Hughes—The regulation itself refers to fares. It is not capped. It is fares, accommodation and spouse travel, if approved by the Prime Minister.

Senator FAULKNER—Are the moneys acquitted after payment by members of parliament? I am just trying to understand the process. I have never accessed this entitlement myself so I do not know how it works. I am trying to understand it. No Prime Minister has ever seen fit to have me represent Australia overseas is probably a better way of putting it.

Ms Hughes—Normally we provide a funding authority to the post where the visit is to take place and the post would make the accommodation arrangements and draw on our funds and then send us back the accounts for those. The airfares would be booked through TQ3 Navigant by the traveller.

Senator FAULKNER—In relation to the same category of representing Australia overseas, is the information relating to that category of travel available in the public arena?

Ms Hughes—Yes, it forms part of the material tabled every six months on travel costs. It is always annotated as 'representing Australia'.

Senator FAULKNER—That is right. If I, any other member of parliament or any member of the public wanted to assess, firstly, the level of access to that entitlement and, secondly, which member or senator might have accessed that entitlement, a thorough reading of the documents tabled in the parliament would provide a complete and exhaustive summary of that travel. Is that right?

Ms Hughes—The regulation came into effect in January 2002. The description is quite brief; it just says 'representing Australia' and does not give further details. It gives the cost, the destination and the dates.

Senator FAULKNER—That is true; of course it is brief—those documents are pretty brief documents. The documents are tabled in the parliament and they say, one, the nature of the travel—representing Australia overseas. That is true, isn't it?

Ms Hughes—That is correct.

Senator FAULKNER—Secondly, obviously, they identify the traveller—the member or senator involved. That is on the 'individuals' page.

Ms Hughes—That is correct.

Senator FAULKNER—Thirdly, the amount of Commonwealth moneys expended is provided publicly. That is right?

Ms Hughes—Yes.

Senator FAULKNER—It shows, in the broad at least, while not the purpose of travel, the destination.

Ms Hughes—That is correct. I have a tabling document here if you would like me to find an example.

Senator FAULKNER—No, I think I know the document reasonably well. I just want to be clear that that information is available. When did that process and begin? 2002?

Ms Hughes—The regulation came into effect in 2002. Previously, the mechanism for wanting to send people overseas to represent Australia was that we had to have a special parliamentary delegation created for that particular traveller.

Senator FAULKNER—So a journalist has as much access to this information as I do, or Senator Ray or Senator Macdonald?

Ms Hughes—Of course.

Senator ROBERT RAY—So they do not have an excuse to write a mendacious article about the matter, do they?

Senator FAULKNER—Thank you for that information.

Dr Watt—Would you like to go back to the information on the TQ3 Navigant contract?

Senator FAULKNER—Yes; that was very quick.

Dr Watt—We may not be complete.

Senator FAULKNER—Did someone sprint down to DOFA?

Dr Watt—It is downhill on the way down.

Senator FAULKNER—Coming back up the hill is a big effort. I am very impressed. It must be all those massages you do over there.

Dr Watt—We do not do massages any more. You know that. You have asked us that question. Someone has asked us that question repeatedly.

Senator FAULKNER—I was very upset that you did not do massages. I did not realise what a reign of terror you had instigated over there.

Senator ROBERT RAY—What about personal trainers? Have you picked up the DIMIA idea?

Dr Watt—I do not think so; not that I am aware.

Senator FAULKNER—Can you help us, Mr Taylor?

Mr Taylor—Yes I can. You asked a question about when the current contract with TQ3 Navigant commenced; it commenced on 19 November 2002. In terms of the exercise that is being undertaken at the moment, it is proposed that the duration of a new contract, when it is determined, will be for a period of three years with options to extend the contract.

Senator FAULKNER—That is in the letter that Mr Miles has sent out.

Mr Taylor—Yes, it is in the circular that you have seen.

Senator FAULKNER—I have.

Mr Taylor—The existing contract was extended from 5 May 2006 to 30 November 2006 and this essentially allows a period of time in which we are able to conduct this quite large RFT process.

Senator FAULKNER—What was the original contracted period?

Mr Taylor—It was for three years with options to extend the contract.

Senator FAULKNER—And when did that three-year period conclude? It would have been 19 November 2005, wouldn't it?

Mr Taylor—No; it concluded on 4 May 2006. There was an agreement to extend the existing contract from 5 May 2006 to 30 November 2006.

Senator FAULKNER—Are you able to provide any more information on the timing of the tender process?

Mr Taylor—Some information, although the current timetable is being provided to me at the moment. I have not actually received it yet.

Dr Watt—In this temporary lull, I mentioned ethanol this morning. I had incorrect information in front of me. It is only two states, not three, in which ethanol is not available. It is not as available in Queensland. When you take the national average Comcar consumption, excluding the two states of Tasmania and Western Australia, 55 per cent of our petrol consumption in April 2006 was blended fuel.

Senator FAULKNER—At this point, I know Senator Moore has a few questions on training to ask, but while that is happening perhaps the documents that are traditionally tabled at the estimates committee in relation to staffing might be made available. We could have a quick glance at those while Senator Moore is asking some questions about training.

Senator IAN MACDONALD—Just before Senator Moore starts, did you say that 55 per cent of all fuel used by Comcar is ethanol?

Dr Watt—Yes.

Senator IAN MACDONALD—Everywhere, except Western Australia and Tasmania?

Dr Watt—That is the average, excluding the two states where it is not available. The national average I think was 51 per cent for April.

Senator IAN MACDONALD—Is that broken up into individual states as well?

Dr Watt—I can give you that breakdown.

Senator IAN MACDONALD—Would you let me have that, as a matter of curiosity. That is quite pleasing to hear.

Dr Watt—Sure. In the ACT, it was 53 per cent; in New South Wales, 96 per cent; in Queensland, zero—it seems the nearest ethanol station is a long way from the depot; in South Australia, 100 per cent for April; in Tasmania, zero; in Victoria, 22 per cent; and in Western Australian, zero.

Senator IAN MACDONALD—And the excuse in Queensland is that there is no—

Dr Watt—While there are a number of ethanol stations in Queensland, the nearest ethanol station is apparently a very long way from the depot, so the drivers do not necessarily pass it in the normal course of events and, of course, they normally will not fill the fuel up while they have a customer on board.

Senator IAN MACDONALD—Do we have a contract with a particular fuel company?

Dr Watt—Mr Sweeney might be able to answer that. It is more of a matter of fuel cards. We have access to a number of companies.

Mr Sweeney—Yes, we do have an arrangement with several companies across Australia. In relation to the provision of E10, we have been using United at this point.

Senator IAN MACDONALD—I have a Caltex card and I always use the E10 blend, but I am up in the north, of course. Caltex do have an E10 blend. They were one of the first in the field, and BP does, too, doesn't it?

Mr Sweeney—That is correct. I am aware of that.

Senator IAN MACDONALD—But you have a price arrangement with United, do you?

Mr Sweeney—No. Our lease car provider, LeasePlan, is involved in providing fuel reports to us. We have up until now used various companies and at the moment we are using Caltex. We are looking at the availability of E10 Australia wide, and we will be looking at extending our card availability to take that on board.

Senator IAN MACDONALD—I do not blame your drivers for not using it if it is not convenient. Time is money—I appreciate all that. But, I have to say, coming from Queensland, which is sort of the home of real ethanol made from sugar cane, I am embarrassed to find that we have nought per cent usage; I can feel a press release coming on. I am not blaming you people, but you should, if I might suggest with respect, get to one of the companies that has a close service station and get them to put in some E10, because it is good for the sugar industry and it is good for breathing and for all the right reasons. My apologies, Senator Moore.

Senator MOORE—It is something I share your interest in, Senator Macdonald. I have written to the minister a couple of times about the use of the fuel card that we are given as part of our entitlements. There are certain blends that are available in various BP, Shell and Caltex outlets—I think those are the three where we have the option—but certain fuels are not available on the card. I have written to the minister a couple of times about why the fuel that is supposed to be better for the engines is not available on the cards. And the response has been: it is not available under your conditions.

Senator IAN MACDONALD—But E10 is. I use it all the time.

Senator MOORE—E10 is now; it has been extended. But if you go to premium—

Senator IAN MACDONALD—I do not think there is anything in that, anyhow. You don't need premium fuel.

Senator MOORE—I am also interested in the use of Opal. If we could get Opal used in Queensland, that would be good.

I have some questions about staff training and the survey that was done about staff training needs. Where are we with that? I am interested in the response because, at one stage, there had been a slow response from staff to the survey that had been developed. What has the response level been? What are the ongoing plans to blend the requirements into a training plan? I know there have been some bulletins coming out, but I think that this point in the cycle is a good time to have a look at the staff needs.

Ms Mason—Before Ms Clarke answers your question on training, may we return to an earlier question from Senator Faulkner?

Senator MOORE—Of course.

Ms Mason—Senator Faulkner, you made a request for the ‘usual’ tables. Would you mind specifying what you were asking for.

Senator FAULKNER—I will dig up a copy of the previous ones for you. I do not have them with me, but I will find them. I want the normal documents that you table in relation to ministerial staffing.

Mr Miles—I have a table showing the personal staffing establishment as at 1 May 2006 and also a table showing the variations to government personal staffing from 1 February to 1 May.

Senator FAULKNER—Ms Mason, they are the normal or traditional documents; it tends to save an awful lot of time.

Ms Mason—I thought so, Senator, but I wanted to be very clear on it before we provided the information.

Senator FAULKNER—I do not have to hand copies, so I do not know the title of the tables, but we all know what we mean.

Dr Watt—I think that is close enough, Senator.

Senator FAULKNER—There are two documents and, whatever those two documents are called, that will do.

Senator Colbeck—They are here available to table.

Senator FAULKNER—Senator Colbeck is quite across the detail here; he knows the name of those tables.

CHAIR—Shall we go back to Senator Moore? Is that all right, Senator Faulkner?

Senator FAULKNER—Yes. I just suggested that the material be tabled so we can have a little bit of a look at it while Senator Moore interrogates—

Ms Mason—That was my reason for returning to the matter, Senator.

Senator FAULKNER—I appreciate it.

Ms Mason—Ms Clarke can now deal with the issue of training.

Ms Clarke—Last year we just completed the first round of the professional development program that is sponsored by the Special Minister of State. That was based on a training needs analysis we had previously conducted. We asked staff, senators and members to forecast what

courses based on that training needs analysis they would like delivered and at what times. Based on that information, we ran the professional development program. It included a number of courses that were successfully run, such as strategic thinking, better writing, research skills, conflict resolution and team issues. They were run quite successfully.

You mentioned that there had been some problems in getting it going. On occasion, few numbers register and in fact turn up for these courses. We have to cancel when that occurs, usually because some of those courses require a number that makes them sustainable. If we do not have those numbers, there is not much point in proceeding. There are also economic and financial issues in running a course with very few people. On the whole, we have been very happy. As the report backs, we ask all the staff who attend those courses to evaluate the outcomes, and we have been very pleased with evaluations that we have received on those. I think there is something like a 90 per cent satisfaction rate with those that have been attended. So it has been going particularly well.

Senator MOORE—In previous discussions we have had here, in relation to the training needs analysis, you told us the percentage rate of respondents who did that survey. Can you remind us—I was trying to find the figure, scooping through these papers, but I have missed it—what the response rate was when you put it out? It was put out to all staff, and it was a voluntary survey, of course.

Ms Clarke—Yes, it was.

Senator MOORE—What was the response to the TNA?

Ms Clarke—I will have to take that on notice. I cannot recall the response rate. You are right; it was not very high. We are hoping now that the professional development program and training generally is more in the forefront of people's minds with the work that we have done that the next training needs analysis will in fact get a much higher response rate. People are just so much more aware of what they require, what their training needs are, what is out there and what can be done for them. All the courses we did provide were in fact tailored to suit the needs of MAPS staff, and that was very important. Now that people are aware of that and what is available, we think the response rate should increase.

Senator MOORE—Is there a list available—and this is the kind of thing that you will have to take on notice, because we have had some questions about the availability and popularity of courses—of what courses have been run and attendance at those?

Ms Clarke—It is not publicly available. I could take that on notice.

Senator MOORE—That would be good. I expected that to be on notice, but I imagine that would be quite an easy question to answer in terms of the data that you keep.

Ms Clarke—Yes, I do not think there will be any problems.

Senator MOORE—What do you keep on the evaluation of a course? For instance, in the professional development process, I know you had a couple of team courses which involved building a team and an office, which we all know is essential in a small workplace. What kind of data do you keep in your internal records as a result of that training?

Ms Clarke—We keep a list of who attended a course and, clearly, from what electoral office they were. We keep evaluation data about how people found a course, whether it met

their training needs and what they would recommend in future if that course were being offered. As we go through the whole process, we feed that back to the consultants or the training people who delivered the training and say, 'From their evaluation, these people found that this area needed more tweaking or you could have spent more time here.' We keep data on the evaluations, and when able we feed that back to the consultants.

Senator MOORE—So you can then build up a training program? I know some leadership training has been done in office management and that kind of thing.

Ms Clarke—Yes, that is correct. Ministerial and Parliamentary Services offers office management training for the office management positions for not only new people but old hands as well who want to get their skills back up again. We also offer in MAPS induction information sessions where we tell staff about their entitlements and about their senators and members entitlements at the very highest level.

Senator MOORE—Do you have easy access to training profiles of staff or officers? Using my office so I am not breaching anybody else's issue, would I be able to find out easily through your area who attended training, what they had done and whether there had been any kind of expression of interest from them about future training? Is that the kind of service that we could get in consultation with you?

Ms Clarke—We could provide information about who attended and what courses they attended. We are about to release a survey—I do not think we have done it yet—to senators and members whose staff did attend training and ask them how they found the training for the staff, whether their staff's behaviour and work improved in any way as a result of that training. We will be seeking feedback from staff and senators and members about those training issues. We were hoping that that might encourage senators and members to talk to their staff about what they got out of the training and then feed that back to us. We can tell you who attended training in your office, for instance, and what that training was.

Senator MOORE—So that would be a complementary but separate survey, one to the senator or member and another form to the staff and they would be going out about the same time?

Ms Clarke—I think we are at the initial stage of surveying the senators and members for their views on things and that will be done pretty soon.

Senator MOORE—Do your records indicate which staff have attended which training?

Ms Clarke—Yes.

Senator MOORE—One of the other issues that comes regularly is the turnover in the officers and the need for regularity of training courses. You may have pretty well-trained one group of people but then they change very quickly. I am fortunate in that I am based in a capital city but a lot of members are not. I know that Senator Macdonald has raised this issue of previous occasions about the accessibility of specialist training if you have got one or two people needing it. From the Townsville point of view with only two officers there, what kind of training is able to be accessed in the north Queensland?

Ms Clarke—They would be entitled to access whatever training was being run in the capital cities. There are quite a number of electorates that get additional funding for travel and

training purposes. We do offer training in regional areas where there is the demand. We have gone out and said that if there is enough demand in the regional areas of Australia we will offer that training. Often there is not that demand and, again, we have to justify it economically and financially.

Senator MOORE—Are there a number of consultancies doing different forms of training or do you have an umbrella consultancy that does all the training?

Ms Clarke—It varies. For the last professional development program we had arrangements with the Australian Public Service Commission and we have drawn on their panel for the different providers who are specialists in their areas. When we have looked at legal training—training in admin law and legal issues—we have used Finance’s own legal panel to produce that. When we have done induction and office management training, MAPS staff have done that.

Senator MOORE—And the complementary aspect is the specialist information provided by departments for electorate staff. Do you have any role in coordinating that or working with departments to get a program of training that could be built into that? We have the internal training for staff members but some departments, not all, run forms of information and training and awareness training for electorate staff on budget changes and key programs. Key to that would be Immigration, which runs regular sessions. From time to time Centrelink does as well. In trying to build up a training profile for staff, I am wondering whether the information about which staff have access to that training is linked in with your databases. If I were trying to find out what training someone had, would there be a place where I could find what that particular staff member had done in the way of training—immigration training, Centrelink training, taxation and all those things?

Ms Clarke—I understand what you are saying, Senator. No, we would not be able to provide that. We keep very clear records of who attended our training. I do not know whether other agencies do the same things so we could not rely necessarily on the information. We do not keep a centralised record of all training.

Senator MOORE—When I get to do my survey that will be one of the things that I will be asking for, because I think that with any kind of training record it is good to have a complete record of what people have received since they have been in this particular workplace. Some kind of cross-information between agencies would be useful.

Ms Mason—There would be potential privacy issues in sharing that information between agencies.

Senator MOORE—Could you explain that to me?

Ms Mason—If a staff member has undertaken training provided by another portfolio and they keep records for that purpose, they have not necessarily kept the record for the purpose of providing it to Finance.

Senator MOORE—That would be easily fixed by having a question at the bottom of the claim form, I would have thought.

Ms Mason—If we had the individual's permission to provide the information to Finance then it would be possible, but at the moment I think there are potential privacy issues that would need to be respected. That is not to say that it could not change for the future.

Senator MOORE—I see the point but I am interested that the only reason they would have access to the training or be invited to take it would be on the basis of their employment in an electoral office. It is not the kind of training that is available if you were not an employee of a member or senator. Therefore it is building up your training base. I am not quite sure whether privacy issues would be breached. As we have found out in other areas, asking the right question at the start of the training knocks off all the problems. That is another thing that maybe we could put in the survey because the intent, I know, is to provide the best possible training base for anyone working in this industry so I would think that any form of training that is available should somehow be recorded so you can build up what people need.

Ms Clarke—I can dispense with the question on notice. For the training needs analysis there were only 188 responses when that was put out.

Senator MOORE—How many people had the opportunity to respond?

Ms Clarke—I am not sure of the numbers of staff at that time but there are normally around 1,300 to 1,500 MOPS staff, depending on relief numbers and the like.

Senator MOORE—Thirteen to fifteen hundred and you got 188 responses. I am not sure what that is but that is a very low percentage, isn't it?

Ms Clarke—It is a very low response rate, yes.

Senator COLBECK—It is not a bad response rate for a voluntary survey if you are talking about it in percentage terms.

Senator MOORE—Are you anticipating a TNA being a regular process in an electoral cycle?

Ms Clarke—Yes, we are. It is the electoral cycle that causes us some problems—

Senator MOORE—It causes us problems too—

Ms Clarke—Scheduling things in election year is always difficult but, yes, we are planning to conduct a training needs analysis on a regular basis so we get up-to-date feedback.

Senator MOORE—So then it becomes like a standard part of the business and people will be more likely to do it?

Ms Clarke—Yes.

Senator MOORE—Have you got a budget stream for the cost of training electorate staff?

Ms Clarke—We certainly operate to a budget. I do not have the figures with me at the moment.

Senator MOORE—Can I ask for that on notice as well? I could not find it when I was looking at it and it could be that I need the training on how to read the budget papers. There is one particular question I was going to ask about the training that was provided on the budget process. I am interested in the take-up across-the-board on that particular training option.

Ms Clarke—That was one thing that I neglected to offer. The Department of Finance's Financial Management Group provided budget training for both government and non-government staff here in Canberra—I think, in October last year—and that will be offered again.

Senator MOORE—That is the Department of Finance—

Ms Clarke—It is training or information on the Australian government budget process.

Senator MOORE—Is that the same umbrella department under which MOPS operate?

Ms Clarke—Yes.

Senator MOORE—So would there be a privacy issue in listing the people who attended that training on the MAPS records? It just came to me that that is the same department.

Ms Clarke—It was almost in the same way that we contract with a consultant to deliver training. We asked our Financial Management Group to deliver that training so they acted as our consultants, but we organised the training.

Ms Mason—The answer to your question is no, there are no privacy issues there. It is the same department and that information is included in our records.

Senator MOORE—Can I find out what the uptake of the budget training was?

Ms Mason—Yes, certainly.

Senator MOORE—That could be taken on notice. This has been offered but I do not think that it has been offered a lot and I would like to see what the interest was in it. The other sphere of training on which I want to ask some questions is the team conflict management stream. On notice, can you tell me the number of staff who took that option up? I do not wish to know where because that would be breaching privacy, but just in terms of what the interest was in that and the numbers in that particular training course that made it one that was able to continue. You mentioned that some courses needed a core number to attend. On the conflict one, I would like to know what the core number is. In terms of popularity—and this is on notice as well—in the range of courses you offer, what are the top three? The other questions concern cultural awareness training in terms of Aboriginal and Torres Strait Islanders and dealing with people from a non-English-speaking background. Are those courses available?

Ms Clarke—They are Not specifically available. We are running and developing at the moment a new constituent management course. It is constituent management and then advanced constituent management—

Senator MOORE—I like the titles.

Ms Clarke—and we will be running focus groups to try to bring that together. Again, that training is very much focused on MOPS staff and their needs and issues to do with cultural sensitivity and diversity. We hope that it will be picked up in the development of that training and then its delivery.

Senator MOORE—Which consultancy is developing the constituent management course or is that being developed internally?

Ms Clarke—It is being developed at the moment and I do not believe that contract negotiations are finished.

Senator MOORE—So you are doing a preliminary in-house development—is that right?

Ms Clarke—We will be working with the consultants to develop it but using the expertise of MOPS staff to assist us.

Senator MOORE—Which consultant is being contracted for that one?

Ms Clarke—It has not been announced yet.

Senator MOORE—So it is very early in the development. As for the focus groups you mentioned, are you using stakeholders in those? Are you using people who are working in electoral offices now in the development of that?

Ms Clarke—Yes, that is correct, and we will be sending out a circular asking for people to volunteer and to come to those focus groups.

Senator MOORE—Do you have an internal model for developing those focus groups to cover the enormous range of electorate office staff and background and all that kind of stuff? When doing statistical surveys people usually try to have focus groups that represent a particular group and then merge them. Is there a model that you use internally in MAPS to do that?

Ms Clarke—I do not know that I would call it a model. There is certainly a rule of thumb, I think, in the way we do things. We like to get a range of government and non-government electoral officers and, clearly, we would like to get a range of locations so that we get the geographically dispersed nature of electorate offices feeding into our focus groups and their particular requirements. So we would be looking at getting people in from regional areas and city electorates and electorates that have a particular conglomeration of different sorts of constituents. We will be very keen to get that for advanced constituent management as well. So it is geographically dispersed and dispersed around each of the states as well.

Senator MOORE—And the constituent management course is in the planning process now? What is the time frame for the development of that training?

Ms Clarke—It is very tight. We sent a circular out notifying people that the training will be on in August.

Senator MOORE—So you are hoping to conduct training in August and the development process—

Ms Clarke—Will be between now and then.

Senator MOORE—That does seem short.

Ms Clarke—We believe we will have some very good consultants in that are more than up to the challenge.

Senator MOORE—You are going to be asking people whether they are interested for focus groups to be involved in that and then there will be a circular put out advertising who was the successful consultant and when you are hoping to run the training—

Ms Clarke—And offering the training.

Senator MOORE—Thank you. Maybe when I get the answers back I will be back in contact between sessions to get more details.

Proceedings suspended from 10.39 am to 10.59 am

CHAIR—I call the committee to order. The committee is continuing with its examination of Ministerial and Parliamentary Services.

Senator ROBERT RAY—Thank you for providing the updated staff position. There is a couple of things I want to get on the record, even though I now have that information.

Dr Watt—Senator Ray, we have Mr Taylor back at the table in case Senator Faulkner wants any more information on the TQ3 Navigant. We have a bit more detail, if you would like it.

Senator FAULKNER—If Mr Taylor is able to outline the time lines, then that would be helpful.

Dr Watt—I think he is.

Senator FAULKNER—I believe, Mr Taylor, that is the only thing that we have left in abeyance, isn't it?

Mr Taylor—Yes, I think it is. I should stress that this is an indicative timetable, because it could be varied at any time. We are looking at selecting a recommended tenderer and for contract negotiations to occur in July 2006. We are looking at approval of a recommended tenderer in August 2006, execution of a contract and transitioning-in on 1 September 2006. And we are looking at commencement of service provision on 1 December 2006.

Senator FAULKNER—Thank you.

Senator ROBERT RAY—Going back to the staffing issues, you have provided an almost up-to-date timetable. I take it that since the last time we talked, in terms of government staff, we have gone from 431.2 to 444.6; is that correct?

Mr Miles—That is correct.

Senator ROBERT RAY—A 13.4 increase—is my maths right?

Mr Miles—That is correct.

Senator ROBERT RAY—A new staff member every five days? Do you want to do the extrapolation, Parliamentary Secretary, to the end of the year?

Senator Colbeck—You can make that calculation, Senator. Whether or not that extrapolates to the end of the year is another question.

Senator ROBERT RAY—I was asking whether you had any policy guidance on that.

Senator Colbeck—No. As we have, I think, discussed before, the allocation of staff to the ministry is a matter for the Prime Minister.

Senator ROBERT RAY—On what basis will any increase in opposition staff be based? On the final March figure or on this figure?

Mr Miles—The allocation that was recently made to the opposition on, I think, 11 May, was based on the government staffing figure as at 1 March 2006.

Senator ROBERT RAY—So it does not take in this 13.4 increase?

Mr Miles—That is correct.

Senator FAULKNER—That is lose-lose, isn't it? What was the date of the letter to advise the Leader of the Opposition of the new opposition staffing entitlement?

Mr Miles—I believe it was 11 May.

Senator ROBERT RAY—I know there will be a good reason, so I do not ask this question with any animus, but why the delay?

Senator FAULKNER—You are more generous than me, Senator Ray.

Senator ROBERT RAY—I want to hear the explanation that there may well be. Why the delay? Do we know?

Mr Miles—I am not aware of any reasons for any delays.

Senator ROBERT RAY—I will ask the parliamentary secretary. These things—

Senator Colbeck—I understand that there were some negotiations between the Prime Minister's office and the Leader of the Opposition in relation to the classifications of the staff members. That was part of the process that was undertaken. My understanding is that the Prime Minister, following those negotiations, awarded to the Leader of the Opposition the classifications of staff that the Leader of the Opposition requested.

Senator ROBERT RAY—This has caused a two-month delay.

Senator Colbeck—I am not aware of the detail of the negotiations, but I am aware that there were negotiations between the Leader of the Opposition and the Prime Minister in relation to the allocations of additional staff and the classifications of those staff members.

Senator ROBERT RAY—Is this matter finalised?

Senator Colbeck—It is my understanding that the Prime Minister wrote to the Leader of the Opposition on 11 May to advise him that he had given the Leader of the Opposition what he had asked for.

Senator ROBERT RAY—Parliamentary Secretary, I am not interested in your understanding. Maybe officials at the table can confirm it. If you just tell me what your understanding is, that may not be the established facts.

Mr Miles—The Prime Minister wrote to the Leader of the Opposition on 11 May advising of the outcome of the review and advising of the classification of the seven new positions allocated.

Senator FAULKNER—Is there now any longer term guidance or policy—it is best that I direct this question to you, Senator Colbeck—about the opposition staffing entitlement reflecting a similar hierarchical establishment? That has been the issue of concern, and it is one of the two issues I have raised very regularly at this committee; you may be aware of that. Has there been any policy decision to have the opposition staffing entitlement reflect that more accurately in the future? If there have been some changes to make it a better reflection of the hierarchical nature of the staffing, that is all to the good. In other words, government

staffing is very top heavy and, unfortunately, opposition staffing has historically been very bottom heavy.

Senator Colbeck—I am not aware of any policy changes; the only thing I am aware of is the fact that the opposition leader made a request of the Prime Minister about the classifications that would come with this increase in staffing following the annual review. The Prime Minister considered that that request was reasonable and has granted that request. I am not aware of an underlying policy change; I am just aware of the circumstances of this particular change in staffing.

Senator FAULKNER—One of the difficulties here is ensuring into the longer term that the opposition staffing establishment—whatever it might be—more accurately reflects the structure in government. That has been a weakness; I am sure you understand—

Senator Colbeck—I understand that concern you are expressing, yes.

Senator FAULKNER—I have raised this time and time again. I have also raised the regularity of the calculation and provision of the opposition staffing entitlement. But it is fair to say that this is at least a step towards an opposition staffing model that better reflects the number of senior positions that are held in government staffing. So it is a step in the right direction. I am very concerned that by a mere stroke of the pen we might see a very different situation next time. I think you need to take that on board. If you could take the question on notice to the Special Minister of State about how this is going to be reflected longer term in a policy sense, I would be very interested in the answer.

Senator Colbeck—Certainly.

Senator ROBERT RAY—The second long-term policy I want to raise with you, Parliamentary Secretary, is one I have raised before. The standard answer is, ‘The allocation to the opposition is exactly what it was under the Labor government,’ which I accept. But I also point out that there have been other changes since then with improvements around this building. For instance, you are parliamentary secretary; you get paid for that. No Labor parliamentary secretary got paid until I took up the issue in opposition. I am arguing that progress is made in certain areas, and I think one of the great weaknesses in this system is the funding of whips positions, where government whips have eight staff and opposition whips have two staff. Yes, that staffing entitlement could be increased if you wanted to divert staff away from shadow ministerial tasks; I understand that. But I would think there is a strong case for exempting the funding of whips’ office staff out of all these entitlements and putting them to one side, because the government—even with a majority in the Senate—still relies massively on the cooperation of whips’ staff to get the whole program through.

You quite often have four working in Senator Ferris’s office and one working in Senator Campbell’s office. And then they wonder why progress is not being made and why the phone is not being answered in the first three rings. It is simply because of workload. It is not a partisan issue. Every now and then we make a step forward, like the amount of time allocated to government business in the Senate. It is far greater than it was under us, and we support that. I just think it is time to step outside the square—and I hope you will pass this on to the minister—and think about funding those positions separately. It is not a partisan matter; it is

for the efficiency of the running of the parliament. I make that plea, and I hope you will pass it on.

CHAIR—Are there historical reasons for that, Senator Ray?

Senator ROBERT RAY—Probably. I do not in any way blame the government for saying, ‘Look, this existed under Labor so you can cop it.’

CHAIR—I know that; I am just trying to—

Senator ROBERT RAY—I think there is such a thing as progress, too. You can take a step back and think, ‘How can we make this place run better and more fairly?’ It is not really a partisan issue. If you took the eight whips positions out of the government staffing establishment, it would come down by eight, and if you only gave the opposition four that is fine. It could come out of their figure. It is a separate way of approaching things; it is not to do with the argy-bargy of politics but the cooperative element of politics.

Senator Colbeck—I think it is worth considering the suggestion, and I will pass it on.

Senator FAULKNER—I would like to ask about the third long-term issue, which is the regularity of the calculation made for opposition staffing. You would be aware, Senator Colbeck, that I have raised this on very many occasions at this estimates committee. Is that matter under consideration or has any progress been made at all in relation to that?

Senator Colbeck—I am aware that it has been an issue of contention for a period of time. I am not aware that it is under reconsideration. I do not believe it is under consideration but, if you are asking that we go through that process, I am happy to have that matter put on the record.

Senator FAULKNER—I have always argued for three-monthly or six-monthly updates. It is brought home by the example of this morning. The calculation is made on 1 March. There is tick-tacking going on between the Prime Minister and Prime Minister’s office and the Leader of the Opposition’s staff. Whatever is occurring in that regard does not alter the fact that some two months later a letter is received. In the meantime, once every five days, the government has an extra staffer and the opposition does not get a staffer once every 25 days, which it ought to, if the government staff provision is accurately reflected in the opposition staffing establishment. It is a long-term weakness. There ought to be three-monthly, six-monthly or regular updates. So, yes, I would appreciate a formal response to that from the minister if you are not able to provide it yourself.

Senator Colbeck—Certainly.

Senator ROBERT RAY—Let me return to an area where there has been absolute equity, as far as I can judge from the past answers, and that is personal classifications. First of all, we will deal with government. How many government staffers are subject to personal classification? We have had evidence before on this.

Ms Clarke—As at 1 May, there were 36 government staff with personal classifications and one of those 36 is paid at a lower classification than the position against which they are held.

Senator ROBERT RAY—I will have to ask about this question too. We have talked about 1 May. Do we know if there has been any increase in government staffing from 1 May

through to today overall? We are leaving personal classifications just for a moment because your mention of 1 May has triggered that question in my mind. In other words, if they are going up one every five days, maybe the rate has slowed, maybe the trendline is flattening out.

Mr Miles—The 1 May figure is used because you may be aware that our information flows through on paper. We rely on contracts received and we rely on copies of letters allocating staff. Our 1 May figure is generally put together about two weeks after 1 May so that we can ensure that the 1 May figure we give is as accurate as possible. There will be a constant flow of papers in, but we will not be compiling figures again until we compile those based on 1 June.

Senator ROBERT RAY—By the way, this is no criticism of the 1 May figures. You have to draw the line somewhere to have accurate collecting, I understand that. What is the cut-off date for answers, Mr Chair?

CHAIR—You've caught me out.

Senator ROBERT RAY—You can give us the national hotline number, while you are at it.

CHAIR—I remember that—no, I will get that later. We will get that date for you; it is coming.

Senator FAULKNER—And can you get the hotline number, while you are at it?

CHAIR—I will do that as well.

Senator ROBERT RAY—The only reason I am seeking that date, Parliamentary Secretary, is that if it does clash we will relieve you of the obligation to meet the timing. I would like the 1 June figures, if you could take that question on notice. We do not often put a prospective question on notice, one that goes into the future, but this way it will not be hard. It will not generate any extra work because your systems will throw it up. I would like to know what the 1 June figure is. You may not be able to tell me, obviously, until right at the end of June.

CHAIR—Cut-off is Friday, 7 July 2006.

Senator ROBERT RAY—I think that is a fair enough cut-off point for that answer. Is it, Dr Watt—provided all other things work smoothly?

Dr Watt—We will see what we can do.

Senator ROBERT RAY—The best endeavours; thank you. So, Ms Clarke, there are 36?

Ms Clarke—That is correct.

Senator ROBERT RAY—The figure 32 sits in my mind from a previous time. Is that right?

Ms Clarke—That is correct; at the last estimates hearing in February there were 32 personal classifications for government staff.

Senator ROBERT RAY—At that time, of the 32 there were 29 over and three under?

Ms Clarke—Sorry, I cannot verify that.

Senator ROBERT RAY—I cannot either, because it is out of my memory banks. And this time it is 35 over and one under? You understand what I mean by that?

Ms Clarke—I understand what you mean, and that is correct.

Senator ROBERT RAY—There was absolute equity with the opposition, as I recall. There were 10 or so.

Ms Clarke—There are 11 non-government staff with personal classifications.

Senator ROBERT RAY—When you say nongovernment, are they all opposition or do they include minor parties?

Ms Clarke—They include the opposition, a senator for Queensland and a senator for Victoria.

Senator ROBERT RAY—I do not quite understand that, so I had better ask who the senators are.

Ms Clarke—Sorry, I will have to take that on notice.

Senator ROBERT RAY—Presumably, if they are nongovernment then we know who the Queensland senator is. And from Victoria? These are nongovernment ones? They are not opposition senators either?

Ms Clarke—That is correct. We are finding out who the senators are.

Senator ROBERT RAY—I think I could probably tell you by deduction, but anyway, it is not important. So it is basically nine—

Ms Clarke—For the opposition.

Senator ROBERT RAY—That is a fair ratio. Nevertheless, you could tell me who the other two were?

Ms Clarke—We are finding out.

Senator ROBERT RAY—Division 4 is electorate staff and division 3 is ministerial—or have I got it around the wrong way?

Ms Clarke—No, that is correct.

Senator ROBERT RAY—Previously I asked—I do not think it was recently; I think it was some time ago—how many under division 4 are paid outside the band limits. Previously we got evidence that two exemptions have been granted, and then accidentally we were told whom they were granted to. I do not think they were supposed to supply that information, but they were very generous at the time, or they made an error. What was that, Dr Watt? Can you remember?

Dr Watt—I cannot remember, I am sorry.

Senator ROBERT RAY—I think it was an error, actually. And we found out that Mr Georgiou and Senator Harradine had staff members who were granted an exemption by the minister and paid outside the normal ranges.

Ms Clarke—Can I clarify that? It was a long time ago, but my recollection is that it was not that they were paid outside the normal ranges; they were actually paid above the bottom of the salary band, which is the normal entry point.

Senator ROBERT RAY—How many does that apply to today? I do not think that was right, by the way. But, anyway, how many have been granted exemptions at the moment?

Ms Mason—Are you asking about salaries outside the range, or the issue of payment commencement at a level above the base?

Senator ROBERT RAY—I am not sure what I am asking, so I will clarify the question. I am on a fishing expedition—you understand that. How many times has the minister granted an exemption on application by a member of parliament about salaries, and in what circumstances? That is an easy way of covering it, because it covers both your possibilities.

Ms Mason—It does, and that is a question that we would need to take on notice.

Senator ROBERT RAY—So you do not have any idea?

Ms Mason—I am sorry; I do not. We do not have that information with us. We have prepared for the sorts of questions that are normally asked, but I do not think that one has arisen before—at least, not for a long time.

Senator ROBERT RAY—It is certainly within my corporate memory.

Dr Watt—Your corporate memory is a little longer than some of ours, Senator. Would you like to put a time limit on it? How far do you want to go back?

Senator ROBERT RAY—Let's make it easy: let's go back two financial years. You need search no further than this financial year and the previous financial year. I think it was at about that time that I found or had confirmed that Mr Georgiou and Senator Harradine had been granted some exemption. I was only asking because I was knocked back. I was trying to find out what the consistent criteria would be in these cases; I never have. Perhaps you can take that part of the question on notice.

Ms Mason—Certainly, Senator.

Senator ROBERT RAY—We have talked about personal classifications. Previously we had evidence that three principal advisers are paid outside the salary band—three out of the five; I read here that there are five in all. How many principal advisers are paid outside the existing band?

Ms Clarke—Just going back, Senator, you asked about the senators for Victoria and Queensland who have staff with personal classifications. One is Senator Fielding and the other is Senator Bartlett.

Senator ROBERT RAY—Okay.

Ms Clarke—I do not have information on people paid above the salary bands by classification.

Senator ROBERT RAY—You do not have it with you?

Ms Clarke—That is correct.

Senator ROBERT RAY—Was it three?

Dr Watt—We will see if we can check it before 11.45 am.

Senator ROBERT RAY—Do you know the total? We can do the government first, if you like.

Ms Clarke—As at 1 May, again, there were 20 government staff employed with salaries above the relevant classification.

Senator ROBERT RAY—How many below?

Ms Clarke—I do not have that information, but there are 20 government staff above the classification.

Senator ROBERT RAY—You do not need to answer that question.

Ms Clarke—Okay. And there are three non-government staff employed above the classification.

Senator ROBERT RAY—Are all three non-government staff in the opposition 86?

Ms Clarke—I am sorry, I do not have that information. I would assume so, but I cannot be specific.

Dr Watt—We will see if we can confirm that, too.

Senator ROBERT RAY—Yes, take that on notice. We better give you some detailed questions to take on notice in relation to this. I would like to know, by classification, how many are being paid above the—what is the correct terminology? It is not ‘salary range’.

Ms Clarke—It is the ‘salary band’ for the classification.

Senator ROBERT RAY—We know there are 20 who are paid above the salary band. I would like to know how many principal advisers and senior advisers et cetera down the line are being paid above the band. Is there a review of the band? I don’t suppose you can blow the band upwards to match staff greed, because that would have implications for the rest of the Public Service, wouldn’t it?

Ms Clarke—The salary bands are reviewed annually—

Senator ROBERT RAY—Are they?

Ms Clarke—and agreed to by the Prime Minister. So there is review that occurs. The bands are examined with a view to wage movements in the APS more generally and also the results of the performance review framework pay increases.

Senator ROBERT RAY—Parliamentary Secretary, if they are reviewed annually, why do you need to have 20 people above the band at any one time? I thought the band would be set at a sufficient rate, as it was under the previous administration, and that everyone would be within the band.

Senator Colbeck—Obviously, that relates to negotiations over recruitment between staff and their employers that, obviously, are considered across government and nongovernment, as we discussed earlier. That would relate to accessing people with the qualifications and skills required to do their jobs.

Senator FAULKNER—It would not be just recruitment, would it? Is that right?

Dr Watt—There are two points—

Senator FAULKNER—I am very surprised to hear about the recruitment issue.

Senator Colbeck—It is also length of time in service.

Senator FAULKNER—Who makes the decision?

Senator Colbeck—That is a decision of the Prime Minister.

Senator FAULKNER—Does the Prime Minister sign off each and every one of these?

Ms Mason—The Prime Minister approves salaries above the band and takes into account representations. I think Ms Clarke has mentioned that, as of 1 May, there were three non-government staff who were paid above the salary band for their classifications. The circumstances that get put forward to support those sorts of salaries can vary, but they would perhaps take into account length of time in MOPS Act employment, the skills that people may bring from other sectors and the perceived value of that person to the employer.

Senator FAULKNER—If it is length of time in MOPS Act employment, recruitment does not have much to do with it, does it?

Ms Mason—Recruitment is one element.

Senator FAULKNER—It may be one element, but we had evidence from Senator Colbeck that this occurs at the time of recruitment.

Senator Colbeck—No, Senator, I was putting that on the table as part of a number of issues. That was one of the issues I mentioned. I also mentioned length of time in service, along with recruitment and a range of issues.

Dr Watt—If you think about salary bands generically, there are two reasons why you might not want to raise the top of your band in order to pick up people who are above it. One reason is that you might run one band into the next. That is usually something that, in Finance, for example, we try to avoid. We have people paid above a band on occasions, but we try to avoid running one band into the next. The other thing is that you might want to give yourself the discretion to deal with individual circumstances but not raise the possibility of everyone in the band floating up to a higher level.

Senator ROBERT RAY—Senator Colbeck referred to an employer here, but, of course, this is not as clear cut as it normally is in society because you employ people, Senator Colbeck, but you do not actually control their conditions specifically. It is the same anomaly that we all face. But, if this is good enough for division 3 staff—Dr Watt is making out a case and I do not know how convincing it is, but it is logical and I can understand it—why not have it apply to division 4 staff? Are they too far down the food chain to care about?

Ms Clarke—Can I go back to that issue and something you raised before. Part 4 staff are employed under the certified agreement, which has the salary bands and gives salary increases of whatever is negotiated and voted on. In the previous certified agreement there was the option to apply to the Special Minister of State to appoint someone above the bottom of the salary band if there was—

Senator ROBERT RAY—Hold on—that is the bottom. I am talking about going over the top of a salary band.

Ms Clarke—I know—I was just going back to clarify the issue that was raised earlier.

Senator ROBERT RAY—I see. Please don't—we will stick to the one we are on. I will appreciate you adding to that, but we are concentrating now on going over the band, which is a separate issue. It seems that there are two standards here. I understand length of service. I know some people in this building who have had long service yet they never, ever go over the band. It might be 15, 18 or 25 years and they cannot go over the band. But somebody coming off the street working for Senator Colbeck—I am not personalising this, you understand—can suddenly come in over the band.

We knew that three of these principal advisers were \$30,000 and \$40,000 over the band. It is a lot of money. It is not clear cut as to how it is not just a symbiotic relationship between the employer, the minister and the staffer that allows it to get to this. It is true that you have one saving grace here: the Prime Minister has to be convinced of it and tick it off. I am not sure, really, that what I want the Prime Minister to be concentrating his energies on, by the way, is whether someone is worth an extra few thousand a year or not. I assume there is some other filtering process and evaluation somewhere in the Prime Minister's office or PM&C.

Senator FAULKNER—Why don't we check that. Is this always signed off by the Prime Minister or is that responsibility in fact delegated? Can you tell me that, Senator Colbeck?

Senator Colbeck—I would have to check that. I will take that on notice.

Senator FAULKNER—I am sure that the officials at the table might be able to help you, because no doubt these matters are communicated to the department, aren't they, Dr Watt, so you can act on them? I think you sign the cheques.

Dr Watt—The outcome is communicated.

Senator Colbeck—The outcome is communicated. I am aware that, regarding the salaries of personal staff—that is one difference that does come into this, regarding electorate staff to personal staff under the classifications that we are talking about—over a certain band the salaries of all staff, even within the bands, are determined in the Prime Minister's office, but not necessarily by the minister or the parliamentary secretary.

Senator FAULKNER—'In the Prime Minister's office' is different to 'by the Prime Minister'.

Senator Colbeck—It is effectively signed off by the Prime Minister. So there is a process.

Senator FAULKNER—Anyway, Dr Watt generously suggested that his staff might be able to assist us on this. If the information is available, could it be provided?

Ms Clarke—Getting to the question that you are asking, salaries above the range can be approved by the Prime Minister and are approved by the Prime Minister. That is in the performance review framework that is put out. In the cases where the opposition has requested that salaries are above the band, that has gone to the Prime Minister for his tick-off and has been conveyed to the Leader of the Opposition. That also occurs in the case of government staff, where the Prime Minister ticks off on the salaries, and the Prime Minister's decision is then conveyed to MAPS.

Senator FAULKNER—My question was: is the department aware of that being delegated or is it signed off by the Prime Minister? If you are not aware, fine, you can take it on notice, but, if you are aware, let us know.

Ms Clarke—We are advised of the Prime Minister's decision, but the information is conveyed to us by a member of his office.

Senator FAULKNER—Senator Colbeck, could you take this on notice: does the Prime Minister in each case exercise that responsibility himself or is it delegated? If it is delegated, to whom has it been delegated? What is the nature of the delegation?

Senator Colbeck—Certainly.

Senator ROBERT RAY—Ms Clarke, you were going to add to an answer.

Ms Clarke—Part 4 staff are paid under the certified agreement and they are paid in accordance with the salary bands that are set out in the back of the certified agreement. In the previous agreement, there was an arrangement whereby staff could, with the agreement of the Special Minister of State, be appointed above the bottom of the salary band. In previous times, as far as I am aware—and this is information that was given to you at estimates some time ago—two members of staff were so appointed. That was taken out of the most recent certified agreement, for 2003-06, and therefore it has not been exercised. I think the issue that you are getting at is slightly different to having salaries above the range, which occurs under the performance review framework for senior staff on AWAs, not staff under the certified agreement.

Senator ROBERT RAY—Could you still take on notice the question: has anyone employed under division 4, if you like, of the MOP(S) Act been paid above the summary band? That is a pretty simple question and the answer may well be no. If the answer is yes then I want to know in which office that occurred, but only if it required ministerial intervention to bring it about. That is probably a fairer question. Under this staffing, one staff member was allocated to what is called a task force. What is that about? It is not clear to me.

Mr Miles—I believe that is a position that was allocated or re-allocated to the task force that was headed by Mr Robb. I believe the position is not staffed at the moment.

Senator ROBERT RAY—What is the task force, though?

Mr Miles—I am not aware of the name, I am sorry.

Senator FAULKNER—Add one to Mr Robb. In other words, Mr Robb is the employing minister or parliamentary secretary?

Mr Miles—It was allocated that way, but it is no longer since Mr Robb is now a parliamentary secretary. So the position is unstaffed; it has not been withdrawn from the establishment.

Senator FAULKNER—So Mr Robb had staff when he was a backbencher?

Mr Miles—That is correct.

Senator FAULKNER—I am not surprised really.

Senator ROBERT RAY—How the privileged live! Speaking of Mr Robb, I found out from PM&C that he has two departmental liaison officers. He is the only parliamentary secretary to do so. I am interested to see and confirm his current staff numbers. Mr Robb is a parliamentary secretary? I am not confused here at all?

Senator Colbeck—Yes, he is.

Senator ROBERT RAY—Two senior advisers are allocated to 12 parliamentary secretaries. Is that right?

Senator Colbeck—Yes.

Senator ROBERT RAY—And Mr Robb has both of them?

Senator Colbeck—According to this document, that is correct.

Senator ROBERT RAY—Of the 11 advisers, he has three of them. Is that right?

Senator Colbeck—That is correct.

Senator ROBERT RAY—And he has an assistant adviser? Is that correct?

Senator Colbeck—That is correct.

Senator ROBERT RAY—And he has an EAOM. What does that stand for?

Dr Watt—Executive assistant office manager, I believe.

Senator ROBERT RAY—And he has a secretary-administrative assistant? Is that right?

Senator Colbeck—That is right.

Senator ROBERT RAY—So he has eight staff plus two DLOs. Let us compare that with a minister. Senator Kemp has six in all, does he?

Senator Colbeck—According to this document, that is correct.

Senator ROBERT RAY—I have been doing this for a while and I have never been wrong in these things, but I have been wrong in a lot of other things. This smells like a total rort. Why would a parliamentary secretary be given eight staff and two DLOs? I want your assurance, Parliamentary Secretary, that this is not a shadow campaign unit or something. It is unbelievable. Mr Turnbull, who is pretty talented, gets only three and one DLO. How can Mr Robb get eight staff? You get three.

Senator Colbeck—That is correct.

Senator FAULKNER—Senator Colbeck, can you confirm that Mr Robb as a parliamentary secretary gets more staff than Senator Kemp, the Minister for the Arts and Sport?

Senator Colbeck—According to this document, he does, yes.

Senator FAULKNER—Can you confirm that Mr Robb as a parliamentary secretary gets more staff than the Minister for Community Services, Mr Cobb?

Senator Colbeck—Again, according to this document, that is correct.

Senator FAULKNER—Can you confirm, please, that Mr Robb as a parliamentary secretary gets more staff than the Special Minister of State, Mr Nairn, the minister responsible for MAPS, who are at the table now?

Senator Colbeck—Yes.

Senator FAULKNER—Can you also confirm that Mr Robb, when he was on the backbench, also had government staff?

Senator Colbeck—Not from this document here.

Senator FAULKNER—Yes, you can, because we just heard the evidence about the task force.

Senator Colbeck—I was about to say that, based on the evidence we have heard here this morning, that would be the case.

Senator FAULKNER—In fact, two members of government staff were under Mr Robb's direction when Mr Robb was a mere backbencher. There were two in the taskforce, according to this. That is right, isn't it? There was an adviser—

Senator Colbeck—No, that is not what is on my document. There is only one on my document.

Senator FAULKNER—At adviser level?

Senator Colbeck—Yes.

Senator ROBERT RAY—There is one in the previous document as well. That is right.

Senator FAULKNER—Can you recall whether we have had the situation where any other government backbenchers had government staff under their direction?

Senator Colbeck—I certainly cannot recall that, but my corporate memory might not be that long.

Ms Clarke—I would have to take that on notice. If my memory serves me correctly, in the past that has occurred once or twice. But I would have to take it on notice.

Senator FAULKNER—Can you let me know what those examples are or do you know what they are? The parliamentary secretary cannot recall, but you believe it has happened?

Ms Clarke—It was possibly before the parliamentary secretary's time. It is quite some time ago.

Senator ROBERT RAY—The next series of questions about this rort is going to have to be taken on notice because I would not expect that you would have the detail at all. I ask on notice what the home bases of these eight staff are now. I do not want you to identify individuals. I just want to know whether they are all Melbourne or Canberra based.

Senator Colbeck—We will take that on notice.

Senator ROBERT RAY—I will wait until you get advice. I have a series of questions.

Senator FAULKNER—Before you take it on notice, can you just assure us, Ms Mason, that you do not have that information with you? From time to time I have asked questions

about home bases and you have been able to provide it at the table. If you do not have it, that is fair enough.

Ms Mason—No, we do not have it with us at the moment. If we can get it quickly we will provide it to you, otherwise we will take it on notice.

Senator ROBERT RAY—I will give you a series of questions rather than have responses that you do not have information available et cetera. The home base was the first one. My second question is whether any of those eight are subject to a personal classification. The third question is whether any of those eight, but specifically the two senior advisers, are being paid outside the salary band. Do you understand that question?

Ms Mason—I do.

Senator ROBERT RAY—The fourth question is what is the total estimated staff cost per financial year of these eight positions. That can only be a figure based, I assume, on one month multiplied by 12. In other words, you cannot guarantee the figure, but you should be able to give us an estimate as you did with Senator Boswell's 10 staff.

Ms Mason—Yes, I think we can. If there are methodological difficulties in providing the information, we will set out the assumptions in the answer.

Senator ROBERT RAY—Exactly. We will not challenge you if those figures do not prove to be dead accurate because you have to make assumptions. I understand that.

Ms Mason—Yes. It will be an estimate.

Senator ROBERT RAY—I am not being facetious here, Parliamentary Secretary: do we know the date on which Mr Robb became a parliamentary secretary? I should be able to—

Senator Colbeck—I think it was about 26 January. It reflected some changes in the overall ministry. At this point I will put on the record that following that change in the structure of the ministry there is now no longer a junior minister in that portfolio. So Mr Robb and the minister are doing work where there were formerly three ministers in that portfolio.

Senator ROBERT RAY—Could I ask about the total travel bill of Mr Robb's staff, from the point of his appointment to 1 May? Could I ask how much travel allowance his staff has claimed, from the date of his appointment to 1 May? I may or not get an answer to this—I understand that, Parliamentary Secretary. You might reflect on why I asked for these figures to be produced five days before. I could have asked these questions in PM&C far more simply if I had known; nevertheless, I probably got a hint out of the questions answered and had not read them in time. Was there any explanation as to why the Cabinet Policy Unit now has two media advisers? With the original explanation as to its purpose, this seems a very strange decision.

Ms Mason—We have not been given any reasons for the decision to allocate those positions to the Cabinet Policy Unit.

Senator ROBERT RAY—Okay. Where is the home base for the two positions? Are they subject to personal classification? Are they paid above the salary band? Are their contracts signed by the Prime Minister as the employing minister?

Senator FAULKNER—I have a definitional question. We are using the terminology ‘personal classification’ here. At times, there have been issues to do with the term ‘special adviser’; ‘special classification’ is terminology that has been used at times. Is that still in use?

Ms Clarke—Special adviser is a personal classification and that is still in use.

Senator FAULKNER—That is what I am asking. Ms Clarke, can you assure me that if there is a special adviser, they are picked up under the terminology ‘personal classification’?

Ms Clarke—That is correct. When I said that there were 36 staff with personal classifications, 13 of those had special adviser classifications.

Senator FAULKNER—The terminology ‘special classification’ has fallen into disuse?

Ms Clarke—I was not aware that it was used.

Senator FAULKNER—Is the terminology ‘special adviser’ still in use?

Ms Clarke—That is correct.

Senator ROBERT RAY—If your systems do not throw this up, you can ignore this next question. I will try to make the question absolutely fair and compare apples with apples. Can you take on notice how many senior advisers were employed in the government at the end of March 1997? Do you understand? All the staffing changes with the transition to government had probably been completed by then. Can you compare that with the 1 May figures from this year? I want to see how many senior advisers there are and what the difference is in the number of senior advisers over that period of time. I am not asking for it year by year or anything else—I just want one figure compared with the other.

Ms Mason—So it was end of March 1997 compared with—

Senator ROBERT RAY—Yes, but if you find that your systems tell you what they were in February or May but do not tell you how many there were in March, then please vary it up accordingly at that end.

Ms Mason—Our staff establishments are normally prepared as at the first of each month, so—

Senator ROBERT RAY—Would you like me to vary the question accordingly?

Ms Mason—As 1 April is close to the end of March, would that—

Senator ROBERT RAY—Very appropriate.

Ms Clarke—I can give you some answers to some questions you asked earlier. I can confirm that there were no part 4 staff paid above the range.

Senator ROBERT RAY—I think I knew that, but that is good.

Ms Clarke—You also asked for the classifications of those paid above the range. I will run through those.

Senator ROBERT RAY—Not too fast—I am a slow writer.

Ms Clarke—As at 1 May, there is one principal adviser; one chief of staff for cabinet; three in the senior adviser II classification; five senior advisers, cabinet; four media advisors

for cabinet ministers; two chiefs of staff for non-cabinet ministers; and one senior advisor, non-cabinet. For the opposition, there was one senior advisor and two media advisers.

Senator ROBERT RAY—And no-one from the minor parties was paid above the range?

Ms Clarke—No.

Senator Colbeck—I could probably help you with a couple of things from some previous questions. Firstly, there was Senator Faulkner's question in relation to the process for reviewing staff allocations for the government and the opposition. My advice is that the structure is not under consideration, the timing is not under consideration and this matter has been decided by the Prime Minister. Regarding the personal staff member allocated to Mr Robb while he was a backbencher, that was in relation to his role on the workplace relations task force. This mirrors a comparable arrangement under a previous government, where personal staff were allocated to the chair of the Hunter Valley region task force.

Senator FAULKNER—Just so that I understand the time frame, as a backbencher Mr Robb had one staff member prior to 1 February 2006. I will ask a different question and you can explain it to me, just so that I am clear. On the document entitled 'Establishment variations—government—1 February to 1 May', Mr Robb is listed as having an additional five staff. On the document entitled 'Government personal employees, 1 May 2006', there are eight. Could you let me know when those increases were made? You became a parliamentary secretary in January 2006. Do you have that available? I am just interested in the timing of the allocation of positions for Mr Robb. We know the broad parameters of it, because of the tabulation that has been provided.

Mr Miles—I do not have that amount of detail here, I am sorry.

Senator FAULKNER—You could take that on notice too? The number has gone from one to eight, with at least one step along the way.

Senator Colbeck—Essentially, it has gone from three to eight. He had one as part of his role with the task force, which the officers have advised you is no longer filled. He had that position as part of his role with the task force prior to being appointed as parliamentary secretary. Most parliamentary secretaries, as you have pointed out, have about three or four staff, and the variance that has been noted on the single sheet document, as you have indicated, is five. As I have said, that also relates to the fact that there is no longer a junior minister in the portfolio that he shares with the Minister for Immigration and Multicultural Affairs.

Senator FAULKNER—I have heard that. What I asked on notice was about the timing—

Senator Colbeck—I understand that.

Senator FAULKNER—from one to eight staff, with, as you said, one step in between. I am just interested in knowing the timing. If you could let us know, I would appreciate that.

Senator Colbeck—Certainly.

Senator ROBERT RAY—I want to ask the parliamentary secretary a question re entitlements. I do not have a great self-interest in this question; it has been raised with me by other people, especially those who are getting a lot frailer than we would like. Those who are

entitled to use the gold pass for air travel had previously been able to access Commonwealth cars directly to and from the airport. When it was pointed out that there is no entitlement, through the Remuneration Tribunal, legislation or anything else, the practice ceased. The department had no choice but to cease it. I had thought they were looking into whether there would be another way in which that service could be provided. It seems very strange that you would provide the airfares but not the means to get to and from the airport. It is not really a strain on half the gold pass holders, but for those in their 70s and 80s a Comcar service is far more preferable than a taxi service. I think it has fallen into limbo somewhere. I am wondering if anyone is looking at it. Is there any government or parliamentary submission, that you know of, to the Rem Tribunal? I am not really sure where it can be remedied but, when we took out figures on the cost of it, it was not outrageous either. I know that is a broad question, but it might save 10 in a row.

Ms Mason—You are correct. When it was realised that there was no head of authority to provide that service then, naturally, the service was no longer provided. It is not under active consideration that that opportunity or entitlement would be restored. There is nothing that I am aware of to do that. It is more a Remuneration Tribunal type issue.

Senator ROBERT RAY—So you are telling me that the Rem Tribunal is capable of adding to the list if it so desires.

Ms Mason—I would need to clarify that. It is some time since we have focused on this issue. We did some time ago, when we realised that the head of authority did not exist. I would have to refresh my memory rather than potentially give you misleading information.

Senator ROBERT RAY—Could you let me know, on notice, if it can be rectified, what head of power it can be rectified under so that I know where to take it up again at some later time.

Senator Colbeck—Certainly.

Senator FAULKNER—There is something I want to ask in relation to Comcars, Ms Mason. Can you or your staff provide the appropriate assurance to the committee that the counter-terrorism training is effective and meeting the requirements and benchmarks that have been set? I know this has been an important issue for you. I wondered if you have been monitoring it and are satisfied with outcomes in that area.

Ms Mason—Certainly, we have increased our investment in training for Comcar drivers. I will ask Mr Sweeney to deal in more detail with your question.

Mr Sweeney—We have an ongoing program of driver training which involves all Comcar driving staff. We have some 250 resources at the present time. All of those resources are annually refreshed and inducted into defensive driving, up to and including what are loosely termed antiterrorist trained drivers. I think you referred to antiterrorist trained drivers. That is what our level 6 driver training has been termed over time. There are a core number of about 20 drivers who are subjected to that level 6 training. All other driving resources, over time, we endeavour to get up to what we call level 3, which is advanced and evasive driving.

Senator FAULKNER—So how many are at level 3?

Mr Sweeney—At the moment, I do not have that exact figure with me. What we are seeking to do is to get all of our driving force up to a minimum standard of advanced and evasive, which is level 3.

Senator FAULKNER—So that is your target; that is your objective.

Mr Sweeney—Yes. I might say at this point that we are well progressed towards achieving that objective. That would include security awareness, driving a vehicle with an escort and driving a protected vehicle—in other words, being familiar with driving the protected or armour-plated vehicle.

Senator FAULKNER—There are also driving levels 4, 5 and 6, with level 6 being the highest level.

Mr Sweeney—I mentioned level 6. The reason is that we have rolled what were previously levels 4 and 5 into level 6. As I said, there are some 20 resources which are annually trained at that level.

Senator FAULKNER—How many armour-plated vehicles are now in the fleet?

Mr Sweeney—The vehicles are not Comcar vehicles. They are the property of the PSCC. To my knowledge, there are about 20 around Australia at the moment.

Senator FAULKNER—Yes, but Comcar can use them and does use them on a regular basis in appropriate circumstances. That is right, isn't it?

Mr Sweeney—That is correct. The use of a protected or armour-plated vehicle is at the request of the PSCC.

Senator ROBERT RAY—I do not really fully follow this, but the department is going through a process of enhancing the statements made on salary and entitlements to staff members. They lay out superannuation and other matters, is that right?

Ms Clarke—Sorry; could you repeat that?

Senator ROBERT RAY—The payslips for staff contain a whole variety of information, but there is now an attempt at an interface between that system and superannuation that means that the complete details are yet to reappear.

Ms Mason—Ms Hughes can assist you with the detail provided on payslips, because she manages the branch responsible for their production.

Ms Hughes—I am not entirely sure that I can assist you at the moment. Is there some issue about data not appearing on payslips?

Senator ROBERT RAY—I thought you were changing your system.

Ms Hughes—We changed the system we use to pay staff on 1 July.

Senator ROBERT RAY—All details are now appearing on those payslips?

Ms Hughes—We now produce things like leave balances, which were not available on the previous payslips.

Senator ROBERT RAY—I did not know much about it, so I will check it out. Thanks.

CHAIR—There are no further questions for outcome 3, and we have finished MAPS. As Senator Lundy has questions on outcome 4 and is not yet available to ask those questions, we might take an early lunch break and then commence with outcome 4. When Senator Lundy finishes that, we will commence with the Department of Human Services.

Proceedings suspended from 12.05 pm to 1.03 pm

CHAIR—The committee is still examining the Department of Finance and Administration but we are now up to outcome 4, Effective and efficient use of information and communication technologies by the Australian government.

Senator LUNDY—I would like to turn first to the issue of smartcards. Whilst I know that will be dealt with by my colleagues and the human services department, I know that AGIMO has had a role in looking at the whole-of-government applications of smartcards. I would like to particularly reference the Australian Government Smartcard Framework and ask AGIMO about the process that led to the development of this document. I note that it was released on 16 December. I will start with that, then I will ask some more questions.

Ms Steward—The smartcards framework was developed as part of the broader authentication regime that we have developed for application within government and in support of being able to provide government services online. That is work that we have undertaken in conjunction with other departments, and agencies and with working groups established to draft the principles, the standards that would be appropriate for use with a smartcard, and to be able to also make that available to our colleagues in state and territory governments. We have worked closely with Standards Australia and other representative interest parties to be able to develop that. It is also part of the work that we do in conjunction with the Attorney-General's Department in the broader work on authentication related areas of interest.

Senator LUNDY—What interaction has AGIMO had with the Department of Human Services with respect to the development of their proposal for a smartcard?

Ms Steward—Our work has been in support of the standards that they may use and apply within the access card that has been endorsed by the government. It was through the normal consultation process. They have been actively involved in the working groups that we established in developing the smartcards framework.

Senator LUNDY—In terms of the timing, my recollection is that Mr Hockey first raised the issue of the card back in 2005.

Ms Steward—Our work was undertaken through 2005 and it is still continuing in terms of the finalisation of the modules.

Senator LUNDY—When was AGIMO requested or directed to prepare the Australian government's smartcard framework document?

Ms Steward—That was part of our work plan through 2005 and, as I indicated earlier, it was part of the broad authentication work that we already had under way. We have other related work on biometrics that we are also continuing to develop. So it is a suite of work that we already had in place.

Senator LUNDY—So the announcements by government representatives in relation to Human Services were occurring parallel to this ongoing work?

Ms Steward—That is correct.

Senator LUNDY—So it would be fair to say that the government's announcements were not informed in the first instance by the smartcard framework that you have developed? You were working on this at the time that the government was making those announcements?

Ms Steward—We were working on them. They were a direct input in terms of any of the work that the Department of Human Services was undertaking and they support the work that the department will be taking forward.

Senator LUNDY—Can you describe the perhaps multidepartmental committee or working group that you described? Could you tell me whether it has overseen the development of this particular framework and how that has operated?

Ms Steward—Yes. One of my branch managers chairs the work and the working group, and it has agency representation from agencies such as, of course, the Department of Human Services, the Attorney-General's Department, the tax office and others who have an interest in online services.

Senator LUNDY—Obviously, the branch manager of AGIMO is the chair?

Ms Steward—That is correct.

Senator LUNDY—Which other departments were involved?

Ms Fleming—There are a range of committees taking forward the smartcard framework. It is taken forward through the Chief Information Officer of the Authentication Working Group, which we chair. There is also a technical reference group which we chair, which includes a range of agencies and representatives from state chief information officers and the Smartcard Industry Association. We could provide you with a full list of membership.

Senator LUNDY—Yes, please. Going back to the main working group that Ms Steward referred to, I think she mentioned Tax, A-G's, Human Services and some others. What were the others?

Ms Fleming—There are 33 agencies on the authentication working group. In order not to get all of them wrong, I would prefer to provide a list, if that is acceptable.

Senator LUNDY—Is it fair to say that A-G's, Human Services and Tax would be the lead agencies?

Ms Fleming—No. There is a range of agencies: Defence, Australian Federal Police, Centrelink, Medicare, Immigration, DOCITA. It is a representative group of agencies. It is important for us as we take our work forward to ensure that we have an inclusive process and that agencies are able to contribute, particularly from their own areas of expertise, as well.

Senator LUNDY—The version I have is the 0.19 draft, dated 16 December 2005. Is that the latest draft of the framework?

Ms Fleming—It is the latest released draft.

Senator LUNDY—So there is another draft, obviously, still being worked upon.

Ms Fleming—Yes. That draft was out for consultation, and those consultations closed at the end of February. We have been working through the technical reference group to recraft the framework to meet the issues raised by stakeholders; and we are in the process of consulting to finalise the release.

Senator LUNDY—Does that technical reference group draw on issues like the public comment surrounding the access card proposals and the feedback that has been obtained—certainly, media reports are feedback—about the concerns about the access card? Is that part of your process?

Ms Fleming—No.

Senator LUNDY—So, when you say ‘feedback from stakeholders’, you are talking about members of the technical reference group?

Ms Fleming—Correct.

Senator LUNDY—What sorts of issues would give some characterisation to what is going to be different between the published draft and the one you are currently considering?

Ms Fleming—Comments came back that the framework tried to do too much in the one document. So we are breaking the document into four parts: principles and overviews, some more specifications around standards and modules and an implementation guide.

Senator LUNDY—Structure?

Ms Fleming—Yes.

Senator LUNDY—Any other major issues?

Ms Fleming—Issues around greater specification of the standards.

Senator LUNDY—On that point, I note that there seems to be quite substantive reference to the standards in the UK and the US. What standards exist, if any, in Australia in relation to these types of cards at the moment?

Ms Fleming—There are a multitude of standards. That is part of the issue that the framework will try to address. Many Australian standards are variations of international standards.

Senator LUNDY—In terms of the work of the development of the framework, what issues has that highlighted about the current relevance of Australian standards for smartcards? How do they compare with standards in the US and the UK?

Ms Fleming—The standards environment is still an evolving environment, both internationally and domestically.

Senator LUNDY—That is a very nice way of putting it.

Ms Fleming—And therefore we see the standards framework as an iterative framework. We are working with Standards Australia and the smartcards working group as part of our consultative reference group.

Ms Steward—Senator, I think it is fair to say that, even within the US environment and their principal authority that looks at the standards applicable to government, they reference

emerging international standards as well. So Australia is in step with what is happening internationally, and Standards Australia are very actively involved.

Senator LUNDY—Will this framework be an adequate base to modify, if necessary, the Australian standards?

Ms Steward—I think it would form a very important part of that, and our continued close working with Standards Australia will certainly enable us to take account of that.

Senator LUNDY—Is it the expectation of the stakeholders involved in your technical reference group that this process would constitute adequate consultation for the purposes of modifying the Australian standards?

Ms Steward—I think it is one of the processes that would apply. Standards Australia would also reach out to a range of other parties—

Senator LUNDY—They have their own statutory obligations they need to undertake, don't they?

Ms Steward—But they consult broadly as well, so we will be one component of that.

Ms Fleming—We are not setting standards. We are, in the framework, articulating standards that should be used.

Senator LUNDY—I appreciate that, but my questions really relate to where, if you have all this work going on, you are able to express what standard is at least desired by this particular collective. That ought to bear some relationship to what the existing standards are. So what is the time frame for the next release of the smartcard framework document?

Ms Steward—As Ms Fleming has indicated, in breaking it down into the four modules, we aim to have the overview and principles, a broad handbook on the guide to the technology, and the standards in draft form available midyear—so a refined version of those.

Senator LUNDY—Will that next document be the final as opposed to a draft?

Ms Steward—I believe we should look at it as version 2. It is something that should be open to update.

Mr Watt—It will be close to final.

Ms Steward—Yes. It will have as much information as we have available at the time, but it needs to be a living document so that we can trace any movement or updates, particularly in standards as well.

Senator LUNDY—It is a framework and you have already said that you would expect it would be utilised by all tiers of government contemplating the use of smartcard technology. I do not know if you can answer this but, apart from the access card proposal, what other agencies and departments are you aware of that are actively contemplating using a smartcard as part of their service delivery structure?

Ms Steward—Within the Commonwealth environment, I am not aware of other agencies at this time. The other state and territory governments will have work under way in their own right, and I believe the Queensland government may be considering it for their driver licensing.

Senator LUNDY—This is probably a policy question, but is it envisaged that this would be the ubiquitous reference document for any Commonwealth agency or department contemplating smartcard technology? Is that the aim?

Ms Steward—That is our aim—to be able to make that available. We are also working with our colleagues across government in the application of an access regime for their own employees and/or contractors. It is a companion piece of work. Again, we aim to have that as the authoritative piece of guidance and advice to agencies.

Senator LUNDY—How does this fit with part of AGIMO's role under interoperability between agencies and departments? Again, it is relevant with respect to the access card proposals, but it is also a particular challenge—rather than having a thousand different smartcards blooming, how do you actually deal with that?

Ms Steward—The work that we are undertaking is entirely consistent with our interoperability responsibilities in a whole-of-government way. It builds on the work we have already done through our technical interoperability frameworks and our information interoperability frameworks. Again, as we work with our departments and agencies, as they take steps forward in deploying any of the technologies, we are working together and, as far as possible, ensuring that there is a common approach to that.

Senator LUNDY—How do you input into this process and the development of this framework the concerns of stakeholders from a consumer and citizens perspective—that is, privacy issues, civil rights issues, natural justice issues et cetera?

Ms Steward—We have engaged with the Privacy Commissioner throughout the development of our work and certainly have taken account of their guidance in all that we have under way.

Ms Fleming—At the same time as the smartcard framework was released there was an Australian government authentication draft framework for individuals which articulated our privacy principles, and we are developing the framework consistent with that set of principles.

Senator LUNDY—The privacy principles have long been criticised. Criticised might be too strongly a word, but they have been understood not to be a super-neat fit with the challenges of the digital age. There was certainly a case mounted with the previous Senate inquiry into upgrading the privacy principles to adapt better to a digital environment. Does that authentication document make reference to those issues and suggest any modifications or enhancements to the national privacy principles for a better fit with the digital environment?

Ms Fleming—I could answer that by saying that privacy groups have reviewed and commented on the framework and were broadly supportive of the principles as they were articulated.

Senator LUNDY—Could you send me a reference to that document? I presume it is on the AGIMO website?

Ms Fleming—Yes, it is.

Senator LUNDY—I will look at that and may get back to you with some questions on notice. One of the issues that has emerged with the health services access card is the way in which the issues and concerns that are raised are processed through the implementation. Does

the framework address those kinds of issues—that is, provide advice to agencies or departments on how they should consult with stakeholders through the implementation phase? This is obviously a particular point with the access card because it has been quite controversial, with resignations and people being unhappy about the way those concerns are being addressed.

Ms Fleming—Part D will provide a model implementation guide.

Senator LUNDY—Just for the sake of completeness, as I think my colleagues will be going into these issues, the task force's advice, with respect to the Human Services card, was that an independent advisory board oversee the delivery of the smartcard and that one agency manage the project. Are the requests of the task force contained as a recommendation within the framework document?

Ms Fleming—No.

Senator LUNDY—So where does the task force and the role that the smartcard technology task force was playing fit in with this framework? Weren't they applying the framework?

Ms Fleming—The technical reference group is looking at the standards and the draft specifications of the smartcard framework.

Senator LUNDY—So it does not deal with the issues of management and implementation?

Ms Fleming—The implementation guide that we will develop will deal with implementation issues—

Senator LUNDY—So you have not developed one yet?

Ms Fleming—No.

Senator LUNDY—So it is not in the existing framework?

Ms Fleming—No, it is not in the draft.

Ms Steward—It is the fourth module of the overall framework. Modules A, B and C have been drafted and module D, implementation, will be developed and available towards the end of the year.

Senator LUNDY—Did that come about because of some of the controversy around implementation strategies?

Ms Fleming—No, it was a natural process of: if it is a smartcard, what are the principles, what are the standards that should be in place and then how do you implement it?

Senator LUNDY—So it would be a fair reflection to say that the shemozzle surrounding the task force and the smartcard and the resignations and those things was because there was no guidance as part of this framework about how to go about implementing—

Dr Watt—No, it would not be fair.

Senator LUNDY—Obviously they were winging it because it is new for that department.

Dr Watt—I do not think that is correct. You do not necessarily need guidance on a framework to develop a generic governance framework. They are different issues. The fact

that AGIMO have not done their implementation point in no way contributed to what might or might not have happened in relation to smartcard.

Senator LUNDY—So why are they now developing a module on implementation?

Dr Watt—That is a useful reference document, and it will be.

Senator LUNDY—Sure. I have seen whole-of-government work over the years, and implementation guidelines or recommendations or case studies often feature as part of that. In fact, they often feature as part of the ANAO's performance audits on various management and implementation strategies. I do not think it is unusual. What I think is a little unusual is that they did not wait for this framework to be fully developed, including an implementation strategy, which perhaps could have given them some guidance. We will just have to agree to disagree, but that is how it looks from the outside.

Dr Watt—I think it is drawing a long bow—very long.

Senator LUNDY—I just think it is interesting that the module yet to be developed is the module that would have perhaps provided some sensible guidance as to how to go about this, with the appropriate involvement of all stakeholders, in a reasonable way.

Dr Watt—I think, as Ms Steward said, there was logic in starting at the beginning and finishing at the end. Implementation is the last step.

Senator LUNDY—It is a shame Mr Hockey did not take a similar view. The timing of that release of the almost final version, the version 2, of that document is going to be about June?

Ms Steward—June for modules A, B and C, and D will be towards the end of the year. Again, we will go through a very open consultation process with that one.

Senator LUNDY—No doubt using what is going on in Human Services as a bit of a case study on how not to do it!

Ms Steward—We will apply good open consultation.

Senator LUNDY—Thank you—I did not expect you to answer that. At what point do AGIMO engage with consumer and citizen stakeholder groups who have had a very long history in Australia of commenting on smartcard like proposals, dating back, of course, to the Australia card?

Ms Fleming—Privacy groups commented on the draft and they will again have the opportunity to comment on the next iteration.

Senator LUNDY—So between now and June? That is actually out for comment at the moment?

Ms Fleming—It is in the process of being redrafted and being consulted on.

Senator LUNDY—When will it be issued for comment?

Ms Fleming—Midyear.

Senator LUNDY—So it is too late to comment on the current iteration, due out in June?

Ms Fleming—That is part of what we are working through now.

Senator LUNDY—Can parties comment on it now, or is it too late?

Ms Fleming—Parties are commenting through the reference groups and we are taking advice continually from interested stakeholders.

Senator LUNDY—If citizens with some privacy issues want to have input into the process, how do they go about doing that?

Ms Fleming—Individual citizens do so through consultation periods or they write to us.

Senator LUNDY—So they could just write to AGIMO and say: ‘I know you are developing a draft framework. Here are my views.’ And in a more institutionalised manner, through the stakeholder group, you mentioned the Privacy Commissioner.

Ms Steward—The Office of the Privacy Commissioner has been involved in our work.

Senator LUNDY—Are they part of the technical reference group?

Ms Steward—No.

Senator LUNDY—So there is a different process for them to get involved. Do you have to approach them? Do you have forums?

Ms Fleming—The Office of the Privacy Commissioner is a representative of the authentication working group that I mentioned earlier.

Senator LUNDY—Yes, you did. You also consult with them?

Ms Fleming—Yes.

Senator LUNDY—What about the civil liberties type organisations that have obviously publicly commented? Do they have a path or channel through which to provide input?

Ms Fleming—Through the public consultation processes.

Senator LUNDY—Would it not be useful for AGIMO to have some more institutionalised reference mechanism or consultation mechanism with consumer and citizens stakeholder groups, given that you have the industry, the departments and everybody else, to even it up a bit?

Ms Steward—We made the draft frameworks publicly available. A media release was also issued at the time. We felt that would be a very open and transparent process. At any time, if any of the other interested bodies would like to consult with us or have a briefing from us, we are happy to respond accordingly.

Senator LUNDY—That is a different approach to consultation, though, than sitting around a table with a group of equal partners in the program, if you like, through their working groups. Perhaps you could tell me how many meetings of that nature you have had with organisations advocating human rights, civil liberties and privacy related issues in relation to this card.

Ms Steward—I would like to take that on notice. I would like to check to be able to give you an accurate number.

Senator LUNDY—Dr Watt, perhaps you could pass this onto the minister, whoever that may be. Does the government put a priority on consulting with organisations representing the interests of citizens or consumers as part of the development of the smartcard framework? What level of priority is placed on that? It is really a policy question—how committed is the

government to making sure that consultation is as wide as possible and takes into account some of the more concerned groups in the community who do not appear to have had a fair opportunity to not just provide input but to be actively consulted as part of the development of this framework document?

Dr Watt—I am sorry, Senator, I was diverted.

Senator LUNDY—Why isn't the government making a greater effort to actively consult with organisations representing either citizens or consumer interests and/or civil human rights interests in relation to this type of technology as part of your consultation for the overall framework document? I am not talking about the human services card. That is a shemozzle I will leave my colleagues to pursue. I am talking about the AGIMO framework document.

Dr Watt—As Ms Steward said to you, the government and AGIMO have made a fair effort to consult with such groups. If you are asking me why the government is not making a greater effort, I am happy to take that on notice and give you an answer.

Senator LUNDY—I think that is all you can do.

Dr Watt—The important point to note is that it is not as if there is no effort being made.

Senator LUNDY—No, I appreciate that. It is a question of political priority, I think, and therefore appropriately directed to the minister: how do they determine the priorities of who ought to be consulted?

Senator LUNDY—One of the issues I raised with the Australian Archives in estimates last night was the progress being made on the use of the archiving of electronic documentation. This was the subject of a former Joint Committee of Public Accounts and Audit report. I am interested in the role that AGIMO play in monitoring the adoption and implementation of that open standard electronic document archiving process that they use to store Commonwealth government electronic documents. Does AGIMO have a role in overseeing the adoption and implementation of that electronic-archiving program?

Ms Steward—No. We work with Archives quite closely in the ongoing management and the way in which we can provide advice to agencies on good practices for records management. But it is primarily the responsibility of Archives.

Senator LUNDY—Does it have any relevance to your interoperability role given that one of the issues facing the Archives is the standard format issues and problems relating to receiving material in the format that is proprietary. I would have thought that there is a case in your interoperability charter to be vitally interested in how agencies and departments were implementing that for that reason.

Ms Steward—Again, we do work very closely with Archives in that area and draw to the attention of agencies any of the issues. We do that through our CIOC forum and other forums that we may have in broader seminars and the like.

Senator LUNDY—That was really what I was getting to. My understanding is that AGIMO still has that outreach role in providing advice on what is common in IT standards issues across all agencies and departments.

Ms Steward—That is correct. We continue to do that, particularly where it relates to archival issues or other electronic records management that is primarily with Archives. We work very closely with them.

Senator LUNDY—Could you take on notice providing me some more information about that, particularly any material you can reference that looks at the issue of problems associated with material in proprietary formats.

Ms Steward—Certainly.

Senator LUNDY—Thank you.

CHAIR—As there are no further questions on outcome 4, I thank Dr Watt and his colleagues for assisting the committee over the last couple of days. That concludes this committee's examination of the Department of Finance and Administration.

[1.43 pm]

FINANCE AND PUBLIC ADMINISTRATION PORTFOLIO

In Attendance

Senator Kemp, Minister for the Arts and Sport

Senator Colbeck, Parliamentary Secretary to the Minister for Finance and Administration

Department of Human Services

Core Department – Output 1

Mr Geoff Leeper, Acting Secretary

Mr Alex Dolan, Acting Deputy Secretary

Mr Chris Dainer, First Assistant Secretary, Delivery Analysis and Corporate Division

Mr Jeff Popple, First Assistant Secretary, Service Delivery – Policy and Strategy Division

Ms Jenny Thomson, Acting First Assistant Secretary, Job Capacity Assessment Division

Mr Graham Bashford, Acting Head, Office of Access Card

Mr Tony Weber, Assistant Secretary, Service Delivery – Analysis

Ms Alison Frame, Assistant Secretary, Job Capacity Assessment

Mr Greg Poyser, Assistant Secretary, Service Delivery – Policy Implementation

Mr Nico Padovan, Assistant Secretary, Service Delivery – Strategy and Coordination

Ms Lisa Rauter, Assistant Secretary, Medicare Electronic Claiming Taskforce

Mr Paul Hupalo, Acting Assistant Secretary, Service Delivery – Policy Development

Ms Kathryn Johnson, General Counsel

Mr Graeme Holt, Chief Financial Officer

Mr Stephen Taylor, Branch Manager, Legal and Contracts Branch

Child Support Agency – Output 2

Mr Matt Miller, General Manager

Ms Sheila Bird, Deputy General Manager

Trevor Sutton, Deputy General Manager Business Strategy and Innovation

CRS Australia – Output 3

Ms Margaret Carmody, General Manager

Mr Carl Princehorn, Deputy General Manager Service Delivery

Mr Michael Callan, Deputy General Manager Corporate

Centrelink

Output 1

Mr Jeff Whalan, Chief Executive Officer

Outcome 1

Ms Mandy Ritchie, Acting Deputy Chief Executive Officer, Customer Service Delivery

Ms Natalie Howson, General Manager, Customer Service Strategy

Mr Grant Tidswell, General Manager, Customer Service Delivery

Mr Norman Walker, Acting National Manager, Customer Service Design and Implementation

Ms Carolyn Hogg, Deputy Chief Executive Officer, Stakeholder Relationships

Mr Paul Conn, General Manager, Employment, Disability and Education

Mr Gary Dunn, General Manager, Families, Seniors, Rural and Community

Dr Margaret Browne, General Manager, Business Integrity

Mr Greg Divall, General Manager, Welfare to Work Taskforce
Ms Jan Fenton, National Manager, Seniors Carers and Means Test
Ms Michelle Cornish, National Manager, Education and Training, Employment, Disability and Education
Mr John Wadson, Chief Information Officer
Dr Louise Tucker, General Manager, IT Planning and Refresh
Mr Tuan Dao, General Manager, Core Business IT Systems
Ms Helen Skrzeczek, Acting General Manager, Corporate IT Systems
Ms Eija Seittenranta, General Manager, Corporate IT Systems
Mr Karel Havlat, Acting Chief Financial Officer
Mr Brendan Jacomb, National Manager, Legal Services
Ms Sheryl Lewin, General Manager, People and Planning
Mr Hank Jongen, General Manager, Communication
Ms Rhona Morris, National Communication Manager, Communication
Mr Bevan Hannan, National Media Manager, Communication
Mr Bob McDonald, General Manager, Centrelink Audit and Risk

Medicare Australia – Output 1

Ms Catherine Argall, Chief Executive Officer
Ms Joanna Davidson, Deputy Chief Executive Officer
Ms Philippa Godwin, Deputy Chief Executive Officer
Ms Ellen Dunne, General Manager Customer Services
Mr David Trabinger, General Manager eBusiness and Development
Mr Colin Bridge, General Manager, Program Review
Mr Nic van den Berg, General Manager, Information Technology Services
Mr Craig Dalzell, Chief Finance Officer
Mr Carl Murphy, Manager, Human Resources

Australian Hearing – Output 1

Ms Anthea Green, Managing Director

CHAIR—I welcome the minister and officers from the Department of Human Services and related agencies. Before going to questions, I draw your attention to a number of important matters. The committee is due to report to the Senate on 20 June 2006 and has fixed Friday 7 July 2006 as the date for the return of answers to questions that are taken on notice. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions that are taken on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as contempt. It is also a contempt to give false or misleading evidence to a Senate committee.

The Senate by resolution in 1999 endorsed the following test for relevance of questions at estimates hearings:

Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or

explanations from the parliament or its committees unless the parliament has expressly provided otherwise.

The Senate has resolved also that an officer of a department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy, and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

If a witness objects to answering a question, the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. Any claim that it would be contrary to the public interest to answer a question must be made by the minister and should be accompanied by a statement setting out the basis for the claim.

[1.44 pm]

Department of Human Services

CHAIR—I now propose to proceed by opening with general questions and then calling on the outcomes and outputs in the order listed on the agenda. In so doing, I understand that Senator Wong and Senator Evans will have some general questions to the department and some senators also want to ask some questions about the smartcard. I thought we might let Senator Stott-Despoja kick off the smartcard aspect after general questions, if that is all right.

Senator WONG—Just at the outset, I notice that Ms Scott is not at the table.

Mr Leeper—She is on leave. I indicated on 14 February at page F&PA 99 that Ms Scott would be on leave at the time of this hearing. Her absence is scheduled and was always expected.

Senator WONG—Okay. Just in terms of what the chair has outlined, I will have some questions on some of the Welfare to Work implementation, most of which is with Centrelink. However, on the last couple of occasions we have done those questions with both Centrelink officers and relevant core department officers at the table. I would propose to do that after the conclusion of the smartcard and other questioning that the chair has outlined. If those officers from the core department could stay with us—

Mr Leeper—They are available now.

Senator WONG—I am not going to do it now. What I am asking is for them to remain behind for questions on Centrelink and other aspects.

Mr Leeper—Certainly.

Senator WONG—I had some questions on notice. Regarding the costings of the questions on notice, which I am sure have been kindly provided by the department in the interests of democracy and accountability, how do you cost answers to questions on notice? What is the hourly charge rate? How is it allocated?

Mr Leeper—Certainly. These are notional costings. We have not taken the legal approach of asking people to cost every six minutes. The answers to the questions have been costed on

an hourly basis for non-SES staff at an average rate of \$40 per hour and for SES staff at a rate of \$60 per hour. Agency and departmental staff have been asked to estimate the effort involved in answering the questions, and that information has been annotated, as you have seen, to each of the answers.

Senator CHRIS EVANS—What is the purpose of that?

Mr Leeper—Our minister requested that we provide an indication to the Senate—and we also do the same in relation to House of Representatives questions—of the effort taken to answer the questions.

Senator CHRIS EVANS—So it is just a decision by your minister for his reporting authorities?

Mr Leeper—Yes.

Senator CHRIS EVANS—When did he make that decision?

Mr Leeper—It was either just prior to or just after the 14 February hearing.

Senator CHRIS EVANS—Did we do something that insulted or upset him?

Mr Leeper—I do not think so. He indicated that he would like it to be made clear to the parliament the estimated cost of providing the answers.

Senator CHRIS EVANS—Do you also cost officials' times at estimates hearings?

Mr Leeper—No. I am not sure that I would be game to. It would be quite extensive, taking into account preparation time and appearance time.

Senator CHRIS EVANS—That is the point, though, isn't it? If we keep you here and wait for you to look up the files on important questions of detail, it will cost you more. Looking at the back of the room, I see a big team. I thought the department had about only 40 people. They are all here. Who is answering the phones?

Mr Leeper—The people behind me are not just the core apartment; they are also from the major four agencies—Centrelink, Medicare Australia, CRS Australia and the Child Support Agency. There are only 100 of us otherwise.

Senator CHRIS EVANS—I assume you are costing advice provided to the minister?

Mr Leeper—No.

Senator CHRIS EVANS—Are you costing your other activities?

Mr Leeper—In the portfolio budget frameworks where departments indicate that policy advising is a specific output, I have seen it costed. Our output structure at DHS is not directed that way, but I have seen it costed before at a broad output level.

Senator WONG—Do you cost at that level?

Mr Leeper—We do not cost at that level, no.

Senator WONG—So you can cost estimates questions on notice but you cannot cost your functions in terms of program delivery, provision of advice or policy development?

Mr Leeper—We could cost them, yes. We just do not cost them.

Senator WONG—Why is that?

Mr Leeper—Under the portfolio budget statements outcome framework, there is only one outcome for the department, which is the efficient and effective delivery of social and health related services. So all of the costs of the department's operations are attributed to that outcome. Other departments I have been in before have had eight or nine outcomes, so costs are attributed across the various outcome groups according to the activities undertaken.

Senator WONG—Are there programs within that outcome?

Mr Leeper—Within that broad outcome for the department?

Senator WONG—Yes.

Mr Leeper—No. The outcome is supported by the entire department and by the organisational structure.

Senator CHRIS EVANS—I was interested in getting some of the answers. It cost you \$40 to tell me no.

Mr Leeper—It always takes a minimum period of time to assess whether an answer can be provided. I suspect in our guidance to the agencies we said that the minimum charge is probably one hour. I am aware of a couple of hours where there are higher costs than a single hour's charge, but the answer is still, 'We don't have the resources available to do the work required.' There is a minimum amount of effort required to investigate what it would take to answer the question and, once the decision has been made that it would not be cost effective, there is still a bit of a charge. These are notional rather than dollar accurate figures, but it is an indication of the effort involved.

Senator CHRIS EVANS—It is the first time I have been charged \$40 to be told to bugger off. Most people do it for me for free. Senator Kemp has always done it for free.

Senator Kemp—I have always insisted on very comprehensive and detailed answers. A costing of my answers would in fact be above the average, I think you would find.

Senator CHRIS EVANS—Certainly you have always given comprehensive if not relevant answers. You always use your full four minutes in answering questions.

Senator Kemp—Whether it is relevant is often, as you say, in the eye of the beholder.

Senator CHRIS EVANS—I do get a bit insulted when I am told that I have cost the taxpayer \$40 for you to tell me no. Quite frankly, it is getting a bit insulting. With one of the answers it took you two hours 15 minutes and cost \$126 to tell me no. So obviously there is a variance in how much it costs you when telling me no and to get lost. Is that because that officer was particularly slow at coming to that conclusion?

Mr Leeper—I doubt it. It is more around the issues that I have just outlined about investigating whether the information is available, what the issue is and what the answer might be. The intention is not to say no for the sake of saying no. We provide the answer to the question that is on notice as best as we are able to.

Senator CHRIS EVANS—At what point do you say that you are not going to answer because it is too expensive? Do you have a dollar amount?

Mr Leeper—No. It is a judgment exercise by the agencies concerned or by the department in our own case about the effort required to find the information.

Senator CHRIS EVANS—Do you cost freedom of information requests?

Mr Leeper—Yes, we do.

Senator WONG—So you cost anything where, essentially, information is being provided to the public?

Mr Leeper—I will get an expert to come to the table if I may, and if you wish to go into another level of detail; but, under FOI, we are required to make an estimate of the time involved to investigate the request to locate the relevant documents and to make judgments about the information that can be released in response to the request. We are obliged under government policy to attach a cost to that. As you would be familiar with, the process is that we investigate and estimate how much time is involved, we attach a charge to that and we ask the person whether they wish to proceed. At that point, FOI requests often proceed no further.

Senator CHRIS EVANS—Is it fair to say the FOI request system is more complex and more expensive than the estimates process?

Mr Leeper—In my experience, yes, Senator.

Senator CHRIS EVANS—So requiring us to use the FOI avenue, rather than giving us answers on questions here, will not only prove more expensive to me but more expensive to you?

Mr Leeper—It would depend on whether it was the same question being asked in both forums.

Senator CHRIS EVANS—If you refuse to answer a question here, I will obviously have to ask it by FOI. And, the more you refuse to answer, the more interested I will be in the answer. I am like that; when people will not tell the answer I tend to think there is a reason they do not want me to know.

Mr Leeper—In seeking to answer questions on notice, agencies are required to make every practical effort to answer. For example, out of the 60 questions that we answered from the February hearing, on three of those questions we indicated that it was felt that the resources required to answer were more than could be justified. In relation to an FOI request, we are required to make an estimate of the effort required to answer the question, and that information and that potential charge are communicated to the person who is making the request.

Senator CHRIS EVANS—That is what I asked you about before. You do not do us the courtesy of contacting us and saying: ‘This would cost \$7,322. Do you really want us to do it?’ That is the courtesy you extend under the FOI regulations, which seems to me to be a pretty sensible system because the person who asked the question might have had the thought that it was not that complex. If they are asked to consider whether or not the expenditure of public money on the request is excessive, they might make a judgment—as I have and, I am sure, many have in relation to FOI—that it is not worth pursuing. That is not a courtesy you are extending to us.

Mr Leeper—Senator, I would be very happy to take that suggestion back and run it past my minister.

Senator CHRIS EVANS—You would also be aware, or I want to make you aware, that senators are a bit concerned about this development—not that we do not appreciate the costs and the time involved. I have had on a couple of occasions a couple of the departments or ministerial offices ring me and say, ‘This is going to take an awful lot of time; do you really want to pursue it?’, and we have negotiated an adapted request which has allowed me to get the information I was wanting but without putting the department to great expense. I think it is fair to say that senators are a little perturbed by this development and the fact that we suspect it will flow on to other departments if they think it is a smart idea. We accept that you are a small department; but, equally, you are responsible for Centrelink. How many customers does Centrelink have?

Mr Leeper—Seven and a half million.

Senator CHRIS EVANS—So when we ask questions here we ask questions on behalf of 7½ million Australians as to their relationship with Centrelink. Some of the most complex questions, and the ones that take the most effort, are to do with Centrelink; you are effectively the administrative department. Senators are not going to take kindly, and I do not take kindly, to some suggestion that this is the first step down the path of us being told we are not allowed to ask questions and hold agencies like Centrelink accountable.

I want to put you and your minister on notice that that is not an acceptable development. I am sure that government senators would be concerned as well if this were a sign of some sort of practice developing. Certainly, from the opposition point of view, a commentary that there are developments along these lines, in a range of areas, seems to have coincided with the change in the balance of power in the Senate. We take our role in holding the Public Service accountable very seriously and, as I say, I am most concerned by the development. I know a lot of senators are.

CHAIR—I have not noticed a change in the attitude of any department relating to questions on notice. There has been a problem with the length of time.

Senator WONG—Chair, I am sure the committee can provide you with examples of questions which have previously been answered and of the answers which are now provided. But the development to which Senator Evans is referring is clearly a political directive by the minister to the department to cost answers to questions on notice. One can only assume the purpose of that is not to facilitate and encourage the provision of information through the estimates process, as has traditionally been the case.

Senator Kemp—Could I just add a slight perspective here? There is no instruction that I am aware of that says that there is a change in attitude from the government. I think these Senate committees do play an important role. I am old enough to remember—

Senator WONG—But the department has just said that the minister requested that the costs be provided. What do you mean by ‘there is no change in attitude’?

Senator Kemp—Let me finish. One of the purposes of these committees is accountability and the use of government resources. That in itself is not inconsistent, but the substance of the

issue is whether there has been a change in the attitude of the government to providing answers to questions, and, from my point of view, I am not aware that there has been. I think you can reflect on the quality of answers, and you are entitled to do that, but equally one can sometimes reflect on the quality of the questions. That does not prevent people asking questions. They are absolutely entitled to ask what they like, but what I have noticed in recent years is a great range of questions—which sometimes have obviously been provided by research staff and that is fair enough—and streams and streams of questions on notice.

When I was in your shoes and was an opposition senator, ministers at the table would often be very careful about taking questions on notice, and they would insist on looking at the questions and deciding whether or not they were prepared to take them on notice. That was quite a strong rule amongst the ministers in the former Labor government. Having said that, I think everyone has to make sure that the questions are not just relentless fishing exercises which take up vast amounts of departmental time.

Senator Evans may object to this, but as a minister I have sometimes looked at some of the questions and, if I believed that the use of resources that would be involved would be too extensive, I have responded—not frequently—and said that I am not prepared to authorise the use of resources to answer those questions. That is the way that, from time to time, probably on a handful of occasions, I have responded. It is up to the senators whether they come back on that.

So, to conclude, there is no attempt to restrict questions. In fact, I suspect that, in contrast with the previous government, this government has been more willing to take questions on notice and respond, and I think a statistical analysis would probably demonstrate that. Senators are entitled to ask any questions they like, but we all have to recognise that answering them involves costs and resources. So, if Minister Hockey feels that it is appropriate to cost that question, I do not think that is any big deal, to be quite frank.

Senator Evans raises an interesting point about contrasting answering questions here with questions on notice. I think one of the big costs of estimates committees—and I do not know whether it applies in your committee, Mr Chairman, but it certainly applies in the committee I am responsible for—is that we have reams of public servants waiting, sometimes for a whole day, before they are called to the table and, if they are called at all, they will get two questions. That is a matter of scheduling, but it is certainly costly. I will finish there.

Senator CHRIS EVANS—I will take up that last point, Senator Kemp. One of the things we have been encouraged to do is to put questions on notice rather than keeping officials waiting around for two questions.

Senator Kemp—That is a good point.

Senator CHRIS EVANS—The other night, Senator Stephens put her questions on water on notice to facilitate this committee, and that was also to allow those officers to be dismissed. So you cannot have it both ways. The alternative is—

CHAIR—This is a very efficient committee.

Senator Kemp—I think it is obviously a very efficient committee.

Senator CHRIS EVANS—It is very well chaired, I might add, because we do have a spirit of cooperation. Unfortunately, one of our fellow committees is today displaying a rather different approach, and some of that goes down to the chairmanship, but on this committee we have always tried to organise the program in that way. The chairman has always been very flexible, and committee members have cooperated in that regard. As we just did with Senator Wong, we try to give public servants notice of when they need to be here et cetera. The point is that one of the advantages of questions on notice is that it allows officials to spend less time here. They are usually questions of detail, and sometimes they are questions that the public servants have not prepared for and do not have the material with them.

I want to make the very clear point that we are concerned about the development of this costing exercise. I would have much preferred if it had been raised with the committee with a sense of engagement and a sense of saying that we could have a two-way process about whether things were too resource intensive. I think all senators would take that into account in a reasonable way. I just want to flag that we are very concerned about it. I am particularly concerned because it seems that this is the only area where the minister has sought to implement this procedure. I hope that if, for instance, the department is having a morning tea for cancer day or something that we do not have to cost that and that such activities would not be discouraged by the fact that it would cost \$1,700 for you all to have a cup of tea and put in \$2 to support the Cancer Foundation, because that is obviously the logical extension of this sort of approach.

Mr Leeper—May I say for the record that the attachment of notional costs to these answers has in no way affected decisions about whether the answers are provided or whether it is too resource intensive to provide answers. Those costs are attached at the end of the process; they are not a determinative factor in whether or not the answer is provided.

Senator WONG—That is inconsistent with what Senator Kemp said. You cannot have it both ways. You are saying, ‘We do it at the end, but we answer it anyway,’ but also ‘We don’t want to answer anything that is going to cost too much,’ which is the tenor of quite a number of the answers that you cost and say, ‘No, it’s going to cost too much to answer it in any event.’ What I am interested in is the development as a result of the minister’s directive to cost answers to questions on notice. I presume that was provided by either email or circular to staff from you or Ms Scott’s office?

Mr Leeper—In terms of making it operational, it would have been a request from our corporate area to the agencies and our own staff to include in the final answer an estimate of the cost of preparation.

Senator WONG—Do you have a copy of the document setting out those instructions?

Mr Leeper—No, not with me.

Senator WONG—Are you able to provide it?

Mr Leeper—Yes, we can look for it.

Senator CHRIS EVANS—Are you taking that on notice?

Senator WONG—Surely you will be here for some time. Someone—

Senator Kemp—Take it on notice and provide the cost of finding it.

Senator WONG—Will it cost 40 bucks to get it off the computer?

Senator CHRIS EVANS—If you had brought the file, it would cost only five bucks.

Mr Leeper—We will find the document in the course of the hearing and it will cost you nothing.

Senator WONG—Document or documents, presumably. So there is a directive that, even if it takes you only 45 seconds to say, ‘No, nick off,’ it costs 40 bucks—is that right?

Mr Leeper—I will check that, but my impression would be that we would say that it took a minimum of an hour.

Senator WONG—Who decides? If it goes to an SES person and they say, ‘No, nick off,’ does it cost \$60 an hour for that?

Mr Leeper—They were notional costs.

Senator WONG—Okay. But if there is a minimum, it might cost 100 bucks for the non-SES person to say no and then for the SES person to look at it and agree that the answer is no—is that how it works?

Mr Leeper—I think the minimum charge would be an hourly addition rather than an hour per person.

Senator CHRIS EVANS—Is it allowed under the new Work Choices legislation to charge for a minimum of an hour? That seems to be a restrictive work practice. Surely we would have outlawed that.

Senator Kemp—Sometimes it takes a little while to work out that the best answer is ‘No, nick off’. Sometimes that requires careful reflection.

Senator WONG—I am sure that may be the case occasionally in your—

Senator CHRIS EVANS—That would not have taken you any time at all; it would have been your first response!

Senator WONG—I thought Mr Leeper’s point was that there is a minimum charge.

Senator Kemp—I always reflect carefully before I say anything.

Mr Leeper—Mr Dolan has pointed out that the cheapest question to answer in this period was \$40, so I am assuming—

Senator WONG—Yes, we have observed that. I am asking: is there a minimum charge? Presumably, ‘No, go away’ may not take you an hour, so is there just a minimum charge of \$40?

Mr Leeper—I would prefer to check the nature of the document that went out, if I may, before I answer that question.

Senator WONG—I thought that was your answer earlier.

Mr Leeper—I was expecting that it was, but you are asking me specifically to be certain about it, so I will check that.

Senator CHRIS EVANS—Senator Wong, you have just to run up a minimum of 80 bucks worth. Could you slow down, please?

Senator WONG—Yes, sorry. Two lots of ‘No’ cost me \$80.

Senator CHRIS EVANS—We have the cash register going now.

Senator WONG—Could you look at question on notice HS39 from November 2005 and question on notice HS53 from the last round of estimates? Could you get those, Mr Leeper? Would someone in the room have them? They are actually questions from Senator Evans.

Mr Leeper—I have those answers.

Senator WONG—They are reasonably similar questions from Senator Evans relating to youth allowance debts—is that correct?

Mr Leeper—Yes.

Senator WONG—In relation to the first one, which is HS39, you were able to partly answer at least question 3, which was, one would have thought, about a reasonably important issue: the number of debts referred to the DPP in the 2004-05 and the 2005-06 years. You gave an answer of 501 cases. You charged that at \$707, with it taking 14 hours and 30 minutes.

Mr Leeper—That is correct.

Senator WONG—You do not keep a record of the number of debts referred to the DPP?

Mr Leeper—No. That question related to Centrelink operations, so I am not able to answer that.

Senator WONG—Does Mr Whalan want to come to the table? We can ask him about this. Is that another \$40, Mr Leeper—to tell me that you cannot answer it? Mr Whalan, do you keep records of the number of youth allowance debts which are referred to the DPP for prosecution?

Mr Whalan—Just to help me, you are referring to question on notice No. 39. Is that correct?

Senator WONG—HS39 and HS53. My first question is: I assume you keep a record of the number of debts you refer to the DPP?

Mr Whalan—Yes, we do.

Senator WONG—How is that kept? Do you note that on a computer system so you can extract that information?

Mr Whalan—Someone behind me will shortly come and tell me that answer. The Centrelink staff are in another room.

Senator WONG—Ms Hogg, how are you?

Mr Whalan—Someone will come forward shortly. Could we keep going and then maybe come back to that particular issue?

Senator WONG—I am more interested in the questions on notice. I want to make this point—

Ms Hogg—Can you ask me the question again, please?

Senator WONG—I want to know how you keep the data of the debts referred to the DPP.

Mr Whalan—It is an IT system called the prosecution management system. It does record those.

Senator WONG—Thank you. I assumed so. Presumably, you can go and tell me how many X type of debts have been referred to the DPP and extract that information, yes?

Mr Whalan—Yes. There would be some restrictions, but generally yes.

Senator WONG—Okay. In November, in answer to Senator Evans question HS39, you told us that there were 500 youth allowance debts referred in the 2004-05 financial year.

Mr Whalan—Are you explaining to me that that is what we said?

Senator WONG—I am asking you to confirm it.

Mr Whalan—Yes.

Senator WONG—That is No. 3 of HS39. You estimated that that took you 14 hours and 30 minutes. Does it take that long to download it from the system?

Mr Whalan—What I have not got is the breakdown of how this answer was constructed. You are asking why it takes so long if you have a system that provides this information.

Senator WONG—Correct. Maybe you can break down the 14 hours.

Mr Whalan—I can do that for you, but I cannot do it here.

Senator WONG—I appreciate that. Can you explain to me also why the identical question asked three months later has this answer: ‘The detailed information required to answer is not readily available. To obtain this information would be highly resource intensive. I cannot justify the level of expenditure required to obtain it.’ That reply has been costed at two hours and 15 minutes at a cost of \$98. It is the identical question three months—

Mr Whalan—There are two parts to your question. One is about the costing and the second is about why it is difficult. I can—

Senator WONG—No: why is it different?

Mr Whalan—I can explain why it is difficult.

Senator WONG—No—I asked you why it is different. In three months you have changed your position from, ‘We can provide it; it is still going to take 14½ hours to provide it,’ to, ‘We cannot provide it and it took us two and a quarter hours to tell you that.’

Mr Whalan—I will have to take that on notice.

Senator WONG—Is it the case that the minister’s directive around costings had an effect on your willingness to answer the questions?

Mr Whalan—No, not at all. If it would help, I can tell you part of the reason it would have taken so long to answer the first question, and what the likely reason is as to why we took the approach we did in relation to the second question and did not think there was value in answering it.

Senator WONG—It is not up to you to determine if there is value in answering it, is it, Mr Whalan? You might want to put back to the committee that it is too cost intensive; we can have a discussion about that. But I want to be clear about what we are asking for: we are

asking for the number of people being prosecuted—that have been referred to the DPP. That is not an obscure piece of information or detail.

Mr Whalan—No. But what you have asked for is the number of people who have student debts, if I have the right question.

Senator WONG—Youth allowance debts.

Mr Whalan—Yes. The core of the issue there is that we have an IT system that could do it more recently but could not break it out in earlier times.

Senator WONG—Perhaps, Mr Whalan, to be fair to you, you should get some advice and we will come back to the issue when Centrelink is here. The answer you have just given, frankly, from my understanding of information, is illogical because the information you said no to was the more recent information. I think you should get some advice and perhaps we will have a discussion when you come back. Mr Leeper, how was the minister's directive to cost questions communicated to the department?

Mr Leeper—I would have to check that in detail, but I imagine it may have been verbal. I will check whether it was written.

Senator WONG—Were you there when it was received?

Mr Leeper—I do not recall.

Senator WONG—Was it a chat, post estimates, when you were very happy about how estimates had gone?

Mr Leeper—I do not recall being present at such a discussion, no.

Senator WONG—Was there a morning tea held post the last estimates session for people involved in estimates?

Mr Leeper—I honestly do not know the answer to that. From time to time we have a morning tea to celebrate someone arriving or departing, and if it happened to coincide with estimates that would have been a departmental issue. There was nothing hosted by the minister.

Senator WONG—Are departmental funds expended on those morning teas?

Mr Leeper—No.

Senator WONG—You pay for them yourself?

Mr Leeper—Yes.

Senator WONG—Do you cost the staff time of being there?

Mr Leeper—No.

Senator WONG—And you do not cost the staff time preparing advice or speeches for the minister either?

Mr Leeper—Supporting the minister's objectives and the government's objectives is costed in the cost of the output of the Department of Human Services, which is at a single line level.

Senator WONG—And you do not think estimates answers are included in your functions, so they have to be costed separately?

Mr Leeper—They are included. What we were asked to do was to give an indication to the committee of the cost of preparing the answers. But, as I said before, that costing has in no way influenced whether or not an answer was able to be answered and was assessed to be cost effective to answer.

Senator WONG—Can you explain to me about Senator Moore's question, HS4. I think Senator Moore asked it as a result, frankly, of the lateness of the answers where you said, 'We cannot answer this.' Senator Moore made, I think, quite a constructive suggestion that you could come back to us and say: 'The way you have asked this question is too expensive or too difficult. We are going to have difficulty answering it.' There could be an iterative process. The question on notice, HS4, is simply an excerpt from the transcript. The answer reads:

In the past, the Department of Human Services has sought clarification from the committee on questions on notice. Again following the hearing of 14 February 2006, the Department sought early clarification from the Committee.

That cost \$40—2½ lines.

Mr Leeper—As I think I indicated, it is likely that, for whatever reason, we have chosen to adopt a convention of a minimum charge, a minimum standard. It certainly is the case that we seek clarification.

CHAIR—Lawyers use straight fees, Senator Wong, don't they?

Senator WONG—I did say that at some point, but there are Supreme Court rules, generally, about how one charges. Usually a six-minute block is the minimum charge, not an hour, from my recollection of being a solicitor—but that was some time ago!

Senator MOORE—I want to follow up on that question.

Senator CHRIS EVANS—It is a long time since Senator Wong charged only \$40 an hour.

CHAIR—I am sorry.

Senator WONG—You will keep!

Senator MOORE—I want to follow up on that question, Mr Leeper, because it did not come in on time. I have read it a few times and I do not see an answer in it. You will remember that there was quite a long debate, similar to this one in many ways, about the issue of questions on notice. My question was looking at whether we could have a process that would facilitate the kinds of difficulties we were having, in particular with the issues of complex questions. I did not think that that was a complex question. Since receiving the answer I have been at a loss—due to the answer, to say nothing of the cost—to see how that responded to the question that I asked. If you could explain that as a supplementary answer to my question I would be very grateful, because I cannot see the answer in that.

Mr Leeper—I will have an attempt. I have been around estimates committees for more than 15 years. I have sat at this table many times. I have been surprised at what I consider to be a relatively recent development whereby, when a question on notice is taken on notice, what we get to answer is in fact a transcript extract. It makes it extraordinarily difficult to be

precise about what the question is. My instructions to our parliamentary area have been—and we have done this many times, as far as I am aware—to come back to the committee and try to verify precisely what the question is. It is often very difficult in a paragraph of text to work out exactly what the question is that is taken on notice.

A number of these questions, in the 60 that we have answered since the February hearing, were in some respects most like question HS4. There is a series of dialogue, perhaps some interplay between senators and officials or between senators and the representing minister or parliamentary secretary, and at the end somebody says, 'We'll take it on notice.' But it is not always clear to us what the question that is being asked is about. In the case of this question, the answer we have provided says that we have sought and we continue to seek clarification from the committee about what the question on notice actually is. Sometimes, to be frank, we struggle to understand what exactly is required. We do come back to the committee.

Senator MOORE—We need to have an interpreter, because that is not the question I asked. I have read that a few times. I know that sometimes people have confusion. I have checked with the committee and I have been advised that there was no formal question on this particular question. What I was trying to find out was—and I am sorry if it was confusing—if there was a complex question similar to that which we were discussing at the time that this was asked, which was a detailed question about history and statistics, and if it was thought by the departmental officers doing the work that there was going to be some delay or confusion in answering the question, whether there could be an interim process before the due date that would give some protection to all those involved so that we would not be going through a process of asking how many questions were asked and how many were answered by the due date. I note that you had most of them in by today. There is only one outstanding, I believe, as of now.

Mr Leeper—As far as I am aware, they have all been tabled.

Senator MOORE—We have not got the last one. But in terms of the cycle for approval of responses, the block of the answers were still not back in to the committee. If we had been advised a week out that there would be some delays on some questions—I thought that this was what my question was asking—there could well have been some further discussion about what the problem was. As Senator Evans said earlier, there could have been some reconciliation about what we were seeking and why you could not do it. But, again, we have gone through a whole cycle, we have come back to the table and we are going through the process. I do not understand that. I do not think it is good for communication. If you are going to say, 'No, we can't do it,' we accept that. We then ask why, particularly if data is available, we cannot get it. But, if it is just a matter of clarification, I think that the secretariat and the committee members should be aware of that before we get around the table again.

I am not going to put this on notice again. A 2½-line response from the department has been allocated a nominal cost, which means nothing. That is not communication; that is actually making communication more difficult. What I would like to get out of this particular part is: is there an agreement from the department, through the minister, that, should questions be put on notice that seem to be too difficult, too hard, too complex, we can get information about that before we come back to the Senate estimates table so that we can have some ability to focus on the issue and get a response, rather than two to three months down the track being

told: ‘No, this is too expensive; we don’t have this information’? I think that could have been done pretty quickly. Can we get that?

Mr Leeper—From a departmental point of view, we are here to make sure the committee is able to do its job as well as it wishes to. I would be surprised if DHS was the only department in relation to which these issues were relevant. I am happy to seek guidance from my minister on the request that you have made and we will follow it through. We are interested in producing quality results and getting good answers. The process from our side is a little frustrating as well because we are not always clear what it is that is being asked. We have on many occasions—

Senator MOORE—So I take it we are actually doing this question again on notice. I put on the table that I think it would be a useful exercise, to facilitate the way we operate, for that interaction to happen in the period between estimates hearings.

Senator WONG—Perhaps I could make a suggestion, Chair. If there are questions in relation to which the department is unclear as to the objective of the question, or where the information requested is going to be particularly onerous to gather, the chair could consider finding a process whereby the secretariat could be advised of that by the department in a timely fashion. Senators could then be invited to consider whether there is an alternative way in which they might structure the questions or perhaps, as Senator Evans has indicated has happened on other committees in which we have been involved, they could get a better indication about what information could more reasonably be provided.

Senator Kemp—I think they are interesting suggestions and we will reflect on them. In relation to what a question actually means, I thought Senator Evans made quite a good point that, if the department are not clear what the question is, they can always phone up the minister’s office and ask them to contact the relevant senator and find out what precisely—

Senator WONG—Which is not being done, Senator Kemp. That is our point.

Senator Kemp—No; it is an interesting point.

CHAIR—It is sensible, Minister, I think.

Senator Kemp—I thought that was a good suggestion. In relation to resources, it is probably true that I have made decisions that questions involve too many resources, and I just say that. It is an interesting suggestion: I am not prepared to authorise resources to provide that answer but, on the other hand, if there is an alternative way to deal with this then that is a courtesy which I think probably is worth considering as well.

Senator WONG—The point Senator Moore is making is that it would be useful if that could occur at a reasonable point in the process, rather than Senator Moore being given an answer beyond the deadline date—is that right, Senator Moore?

Senator MOORE—That is my understanding.

Senator WONG—that says, ‘We can’t answer it because of these reasons.’ It looks like obfuscation. It may well not be; it may well be quite well-meaning public servant speak, but it looks like confiscation.

Senator Kemp—That would be the last thing which would cross the mind of any minister.

Senator WONG—Obfuscation?

Senator Kemp—Yes. Absolutely the last thing.

Senator WONG—I am sorry, I thought you were an expert at that, Senator Kemp.

Senator Kemp—No-one can ever accuse me of obfuscation.

Senator CHRIS EVANS—I do remember the incident when then Minister Bishop, Minister for Aged Care, had a large number of questions outstanding and the then chair, former Senator Knowles, in her inimitable style, charged downstairs and said, ‘Unless they’re up here in half an hour there will be trouble!’ Amazingly, the answers all arrived within half an hour—which probably says that Senator Knowles was even more frightening than Mrs Bishop!

Senator WONG—So we’re waiting for Senator Mason!

Senator CHRIS EVANS—Yes, I am encouraging the chair to—

Senator Kemp—Well, I think we can blame the chair! I think that is quite true. Clearly Senator Mason has got up his game a bit despite your earlier comments.

CHAIR—Thank you for your support, Minister. Any further general questions?

Senator MOORE—Mr Leeper, should there be any questions at the end of this experience that are unclear or seem to be just reiterations of *Hansard*, what will the department do?

Mr Leeper—We will do what I believe we have done to date. We will make contact with the committee in an attempt to clarify the question. In the event that no further guidance is forthcoming, to be frank we will do the best job we can on what we have got in front of us.

Senator MOORE—Within the time frame that we have, and I know the time frames are difficult, is there some kind of warning for the secretariat or the chair—whichever process you use—about what period that would be, a week, a fortnight, in terms of that kind of interaction?

Mr Leeper—I am not clear about your question, I am sorry.

Senator MOORE—Should you get the questions, there is a certain date we have to supply them by—we are given that and my understanding is that we meet that—to get the questions on notice back to the secretariat to be forwarded to the department. We are told we have to have them by a certain time and they are sent off, then they go into the abyss. When you or your officers find there is some confusion or uncertainty about some of the questions, how soon do you get back to the secretariat?

Mr Leeper—The process we follow is that the questions are received by us, as you indicate, in a block. I or the director of the parliamentary area will read them and, to be frank, we try to work out who to allocate them to. They get allocated to the core department or one of the Human Services agencies. At that stage, if I am unclear about what a question means, I will give an instruction to seek clarification. What we are trying to do is make sure that we get the question to the correct agency or part of the department for answering. If we cannot see a question in what is there—and from memory that might have been the case with the previous hearing—we come back and query it, because we are not clear all of the time what is being asked.

Senator MOORE—So it is not necessarily you who would be doing that, although your position is the clearance point?

Mr Leeper—It is an interest I take because I take questions on notice seriously.

Senator MOORE—But is it part of your job?

Mr Leeper—I believe it is, yes.

Senator MOORE—That is, the deputy secretary's job?

Mr Leeper—Yes.

Senator MOORE—So the deputy secretary is responsible to receive the questions, send them out and actually be a point for clarification?

Mr Leeper—I do not send them out, but I make it my job to look through the questions as a whole and indicate to the director of our parliamentary area, which is the distribution and coordination point for answers, which ones I feel need clarification. It might have been at the November hearing where there was one which was literally an extract from the transcript. For the life of me I could not see a question in it. I think we came back and contested. As I recall, that might have been withdrawn.

Senator STOTT DESPOJA—I have some general overview questions about the announcements that were made in the budget in relation to the health and welfare access card. I will begin perhaps with the costs. I understand that my Labor colleagues have some views on this as well. The budget allocation over four years was \$1.1 billion according to the budget papers. Can we start with a specific breakdown, or as much as you can at this stage, of where you anticipate that that money will be spent—how it will be allocated and what costs are involved in this project?

Mr Bashford—The cost breakdown that I can provide to you is that shown in the paperwork to date that has been made public. That is around the resourcing that has gone to the agencies and whether that is for capital or other issues. Would you like me to run through those?

Senator STOTT DESPOJA—Yes, run through everything.

Mr Bashford—I will start with Centrelink. Over the four-year period from 2006-07 to 2009-10 there is \$436 million in resourcing and \$63.2 million in capital. For Medicare Australia there are equivalent figures of \$383 million for resourcing and \$13.3 million for capital. For the department itself there is \$175 million—these are rounded, roughly—for resourcing and \$0.6 million for capital. There is some resourcing for FaCSIA, which is \$0.26 million. Veterans Affairs resourcing is \$14.1 million and capital is \$3.4 million.

Senator STOTT DESPOJA—Thank you. You made references to capital. What do you understand to be the capital costs involved in this project?

Mr Bashford—Capital costs are those costs associated with the purchase of equipment, essentially.

Senator STOTT DESPOJA—What kind of equipment? I understand there may be limitations on what you know or can say at this stage but can you give us some idea of what you are talking about?

Mr Bashford—I am advised that it involves a little bit of property but mostly things like internally developed software.

Mr Dainer—There is \$80 million in capital over the four years spread across the agencies. That is predominantly for internally developed software, hardware and some property costs.

Senator CHRIS EVANS—What are the property costs for?

Mr Dainer—To accommodate people in the project, essentially.

Senator CHRIS EVANS—Are you building premises?

Mr Dainer—Fitting out premises which are rented.

Senator CHRIS EVANS—Where are they going? Is that the office?

Mr Dainer—Yes.

Senator CHRIS EVANS—Where has that been established?

Mr Dainer—In Canberra, in a building called CA House in National Circuit in Barton.

Senator CHRIS EVANS—Have you got officers there as well?

Mr Leeper—Some at the moment, yes.

Senator CHRIS EVANS—Are they being housed with some of your Human Services departmental officers?

Mr Leeper—Yes.

Senator CHRIS EVANS—But in separately rented space?

Mr Leeper—Fit-out costs relating to an addition to the staffing numbers of the department, which is what this allocation in part represents, are contained in the capital measure, and that is part of setting up the new business unit, which is what the Office of Access Card will be within the department.

Senator CHRIS EVANS—They are going into space currently rented by your department, or have you rented extra space?

Mr Dainer—We have rented additional space in CA House and we are about to commence fitting that accommodation out.

Senator CHRIS EVANS—Your costs for the office include the rent?

Mr Dainer—Yes.

Senator STOTT DESPOJA—That rent is currently being paid?

Mr Dainer—We are taking the first floor of that building. I think the rent starts from the beginning of next month. It may be this month; I cannot remember the month. The accommodation is about to be fitted out.

Senator CHRIS EVANS—How long is the lease for?

Mr Dainer—It is for four years.

Senator CHRIS EVANS—With an option?

Mr Dainer—Yes, there is an option.

Senator CHRIS EVANS—For?

Mr Dainer—I think it is two by two, but I would need to check.

Senator CHRIS EVANS—Maybe you could tell me later on rather than take it on notice.

Mr Dainer—Certainly.

Senator CHRIS EVANS—I am very sensitive to the cost.

Senator STOTT DESPOJA—I am not sure whether my colleagues have more specific questions on fit-out and property costs?

Senator MOORE—We are going to play across this area. Mr Leeper, you know I have a focus on structure. I heard Mr Bashford describe his new unit—the Office of Access Card. Where is that going to fit in your structure?

Mr Leeper—The Office of Access Card, of which Mr Bashford is currently deputy secretary, will be part of the Department of Human Services.

Senator MOORE—I am looking at your annual report structure.

Mr Leeper—I can table an update of the organisational chart. Would that be helpful?

Senator MOORE—Yes, that would be helpful. Then I can see exactly where in your structure this is going to go. Within that structure, have you put down your proposed staffing—how many you are going to have and things like that?

Mr Leeper—The convention in all the charts we have given you to date has been to show you the organisational structure at a high level. We do not identify individual officers. This one goes down to the names of SES officers, which is in the public domain anyway.

Senator MOORE—Do you have any indication at this stage of what your staffing numbers and levels will be, without identifying names?

Mr Leeper—The total staffing for the department for 2006-07, from memory, is 107 full-time equivalent staff. That will include staffing for the Office of Access Card.

Senator MOORE—For the sake of this particular graphic, the yellow bit is the new bit. Is that right?

Mr Leeper—The Office of Access Card is shown as the yellow parts of the organisational chart.

Mr Dainer—Senator Evans, you asked about the options on the lease. It is one plus one.

Senator STOTT DESPOJA—I am going to turn to the \$47.3 million that has been allocated for the communications strategy. Could you begin by outlining how that money will be spent? I understand it is an allocation over a four-year period.

Mr Leeper—The communications allocation is \$6.5 million in 2006-07; \$20.6 million in 2007-08; \$8.5 million in 2008-09; and \$4.9 million in 2009-10. That leaves about \$7 million, which is being split across Centrelink, Medicare and Veterans' Affairs primarily, I understand, for internal communications associated with the access card arrangements.

Senator STOTT DESPOJA—Obviously, the bulk is for external communications. Presumably, this is along usual government lines—television advertising and print. Is this to

inform people about and familiarise them with the card? Is this specifically allocated at this stage to, say, the registration process for the card—2008 to 2010—or is it looking to the final stages of the campaign? There is obviously a reasonable amount allocated over the next few years. What elements of the communications strategy have already been determined?

Mr Leeper—I will check with my communications branch head. That will improve the quality of the response.

Senator STOTT DESPOJA—Are we getting a fridge magnet? This is what we want to know! What kind of advertising or communication are we talking about? Is it letters from, presumably, the department to the people who would be potentially in receipt of the card or might be able to register for one? I want to get a handle on what a communications strategy is about. Is it about hoping people will take the card up or is it about selling the so-called benefits of the card?

Mr Leeper—The first year of the campaign will involve research and creative development costs, but on current indications will not include any media expenses. The access card communication campaign is in the early stages of development and is yet to go through the approval processes required by the Government Communications Unit. Until I can bring that branch in I should probably not waste your time by speculating further. I am happy to return to that once the officer is here.

Senator CAROL BROWN—When are you looking to have that communication strategy in place, and to start?

Mr Leeper—The announced timetable for the rollout of the access card is that it commenced from 2008. Without going into specifics I would well imagine that in 2007-08 there will be some activity associated with bringing those arrangements and the commencement of implementation to the notice of Australians.

Senator STOTT DESPOJA—My understanding from the budget papers and from the indications we have had publicly so far is that it is primarily to do with the registration process—encouraging people to register. Presumably, between 2008 and 2010 you would want to have the process complete. I am happy to wait for further advice, given the draft nature of it all.

Senator MOORE—Are you aware that discussions last evening threw up that, because of possible concerns about workload, there was a possibility of just throwing out to the Australian public that people could have early registration for this card. Is that something your department was involved in the discussion of?

Mr Leeper—How the implementation will roll out has not been decided. This will be a theme that will come up as we go through these issues this afternoon. We are in the process of recruiting for the permanent position of deputy secretary and a lead adviser to assist us to scope out in detail the work required to deliver this initiative from 2008. At this stage I do not believe I can provide any useful information to the committee about detailed timetables. That work remains to be done.

Senator MOORE—In view of the question about communication strategies and process, the stuff that came out around the budget was very clearly on a long-term project with

registrations beginning around 2007-08 for full implementation in 2008-09 and for commencement in 2010. Last night, in between football announcements, it came out that—and, in relation to the way it was done, of course, we are relying on media coverage—because of concerns about the possible workload implications and the large number of people who may be caught up in putting registrations through, there is some consideration that perhaps there could be an early registration process. The question was not about finding out from you whether you are aware of the details but about two things: whether those workload implications have been fully considered and whether the department has considered the need to bring that forward.

Mr Leeper—The detailed timetable and work planning for registration of 16½ million Australians into the access card has not been undertaken. In the event that it is decided that preregistration would be offered to people, I could well imagine that a decision would also be taken that some publicity or communications would be taken to that effect. But that is as far as I can answer at this point.

Senator STOTT DESPOJA—So clearly the anticipation is that 16½ million by 2010 will be using the access card or at least will be eligible for the access card?

Mr Leeper—Certainly they will be eligible for it, and we need to plan on the basis that all those who are eligible for it will seek to take it up; otherwise we may fall short in terms of registration activity.

Senator STOTT DESPOJA—I would like to turn to the KPMG report; that might be an overall start. Obviously it has been the subject of some debate in the media, and I understand that Minister Hockey has indicated on a number of occasions a willingness to release that report. Can you give us an idea of the time line on the release of the report and what aspects of it are going to be made available to the public?

Mr Leeper—I think the minister indicated yesterday, in addition to on other occasions, that the business case by KPMG if released in its final form would contain information which would perhaps make the Commonwealth's subsequent commercial dealings problematic. He indicated that KPMG would be requested to take out of that report commercially sensitive or commercially valuable information. My advice is that KPMG are still in the process of making the appropriate adjustments to the report. With that view in mind, we have not yet received from them a revised version of the report.

Senator STOTT DESPOJA—My understanding from what you have just said is that the minister has made a request to KPMG to make certain changes based on the criteria that you have announced in relation to commercial—

Mr Leeper—The department has made a request to KPMG, because that is how they are engaged, yes.

Senator STOTT DESPOJA—Yesterday, when the minister at his press conference made a reference to information that may be outdated in a report—and I am sorry but I do not have the specific quote in front of me—was he referring to the KPMG report? I can be more specific in that question shortly, if you like.

Mr Leeper—From reading the transcript this morning, my recollection is that the minister was referring to the initial privacy impact assessment.

Senator STOTT DESPOJA—In relation to the KPMG report then, you cannot give us a specific time line? You have said that they are yet to get back to you with the information?

Mr Leeper—That is right. I do not have a revised version of the report from them at this stage.

Senator CAROL BROWN—When did the request go to KPMG to provide a revised report?

Mr Leeper—I will have to check that. I do not have a specific date in mind, but it would have been at least a week ago or probably more like 10 days ago.

Senator STOTT DESPOJA—Is that when the request was made?

Senator CAROL BROWN—From the department to KPMG to provide a revised report.

Senator CHRIS EVANS—Let me go back a step: when did the minister say that he would make it publicly available?

Mr Bashford—We will have to take that on notice. I do not have the precise date.

Senator CHRIS EVANS—I reckon it was 9 May. Was that the first time?

Mr Bashford—I do not know, but if you have something that says that it was 9 May I am happy to go along with that.

Senator CHRIS EVANS—That is 40 bucks to me; I am going to keep a tally! It was 80 bucks, but I am back to 40 bucks today! Any other questions you want answered, you ask me, but I cannot vouch for the accuracy. On 9 May he announced that he was going to make it available. He then requested for you to make it available, Mr Leeper?

Mr Leeper—The minister indicated that there were aspects of the report which would need to be removed in order not to confer commercial benefit on potential tenderers. That is the work that we have asked KPMG to do. We do not have the document electronically. It is their product, so it is proper to ask them to—

Senator CHRIS EVANS—You do not have the work?

Mr Leeper—I do not have the document electronically to make amendments. It is appropriate to ask KPMG to amend it—it is their document.

Senator CHRIS EVANS—I was not suggesting otherwise. You have a copy of the document, don't you?

Mr Leeper—Of the final draft? Yes. We have the final draft, including all of the material that was in the business case.

Senator CHRIS EVANS—Sure. So the minister indicated to you that he wanted a document that was able to be made public.

Mr Leeper—Yes.

Senator CHRIS EVANS—You then requested that—within the last week or so—of KPMG?

Mr Leeper—It was early last week, from memory. Yes.

Senator CHRIS EVANS—I want to be clear on the instructions. Their job is not to change the sense of it. Are they to just take out the commercially sensitive information or are they to give an edited version? Are they to give us a precis or a summary? What is the instruction?

Mr Bashford—The instruction is to take out the commercially sensitive material.

Senator CHRIS EVANS—That is all?

Mr Bashford—Yes. They are to provide the business case without the commercially sensitive material—which is what the minister offered.

Senator CHRIS EVANS—Have KPMG been given a time line?

Mr Bashford—As soon as possible.

Senator CHRIS EVANS—Have they given any indication of how long it is going to take?

Mr Bashford—They have said that it will be soon. They have not given us a date.

Senator CHRIS EVANS—Will it then go back to the minister for him to have a quick look at?

Mr Bashford—The department will have a look at it to see if the commercially sensitive material has been taken out. Then it will be up to the minister to decide when he wants to release it.

Senator CHRIS EVANS—I am not an expert in this area, so forgive me if I am asking naïve questions. When were they engaged to do this work?

Mr Bashford—When were KPMG engaged?

Senator CHRIS EVANS—Yes.

Mr Bashford—In November last year.

Senator CHRIS EVANS—November 2005?

Mr Bashford—Yes.

Senator CHRIS EVANS—How were they engaged?

Mr Leeper—They were engaged through the Department of Human Services information and communications technology consultancy panel through a partner organisation called KAZ Technology Services.

Senator CHRIS EVANS—Was it a tender?

Mr Leeper—No. They were sourced from the panel on the basis of the skills and expertise that they offered.

Senator CHRIS EVANS—So you had a panel of firms that you used?

Mr Leeper—We have a panel arrangement. The conditions of the panel arrangement are that we can go to one or all as we see fit to source the experience and skills that we need to get the work done.

Senator CHRIS EVANS—So it was not put out for interest among the panel; you just chose one and offered them the work.

Mr Leeper—That is correct.

Senator CHRIS EVANS—Why did you choose KPMG?

Mr Leeper—Because of the skills and experience of the senior personnel that they were able to bring to the project.

Senator CHRIS EVANS—I do not want a detailed answer, but is that because they have had experience with cards or—

Mr Leeper—It was more around the development of the business case rather than the technology base. Without naming names, one of their people that they brought to bear on the exercise was of extremely high standing and gave us significant confidence that the work would be completed on time and to a satisfactory degree of quality.

Senator CHRIS EVANS—Has that consultancy finished apart from their work on amending the report?

Mr Leeper—Yes.

Senator CHRIS EVANS—What was the cost of that?

Mr Leeper—\$1.944 million.

Senator CHRIS EVANS—That was for their work between November last year and May this year?

Mr Leeper—That is correct.

Senator CHRIS EVANS—Did they do anything apart from the business case?

Mr Leeper—They did an extensive range of stakeholder consultations, costings development and a whole bunch of other things, but the business case brings all those things together. Their extensive consultations included detailed discussions with Medicare, Centrelink and the department in building up the business case and bringing forward all the information that was required to be brought together.

Senator CHRIS EVANS—Did they present anything else to the department or make any other reports available, or was that essentially the one task?

Mr Leeper—The output of the consultancy was a two-volume document. Volume 1 is the business case; volume 2 is the detailed costings analysis. In addition to that, I understand that they may have also produced a PowerPoint presentation pack as well. Fundamentally, the output of the consultancy was the two-volume report.

Senator CHRIS EVANS—And volume 2 is not going to be released?

Mr Leeper—No. Volume 1 contains some information which could be commercially sensitive; volume 2 would be packed with it cover to cover.

Senator CHRIS EVANS—That is probably why people want it. Just so that I am aware, did they give you a quote for the work that had started or was it just one of those things for which they charged for the hours they worked?

Mr Leeper—The contract was for an hourly-rate basis but it was capped at \$1.75 million. There was a small extension to the contract in April to enable additional work to be done on

the business case preparatory to consideration by government, and that is what has contributed to the total cost of \$1.944 million.

Senator CHRIS EVANS—You arrived at an estimated cap? They billed you for hourly work and came back with—

Mr Leeper—Yes.

Senator MOORE—Are there any further costs to what is being asked for now?

Mr Leeper—Yes, there will be.

Senator MOORE—And there is no longer a cap because there has already been a short extension, so this will be on the basis of extra work requested—a bit more?

Mr Leeper—Yes, an additional amount of money.

Senator CHRIS EVANS—When were KPMG added to the panel?

Mr Leeper—As I mentioned, they were engaged through a panel part-member, KAZ Technology Services.

Senator CHRIS EVANS—They were not actually on the panel; KAZ Technology Services were on the panel?

Mr Leeper—Yes, but we were able to source them through KAZ Technology.

Senator CHRIS EVANS—In looking at the information as to who was on the panel, they did not seem to appear, so I did not quite understand how they got the work when they were not on the panel, given it did not go to a tender. It just seems a bit odd. Is this like a front organisation?

Mr Leeper—It is a partnering arrangement rather than a front organisation. I do not think it is uncommon.

Senator CHRIS EVANS—Who is your contract with: KAZ or KPMG?

Mr Leeper—The primary arrangement is with KAZ.

Senator CAROL BROWN—Is that like a subcontractor?

Mr Leeper—Yes, in effect.

Senator CHRIS EVANS—So you contracted KAZ and they employed KPMG, or did you—

Mr Leeper—That is my understanding. That is the best way of describing it. At the time of the engagement of KPMG, it was on the basis that they would be partnering with KAZ. So we sourced them through KAZ for that reason.

Senator CHRIS EVANS—That makes it less clear rather than more clear. Maybe it is me. KAZ were on the panel and were available to you. That is the means by which you can select people with particular skills without having to go to tender. This turned out to be a \$1.944 million contract and KPMG are not on your list of providers on the panel, so I think it is reasonable for me to get an understanding of how it was that we paid \$1.944 million to that company. I am not disputing that; they may have done an excellent job—I have not seen the

report yet—but I am trying to understand, given our accountability mechanisms, how that works.

Mr Leeper—I will ask Mr Padovan to see if he can explain it better than I just tried to.

Mr Padovan—At the time, I was the assistant secretary responsible for the service delivery and strategy and for setting up the ICT panel. At the time of submitting the bid and in relation to the original tender response for the setting up of the panel, KAZ had identified that they would work jointly with KPMG on the panel and therefore the full services of KPMG would be available through KAZ. That was a business decision—

Senator CHRIS EVANS—You do not mean putting in a bid for this work but for being registered on the panel?

Mr Padovan—That is correct.

Senator CHRIS EVANS—I see. So how many do you have on the panel?

Mr Padovan—I will consult my notes.

Senator CHRIS EVANS—Three years of tenders at 20—

Mr Leeper—It is more than 10, I think.

Senator CHRIS EVANS—It is quite a large number.

Mr Leeper—Yes.

Mr Padovan—All up there were 33 panel members that we could choose from.

Senator CHRIS EVANS—Thirty-three?

Mr Padovan—That is correct.

Senator CHRIS EVANS—And KPMG is not one of them?

Mr Padovan—No.

Senator CHRIS EVANS—So when KAZ originally went onto the panel they indicated to you in their bid paperwork that KPMG was an ongoing partner of theirs?

Mr Padovan—They had made a business decision in relation to that specific panel that they would jointly partner with KPMG.

Senator CHRIS EVANS—But in terms of them getting on the panel and being one of the 33 chosen ones, you are telling me that part of their credentials was that they had a business partnership with KPMG?

Mr Padovan—That is correct.

Senator CHRIS EVANS—It was transparent to you when they got on the panel that they came together?

Mr Padovan—That is correct.

Senator CHRIS EVANS—Why is it not reflected on your list that it is in fact KPMG as well?

Mr Padovan—On which list?

Senator CHRIS EVANS—Why is there no transparency that KPMG is part of that panel?

Mr Padovan—It is transparent in that at the time of bidding and in being selected KAZ made it clear they were partnering with KPMG.

Senator CHRIS EVANS—Does the list you provide say ‘KAZ-KPMG’?

Mr Padovan—KAZ is the primary panel member.

Senator CHRIS EVANS—In doing research for this, the committee could not find KPMG listed. There does not seem to be any transparency that they are involved on your panel.

Mr Leeper—There are 10 primary panel members—there were 11 initially, but one company went into receivership—and there is a secondary panel. The way we set the panel up is that we are entitled to go either to the main panel or the secondary panel. KAZ Technology Services is a member of the secondary part of that panel, but still within the group of 32 companies that Mr Padovan has talked about.

Senator CHRIS EVANS—They did not even make the first panel? Did they come out of the reserves?

Mr Leeper—The reserves list, yes. And we were quite clear in setting the panel up that we would look at the main groups and, if necessary, reserve the right to go to the secondary list.

Senator CHRIS EVANS—You obviously did not do very good financial checks, because one of them went into receivership. There is a flaw there.

Mr Leeper—It was beyond my control, Senator.

Senator CHRIS EVANS—So KPMG are not in the first group or the reserves group; KAZ is, but there is no mention of KPMG in any of the published material about who is on the panel.

Mr Leeper—But, as Mr Padovan pointed out, KAZ, in seeking to be made a member of the panel, indicated that if they were included we could leverage KPMG resources through them.

Senator CHRIS EVANS—I am just wondering how I would have found out if I had not asked.

Mr Leeper—I suspect this is not unusual with panel arrangements.

Senator CHRIS EVANS—No, I suspect it is not. Are any of the other big accounting consultancy mobs on the first panel?

Mr Leeper—I can tell you all of them, if you wish. The main panel comprises Accenture, Booz Allen Hamilton, Computer Sciences Corporation Australia, Deloitte Touche Tomatsu, Fujitsu Australia, Gartner Australia, Hewlett Packard Australia, IBM Australia, PricewaterhouseCoopers and SMS Management and Technology.

Senator MOORE—Do any of those companies have an agreement that they source another company through their auspices?

Mr Leeper—I would need to check that. I do not dare say that I will take it on notice!

Senator CHRIS EVANS—You have a made a rod for your own back, Mr Leeper.

Mr Leeper—I could only answer that by checking the offer.

Senator MOORE—In terms of the proposition that when KAZ was on their part of the panel it was clear from the time they went on that they could auspice KPMG to be part of the process, I am interested whether any of the others knew that ACME Engineering would be able to be if you used one of them.

Mr Leeper—I would be very surprised if the KAZ-KPMG arrangement was the only one in that panel grouping. I think that is just how these panel arrangements work—companies cross leverage.

Senator MOORE—I would just like to know who else is on the panel, but not publicly.

Mr Leeper—We can certainly check that for you.

Senator CHRIS EVANS—What is KAZ's expertise?

Senator MOORE—Auspicing.

Senator CHRIS EVANS—I have heard of most of the others on the list; I have not heard of KAZ.

Mr Leeper—The focus of the panel was to establish a group of companies that we could approach as needed for consultancy advice on matters relating to information, communications and technology. To get on the panel you would need to demonstrate to us that you had consultancy experience and expertise to offer around information technology and communications specialities.

Senator CHRIS EVANS—Is anybody else employed or contracted in relation to the business case?

Mr Leeper—The business case directly? Not that I am aware of.

Senator CHRIS EVANS—I know you have had at least one other consultancy, and I will come to that, but—

Mr Leeper—As far as I am aware, KPMG were the only company engaged for the purposes of producing the business case.

Senator CHRIS EVANS—And there was no-one employed for activities related to that function?

Mr Leeper—Not as far as I am aware.

Senator MOORE—You may have been asked this before, but to whom was the cheque made out—KAZ or KPMG?

Mr Bashford—KPMG.

Mr Leeper—The invoice for payment is made out to KPMG Australia.

Senator STOTT DESPOJA—I want to go back to the very first point that Senator Evans made in relation to the request by the department for the KPMG report with the relevant commercially sensitive areas omitted. I have news reports from at latest 28 April, where the minister makes very clear publicly that he would release the report. I do not reflect at all adversely on the minister on this, because he has made it very clear that he is willing to make

that report available and he said specifically that the commercially sensitive aspects would be removed. I am just curious why it takes until 9 May.

Mr Bashford—I have just been advised that the minister announced on *Sunrise* on 28 April that he would release the KPMG report with the commercially sensitive material removed.

Senator STOTT DESPOJA—But the request from the department directly to KPMG in relation to the changes to be made is still dated 9 May. Some people might say, ‘Well, it is under a fortnight.’ I am just curious as to why there is that period of time, especially when I was under the impression that this would be happening sooner rather than later.

Mr Leeper—It was certainly after 8 May. I am sorry I cannot tell you the exact date, but I can tell you with certainty that it was after 8 May.

Senator STOTT DESPOJA—It is still more than a week later. I hope you can appreciate my point. I am genuinely curious as to why there would be that delay. I do not know if you can assist me with that now, but please do so if you can add anything further to that, given that, particularly around that time, there has been a great deal of public debate on a number of issues that have sprung up in relation to the card. Was it a deliberate decision to wait until the budget had come down?

Mr Leeper—Possibly. Otherwise, to be frank, it was a question of workload and priorities. Following the decision, it was made clear that the access card announcement would need to be reflected in budget material, and that takes a lot of time to bring together.

Senator STOTT DESPOJA—I understand that. In terms of priorities, some of us were trying to snap at the minister’s heels on this one, so we thought it might have happened a bit sooner. Having said that, you still cannot provide me with a time line as to when that will happen? I know you have said ‘soon’, Mr Bashford, and I am excited by that, but I think the minister said the same thing to me in a briefing not long ago. I am just wondering how long is a piece of string. Will we have this by next week?

Mr Leeper—As Mr Bashford has pointed out, the steps are: KPMG finishes the revisions; they give it to the department and we make a quick assessment of whether there is anything remaining that we think could be commercially advantageous; and the minister then agrees or does not agree, as he has a right to do, to release the report—and at what time. It remains his decision.

Senator STOTT DESPOJA—Should I take Minister Kemp’s answer seriously? I do not think he is doing your cause any good by saying we will have it ‘by Christmas’. I think it is distinctly unhelpful to Joe Hockey. Nonetheless, I will leave you guys to work it out. Mr Leeper, you referred to the privacy impact assessment, and you were quite right in clarifying yesterday’s comment related to that assessment that was done, as I understand it, by Clayton Utz. Were the privacy assessment and the KPMG report done around the same time and were they based on the same model?

Mr Leeper—That is a very perceptive question. In effect, the initial privacy impact assessment and the development of the business case have, in some respects, proceeded in parallel with one another. There was inevitably some looping between the business case

development and the initial privacy impact assessment. For that reason alone, if nothing else, I will from this point onwards refer to it as ‘an initial privacy impact assessment’. A more detailed privacy impact assessment will almost certainly need to be done once the detailed specifications of the access card model have been developed.

Senator STOTT DESPOJA—Will the initial privacy impact assessment be released?

Mr Leeper—That would be a decision for the minister.

Senator STOTT DESPOJA—Has the minister, to your knowledge—I should probably know this from my own research—indicated that he would consider releasing that assessment? That is okay; I will search for that. My understanding was that there were some suggestions. If that assessment is outdated or has material that may be redundant, because of the age of the survey or even the model on which it was based, does that not suggest that some aspects of the KPMG report might be similarly redundant or not as appropriate?

Mr Bashford—It is the very early stages of the development of this project. I have no doubt that things that are in the KPMG report will change as we get a lead adviser on board and we make some specific decisions about exactly what it is that we are going to be doing. So, in that respect, some of the aspects may be a little outdated already, yes, but we have not got that lead adviser on board yet. We are out there with the tender to try to get that lead adviser. When that lead adviser is on board then we will be in a much better position to answer some of those questions.

Senator CHRIS EVANS—Is the lead adviser a company, not a person?

Mr Bashford—It will be a company, yes.

Senator CHRIS EVANS—I just wanted to make sure I knew what we were talking about.

Senator STOTT DESPOJA—My concerns about whether or not it is redundant or outdated relate specifically to costs and savings. On that note, you are probably familiar with a degree of debate that has raged around whether or not the government anticipates that the card will create savings of some \$3 billion. My understanding was that initially the \$3 billion figure was suggested, then it was clarified as being \$3 billion over 10 years. Then the minister clarified that it was probably \$1.6 billion to \$3 billion and that maybe the more conservative figure was appropriate. Do you think we are going to see these figures reflected in the KPMG report that will be released? If I were to ask you what would be the government’s estimation of the savings as a consequence of the implementation of this card, what would be the figure that the government would put forward?

Mr Leeper—In terms of the formal budget framework, the situation is as follows. The costs of developing the access card and implementing it over the four years from 2006-07 to 2009-10 have been read into the record by Mr Bashford. In the same vein, in the budget measures there are no figures for savings to public outlays as a result of the implementation of an access card, notwithstanding the fact that KPMG estimates that up to \$3 billion in savings could be achieved over a 10-year period. In our view, this is because the forward estimates extend to 2009-10 and the Prime Minister and the minister have made it quite clear that the access card will need to be produced only from 2010 to access Centrelink and Medicare services in particular, which is where we would anticipate that the savings in outlays would

arise. They would be principally around fraud reduction, proof of identity and photographic proof of who you are. So there is nothing in the budget measures on fraud savings for the access card measure. There are some minor departmental savings in some of the agencies, but that is not the issue that I have been seeing discussed publicly.

Senator STOTT DESPOJA—In terms of where those savings might come from—in combating fraud, for example—can you give us any breakdown of where you expect the bulk of those savings to be made post 2010? Would they be made initially or, over that 10-year period, would you anticipate that they would be halfway through the implementation of the card? Are there other areas where you would anticipate savings as a consequence of cracking down on fraud, through the use of the card? Would there be departmental savings, as in staff cuts or cuts to the budgets of the agencies? Can you give us a more specific breakdown in lieu of the KPMG report being available publicly?

Mr Leeper—There is not a more specific breakdown, but I can typify it into two main categories. One is that the business case is premised on the assumption—and I think it is a reasonable assumption—that there will be a certain number of recipients of welfare and other services from government who have absolutely no entitlement to those services. That is principally in the area of people with multiple identities. As you may be aware, none of the cards or access arrangements for existing services require photographic proof of identity, which the biometric capability of the access card would address. So there are some absolute savings involving either completely fraudulent claims or multiple claims, some of which would be fraudulent.

In addition, I would anticipate that there would be savings arising from application of the currency of concession status, particularly for Centrelink payments. As you would be aware, under current arrangements Centrelink issues cardboard concession cards. When a person moves from being eligible for that concession to being ineligible, Centrelink contacts them and indicates that change of status and requests that the card be destroyed, but that is not something that can be enforced. You cannot summons someone in to cut up their cardboard card in front of you. There would be at least two major categories of savings: one around incorrect identity and another around concessional entitlements which are not entitled to be received, but I do not have any figures on that. Those would be two primary sources of savings.

Senator CHRIS EVANS—The first one would be by far the larger, would it?

Mr Leeper—I would expect so, because—

Senator CHRIS EVANS—Because the concession cards are annual?

Mr Leeper—Regarding the value to the recipient, the last figure I recall is that it was about \$1,400 a year for the pensioner concession card—that was the effective economic value, and not all of that was at a Commonwealth level—whereas the average Centrelink payment is between \$9,000 and \$12,000 per year for primary income support payments. In the case of multiple or fraudulent identities, that would be an immediate saving.

Senator CHRIS EVANS—But the concession cards are issued annually?

Mr Bashford—No, concession cards are issued as they are required. Some people are entitled to concessions for only two or three weeks.

Senator CHRIS EVANS—That is what I am saying. I tried to ask for some of this information previously and it could have been raised with me as a cost. Is it the case that, once issued with a concession card, it continues to be able to be used forever? How often do you re-issue them?

Mr Bashford—They have different expiry dates on them.

Senator CHRIS EVANS—What sort of time frame are we talking about?

Mr Bashford—It can vary. Some of them are for life because that is the way the concession is; others are for shorter periods of time and they have the time on them.

Senator CHRIS EVANS—But having the time on them relies on someone being able to look at the date, effectively?

Mr Bashford—Yes.

Senator CHRIS EVANS—I am trying to get a sense of this. You do not issue them annually; therefore, if I were given one for two weeks and I refuse your advice to tear it up, I could use it for potentially the next five years?

Mr Leeper—The exposure arises where, for example, a card is issued. For argument's sake, I am aware that there is one category in which you move from income support into work, but you get a concession card for six months. That would have a six-month date on it. For somebody who got a card with such a date on it and they moved to a completely ineligible category of support, Centrelink would contact them and advise them that the card should not be used now, but the card would still carry the nominal expiry date, which is in the future. There is nothing to indicate on the cardboard card that, in fact, they are no longer entitled to claim that concession.

Senator CHRIS EVANS—So it might be a bigger cost than I initially thought.

Mr Leeper—It would be reasonably significant, but I do not think it would outweigh the identity issues.

Senator STOTT DESPOJA—Again, in terms of the issue of where cost savings might come from, I do not suppose you could specify which departments or agencies might be more likely to result in a degree of savings—Medicare, for example?

Mr Leeper—I am not sure about your question. Savings will come from two areas: one is savings to outlays, which are administered by Centrelink and Medicare on behalf of the respective policy departments, and that is where I think KPMG's figure is directed. Mr Dainer can help me if we need the figures. There are some minor departmental savings, as the jargon goes, which would be reductions in the operating expenses of Centrelink and Medicare as we implement this thing.

Senator STOTT DESPOJA—In relation to the first question, I was interested in whether or not you could identify particular services—for example, where you anticipated greater savings would come from. At the moment, when you talk about the two different areas, you are viewing the first very collectively. I am just wondering if you could tell us the areas

KPMG identify in which fraud may be more of an issue, for example, and from which you might recoup additional funds—through photographic identifiers, for example—in relation to this card.

Mr Bashford—I do not think they have identified individual receivers of payments, but they certainly have identified that the bulk of the savings would come from Centrelink customers.

Senator CHRIS EVANS—That has to be based on an estimate that you have provided to them, doesn't it?

Mr Bashford—Yes, it would be based on an estimate that the agencies have provided to KPMG.

Senator CHRIS EVANS—With all due respect to KPMG, for them to get any sort of authoritative figure on the number of people who are engaged in welfare fraud I would have thought the agency would be the only source of information or certainly the primary source of information.

Mr Bashford—Correct.

Senator CHRIS EVANS—So you provided some estimates to KPMG of what numbers of people you thought might at any one time be successfully defrauding the Commonwealth?

Mr Bashford—I think the agencies have given them an indication of their experience when something like this has happened, when we have tightened up on proof of identity type activities.

Mr Leeper—To put it in perspective, Senator, the \$3 billion probably represents about 0.3 percentage points of the estimated outlays on income support and health over that period. There would not be much change of a trillion dollars over a 10-year period. The \$3 billion is about 0.3 to 0.4 of one per cent of the value of those outlays, so it is a relatively marginal trim.

Senator CHRIS EVANS—Did you say Centrelink and health care?

Mr Leeper—Centrelink and Medicare, basically. The outlays in those two agencies are approaching \$90 billion in this budget year, and over the next 10 years would easily exceed \$1 trillion, so \$3 billion is about 0.3 of a per cent, roughly, of those estimated outlays.

Senator CHRIS EVANS—So you are saying to us that the savings would only be 0.3 per annum?

Mr Leeper—I am saying that the savings figure, whilst it looks significant at \$3 billion, really only represents a 0.3 percentage point reduction in estimated outlays over that period. We are not claiming outrageous reductions in outlays as a part of this arrangement. It is a relatively minor trim.

Senator CHRIS EVANS—That is what I am trying to identify. You must have provided an estimate to KPMG on the numbers of people you thought that would affect.

Mr Leeper—My understanding—and I am very happy to have someone check this while we are here—is that KPMG, in developing the business case, had discussions with Medicare

and Centrelink and formed a view as to the likely achievable savings from a reduction in fraudulent claims and payments.

Senator CHRIS EVANS—So you did not commission some work inside the department to attempt to quantify that?

Mr Leeper—Inside the Department of Human Services? I am not aware of that, no, but—

Senator CHRIS EVANS—Did you ask Centrelink and Medicare to do that work?

Mr Leeper—We would have asked Centrelink and Medicare to make themselves available to discuss with KPMG the development of the business case, including estimations of possible fraud impacts.

Senator CHRIS EVANS—You are not seriously suggesting to me that it was just a chat and a back-of-the-envelope job? Surely you must have done some work.

Mr Leeper—I am sure some work was done. I am just trying to address what I think is in your question, which is that KPMG may have been provided absolute figures by the agency. I am not sure that I could say that. So at the ends of a spectrum we are probably in the middle somewhere.

Senator CHRIS EVANS—Perhaps you can see if there is an officer in the room during the course of the day who could help us with the question: what work was done, what the assumptions were, what was given to KPMG as the basis for the \$3 billion, the nature of work done for them and whether it consisted of more than just having a chat about it? While you are at it, can you confirm for me whether it is \$3 billion, up to \$3 billion, as much as \$3 billion? The term has been thrown around a bit in the media by various persons and I just want to check what we are actually saying. Is the estimate \$3 billion or is it up to \$3 billion?

Mr Leeper—I think it is up to \$3 billion.

Senator CHRIS EVANS—What does that mean? \$200,000?

Mr Leeper—Pardon?

Senator CHRIS EVANS—Well, is it \$2 billion, \$1 billion? They are both ‘up to \$3 billion’—they are both covered in that subset.

Mr Bashford—It is in the order of \$3 billion.

Senator CHRIS EVANS—In the order of? You are wasted in the department; you should go into politics!

Senator STOTT DESPOJA—I thought the government preferred the more conservative estimate: \$1.6 billion to \$3 billion.

Senator MOORE—And over what 10 years? It is ‘\$3 billion over 10 years’: from when?

Mr Leeper—I think it is over the 10 years from its introduction, so that would be from 2008.

Senator MOORE—So it is not from when it becomes semicompulsory; it is from when people start using it.

Mr Bashford—Yes. You cannot make savings until the card becomes in use and that is not, in fact, until 2010.

Senator MOORE—That is what I thought. So the saving is from—

Mr Bashford—2010 onwards. That is why there are no savings in the estimates because the estimates go for four years, and so the savings start in 2010.

Senator CHRIS EVANS—But Senator Stott Despoja seemed to think that maybe the figure that has been used is \$1.6 billion to \$3 billion. Is that correct, Senator?

Senator STOTT DESPOJA—That has been used.

Senator CHRIS EVANS—Perhaps I can ask it this way, Mr Leeper: what figure does the KPMG report formally indicate as the savings from the measure?

Mr Leeper—Given that that in effect relates to the release of material in the KPMG report, I probably need to take that on notice. The minister has indicated that we are going through a process of assessing what in the report can be released.

Senator CHRIS EVANS—Yes, but that is a different issue. That is about commercially sensitive information; this is about the Commonwealth savings. This is about figures that the minister and you have discussed publicly. We have been talking about \$3 billion, and the moment I ask you whether it is \$3 billion or \$1.5 billion, you say, ‘I’ll have to check whether I can release the figure.’

Mr Bashford—We believe \$3 billion is the right figure.

Senator CHRIS EVANS—I take it from that that that is the figure based on your advice from KPMG?

Mr Bashford—Yes.

Senator STOTT DESPOJA—I will return to the issue of the privacy impact assessment, if that suits others. Just checking my notes, my understanding is that yesterday the minister said that he would not make the impact assessment publicly available on the basis of it being outdated. Can you tell us anything about the proposal and what the privacy impact assessment says about the so-called smartcard, the access card?

Mr Bashford—There were certainly concerns about whether this is an ID card or not. That was the main concern. As the Prime Minister said, and as everyone else has said quite publicly, this is not an ID card. An ID card would have to be carried with you at all times; it would apply to one person. It is none of those things. The consumer chooses when they use this card—except that in 2010 they will be required to use the card to gain benefits from DHS agencies and the Department of Veterans’ Affairs. It is clearly not an ID card, and that was the concern that was highlighted in the initial privacy impact assessment.

Senator STOTT DESPOJA—Did that assessment make recommendations?

Mr Bashford—I will have to take that on notice. I have only been in this job a little while.

Senator CHRIS EVANS—Not that old excuse. You have been around a lot longer than that, Mr Bashford.

Senator STOTT DESPOJA—My understanding is that the minister gave a commitment to the head of the Australian Privacy Foundation that that assessment would be released. Is there any reason, apart from the so-called outdated nature of the report—which, as we understand it, was prepared pretty much concurrently with the KPMG report—

Mr Bashford—There are two reasons. First of all, it is still a work in progress, so it is not complete. Secondly, it was provided as a cabinet document.

Senator CHRIS EVANS—This is the Clayton Utz report?

Mr Bashford—The privacy impact assessment, yes.

Senator CHRIS EVANS—Maybe we can go back a step. Is the only privacy impact assessment report provided the one from Clayton Utz?

Mr Leeper—Yes. The initial privacy impact assessment was developed by Clayton Utz, with support from a person who had been a former deputy privacy commissioner, and involved close consultation with the Privacy Commissioner and her office.

Senator CHRIS EVANS—So the former deputy privacy commissioner was acting in a private capacity?

Mr Leeper—Yes.

Senator CHRIS EVANS—Were they employed by you or by Clayton Utz?

Mr Leeper—By Clayton Utz.

Senator CHRIS EVANS—How did you come to employ Clayton Utz for this purpose?

Mr Leeper—Clayton Utz were selected on a value for money basis. We also consulted with the Privacy Commissioner about the individuals available—either through primary companies or through other arrangements—who would have her confidence in the development of an initial privacy impact assessment. The person who was engaged in a private capacity by Clayton Utz, who had worked with the Privacy Commissioner's office, helped to build that confidence. It was done on a value for money basis, but it was not done as a general tender.

Senator CHRIS EVANS—What does doing it on a value for money basis mean in terms of the selection process?

Mr Leeper—It means a delegate satisfies themselves that the taxpayer is going to get reasonable value for money from the engagement. The arrangement was, as I recall, a capped arrangement for the work to be done. The cap was set at, I think, \$72,000, exclusive of GST.

Senator CHRIS EVANS—Was someone inside your department the delegate?

Mr Leeper—Yes.

Senator CHRIS EVANS—And they decided that it would be done on the basis of that process rather than as a tender?

Mr Leeper—Yes.

Senator CHRIS EVANS—They then asked the Privacy Commissioner for her view?

Mr Leeper—I think there was consultation with the Privacy Commissioner.

Senator CHRIS EVANS—Did she recommend the person who was employed?

Mr Leeper—My understanding, Senator, is that the individual—I am obviously being very careful not to name them; for what reason, I am not quite sure—was suggested by the Privacy Commissioner as somebody who ought to be involved in the privacy assessment. My advice is that they were not, at that stage, allied or associated with Clayton Utz.

Senator CHRIS EVANS—So they were suggested as a possible person by the Privacy Commissioner. It is obviously a reasonable thing to consult her. She suggested someone who was a former deputy privacy commissioner. How did the happy marriage of the deputy privacy commissioner and Clayton Utz occur?

Mr Leeper—I do not know the answer to that. I am happy to check in the next break and come back to you on that.

Senator CHRIS EVANS—As it did not go to tender, I presume you put the two in contact, in the sense that the process you were running was not a tender process and you decided to involve Clayton Utz.

Mr Leeper—I will check, but that sounds like a reasonable assumption.

Senator CHRIS EVANS—Did you contract the former deputy privacy commissioner or did you just contact Clayton Utz and they sorted out the arrangements themselves?

Mr Leeper—Through Clayton Utz is my understanding.

Senator CHRIS EVANS—So you had a contract to them with a cap of \$72,000?

Mr Leeper—Yes.

Senator CHRIS EVANS—What did it cost?

Mr Leeper—The work has not been finally invoiced, but it will be higher than \$72,000.

Senator CHRIS EVANS—Your caps do not seem to be very effective, Mr Leeper.

Mr Leeper—Yes. Some work was commissioned and, perhaps, a little more care could have been taken with how it was procured. You might be aware that in the Commonwealth procurement guidelines there is a general cap of \$80,000; I am seeking advice about the way in which I can approve the further payment for the work that was done. The issue there, as Senator Stott Despoja alluded to, was that the business case and the privacy impact assessment proceeded in parallel. In order to finalise the initial privacy impact assessment it was reasonable, in our view, to extend the consultancy arrangement so as not to place undue economic burden on Clayton Utz for the work that they performed. They spent a lot more than \$72,000 on this.

Senator CHRIS EVANS—I will come to that in a minute, but why did the business case impact on the privacy assessment?

Mr Leeper—Because the two exercises overlapped, and the privacy assessment has to be based on where the business case is up to. The business case process took longer perhaps than had been anticipated and so some of the privacy impact work needed to be reassessed.

Senator CHRIS EVANS—I see—they had to go back over old ground.

Mr Leeper—Yes. Being a capped arrangement, a view was reached that we were probably transferring an unfair amount of financial risk to the consultant. A decision was made that an additional payment would be made. From memory, I think the amount that I am now being asked to approve is a total of \$127,000.

Senator CHRIS EVANS—So they have gone over by about \$55,000. Obviously, somebody must have approved them doing the extra work; or did they do it hoping that you would pay the bill?

Mr Leeper—As I understand it, verbal approval was given.

Senator CHRIS EVANS—Fair enough. Have they reported finally?

Mr Leeper—I believe the work is complete, yes.

Senator CHRIS EVANS—And so the contract is at an end?

Mr Leeper—Yes.

Senator CHRIS EVANS—You just have to get over your little hurdle about the contract?

Mr Leeper—Yes.

Senator CHRIS EVANS—Who has the report gone to?

Mr Leeper—As Mr Bashford indicated, the report was an input into the policy consideration processes by government. The report was to go to the department and, through the department, to the minister.

Senator CHRIS EVANS—The department got it and the minister got it. What about the other ministers involved in the development of this process?

Mr Leeper—I do not believe they would have had access to it. The outputs and any conclusions from it that were relevant to the cabinet process would have been reflected in material put to cabinet, but that is as far as I can go, obviously, with that answer.

Senator CHRIS EVANS—Sure, but that would have been material produced by your department for the minister to take to cabinet?

Mr Leeper—Yes.

Senator CHRIS EVANS—So the minister for health and others did not see the report?

Mr Leeper—I am not aware that the privacy impact assessment was released to anybody else. I will check that for you.

Senator CHRIS EVANS—Okay. When did they hand that to you?

Mr Leeper—We do not know. I think it might have been in March. I think the final document would have been completed towards the end of March.

Senator CHRIS EVANS—Can you check that for me and come back to me later?

Mr Leeper—Certainly.

Senator CHRIS EVANS—That would have gone to you and to the minister then, presumably, sometime in early April?

Mr Leeper—Certainly the final document would have been in time for consideration by government of the issues.

Senator CHRIS EVANS—So you were able to use that information for any submissions you made to cabinet in April?

Mr Leeper—Yes.

Senator CHRIS EVANS—And that was the only consultancy involvement in the privacy impact assessment?

Mr Leeper—As far as I am aware, yes.

Senator CHRIS EVANS—Did you have staff resources allocated as well, apart from letting the contract? Were your people working in conjunction with them?

Mr Leeper—Yes, within the smartcard task force there was at least one staff member that I am aware of whose primary focus would have been on privacy issues.

Senator CHRIS EVANS—And on assisting with and developing the report?

Mr Leeper—Yes, as well as other material.

Senator CHRIS EVANS—Is that the continuing commitment of the task force—that is, one person on privacy issues?

Mr Leeper—As Minister Hockey announced yesterday, we are engaging Professor Allan Fels as the leader of a consumer and privacy task force, as part of the access card implementation. That will include Professor Fels and departmental officers. It will not just be one person; it will be a couple of people, at least, in a work group. That staffing activity will commence.

Senator STOTT DESPOJA—Before we move on to some of those issues, can I follow up another PIA question. Mr Bashford, I do not know whether you have had an opportunity to find out if there were recommendations contained in that assessment.

Mr Bashford—I am advised that there were no recommendations.

Senator STOTT DESPOJA—Are there any changes to the policy as a consequence of the privacy impact assessment?

Mr Bashford—That is ongoing. There is a lot of work to be done. That is why we have Professor Fels. That is why the minister has employed Professor Fels and a team to continue to consult with consumers and—

Senator STOTT DESPOJA—Let me break it down a bit. Between the privacy impact assessment being provided and the document that was prepared that went to cabinet, were there any changes made based on the privacy impact assessment? I understand it is a work in progress and it is evolving. I do not mean to ask anything that is open-ended in that respect. I want to know if anything came out of that privacy impact assessment or whether any changes or ideas were adopted as a consequence of that assessment.

Mr Bashford—I will have to find that out. It was before my time. I will find out for you.

Senator STOTT DESPOJA—Thank you. Why was the privacy impact assessment not made publicly available for, say, consultation? Why was a draft not made available so that

various interests and sector representative organisations had an opportunity to comment before it went to cabinet on 26 April or whenever it was?

Mr Bashford—You would have to ask the minister that. It is a decision of the minister whether he wants to release those things or not.

Senator STOTT DESPOJA—Given that it is a work in progress and this is evolving, does that mean there will be a separate privacy impact assessment each time a new policy proposal comes forward or there is a change made to the model or there is a new debate or cabinet proposal regarding the update of the smartcard proposal?

Mr Bashford—There is one set of very clearly defined functions for the use of this card. When the lead adviser comes on board and we know in much better detail how that is going to happen, we will have another impact assessment.

Senator STOTT DESPOJA—So at this stage there are no impact assessments in train but there will be one when the process you outlined is complete—that is, when someone is on board?

Mr Bashford—Yes. Again, no final decision has been made on any of those things. The privacy impacts will certainly need to be considered once we know exactly how it is going to work.

Senator STOTT DESPOJA—Will those assessments be independent? Will the next privacy impact assessment be done independently?

Mr Bashford—No decision has been made yet on that, but I can imagine that it will be.

Senator STOTT DESPOJA—Will it be publicly available?

Mr Bashford—I cannot answer that.

Senator MOORE—I want to ask you about the Clayton Utz consultancy and the figures you publish every year in your annual report. Would that come under a direct source consultancy? Is that how you would have to publish them? The Clayton Utz one is for a specific purpose. Anything over \$10,000 has to be published. I want to work this out before the next one. Would Clayton Utz be direct source and would the one that went through KPMG, through KAZ, be a select tender appointment?

Mr Leeper—I think you are on page 242.

Senator MOORE—I am—the little clutch of them that go there.

Mr Leeper—In this year's annual report, when it is prepared, there will be a similar table. The justification there could be for either of them, really. It says:

A Skills currently unavailable within the agency

B Need for specialised or professional skills

C Need for independent research or assessment.

I think the people who classify the tender will have some fun with that one.

Senator MOORE—From the way you were describing it, I thought that the KAZ one would be a select tender, as there was a panel that you selected.

Mr Leeper—Sorry, yes.

Senator MOORE—This is just for consistency.

Mr Leeper—Yes.

Senator MOORE—So that would be how you would expect that they would appear?

Mr Leeper—Yes.

Senator MOORE—Clayton Utz would be direct source and KAZ would be select tender.

Senator STOTT DESPOJA—I want to clarify one more thing in relation to the privacy impact assessment. Mr Bashford, I asked initially about any changes that may have been made after the initial impact assessment was made available and when the proposal went to cabinet on 26 April. Are you aware of any changes that were made as a consequence of the cabinet discussion on 26 April or any changes that may have been made between that cabinet decision and the announcement in the federal budget on 9 May? Were any changes made that may have been as a result of deliberations generally or the privacy impact assessment specifically?

Mr Bashford—I am not aware of any, but I will need to check that with the privacy officer within the team.

Senator STOTT DESPOJA—I find it interesting that we can only begin to speculate now. The privacy impact assessment is no longer going to be publicly available. The basis upon which that decision has been made, as we understand it from the minister, is outdated. Given that that is outdated, you would presume that there would have been changes or updates made to the model in the proposal as a consequence of either the privacy impact assessment or maybe the KPMG report. So I am trying to work out why this privacy impact assessment is outdated.

Mr Leeper—We cannot comment on matters that are discussed in cabinet. As far as I am aware, there were no changes to the business model following the completion of the initial privacy impact assessment. In the transcript of the Prime Minister's press conference on 26 April, he makes it quite clear in the second paragraph that 'the cabinet today has had a lengthy discussion on the issues'. That was part of the announcement. Your question goes partly to whether there were any changes between the cabinet consideration and the announcement. Obviously, I am not going to comment on cabinet matters, but I point out that the Prime Minister's comments make it quite clear that the proposal was announced on the day that it was given final consideration, at least.

Senator CHRIS EVANS—I think you misunderstood the question. I think the question went to whether there were any changes to the business plan subsequent to the finalisation of the Clayton Utz privacy document.

Mr Leeper—I have answered that.

Senator CHRIS EVANS—Your evidence to us has been—

Mr Leeper—I have answered that. I have said that I am not aware of any changes to the business model.

Senator CHRIS EVANS—I just want to confirm this, because your evidence earlier was that you have had a blow-out in costs because you asked them to wait and to redo work to allow for the changes in the business plan and the completion of the business plan.

Mr Leeper—Work on the privacy impact assessment, as I understand it, proceeded through January. It had been hoped that the business case would have been completed to a satisfactory point where the initial privacy impact assessment could also be drawn to a close. That was the basis on which we set up the capped arrangement with Clayton Utz. In the event, the business model work took further time, so an approach was made to Clayton Utz to further refine the initial privacy impact assessment based on what we understood at that stage was to be the final structure of the business case. What I am trying to describe here is a process where the two things ran along in parallel. We had hoped that the PIA would be finished by 9 February. The judgment was made that it needed to be looked at quickly again because the business model in the business case had moved as it was finalised.

Senator CHRIS EVANS—Senator Stott Despoja, I am sorry I may have cut across you, and you have a better feel for this than me. Given all that, how can the privacy impact assessment be out of date?

Senator STOTT DESPOJA—Thank you!

Mr Leeper—Because the business case provided by KPMG is in effect a high-level design, and a fundamental privacy impact assessment can only be based on a detailed design of all the components. The impact assessment is an initial one in the same sense that the technical and architectural design from KPMG went to a stage or to a level sufficient to allow the broad parameters to be costed and estimated.

Senator CHRIS EVANS—It is not out of date in the sense that it reflects the concerns or assessment of the business plan as finalised. What has triggered it being out of date?

Mr Leeper—The business case—not the business plan. The business case is the development of a proposition that to move from one situation to another involves costs and benefits and an assessment of how you might get there. A business plan is a detailed plan of activity, which is what we are now proposing to go into.

Senator CHRIS EVANS—You do not have a business plan yet?

Mr Leeper—We do not have any money yet. The appropriation is for 1 July.

Senator CHRIS EVANS—That is the point. All you have at the moment is your business case, isn't it?

Mr Leeper—The purpose of the business case was to enable the proposition to be put to government to allow them to assess whether or not they would like to invest in an access card for the benefit of Australian citizens.

Senator CHRIS EVANS—And your privacy impact assessment was to assess the privacy implications running in conjunction with the business case?

Mr Leeper—Yes.

Senator CHRIS EVANS—So what has happened between then and now that makes the business case still sound and current but makes the privacy impact assessment out of date?

Mr Leeper—Because the initial privacy impact assessment is based on high-level design rather than a detailed specification. This is the work that remains in front of us. This is why Professor Fels has been engaged—there is a substantial amount of work to do around the detail of how the access card will operate, which will involve further detailed privacy assessments.

Senator CHRIS EVANS—That is a statement of the bleeding obvious. The question is: what has happened that would make that work, which the taxpayer is going to have to spend \$27 grand on, suddenly out of date? Isn't it, as a marker at the time, as a commentary on the business case, still a valid document?

Mr Leeper—It is not necessarily out of date but it is not at the level of detail that I would expect it would need to be at to be considered alongside a detailed design specification for how the access card will operate.

Senator CHRIS EVANS—I agree with you, but it still makes it a valuable contribution to the debate, doesn't it?

Mr Bashford—As I said, it is part of the ongoing work and we would like to get some more specificity into how this card is going to operate before going further. Yes, there has been some useful stuff out of that initial report. The ID card issue has been resolved; it is not an ID card issue. It was useful at the time.

Senator CHRIS EVANS—Basically, you are telling me that you would like to keep your report on the privacy impacts private?

Mr Bashford—No, I am saying that we need to do more work on privacy before the minister makes a decision about whether any of that stuff is released.

Senator STOTT DESPOJA—Let me go back a step to the answers given earlier. You cannot necessarily identify any changes that were made to the policy and the proposal as a consequence of the privacy impact assessment. You describe it as having a useful role in dealing with the issue of whether it is a national ID card. I will not get into that debate—16.5 million people as a consequence, according to your figures, will have it, so we will leave the pseudo voluntary compulsory card debate. Were changes made based on the privacy impact assessment or was it simply the issue of whether it was a national identity card that was dealt with?

Mr Bashford—I cannot identify it, because I do not know, because I was not around at that time. I said I would ask people to have a look at it.

Senator STOTT DESPOJA—I understand that, and I think it would be useful to find that out.

Mr Bashford—So I cannot comment any further on that unfortunately.

Senator STOTT DESPOJA—Mr Leeper, you made a comment earlier—and I thank you; I was happy with your answer because I think you did get a sense of what I was trying to say. Senator Evans then came forward with the point that obviously I have been trying to come to grips with, and that is that, if one is outdated because it is based on the same model that the KPMG report was based on, it arguably renders the KPMG report redundant as well. So it is very spurious for anyone to cite the figures, for example, in terms of savings or otherwise that

may come as a consequence of this. However, when I asked about the changes that may have been made between the privacy impact assessment, cabinet, the 26th and then the budget, my understanding is that you indicated that changes were not necessarily made.

Mr Leeper—I am not aware that there were any changes. I will certainly check. I am not aware that there were any changes over that period. There were certainly no changes between the announcement on 26 April and budget night, because what was announced was what was in the budget papers. I am not aware of any impact—pardon the pun—from the privacy impact assessment on the KPMG business case model, but we will check that.

Senator STOTT DESPOJA—Thank you for that, because I guess that brings us to the point of: why is the PIA necessarily outdated? I am using the minister's terminology there, and I note your point—I hope I have this correct—that they are based on a high-level specific design, but it seems like there may not necessarily have been fundamental changes made throughout this process that necessarily render the privacy impact assessment outdated, and, even if it is, I think there is a very strong case for it being made available publicly. I understand that that is not your decision to make, but obviously we will implore the minister to make it available.

Mr Leeper—May I read into the record a correction. The former Deputy Privacy Commissioner was in fact separately engaged by the department. I apologise for that.

Senator STOTT DESPOJA—I think that was of particular interest to Senator Evans as well. Mr Bashford, you answered Senator Evans when he was getting onto the issue of the task force, and obviously you mentioned the fact that Professor Fels has been appointed. I think there has been pretty much broad support for his appointment. I think most of us recognise his background and skills. I am not sure whether he has a particular background in the specialist IT privacy and security area. Perhaps you could outline the role of the task force in terms of dealing with privacy issues and how it is going to be established.

Mr Bashford—Certainly. It is to take on board the concerns of consumers and privacy advocates in relation to this project to feed them back to the deputy secretary and directly to the minister so that we can make any necessary adjustments in answer to those concerns.

Senator STOTT DESPOJA—Who else will be on the task force?

Mr Bashford—It is not decided yet.

Senator STOTT DESPOJA—When will it be decided?

Mr Bashford—It will be decided in the next couple of weeks because we want to get to work moving on it.

Senator STOTT DESPOJA—Can you indicate the kinds of people you might be looking for, in terms of skills sets and the backgrounds people will have?

Mr Bashford—We already have some people in the team who have been involved in privacy issues. We will certainly be looking for someone with some consumer type expertise.

Senator STOTT DESPOJA—Can you be a bit more specific? Are you talking about consumer advocates, someone from the consumer sector or someone from the Privacy Foundation? Will you be advertising those positions? Will they be up for tender?

Mr Bashford—It is not decided yet.

Senator MOORE—Is this in the departmental team?

Mr Bashford—The task force will be a mixture; people from the private sector, like Professor Fels, will be supported by people in the project office.

Senator MOORE—And the degree of detail and differentiation is not yet decided?

Mr Bashford—That is correct.

Senator MOORE—Do you have a cap?

Mr Bashford—No, that has not been decided yet either. These are still very early days

Senator MOORE—They are very early; very public, but very early. We have some idea of the budget, but not clearly. Is there any idea of the actual first-year allocation? You read out figures earlier—

Mr Bashford—Yes, that is clear.

Senator MOORE—But, as with all budgets, they could flow. So if you do not spend it all in the first year—

Mr Bashford—That is correct. We are putting together a detailed implementation plan now. We will need to wait until the lead adviser is on board before we can finalise that, and that will give us an indication of where the money will be spent in the first year.

Senator MOORE—So the whole program project plan is being developed now?

Mr Bashford—Yes. There was a very preliminary one in the KPMG report, but it was nowhere near detailed enough for us to act on. We needed to go into much greater depth about what needs to be done. We are thinking through that right now.

Senator MOORE—Have you advertised for the key personnel?

Mr Bashford—We have advertised for a lead adviser. That will be a company that will provide the expertise, so we have advertised for experience in the implementation of a card of this nature. We have advertised for a check and balance in the way of a monitoring and assurance role, and we have advertised for the deputy secretary position to replace me when I leave.

Senator MOORE—Have you advertised for those further down the chain as well?

Mr Bashford—No, we have not advertised anything else specifically.

Senator MOORE—So the idea is to get that first three that you agree that are going out? They will get filled—

Mr Bashford—Yes.

Mr Leeper—Absolutely.

Senator MOORE—It is one of those things. I know it is evolving, but, intrinsically, developing the plan must include the people who are going to work on it. And you have not got all the people who are going to work on it yet.

Mr Bashford—We have had a team working on this for some time. That team remains in place.

Senator MOORE—How many are in that team?

Mr Bashford—Ten.

Senator MOORE—Are they all permanent staff within Human Services?

Mr Bashford—They are all permanent staff in Human Services.

Senator MOORE—Where do they fit?

Mr Leeper—Some may be on secondment from our agencies or other departments—

Senator MOORE—They fit in your current staff—

Mr Leeper—They are staff members paid for; they are on the Public Service payroll.

Senator MOORE—Which box do they fit in?

Mr Leeper—They are in the yellow box.

Senator MOORE—They are in the yellow box now, but they were not in the yellow box until this happened, were they?

Mr Leeper—No; for the last 12 months we have had the smartcard task force in the department.

Senator MOORE—That is right. I am trying to get clear in my own mind that you have had a preliminary team within the department looking at proposals around this—

Mr Leeper—Yes.

Senator MOORE—and within a section. Now that the political decision to progress it has been made, it is changing its life force.

Mr Bashford—The original people are still there, and we are adding to those original people.

Mr Leeper—So those 10 people in that team at this stage—give or take, depending on what happens—would be expected to move from where they are in the current structure to whatever is going to grow into the yellow part?

Mr Bashford—They will be part of the implementation team, yes.

Senator MOORE—And that has not formally happened yet?

Mr Bashford—They are part of the implementation team now. They did not physically move; they transferred. Once the decision was made they became the basis of the implementation team.

Senator MOORE—That is going to grow by numbers that you are not sure of yet, but obviously they are going to grow over the next 12 months?

Mr Bashford—Yes.

Senator STOTT DESPOJA—I go back to the issue of the composition of the task force. Apart from somebody with a consumer background, is there a specific interest or intent to get

someone with a privacy background or a representative of those involved in the privacy debate—and also someone with a technical or technological understanding?

Mr Bashford—Yes, privacy and consumers are the two aspects that we are looking at. We will have expertise in the team from both those areas.

Senator STOTT DESPOJA—I understand that that is the nature of the privacy and consumer task force, and you would assume that you would get people who have an interest or a background in that. I wonder if it is going to be specified that people have expertise and not just an interest in it. I am curious as to how you are forming the composition of this particular task force.

Mr Bashford—We have not yet put the specifications together for this team, but it would be silly of us not to have people with experience in those fields.

Senator STOTT DESPOJA—You have mentioned very generally the role and/or function, I suppose, of the task force in providing advice et cetera. Will the task force have the authority and perhaps the technical backup, for example, to be able to recommend or indeed cancel this project if they are sufficiently concerned about the implications for, say, the privacy of consumers?

Mr Bashford—I do not know about cancelling the project, but certainly Professor Fels will have access to the minister to make recommendations to him. I guess the minister will then make his own decisions about that.

Senator STOTT DESPOJA—Professor Fels seemed to make it quite clear yesterday that he was not—

Mr Leeper—I thought he used the word ‘independent’ a lot in the first couple of paragraphs.

Senator STOTT DESPOJA—Indeed.

Mr Leeper—He was at pains to stress that point.

Senator STOTT DESPOJA—And quite happy to be outspoken. This task force is not going to be an independent body as such, in that it will not be a statutory authority in that respect?

Mr Leeper—No.

Senator STOTT DESPOJA—So it is within the department?

Mr Leeper—It is a task and consultative dimension of the implementation group, headed by an eminent person with a great record in that particular area.

Senator STOTT DESPOJA—Mr Bashford, you indicated that a time line for advertising or appointments is yet to be determined.

Mr Bashford—I indicated that we are trying to come to some conclusion in the next couple of weeks because we want to get on with the job.

Senator STOTT DESPOJA—So when would you imagine that the task force would be operating?

Mr Bashford—Part of the task force is operating now.

Senator STOTT DESPOJA—Yes, but I am talking about a fully-fledged task force with all members present and correct.

Mr Bashford—As soon as possible.

Mr Leeper—As soon as we are able to.

Senator STOTT DESPOJA—Okay.

Mr Leeper—Graham's people are not getting much sleep at the moment. Trust me, there is a lot of work going on.

Senator STOTT DESPOJA—We do not mean to do that to them. As you appreciate, it is such a significant project that I think we are very keen to get some answers on a number of these issues. I would not mind turning to the specifics of the card itself, but I am happy to—

Senator MOORE—Yes, I think that is fine. We will play around with it and see where we go. Mr Leeper, we have some specific questions about what happened with the Medicare trial, with the card in that area in Tasmania, but I think we will leave that for later. I mention it just so that you know and so that Mr Bashford and Mr Dainer do not rush away before we actually get to that point. It may well be that it would fit better under Medicare. The questions are specifically about following up on that trial.

Mr Leeper—I would be very pleased to stay.

Senator STOTT DESPOJA—This will not be a surprising series of questions.

Mr Leeper—I will get the answers ready then.

Senator STOTT DESPOJA—You could get the right briefing ready on this. The office of the Victorian Privacy Commissioner has quite usefully distributed a list, called a 'smartcard privacy checklist', that he strongly suggests the public should ask governments about. I thought I might use that as a fairly basic walk-through of the aims and functions of the card, some of which I understand are in the budget papers. I am happy to elaborate on them. I want to start with the very basic question: what information will be contained on the card?

Mr Bashford—On the outside of the card, rather than on the chip, there will be a name, a photograph, a digital signature and a card number.

Senator STOTT DESPOJA—That is what will be visible?

Mr Bashford—That is what will be visible on the card.

Senator STOTT DESPOJA—What will be on the microchip?

Mr Bashford—On the chip itself—and, again, I stress that this is not set in concrete yet, but this is what we think—there will be the address, the date of birth, the concession status, a signature, a photograph and the names of children and other dependents.

Senator STOTT DESPOJA—What information—and obviously it is not compulsory—

Mr Bashford—I will add that consumers may choose to put some other things on there, protected by a PIN, such as emergency contact details, allergies or things like that. But that is the extent of the information that will be on the card.

Senator MOORE—Mr Bashford, I know that this is evolving and moving on, but the answers you are giving us now about what may be on the card involve the kinds of things on which the KPMG case was made.

Mr Bashford—Correct.

Senator MOORE—So nothing here is not contained in that case at the moment?

Mr Bashford—Correct.

Senator STOTT DESPOJA—That is probably a good point to make now as opposed to at the end. Mr Bashford, what information will be on supporting databases or linked to those databases?

Mr Bashford—It will be a single database. The information that I just read out, and only that information, will be contained on that database. It will be our secure customer database.

Senator STOTT DESPOJA—You talk about this not being set in stone, and I understand that. I assume it will be possible for consumers to utilise the card for a range of other services if they so choose.

Mr Bashford—That is possible, but it is not in our terms of reference at this stage—not for the next four years. Any change in function would certainly have to be either requested by consumers or a decision of government.

Senator STOTT DESPOJA—How would information be added over time? What is required to change that function?

Mr Bashford—It would have to be a decision of government.

Senator STOTT DESPOJA—Not necessarily a decision of parliament, at this stage? I guess that gets to the issue of how much of a role legislation or the parliament will play in the process of the development of the card and its implementation. Obviously, I am conscious of the fact that there are cabinet and budget decisions, but, apart from financial issues, how much of this needs to be dealt with in a legislative format?

Mr Bashford—The government has decided what is to be on the card right now; it would be the government, I would say, that made any changes to it.

Senator STOTT DESPOJA—Does the information contained on the card need to go to parliament in the form of legislation? Will we be debating this in the form of a bill sometime down the track?

Mr Bashford—It is not clear yet whether there needs to be legislation. It is not ruled out yet, but it is not clear. We are going to have to wait until such time as we and the lead advisories on board know exactly how the card is going to operate before we can make any decisions about whether legislation is required or not.

Senator STOTT DESPOJA—Is there any legal advice that has been requested or made available? Is there anything in the KPMG report that indicates whether or not this needs to be mandated through legislation or through special ministerial powers? Do you have any information as to that?

Mr Bashford—There is no advice available yet that says we absolutely need to go to legislation.

Senator STOTT DESPOJA—Has advice been requested as to whether or not this needs to be dealt with in a legislative format?

Mr Bashford—I do not believe they can answer that question until such time as we know the absolute detail of the implementation of the card.

Senator STOTT DESPOJA—Who will have access to information that is contained on the card or within the databases?

Mr Bashford—Only the consumer—the customer. The customer will decide where and when they want to use the card. However, after 2010 they will need to use the card in order to get benefits from the Department of Human Services agencies and from the Department of Veterans' Affairs.

Mr Leeper—We would expect, Senator, in the event that a person had more than one piece of business with government for which the card was necessary after 2010, that any staff member of an agency who needed to see that information would see only that information. That is how we believe it will be set up.

Senator STOTT DESPOJA—Separate fields?

Mr Leeper—Yes, that is my understanding. But, as Mr Bashford is pointing out, there is a lot of work to be done and a lot of detailed specification to work through.

Mr Bashford—We do know that there will be no combination of databases et cetera. For example, people in Centrelink will not have access to the information that is stored in Medicare et cetera.

Mr Leeper—We will be following the information privacy principles in developing this.

Senator STOTT DESPOJA—In relation to legal advice and the privacy impact assessment, did they have anything to say about whether or not the NPPs or the current Privacy Act were sufficient to deal with the no doubt myriad issues that will spring up as a consequence of a database or smartcard? Do you have any information or advice on that?

Mr Bashford—I will take that on that notice; I do not know.

Senator STOTT DESPOJA—Okay. You have mentioned obviously that government agencies would have access to their information with, I accept, very clear qualifications. Beyond government, would the private sector or any businesses at this stage have access to the smartcard?

Mr Bashford—Only at the behest of the consumer, the person who has the card. So in some instances there may be, for example, an opportunity to put emergency payments on the card, in which case the consumer may want to go and get that from an ATM or something like that.

Senator STOTT DESPOJA—Can you talk us through that process? This is something that was mentioned in the media—I think the reference was to Cyclone Larry and the consequences for disaster relief in an emergency situation like that. It was said that it would

be perceived as much more convenient when someone was in a disaster or when they did not have the usual ID or what have you. How exactly would it work?

Mr Bashford—I cannot tell you how exactly because we do not know the details. I can tell you broadly that what it means is that Centrelink will not have to walk around with a bucket of money in its pocket to give out in these emergency situations; it will be able to download small amounts of money onto that card which the customer can go and recover from an ATM.

Senator MOORE—From the very preliminary information we have at this stage about the added availability of this particular format in an emergency situation, it seems that you cannot make a general statement that it is going to be easier to work with a card in that process in terms of being able to access money from ATMs and things. There are only two sentences in the initial document we have got that talk about that. That was one area where I think there needs to be considerable work done.

Mr Bashford—I agree with you; there is a lot of work still to be done to decide how that might work.

Mr Leeper—All that is being said, Senator, is that advice from overseas and from other companies is that chip enabled cards are capable of becoming electronic wallets. That is all that is being said here. There is not an expression of detail; there is not necessarily an expression of intent. We are just noting that the technology supports its use as an electronic wallet, should government choose to do that.

Senator STOTT DESPOJA—My understanding is that in some emergency or disaster relief circumstances you may be providing assistance to a range of people. Those people may not necessarily be on Centrelink benefits—I am just presuming here—but obviously we are talking about this card enabling delivery of those payments to people who already have the card, so they would have had to register in order to be able to use the card in those circumstances. So presumably they would be Centrelink users already, or using Medicare.

Mr Bashford—Yes. Up to 16.5 million people will probably decide that they like this card.

Senator STOTT DESPOJA—You are still telling me it is not a national ID card. We all have Medicare cards.

Mr Bashford—It is not an ID card. You do not have to carry it. There is more than one person on it.

Senator STOTT DESPOJA—It is 16½ million people. That is a lot. I understand it is not compulsory. What will those people who can access the information be allowed to do with it? Who will have access to it? For example, will the photo collection be made available to police or other authorities?

Mr Bashford—It is certainly not decided. The intention is that that database is for DHS agencies and for the Department of Veterans' Affairs. They will use that in order to determine whether the person seeking benefits is in fact the right person.

Senator STOTT DESPOJA—On 28 April, I think, there was reference in the media to ASIO and the Federal Police being allowed routine access to the smartcard database on national security issues, while state police would have restricted access for general crime investigations. Can you elaborate on those media reports?

Mr Bashford—No, I cannot. Nothing will change in terms of the powers of those people.

Senator STOTT DESPOJA—So they would have access to the biometric databases?

Mr Bashford—I cannot say that. There has been no consideration of that in relation to the access card, so I cannot answer that question. But I imagine that their powers will remain exactly the same.

Senator STOTT DESPOJA—Their powers may arguably remain the same, but obviously this is access to a different database, a biometric database. There are no specific circumstances under the act? I might check that. When you say ‘no consideration’, is there anything in the report on the privacy impact assessment that dealt with access by police or law enforcement bodies to the smartcard? Were there any comments?

Mr Bashford—I do not believe so. No, I am advised not.

Senator STOTT DESPOJA—So there wasn’t anything—

Mr Bashford—I am advised not.

Senator STOTT DESPOJA—I am just trying to get to anything that is in the privacy impact assessment. If it is not in there at least we can ascertain that by a process of elimination.

Senator CAROL BROWN—Senator Stott Despoja just mentioned the biometric photograph: can you explain what it is?

Mr Bashford—It is a photograph that is taken under controlled conditions which measures distances across your face.

Senator CAROL BROWN—And that is going to be part of the access card?

Mr Bashford—It will be on the card, in the chip, and on the database.

Senator CAROL BROWN—So the government plans to introduce some sort of facial recognition scanners at the service points?

Mr Bashford—No, it plans to have a registration process—and again, this is preliminary and could change. The thinking is that we would take a photograph under controlled conditions at the registration process. That photograph would be on the card, in the chip, and on the database. When the customer presented that card into a reader at the desk that photograph would be checked against the database. If there were a mismatch then that would raise an alarm.

Mr Leeper—One of the reasons for a biometric photograph is that it is able to be digitally stored and in the event that someone sought to achieve two such cards from the same physical appearance that ought to be detected. I might try it with my glasses off and see what happens—you know, glasses on, glasses off—but I suspect it will be too good even for that. The whole intention is that at the point of capture when people register for the card that image will be able to be checked against the database of images and I will not be able to get two cards with my one face. That is one of the primary reasons for expecting significant savings.

Senator MOORE—In effect, that photograph is the point of ID. It will be the ID element of the card so that—

Mr Bashford—It is the major part of the security aspects of the card, yes.

Senator MOORE—The thing that makes this card specifically different from lots of other cards in terms of ID, which is the identified use for stopping fraud and the multiple use of identities, will be the effective use of that image. Is that it?

Mr Bashford—Yes.

Senator STOTT DESPOJA—What will the people who have access to the information be prevented or prohibited from doing? Again, there were a couple of questions from the Victorian Privacy Commissioner arising out of the checklist. Will they be prevented from demanding a citizen's card before they vote? Are there any plans, for example, to use it for—

Mr Bashford—The only use for this card will be to gain benefits from the Department of Human Services agencies and the Department of Veterans' Affairs.

Senator MOORE—In terms of what we can agree to—

Mr Leeper—The scope we are delivering is what has been announced by the government, yes.

Mr Bashford—Customers may choose to use it like a driver's licence.

Senator STOTT DESPOJA—Elaborate on that point for me. Consumers will be able to use it for—

Mr Leeper—You cannot be required to produce your Medicare card as proof of identity—legislation forbids it. When someone says, 'Can you please help us prove your identity,' you may choose to offer your Medicare card—I think that it is worth 25 points. There is a difference between choice and compulsion..

Senator STOTT DESPOJA—That is why I am interested in what the prohibitions will be. Consumers may choose to use it for a range of other purposes, but what will be prohibited through law, whether delegated legislation or whatever? Will it be able to be linked with census data or, as I said, will it be able to be demanded—

Mr Leeper—Those are matters for consideration by the government.

Senator STOTT DESPOJA—So the prohibitions are not resolved at this stage? We have got an idea of its proposed use specifically in relation to health and welfare services but not necessarily an equally specific view of what it cannot be used for.

Mr Bashford—We have got a very specific view of what it can be used for and that precludes the rest.

Senator STOTT DESPOJA—There is a difference between precluding something and prohibiting something. Would you accept that there is a distinction?

Mr Leeper—Yes, Senator, and that is at least in part why Professor Fels has been engaged to head the consumer and privacy task force, to develop detailed advice to the government on operational issues and on how implementation risks can be managed, and I would expect that that would be something he would be looking at.

Proceedings suspended from 4.20 pm to 4.37 pm

CHAIR—I call the committee to order. We were examining the Department of Human Services on the issue of the access card.

Senator STOTT DESPOJA—I will continue with some of the queries that I had that were based on the Victorian Privacy Commissioner's privacy checklist. We were talking about what was prohibited, what may be prohibited and what the specific functions are intended to be at this stage. One of the queries is: will the unique number on my card be allowed to be used to match my information with other information held about me by the federal government, state, territory or local governments, or private organisations?

Mr Bashford—It is certainly not in the scope at the moment.

Senator STOTT DESPOJA—Not at the moment?

Mr Bashford—I will explain again, but this time I need to add a little bit because I left a couple of things out. It is the DHS agencies and the Department of Veterans' Affairs. And doctors and pharmacies will be able to determine whether you are entitled to a concession based on a 'yes' or 'no' type answer. We think it will be a 'yes' or 'no', but it has not yet been decided. There is a possibility that ambulance officers may have access to the emergency stuff.

Senator STOTT DESPOJA—Presumably when you talk about those varying agencies or services, the database arrangement is one where we are talking about separate fields—

Mr Bashford—Completely separate from any other database.

Senator STOTT DESPOJA—In terms of safeguards, obviously, in the NPPs and privacy law and generally, one of the aspects that is considered a safety measure is the fact that you can check information about you that is held and you have the right to correct it or challenge it or whatever the case may be. What safeguards do you envisage being in place with, say, the initial registration process? I understand that is probably still being worked out. For example, what information would people have to provide in order to qualify for the card or receive the card?

Mr Bashford—Again, I qualify this because it is not yet decided. We envisage that customers will have to provide about four documents, which we think will be scanned and stored but will need to be verified in some way.

Senator STOTT DESPOJA—What would the four documents be? Presumably those are in mind, given the current arrangements for accessing a bankcard or a bank loan. You have to provide a percentage—

Mr Bashford—They are things like a birth certificate and the usual range of documents that you currently provide to make 100 points. I am not saying that it is 100 points—

Senator STOTT DESPOJA—I was going to ask if it was based on a point system comparably to—

Mr Bashford—Something like that, yes.

Senator STOTT DESPOJA—That is not determined?

Mr Bashford—No.

Senator STOTT DESPOJA—Who will determine that?

Mr Bashford—We are working with the Attorney-General's Department on that.

Senator STOTT DESPOJA—How will people be able to access information about themselves?

Mr Bashford—They can do it if they have a reader at home on their PC. This is the intention.

Senator STOTT DESPOJA—So, in addition, presumably pharmacists, doctors and others would have to have a reader in order to get the information.

Mr Bashford—In order to ascertain whether they are eligible for a concession or not, yes.

Senator STOTT DESPOJA—You would not envisage that too many people would have their own reader.

Mr Bashford—No.

Senator STOTT DESPOJA—And that is the only way that you would access information about yourself?

Mr Bashford—They can certainly use a reader in any of the offices of the Department of Veterans' Affairs, Centrelink or whatever. So they can access their information that way.

Senator STOTT DESPOJA—So they would be able to access all the information in all fields?

Mr Bashford—Yes. They will be able to access the information that is contained in that—

Senator STOTT DESPOJA—And only they can access it? No-one else can?

Mr Bashford—No-one else can.

Senator STOTT DESPOJA—How can you prevent people having that access? I do not know how much of this is resolved. How will you prevent that kind of data cross-matching or infiltration of different databases, by either agencies or people who have a completely illegitimate aim? I am not talking about or reflecting on agencies. You probably would have seen that article that quoted Frank Abagnale. He gives you six months for someone to crack it. I know that is another extreme, but what precautions are going to be in place?

Mr Bashford—It is the job of the lead adviser to work out for us the absolute security of those arrangements.

Senator STOTT DESPOJA—I am starting to feel sorry for the lead adviser! So people will have the right to see their own information?

Mr Bashford—Absolutely.

Senator STOTT DESPOJA—And the right to correct that information—

Mr Bashford—Indeed.

Senator STOTT DESPOJA—if they believe that information is held correctly?

Mr Bashford—Yes.

Senator STOTT DESPOJA—I presume that the current Privacy Act will be deemed sufficient to cover that and that the task force will look at the adequacy or otherwise of the current Privacy Act to deal with new technology.

Mr Bashford—Yes.

Senator STOTT DESPOJA—‘What if something goes wrong and my personal information is at risk? Will I be notified that I can take steps to protect myself?’ That is one of the queries.

Mr Bashford—If anything goes wrong and we know about it, obviously we will inform the customer.

Senator STOTT DESPOJA—And if a card is lost or stolen? Obviously there is a biometric safeguard in there. I understand that. But what is the process for ensuring that someone can access government services? Is there a replacement card? What is involved in that process?

Mr Bashford—We have not gone that far. We have not worked out all those details yet.

Senator STOTT DESPOJA—I understand that the specific costs have not been worked out at this stage. Will people have to pay for their own card?

Mr Bashford—It is unlikely.

Senator STOTT DESPOJA—But presumably they would have to pay for their own reader.

Mr Leeper—If they chose to have a reader at home. I do not think the government provides other infrastructure.

Senator STOTT DESPOJA—I am presuming, based on previous comments, that the readers provided to doctors and others would be provided and paid for by the government. Is that the plan and is that included in the cost estimates that have been included in the budget?

Mr Bashford—That is the suggestions at the moment.

Senator STOTT DESPOJA—Apart from the smartcard task force—the consumer and privacy task force—and its role in examining consumer and privacy issues in the lead-up to the implementation of the card, is there any plan to organise or establish some kind of independent oversight body once the card is in operation? Or is that something yet to be determined?

Mr Leeper—That is a matter still to be determined.

Senator STOTT DESPOJA—Was there anything in the privacy impact assessment that talked about some kind of body that dealt with the oversight of the card or, indeed, recommended independent oversight of either the implementation of the card or the card’s operation post 2010?

Mr Bashford—We will have to take that on notice.

Senator STOTT DESPOJA—How often will the smartcard scheme and the oversight body be periodically and openly reviewed by parliament to ensure that I can trust government to collect and handle my personal information?

Mr Leeper—Every sitting day, we suspect, at least for the first four years.

Mr Bashford—There are reviews already in place—the PM&C implementation unit will certainly do reviews and there are the gateway reviews. We will also want to do our own independent checks and balances. The governance arrangements will be such that we will be looking very carefully at all aspects.

Senator STOTT DESPOJA—When you say ‘independent checks and balances’, do you mean something organised and monitored through the department or the agency or something done by an external body?

Mr Bashford—I mean independent to the lead adviser. The lead adviser is the person who is going to be making the recommendations about which way to go. We will have a couple—and, again, this is not set in concrete yet—of advisers who will look at the checks and balances associated with that, both technically and otherwise. Of course, Professor Fels and his team will provide an independent check and balance for the privacy and consumer type issues. We also intend to have a group that consults with stakeholders.

Senator STOTT DESPOJA—Professor Fels can provide so-called independent advice but he does not have independent authority. He cannot authorise changes—

Mr Bashford—I think we have been through that, haven’t we?

Senator STOTT DESPOJA—I do not mean to be picky here about the term ‘independence’. When you say ‘external to the lead adviser’ I am talking external to government. That is my definition of independent oversight. That is why I am trying to establish the meaning.

I understand that not a lot has been set in stone and I understand that there is a lead-up time to both the registration process and the implementation of the card, but \$1.1 billion has been set in stone and that is why I am a little surprised about aspects of today. I thought there might be some more specific detail as to when the next privacy impact assessment would be and whether or not the KPMG report would be made available—not just soon but by what date. I am genuinely surprised that this process seems to be moving very quickly from a budgetary and even government perspective and yet we do not even know if legislation is required or is being drafted in order to establish this proposal.

I do not suggest that people are not working incredibly hard on it—I suspect very few people are getting sleep or a break at the moment, as you indicate, Mr Bashford—but I am just wondering when we are going to have more specific detail. I cannot get a specific answer on when the smartcard task force will be realised. I know it is operating now to some degree, but I am interested in exactly when places will be filled, whether the places will be advertised or tendered for and what sort of authority or resourcing they will have. There are a number of issues that I honestly thought would be resolved by now.

Mr Leeper—What I have been trying to say in a number of answers this afternoon is that KPMG were engaged to do—and the smartcard task force were engaged to take forward—a proposition to government about whether or not they wish to invest in an access card. I think I have made it clear that final consideration by cabinet, according to the Prime Minister’s own words, and the announcement of the intention to proceed with this project were on the same

day. That was four weeks ago. The money that the government is providing for this project does not commence until 1 July. We are investing from within departmental resources to get things going.

Any major project goes through an inception phase. The work of the task force and KPMG was about a business case; it was not about setting the base for a project implementation. They are quite different tasks. For a \$1.1 billion spend, we are going as fast as we can, but there are several key elements that need to be done with care and attention, such as: the selection of a deputy secretary, because it is part of the department; selection of the lead adviser; and selection of a quality assurance adviser. Those are things that we are going to take carefully. Having put those in place, we will then be in a position to do the detailed developmental work which will underpin the kinds of issues that you have been expressing an interest in—particular the interaction between detailed specifications and privacy assessments. I want to leave the impression that it is very early days and this is a major project. What we are doing is perfectly normal in major projects—we are going into the inception phase and preparing ourselves for the work to come.

Senator STOTT DESPOJA—Thank you. I understand that. I guess my concern relates to government decisions—obviously ministerial decisions. For example, I still think there are some issues surrounding the privacy impact assessment, such as it not being publicly available and yet being rendered outdated, and a KPMG report which was prepared pretty much concurrently, based presumably on a similar or the same model, still, however, being utilised and referred to. Are you aware of reports that the states are planning on standardising their CCTV use for antiterrorism and security purposes? I am wondering if there is any proposal to link the standardised CCTV with the smartcard database. Has that that been debated or discussed?

Mr Bashford—AGIMO are looking at standards around that so we do not have different rail gauges, if you like. We are certainly talking to AGIMO, have been talking to AGIMO and will continue to talk to AGIMO about that sort of stuff.

Senator STOTT DESPOJA—I am wondering about it in terms of the linkage of the CCTV with the smartcard database.

Mr Bashford—There are no plans at this stage to link the two.

Senator STOTT DESPOJA—The government says that there is no individual identifier for the database but, based on comments today and obviously on the budget papers, it seems as though there will be an individual card identifier. I am wondering if the department can confirm that and whether or not anything is being done to prevent that being linked to the individual or becoming an individual identifier.

Mr Bashford—Each agency will retain their unique identifiers for their customers.

Senator MOORE—I understand the concept of having one card to access a whole range of service providers, but if you have one card that is going to be used across agencies, will Centrelink, Medicare, the Child Support Agency and the DVA—and possibly one family could have links with all of those—be able to use the crypto biometric identifier, which is the individual thing? Each of those agencies would have that on their record for me.

Mr Bashford—That is the intent—to use one facial recognition system.

Senator MOORE—Would that then mean that that identifier would be held in four or five different places?

Mr Bashford—No, it will be in one database. That enables you to determine—

Senator MOORE—Where will the one database be?

Mr Bashford—It is one database.

Senator MOORE—Where will it be?

Mr Bashford—It will probably be held in one of the agencies, but that is undetermined as yet.

Mr Leeper—But completely separate. I need to draw a distinction here between the databases that are used to administer claims and payment entitlements and the secure customer registration system that Mr Bashford is speaking about, which is the database which will hold that information which links me as an individual to the information stored and my card. That is not my Centrelink record; it is not my Medicare record; it is not my Department of Veterans' Affairs record. It is just a record that correlates my face, as it were, or everything about me, with what is on the card. Agencies can rely upon the fact of that card being mine because of the digital and biometric photograph that is in it. The secure customer registration system will be separate from the agencies but will be relied upon by them to administer entitlements. There will not be a crossover of information.

Senator MOORE—So there will be one repository where all this data is kept, in particular this photographic image which will make me peculiar from somebody else, and that is stored only in one spot?

Mr Leeper—Yes. And having established that, then Centrelink and Medicare and DVA will rely upon the security of and the confidence in that card.

Senator MOORE—But they can all access it?

Mr Leeper—As I understand it, they will be able to read the card to confirm the photograph but they would not be able to access the secure customer registration system. That is a held repository, a separate repository from their normal business.

Senator MOORE—And it is only in one spot, not in three spots.

Mr Leeper—Yes, that is my understanding.

Senator MOORE—Would that then mean that I would still have to go through all the proof of ID and claims for all the other agencies if I chose to make a claim?

Mr Leeper—Once only. Any update of details held on the card or by the secure customer registration system automatically becomes relevant to whichever agencies you do business with without you having to notify them separately.

Senator MOORE—In terms of the security aspect, the concern about where these details will be kept is real because there is no such thing as a guarantee. You can make every effort to ensure that safety provisions are made but there is no such thing as a guarantee this data would be kept in one spot.

Mr Bashford—It will be kept in one spot in the database and it will be a lot more secure than any other system that we have.

Senator MOORE—Who updates that database?

Mr Bashford—The customer can update that database and that is probably mostly how it will happen.

Senator MOORE—But who can? I know that the customer is probably going to be able to, but who can update it?

Mr Bashford—Only the agencies can update that.

Senator MOORE—Individual agencies can update a central database?

Mr Bashford—Yes. You can ring in and say, ‘I have changed my address.’ I cannot explain the exact mechanics of this because we have not sorted it out, but individuals can ring in and say, ‘I have changed my address,’ and that can then be recorded and when the card is next used then all those changes will be made on the card.

Senator MOORE—I am having difficulty working out in my head an identifier which is stimulated by a photographic image being able to be used on the phone. If the core thing that identifies me as the client—only I have that data—is this chip thing, then how can you with absolute security know that if I phone a Centrelink call centre, for example, or a DVA central base or a Medicare call centre—

Mr Bashford—It will go through the normal security arrangements to determine whether you are who you are—

Senator MOORE—But there is no greater security in that aspect; it is still verbal.

Mr Bashford—One the phone?

Senator MOORE—On the phone.

Mr Bashford—For the change in information?

Senator MOORE—The data that is going to be held on the core piece of plastic will be able to be changed by that interaction but you cannot be absolutely sure that it is me. You could still be sure that I know my mother’s maiden name or my file number. Exactly the same security issues that people claim now are issues could still stimulate that change. Is that right?

Mr Bashford—Yes. Mostly the changes will come by you going into a kiosk or using a kiosk—

Senator MOORE—The same as you can go into any Centrelink office and use a computer—

Mr Bashford—You as an individual can do that.

Senator MOORE—I can see that I would own it and that it would be up to me what I did with that card and key in stuff. On the basis of this trail being so secure, what I am unsure of is the linkage concerning phone data change.

Mr Bashford—It is still a matter of secret questions and answers and verification.

Senator MOORE—The same as it is now?

Mr Bashford—Yes.

Senator STOTT DESPOJA—Picking up on your comment about the databases and the notion that databases need to be stored somewhere—

Mr Bashford—We are going to have the database somewhere, the most likely location—and, again, no decision has been made—is in one of the agencies. But it will be quite separate from any other databases, not linked. There will be no data exchange.

Senator STOTT DESPOJA—What about the possibility of private firms or companies looking after or maintaining databases? Has that been considered?

Mr Bashford—No.

Senator STOTT DESPOJA—Has that been ruled out or has it just not been—

Mr Bashford—It has not been ruled in or out; it has not been considered.

Senator STOTT DESPOJA—Has work been done on looking into that? Are you aware of overseas examples or other countries that have—

Mr Bashford—That is what we are getting the lead adviser for, because they will bring the experience of overseas countries.

Mr Leeper—In the event that a government agency was using an outsourced IT provider they are obviously covered by the same secrecy and privacy provisions, and those are things that will be prosecuted to the fullest extent if there is any breach.

Senator STOTT DESPOJA—Thank you for that. While I am sure that is always a concern, and it is certainly one of mine, my main interest was in relation to learning from some of the technical work that some experts in the private sector may have undertaken. As Mr Bashford has said, the government does not view this as a national ID card, but I understand from various comments that aspects of the UK model for a national ID card were rejected. I am wondering what investigations by government or agencies took place in examining the UK model. What work has been done to examine what has been proposed and implemented in the UK?

Mr Bashford—The previous occupant of this position examined a number of different implementations and, at the end of the day, formed the view that it was feasible in Australia. And, of course, KPMG did the business case. That is where we are at now. The tender for the lead adviser puts a lot of emphasis on experience in relation to implementation of a card of this nature and on availability of people who have actually done it.

Senator STOTT DESPOJA—On the issue of the previous head of the task force charged with implementing the access card proposal, Mr James Kelaher, there have been a number of media reports about his concerns about the implementation of this project. One of the concerns that he has placed on the record is that the smartcard is being rushed—I am paraphrasing, but there are quotes I can refer to—and he was unhappy that a proposal for an independent advisory board on security and privacy issues was not being pursued. He said to the ABC:

Disabled people, people in rural and remote areas, doctors and pharmacists, hospitals, banks, all of these people, wanted to make sure that their interests are being listened to.

I am curious as to whether or not you are aware of these concerns and whether or not they were made available to or presented to the department in any form.

Mr Leeper—The consumer and privacy task force I think addresses those issues. Whether or not there is an advisory board established in relation to the implementation of this measure is ultimately a matter for the minister and the government. They have made a decision and we are moving to implement that decision.

Senator STOTT DESPOJA—At no stage were you aware of Mr Kelaher's concerns in relation to the project, either the alacrity with which it was being pursued or implemented or that the proposal was—

Mr Bashford—I think we agree with the principles that Mr Kelaher was espousing, but not the method in which he thought it ought to be carried out. We do not agree that it is rushed.

Senator STOTT DESPOJA—Okay. Is there any record of his complaints being made available to the department or to the minister?

Mr Leeper—On 4 May Mr Kelaher gave a letter to the minister and a copy to the departmental secretary which set out the reasons why he no longer wished to be associated with the project. So those reasons are documented.

Senator CHRIS EVANS—He gave you a letter on 4 May?

Mr Leeper—He did not give it to me, Senator. He gave it to the minister and a copy to the secretary of the department.

Senator CHRIS EVANS—I was using the royal 'you'. So he gave the letter to the minister and to the Secretary of the Department of Human Services on 4 May.

Mr Leeper—That is correct.

Senator CHRIS EVANS—When did he finish up?

Mr Leeper—Monday, 8 May.

Senator CHRIS EVANS—So he gave it to you on the Thursday and he was gone on the Monday.

Mr Leeper—Yes.

Senator CHRIS EVANS—What was the nature of his contract of employment?

Mr Leeper—Mr Kelaher was engaged by us, as all employees are, under an Australian workplace agreement. It provides for standard notice periods. It also gives flexibility for those notice periods to be concatenated with the agreement of the officer. In his case it was agreed on Monday, 8 May, that his employment would cease on that day.

Senator CHRIS EVANS—Did he give notice in the original letter?

Mr Leeper—I believe so, yes. He gave notice of his intention to resign.

Senator CHRIS EVANS—Just so that I am clear: was that letter a resignation or advice that he intended to resign at some time in the future? Maybe you would like to table the letter. Is that easier?

Mr Leeper—No, I will not table the letter. It is a letter to the minister. I would need the minister's agreement to table the letter. It is a personal letter from Mr Kelaher to the minister.

Senator CHRIS EVANS—Perhaps you could take on notice whether or not the minister would be prepared to table the letter.

Mr Leeper—I am happy to take that on notice, yes. The resignation date was agreed between the department and Mr Kelaher.

Senator CHRIS EVANS—The eighth?

Mr Leeper—Yes.

Senator CHRIS EVANS—What notice was he required to give under the AWA?

Mr Leeper—A normal notice period would have been four weeks.

Senator CHRIS EVANS—But you negotiated for him to finish on the eighth, and that was his last day.

Mr Leeper—That is correct. It was mutually agreed that 8 May would be his last day, yes.

Senator CHRIS EVANS—When was that agreed?

Mr Leeper—On 8 May.

Senator CHRIS EVANS—So he packed his bags and went. When you said there were normal AWA conditions, was he a public servant per se?

Mr Leeper—Yes. He was an officer with Medicare Australia who was initially seconded to the department. For all intents and purposes, as far as I was concerned, he was a departmental employee throughout the period of the smartcard task force development, particularly in the 2005-06 financial year.

Senator CHRIS EVANS—Was he then permanent inside Human Services or was he still on secondment?

Mr Leeper—He was permanent. He was substantively transferred from Medicare Australia to Human Services.

Senator CHRIS EVANS—Was there a selection process—I know you seconded him first—or was he at the same level?

Mr Leeper—He was at the same level.

Senator CHRIS EVANS—So you did not need to advertise the job.

Mr Leeper—No.

Senator CHRIS EVANS—So his resignation was from the Public Service totally.

Mr Leeper—Yes.

Senator CHRIS EVANS—What level was he at?

Mr Leeper—Senior executive band 3.

Senator CHRIS EVANS—How long had he been with the Public Service?

Mr Leeper—I do not know. I am aware from my personal service with him that he was in Medicare Australia from 2000. I think that he was employed by the Australian Federal Police prior to that. I do not know whether that is in the Public Service proper. I would imagine that was for a period of at least seven or eight years.

Senator CHRIS EVANS—His formal title was head of the smartcard task force?

Mr Leeper—Head, smart technologies and services task force.

Senator CHRIS EVANS—He was the head?

Mr Leeper—Yes.

Senator CHRIS EVANS—Were his responsibilities as part of that to meet the objectives set for the task force?

Mr Leeper—His responsibilities were to develop and to take to government for government's consideration a business case and a broad implementation proposal for a smartcard for health and social services.

Senator CHRIS EVANS—How was he chosen? Was he chosen by you? You said you got him on secondment originally.

Mr Leeper—I understand it was agreed with the secretary and the minister that he would move into that position to undertake that role, recognising the skills that he brought to the role from Medicare Australia in the work that he had done there. I point out that in Medicare Australia he was also Chief Executive of the Health eSignature Authority, which looked at smartcards for public key infrastructure and business support purposes. So he had a lot of familiarity with the technology and the business process.

Senator MOORE—So it was an appointment rather than a selection.

Mr Leeper—He moved across at level from Medicare to DHS to do the work.

Senator CHRIS EVANS—I gather that, from what you said, the secretary of the department took that recommendation to the minister.

Mr Leeper—It was agreed that Mr Kelaher would move over, second, and run the task force.

Senator CHRIS EVANS—But that was approved by the minister.

Mr Leeper—In consultation with the minister, yes.

Senator CHRIS EVANS—You raised it. I would not have thought they would necessarily have gone to the minister. I suppose that was because it was a new and sensitive area. Normally, you would not get ministerial approval for selection of officers of that level.

Mr Leeper—I would not call it ministerial approval; I would call it consultation.

Senator CHRIS EVANS—Anyway, the minister had been advised and Mr Kelaher came across. Obviously, you thought his expertise was appropriate for the task. Just so that I am clear: what were his reporting lines?

Mr Leeper—Mr Kelaher reported directly to the secretary of the department.

Senator CHRIS EVANS—What was the nature of that? Was it day to day? Monthly? What was the relationship?

Mr Leeper—As required. But, certainly, there was frequent contact, including more frequent contact as you go through the end-points of processes.

Senator CHRIS EVANS—Was there an oversight group above the task force? There would have been coordinating meetings and things like that. Was there some sort of formal structure above Mr Kelaher as the task force head? Or was it just him direct to the secretary?

Mr Leeper—No, just him direct to the secretary.

Senator CHRIS EVANS—And did he report directly to the minister at times?

Mr Leeper—He would have been involved in conversations directly with the minister from time to time; I would not have described him as reporting directly to the minister. All of us in the department report to the minister through the secretary.

Senator CHRIS EVANS—Sure. But you might attend with the secretary to brief the minister.

Mr Leeper—Absolutely.

Senator CHRIS EVANS—I presume he would have been involved, as head of the task force, in all the briefings to the minister?

Mr Leeper—That would probably be a reasonable assumption.

Senator CHRIS EVANS—He—most times, I suspect, in company with the secretary—would have briefed the minister on the developments and progress?

Mr Leeper—I expect so. I did attend all of those briefings.

Senator CHRIS EVANS—That is not counterintuitive. I am not saying he or the secretary was at them all. But, effectively, that would have been the—

Mr Leeper—I am essentially describing a business-as-usual arrangement. If I am to brief the minister, the secretary may or may not be involved, depending on the nature of the issue.

Senator CHRIS EVANS—But, equally, if the secretary was going to brief them on the work of the task force, it is likely he would have been taken along.

Mr Leeper—Yes. You would expect so.

Senator STOTT DESPOJA—Did you give us a costing of the work done by the former deputy privacy commissioner?

Mr Leeper—No, we did not. I will read it into the record for you. I indicated before that the person was separately engaged. The total fee was \$33,750 plus GST, and that has been paid.

Senator HEFFERNAN—I want to give notice that I want to put some questions to DOFA on notice. Witnesses will be pleased to know that these questions have nothing to do with them or, probably, anyone else in the room, as they are about the sale of Snowy Hydro. I want to question along the lines of what special dividend will be coming out of Snowy Hydro before it is sold. And I want to raise the question of the reverse onus. The original

understanding of the government was that there was going to be a 75 per cent vote required in four years to remove the cap on the ownership of shares; overnight, that has been converted to the direct opposite, where the assumption will be that the cap will come off and there will be a 50 per cent vote of the shareholders to keep the cap. Finally, I ask: hands up all those people who think we should sell Snowy Hydro. Thank you, Mr Chair.

CHAIR—Senator Heffernan, are those questions for the Finance and Administration portfolio?

Senator HEFFERNAN—Yes. But the poll was not. No hands went up.

Senator MOORE—Mr Leeper, do you have any comment on the Snowy Hydro before we move on?

Mr Leeper—I drove past it once, Senator!

Senator MOORE—Mr Leeper, we were talking earlier about the importance of the photographic nature of the ID. One of the issues that has been raised is the way that that particular aspect of the ID could be used in other ways. I know that it is early days and that there will be as many protections around it as possible, but, in terms of the photograph, is it true that the kinds of things Senator Stott Despoja was talking about with cameras could occur? Is there a possibility that you could be identified through other camera aspects if people got hold of the card?

Mr Leeper—I am not an identity security expert. It would be foolish of me to even try to answer that.

Senator MOORE—Is it something that came out in the privacy report?

Mr Leeper—I do not know.

Senator MOORE—It is just that it is something that has been raised in terms of if we are relying on something as straightforward as your photographic ID, which has been used overseas—and there are records there about that in terms of how it can be used otherwise if people can get hold of it. So I put that on the record. I know Senator Stott Despoja was also talking about the issue of remote areas and areas that are high users of the human services system at different times but have not been particularly effective users of the current cards that we have. Without going too far into the Medicare experience, which we will do later, certainly around this table in other discussions we have talked about the use of Medicare cards and where some parts of the community are not using them as well as they ought. That is on record in your department and also in the Department of Health and Ageing.

In terms of the business plan, how is the proposal going to be addressed come the period when there will not be a choice about whether this is going to be the usage? Because from 2008 to 2010 there is a choice, from what I read, but after 2010 the only access to the whole range of services within your umbrella department will be this card. In terms of the business plan and in terms of the proposal that you are putting into place now for the operational plan, is this an element of the planning?

Mr Leeper—That is certainly a detailed issue for implementation which will need to be addressed very carefully.

Senator MOORE—So it is something that has been identified—

Mr Leeper—If we had not done so already, you have clearly identified the issue now, and that is something I would ordinarily expect to take into account. I heard some figures mentioned during the week that 2.3 per cent of Australians live more than 50 kilometres from a place where they might register for this card, be it a Centrelink office or a Medicare office. Those are clearly implementation issues that need to be thought through very carefully and strategies need to be developed to make sure that anybody who wishes to register for the card is able to do so in a cost-effective way.

Senator MOORE—There are also security issues in terms of that. There is a difficulty regarding the further you are from the base that can be touched. Regarding the costing element in terms of the process, I know that the figures are indicative and that we have heard that there will not be any saving for a long period of time. I am just trying to get clear in my own mind: what is the total budget allocation that has been made to this project so far?

Mr Leeper—It is \$1.09 billion over four years.

Senator MOORE—And that does not include any of the work that you have done up to this stage in the—

Mr Leeper—No.

Senator MOORE—That was all in last year's budget?

Mr Leeper—Yes—\$208.26 million in 2006-07.

Senator MOORE—Has that all been spent?

Mr Leeper—We are not in 2006-07 yet.

Senator MOORE—No, but in terms of what it is up to now—2005-06.

Mr Leeper—The money provided to the department to undertake the work of the smart technologies task force has almost completely been spent. We estimate we will spend \$3.6 million out of \$4 million by 30 June, so there might be \$400,000 left, depending on how—

Senator MOORE—So up to now it is to budget.

Mr Leeper—Yes, it is pretty well to budget.

Senator MOORE—So the next allocation is in July—

Mr Leeper—Yes, the appropriations commence on 1 July.

Senator MOORE—We talked earlier about the expectation that there is going to be a range of advisory groups linked to this activity. Has there been any consideration of what the payment aspects of advisory groups would be? It does vary immensely around different task forces and things. Has there been any agreement about how that is going to work?

Mr Leeper—Not as far as I am aware, but that is something on which we would take advice as we develop it. There is a lot of experience around it—

Senator MOORE—Do the conditions of the appointment of Professor Fels include the allocation of appointment or attendance fees? Conditions vary so much across so many

elements of the government, so I am wondering: now the appointment has been made public, have the conditions of that appointment been made public?

Mr Leeper—As far as I am aware, they have not been made public.

Senator MOORE—Do you think that would come under the \$1.09 billion? Is that where the budget is?

Mr Leeper—Absolutely. All of this has to fit inside there.

Senator MOORE—And as they come to be known, you will let us know in terms of how it works?

Mr Leeper—Yes. My little department cannot cross-subsidise its activities.

Senator MOORE—Your little department is the lead agency, though, isn't it?

Mr Leeper—Yes, it is.

Senator MOORE—The discussion we had, and certainly the media discussion around Mr Kelaher's discussion—and that is all on record—was the debate about whether there should be a totally independent organisation set up to run this whole project or whether it would be linked with the current Public Service agencies. The government decision is that you, as Human Services, will be the lead agency and coordinate all this activity.

Mr Leeper—For the time being, that is the government's decision. I think that, as Mr Bashford has just suggested to me, the minister has not ruled out that, if at some point a statutory agency is felt to be the appropriate way to do it, that decision can be made, but for the moment the decision has been made that the activity will be driven from within the department.

Senator MOORE—In terms of the current operational methodology, would this be a whole-of-government exercise? You are the lead agency of the numbers you have identified now, but already we have had the Attorney-General's Department and a number of other agencies who are not part of the Department of Human Services being mentioned as having roles. Will this grow into an interdepartmental group or a whole-of-government exercise?

Mr Leeper—Funding has been allocated to the Department of Human Services to drive the implementation. I think Mr Dainer pointed out earlier that there is also funding allocated to a number of other agencies.

Senator MOORE—That is right.

Mr Leeper—In our governance and implementation arrangements, we will take considerable care to make sure that the relevant interests of other departments are reflected, including if necessary through steering groups or committees as required. But, fundamentally, it has to be driven by the Department of Human Services in consultation with our major agencies—Centrelink and Medicare.

Senator MOORE—What about the Child Support Agency?

Mr Leeper—Yes, and the Child Support Agency.

Senator MOORE—It is just that we keep talking about Medicare and Centrelink but, when you look at the make-up of the Department of Human Services, the Child Support

Agency is a major player. So the prospect is that child support needs will be picked up by this as well?

Mr Bashford—Yes.

Senator MOORE—So, if you are going to be involved in the child support system, you will need to have one of these cards by 2010?

Mr Bashford—Correct; all DHS agencies and the Department of Veterans' Affairs.

Senator MOORE—Can you get out of the system? If you choose no longer to be part of the system, can you ask for the records to be destroyed and to no longer to be held anywhere in a central bank?

Mr Leeper—We might usefully defer that to when Mr Miller and the Child Support Agency people are here. Separated parents always have the option of meeting private agreements.

Senator MOORE—In a more general sense, if for whatever reason I no longer wish to be linked to Medicare, Centrelink or wherever is there a 'destroy all records' option?

Mr Bashford—I think there is a law that says that we have to keep those records for a period of time.

Senator MOORE—Can I put that on notice in terms of what would be the lifespan of documentation and ID?

Mr Bashford—Yes.

Senator MOORE—As I read it, you will not have an option to be part of the system without it, but, if you choose not to be in the system, do you have another option to have your data removed?

Mr Leeper—We will take that on notice.

Senator MOORE—I am trying to get a sense in terms of the volume of this project. We have mentioned a couple of times 16½ million Australians.

Mr Bashford—Up to 16½ million participants, yes.

Senator MOORE—We are back to that 'up to' again?

Mr Bashford—People can opt out and they do not have to go in.

Senator MOORE—They can opt in, but we have to find out if they can opt out.

Mr Bashford—They can opt out.

Senator MOORE—From the preliminary work that you have done, is there any comparison with respect to the size and complexity of this program of change as compared to other programs of change that have been undertaken by the Australian government?

Mr Leeper—By the Australian government? I was going to say that, internationally, a smartcard rollout in the dimension of 16½ million could well be quite small. Some of the South-East Asian countries have moved to virtually national card arrangements and have done so in time periods not dissimilar to what we are seeking to do.

Senator MOORE—Has the Australian public sector had ownership of a comparable project?

Mr Leeper—In recent memory, I would imagine the reintroduction of Medicare in 1984. In contemporary terms, there is something like 11 million active Medicare cards. So to go from a non-Medicare arrangement to a Medicare arrangement involved some processes. But I would point out that the proof of identity requirements were not as stringent as will need to be established here.

Senator MOORE—Mr Leeper, I am really interested in the comparable effort and the need for planning and commitment to the future on that point when compared to, for example, when we went to the Medicare system, the current number of people on Centrelink claims and all those kinds of things. What we are anticipating here is a period of a couple of years leading up to 2010 where all people will be expected to have this active. As you well know, there are all the component parts of a project of this size—the ID, the interaction, the creation of cards and all those kinds of things. Would you, through your organisation, be able to do a straight comparison with the Medicare introduction? It would be useful in terms of the number of people caught up with that. As Medicare is part of the Department of Human Services, that stuff should be on record.

Mr Leeper—We have been reluctant to go below the agency level funding because we are trying to make sure that we do not stray across commercial sensitivities. But I will point out that a very significant proportion of the costs of the project is to do with registration, including the staff based effort to meet with all those people and do that material. So that has all been costed and factored in.

Senator MOORE—Where, how, who—all that kind of stuff?

Mr Leeper—Yes.

Senator MOORE—There has been considerable discussion also about the cost of maintaining the system, once cards have been issued—the inevitable loss, transfer, death and all those things. I am sure you have costed all of that into it as well.

Mr Leeper—Yes. And, in the business case, KPMG gave some guidance on what they expected would be the ongoing costs of operation and support for the access card.

Senator MOORE—In the public documents that I have seen, there is still a focus on fraud being the major determining factor for pursuing this mechanism. Is that right?

Mr Leeper—A business case was presented to government and they have chosen to invest in the access card. As I understand business cases, savings was not the driver in this case, because we have a billion-dollar cost in the forward estimates and nothing at the moment shows the nature of fraud savings. The term I would use is that the government has chosen to invest in this. There will be fraud savings down the track but they are not immediately apparent in the forward estimates period.

Senator MOORE—In terms of the public statements, there has been talk about identity fraud, misuse of the Centrelink system and misuse of the Medicare system as the major reasons—

Mr Leeper—Also customer convenience. The fact is that a person registers on the secure customer registration system and, when they change their details, they will make that call once, not four or five times, as they may need to do at the moment, doing business with separate agencies. So there are some significant citizen benefits as well in terms of ease and convenience.

Mr Bashford—A major factor in why the government wanted to do this is that it is better for the consumer.

Senator MOORE—We will taste it and see.

Senator STOTT DESPOJA—There are issues around previous policy decisions and implementation. I refer to 1984 and changes to Medicare. I am just wondering if the government has sought to access any proposals or background information that may have been around under the previous Labor government for the Australia card proposal. Has any of that been sourced as part of the deliberations and the preparation of the initial policy proposal?

Mr Leeper—As far as I am aware, no. I am happy to take that on the notice, if you wish me to, but as far as I am aware the answer is no.

Senator CHRIS EVANS—Chair, I have been out of the room for a while, so please tell me if we have covered the question of Ms Roche's resignation. I will work my way through the resignations. Have we covered that ground?

CHAIR—No.

Senator CHRIS EVANS—So many resignations, so little time. When did Ms Roche resign?

Mr Leeper—Ms Roche is still an officer of the department but she is serving a notice period.

Senator CHRIS EVANS—So when did she offer her resignation, if that is the correct term?

Mr Leeper—The agreed commencement date of the notice period was Monday, 8 May.

Senator CHRIS EVANS—So she went on the same day as Mr Kelaher?

Mr Leeper—No. On Monday, 8 May, it was mutually agreed with Mr Kelaher that his employment would cease with effect on 8 May. Ms Roche gave us notice of her intention to resign and she is now serving a notice period. The effective date of her resignation is 5 June.

Senator CHRIS EVANS—But she gave you her notice on Monday, 8 May?

Mr Leeper—I believe that is right. It was agreed that the notice date was Monday, 8 May.

Senator CHRIS EVANS—So the question of her resignation had been raised with you before that?

Mr Leeper—No. I am being careful because all I am aware of is that the agreed date is Monday, 8 May. I was not involved in those discussions.

Senator CHRIS EVANS—Did she also write a letter?

Mr Leeper—No, not as far as I am aware.

Senator CHRIS EVANS—So the agreement about her resignation was done verbally?

Mr Leeper—Yes. It has been documented. It was a conversation; it was not based on a letter.

Senator CHRIS EVANS—Who did she have a conversation with?

Mr Leeper—With our general counsel and with the secretary of the department.

Senator CHRIS EVANS—With the secretary of the department and your general counsel?

Mr Leeper—Yes, our legal adviser.

Senator CHRIS EVANS—What is their name?

Mr Leeper—I am not sure that the general convention is to disclose names, although her name is on the organisational chart: Kathryn Johnson.

Senator CHRIS EVANS—So, in a discussion with Ms Roche on 8 May, it was agreed that she would work out her notice for about four weeks—is that right?

Mr Leeper—Yes, that is right.

Senator CHRIS EVANS—Is she still at the work site?

Mr Leeper—No, she is on leave at the moment, pending her separation from the department.

Senator CHRIS EVANS—What form of leave is she on?

Mr Leeper—I would prefer not to disclose that, if you do not mind. It is paid leave. She is on sick leave, if that is what you are asking.

Senator CHRIS EVANS—I do not want to know any further detail than that. So she will finish on 5 June, but she effectively left the premises on Monday, 8 May.

Mr Leeper—No. She worked for a couple of weeks. At some period during last week she went on sick leave and has been granted a certificate until 5 June. But she was otherwise in that first period working as an officer of the department and assisting us to shape the transition.

Senator CHRIS EVANS—So she stayed in her same job for the last couple of weeks?

Mr Leeper—Yes, although we were very careful that she was not involved in any way in the preparation of tender materials that have gone to market, given that she had given us notice of her intention to separate from the Public Service.

Senator CHRIS EVANS—That does not happen inside DMO. Anyway, what was her formal position?

Mr Leeper—She was classified as a senior executive service band 1. I am not sure what her exact title was—project leader, I think, for the smart technologies task force.

Senator CHRIS EVANS—Was she a permanent employee of the department?

Mr Leeper—She was on secondment from Medicare Australia but I believe that at some stage during the 12 months she became an employee of the department under an Australian workplace agreement.

Senator CHRIS EVANS—Was that the same deal? Did the secretary tell the minister that she was to be appointed to the position, or was that too junior for that?

Mr Leeper—Mr Kelaher would have been responsible for recruiting her, because that was one of a number of positions that he needed to establish to get the work of the task force done. He sourced officers from a number of agencies to do that.

Senator CHRIS EVANS—When did she come over to the task force?

Mr Leeper—I do not know. If it was not close to the end of last financial year, it would have been very soon in the 2005-06 financial year.

Senator CHRIS EVANS—So around July 2005?

Mr Leeper—I am sorry; I am being advised that it was towards the end of calendar year 2005.

Senator CHRIS EVANS—She did not come over until the end of 2005?

Mr Leeper—It was around October 2005.

Senator CHRIS EVANS—What was her role inside the task force?

Mr Leeper—She was assisting in the development of the project. She was the project leader. She was providing day-to-day supervision to the staff involved in the development of the business case and the proposals for government.

Senator CHRIS EVANS—She was involved with the business case?

Mr Leeper—She was the line manager, in effect.

Senator CHRIS EVANS—She was the line manager for the business case?

Mr Leeper—Yes. Mr Kelaher was the head of the task force and Ms Roche was in effect one of his line managers making the work happen.

Senator CHRIS EVANS—Was she second in charge or was she among a group of people who were just below him?

Mr Leeper—There were two people classified at the same level, of which Ms Roche was one. They reported directly to Mr Kelaher.

Senator CHRIS EVANS—Mr Kelaher was in charge and she was one of two people at the responsibility level just below him?

Mr Leeper—Yes.

Senator CHRIS EVANS—She was responsible for the business case development?

Mr Leeper—There were two officers at that level. One was responsible for the technical dimension; Ms Roche's job was more around business case development and advising government.

Senator CHRIS EVANS—So she would have been intricately involved with KPMG in their work in terms of assistance from and supervision by your department?

Mr Leeper—I would assume so, yes.

Senator CHRIS EVANS—You were providing them with assistance and direction, rather than hands-on stuff, or did you have people working inside KPMG at the same time? What was the nature of the interaction?

Mr Leeper—My understanding is that all the work that KPMG did that involved Human Services officers was done at our premises rather than theirs, unless someone happened to be in Sydney for another reason and needed to consult them. In effect, they came and worked in our space rather than the other way around.

Senator CHRIS EVANS—Was she going over to the Office of Access Card?

Mr Bashford—Had she remained, she would have been part of the Office of Access Card, yes.

Senator CHRIS EVANS—She would have been automatically transferred?

Mr Bashford—Along with the whole team.

Senator CHRIS EVANS—Had she made complaints or raised concerns with the department prior to her resignation?

Mr Leeper—I am not aware of any, but neither Ms Roche nor Mr Kelaher reported to me.

Senator CHRIS EVANS—Again, I want to use the royal ‘we’ here—

Mr Leeper—I am not aware of any.

Senator CHRIS EVANS—Are any of your officers aware of anything?

Mr Leeper—I am now using the royal ‘we’. I am not aware of any. At a departmental executive level we were unaware of any concerns or complaints that she might have expressed prior to the events that led to her resignation.

Senator CHRIS EVANS—So when you say you are unaware, you are actually saying to me that there were no complaints?

Mr Leeper—As far as I am aware, there were no complaints.

Senator CHRIS EVANS—So there were no complaints and no concerns raised with senior management from either her or Mr Kelaher before they both agreed to terminate on May 8?

Mr Leeper—There were certainly dialogues under way around the time of the government’s decision, in preparation for what was anticipated to be the next phase. Issues such as where the office would be constituted and the nature of its relationship to the department and the minister were matters under discussion.

Senator CHRIS EVANS—So there was a dialogue between these two officers and the department and the minister?

Mr Leeper—There was a dialogue within the department as to what might be recommended to the minister as options for how work might be structured, assuming government made a positive decision.

Senator CHRIS EVANS—When you say ‘how the work might be structured’, is this about the establishment of the Office of Access Card?

Mr Leeper—Yes, there are always options about how you get things done. We had discussions about how we might recommend to the minister one or more of a range of models of how we could operate.

Senator CHRIS EVANS—Is it fair to say that they both were not happy with the recommendation?

Mr Leeper—It is fair to say that advice was provided to the secretary and through her to the minister that comprehended a range of possible models, which included those which I imagine they were most in favour of.

Senator CHRIS EVANS—So a range of options went to the minister; is that what you are telling me?

Mr Leeper—Yes, for example whether the Office of Access Card would be an independent statutory agency or whether it would be part of the Department of Human Services.

Senator CHRIS EVANS—Were there other options about the business plan as well, or are we talking mainly about the structural arrangements here?

Mr Leeper—They were mainly about structure.

Senator CHRIS EVANS—What about privacy issues?

Mr Leeper—I am not aware of any concerns that went to that level. We were talking about how to plan for what we would do in the event that government said, ‘Yes, we’d like to proceed with this business case.’

Senator CHRIS EVANS—I do not know whether it is one of the other committees, but someone is going completely off their face out there.

Senator Colbeck—As long as it is not in here.

Senator CHRIS EVANS—Yes; there was just some shouting going on. Senator Heffernan, is it? Senator Colbeck, as the senior ministerial representative in the room, could you please take care of that?

Senator Colbeck—Now that the door is shut, I think we have successfully dealt with it.

Senator CHRIS EVANS—Typical Howard government: see no evil, hear no evil.

Senator Colbeck—I do not think I am senior enough to be able to deal with it. I do know my place in the pecking order.

Senator CHRIS EVANS—Sorry, I got distracted.

Senator Colbeck—You only have yourself to blame.

Senator CHRIS EVANS—That is true; I plead guilty. So there was a debate going on inside about the various options and the way forward.

Mr Leeper—There was a discussion going on, not a debate.

Senator CHRIS EVANS—A discussion—sorry. In any event, you have presented options to the minister, some of which you think would have been approved of by Mr Kelaher and Ms Roche. When was the minister's decision conveyed to the department?

Mr Leeper—The options were presented to the minister in discussions which involved Mr Kelaher—he was present at the discussions where the options were presented and considered.

Senator CHRIS EVANS—When was the minister's decision made?

Mr Leeper—On 4 May.

Senator CHRIS EVANS—Were they made verbally at the meeting? You have said there were discussions with department officers, including Mr Kelaher. Were they on 4 May or prior to that?

Mr Leeper—They led up to that point. As I said, we had been thinking about how to prepare ourselves for a positive decision prior to cabinet's consideration. From 26 April to 4 May is five working days, I think—six at the most—and in that period we worked very hard on presenting some advice to the minister about what options we felt there might be to take the work forward.

Senator CHRIS EVANS—Is it fair to say that you had a number of meetings with the minister over that period?

Mr Leeper—No. As far as I recall, we had one meeting with the minister on 4 May; we did work over the period leading up to that time.

Senator CHRIS EVANS—So you had not had a series of discussions with them; all the work had been internal?

Mr Leeper—Yes.

Senator CHRIS EVANS—Okay. On 4 May, you met with the minister. Who went to the meeting?

Mr Leeper—On those issues, it was the minister, Ms Scott and Mr Kelaher.

Senator CHRIS EVANS—Do I take it that the minister made a decision on the spot?

Mr Leeper—I cannot speak for the minister.

Senator CHRIS EVANS—When people left the meeting did they know what the minister was going to do?

Mr Leeper—I understand from Ms Scott that the minister made clear in the meeting how he proposed to proceed in terms of structure, roles and responsibilities.

Senator CHRIS EVANS—Given that Mr Kelaher pulled the plug that day, I suspect that the minister must have made a decision; Mr Kelaher did not do that in anticipation. That all happened on 4 May. What was the size of the task force?

Mr Leeper—The maximum staffing, I think, would have been 11 people.

Senator CHRIS EVANS—Did you lose any others?

Mr Leeper—Other people have left the task force for a range of reasons. One officer was promoted to another department; another officer, who was, I think, temporary, achieved a permanent appointment in another department. They are business-as-usual staffing losses. Nobody else has resigned, as far as I am aware, from either the task force or the Public Service.

Senator CHRIS EVANS—So, since 4 May, which is D-day, you have not lost anybody, apart from those two, from the task force?

Mr Leeper—As I mentioned, at least one officer has completed their work with us and has moved to another role in another department.

Senator MOORE—There are only 11.

Senator CHRIS EVANS—We are down to nine, actually.

Mr Leeper—As far as we are aware, only one has left since that time. I would describe that as a business-as-usual departure; they went to another role in another agency.

Senator CHRIS EVANS—Apart from that, you have had no other resignations from or transfers out of the task force?

Mr Bashford—No.

Mr Leeper—That is correct, Senator.

Senator CHRIS EVANS—Are all the people remaining going over to the office?

Mr Leeper—That would be our hope, yes.

Senator CHRIS EVANS—When does the Office of Access Card get established?

Mr Leeper—We have established it. We are basically funding it for the next six or eight weeks out of departmental funds in 2005-06, and the appropriation proper starts on 1 July.

Senator CHRIS EVANS—So they are over there now?

Mr Leeper—Yes.

Senator CHRIS EVANS—You had made it sound like it was in the future; I might have misheard you. But they have started, basically?

Mr Leeper—Yes. We have moved from development to commencing implementation.

Senator CHRIS EVANS—Did they move premises?

Mr Bashford—No.

Mr Leeper—No.

Senator CHRIS EVANS—You are still doing the fit-out of the premises they are moving to—I think we discussed that earlier.

Mr Leeper—I would anticipate that at some point they will move from the ground floor to the first floor in the building which they currently occupy.

Senator STOTT DESPOJA—In relation to consultation that took place last year on the issue of privacy and security issues, I am reminded by the mention of Ms Roche's name that there were a couple of meetings chaired by Mr Kelaher that dealt with some of the privacy

issues. I understand one took place in July and another in August at which groups with an interest in privacy implications of a card met for discussions, although I do not believe a model or any specifics were discussed as obviously the government had not signed off on a proposal at that time. I just want to clarify: are they the only meetings that have taken place in the form of consultation on the issue of privacy with groups that have a specific interest in privacy—IT groups or privacy foundations or what have you? I asked a question recently of Senator Kemp in the Senate about consultations and he said:

I can assure you the smart technologies task force has consulted widely with representative groups ...

I am just wondering whether there was broader consultation with privacy groups, in which case perhaps that could be made available to the committee.

Mr Bashford—Certainly I have had a couple of meeting with the Privacy Commissioner.

Senator STOTT DESPOJA—I am not including the Privacy Commissioner in that, but I am happy to take more specific details. I know that you had some questions earlier on particularly the Privacy Commissioner's role in the development of the cabinet report. I am talking about community groups that have an interest in privacy.

Mr Leeper—I am just getting some advice, Senator, and while that is coming—and this may be redundant—in the first three months of the financial year I am advised that the Smart Technologies and Services IDC, which Mr Kelaher chaired, consulted with a range of external organisations. The Australian Consumers Association, the Public Interest Advocacy Centre, the Australian Privacy Association, the AMA, the Royal Australian College of General Practice, the Consumer Health Forum, Health Consumers Rural and Remote, and the Australian Federation of Disability Organisations were, I think, all in the time you are talking about. That is very much in support of the IDC work. The IDC work led to a decision by government to fund the development of a business case. I am a bit less well informed after that point.

Senator STOTT DESPOJA—I am more interested in before that point. I am interested to get a specific outline as to what constitutes consultation. For example, I understand that those groups were involved or approached. My understanding of privacy groups is that there were two particular meetings as part of the IDC work, chaired by Mr Kelaher, with Suzanne Roche as his next in line. My understanding is that they were quite satisfactory and really positive meetings, and I think that everyone was impressed by the fact that there was a genuine interest, particularly on behalf of the two people I mentioned, in security and privacy issues. But I do have reports that people who are engaged or involved in that process did not hear anything after August.

I am wondering whether the form of consultation was two meetings. Was it broader than that? Did it involve letters or submissions to people inviting their comments? Remember that at those meetings there was no specific proposal. The process had not been signed off on in any way and, thus, it was very difficult for those groups to discuss specifics or the privacy and security implementation of something that had not been decided. I wonder whether that was the extent of consultation and perhaps, Mr Leeper—and I am not sure whether you want to take this on notice—since that period it might be interesting to know what consultation has taken place with those same groups.

Mr Leeper—In the period between 17 June and 30 August, which I think is the period I just mentioned when all those groups were consulted, that was done under the general aegis of the Smart Technologies and Services Interdepartmental Committee. I think that is where those two meetings happened that you refer to. Past the end of August the process was at a point where advice was developed for consideration by government and, as far as I am aware, there were no further external consultations of the nature that I just described. Equally, whilst KPMG worked closely with the consultants doing the initial privacy impact assessment, I am not aware of any broad-ranging consultation with such a range of groups in the development of the business case itself. That is a bit of work that remains ahead of us rather than behind us.

Senator CAROL BROWN—I believe that while I was out you were talking about smartcard readers. I was just wondering whether the commercially available smartcard readers that are at Dick Smiths or mrgadget.com.au will be able to read smartcards.

Mr Bashford—We do not know yet. It is not decided. We do not know the exact nature of the card and whether those sorts of readers will be able to be used. It is unlikely.

Senator CAROL BROWN—I have a question about carers and custodial parents and grandparents. Could they have their children's details recorded on their smartcard? Could smartcards be used for identification and status of custody verification at child-care services?

Mr Bashford—They can certainly have the details of children or people within their care on the smartcard.

Senator CAROL BROWN—Will you be looking at using it as a verification for child-care services at all?

Mr Bashford—That is not decided yet.

Senator MOORE—I hope I have this right: you can actually access child-care payments through Medicare, can't you? When you have child-care costs you can make those claims through a Medicare office?

Mr Leeper—It might be wiser for me to ask a Medicare person to come to the table.

Senator MOORE—I will ask when Medicare comes before us. But in terms of this issue that we have been talking about—the core use of the card and how you actually add things onto it—I was thinking it might come under this area. I do not know if you can answer my next question either. I am thinking about privacy laws as they relate to states, agencies, companies and organisations. How would the privacy provisions be equitably managed?

Mr Bashford—I am not sure about your question.

Senator MOORE—Given the complexity of privacy laws as they relate to all of those different entities, how are you going to manage that?

Mr Bashford—The issue is that this is the consumer's card and the consumer will decide how to use it. So I am not sure quite what you are talking about in relation to the states.

Senator MOORE—I am just thinking about the responsibility when you have one of these cards. It is hard enough now when you are looking at all of the cards you do have. When you get a bank card or something, you get a thick book that comes with the card containing the rules of use and the privacy aspects. Individual information to consumers about the

importance and value of the card and way the card can be used is obviously something that the department will be looking at. But I think Senator Stott Despoja asked earlier about the fact that levels of privacy laws across all states now are different. Did the privacy impact statement look at the fact that there are differing laws already? Secondly—once again, it comes back to this whole idea about some consumers being very well informed and some not—this is a different form of ID and it can be used in different ways. It has more privacy involved with it. As to the training and information sharing aspects with consumers and the responsibility of the department for that, is that on the agenda for consideration?

Mr Bashford—We certainly want to look at the training aspects for both the consumer and internally as to what you can and cannot do with the information from this card. But it is early days yet.

Senator CAROL BROWN—Have you had a look at the cost to the individual of the card? Is there going to be a cost for people signing up?

Mr Bashford—It is unlikely that there will be a cost.

Senator CAROL BROWN—What if someone loses a card and they need to replace it?

Mr Bashford—It is unlikely that we will charge them for that either. But those decisions are not made.

Senator CAROL BROWN—What will they need to prove who they are during this process of registering?

Mr Bashford—There will be a range of documents that they will need to present and which we will scan, store and verify. It is not unlike the existing arrangements, except that on this occasion you will also be required to have a photograph taken under controlled conditions.

Senator CAROL BROWN—If one of those proof of identity documents is a cost to the consumer, will they have to bear that cost?

Mr Bashford—It is undecided as yet.

Senator CAROL BROWN—If you need a full extract of your birth certificate, the cost may be borne by the department?

Mr Bashford—It is undecided as yet.

Senator MOORE—Senator Polley asked a question at a previous estimates that was linked to the Tasmanian experience with Medicare. It was a similar question to Senator Brown's question about the cost of ID and how that has been raised at times. In the quite detailed response we got back from the department, it said that at that time the idea of cross-referencing the card and the application with the state births, deaths and marriages registries, which was a suggestion, had not been considered. Is that the kind of concept that could well be considered down the track on this, seeing as it is a much bigger project?

Mr Bashford—We have to find a way of verifying the documents, and that may well be one of the ways that we use, yes.

Senator MOORE—I think it was a specific question that was asked in the Tasmanian trial: 'If you did not have your own birth certificate but you knew that there was a copy at the local

registry, could there be a way, without you spending \$50-odd, of doing that?' I know you were using the word 'could', Mr Bashford.

Mr Bashford—We will be exploring all the opportunities to try to get this done with a minimal expense to the customer and, if we can, with no expense to the customer.

Senator MOORE—There will be a maximum take-up of up to 16½ million.

CHAIR—Thank you. We have finished now with the access card.

Senator MOORE—At this stage.

CHAIR—When we resume after the dinner break, Senator Wong, what do you propose to do?

Senator WONG—I am happy to go to Centrelink with the proviso that I raised before with Mr Leeper on the JCAs and the financial case management issue. I do not know if there are any core department staff who are associated with that.

Mr Leeper—They will be Centrelink officers.

CHAIR—We will do those two issues and then go to Centrelink.

Senator WONG—I would be happy to go straight to Centrelink because I have difficulty working out which questions go to whom. I think on the last occasion we just had both sets of officers here.

CHAIR—In essence, we go to Centrelink after the break.

Proceedings suspended from 5.58 pm to 7.32 pm

Centrelink

CHAIR—I call the committee to order. The committee will commence its examination of Centrelink and then, later this evening, Medicare Australia and the Child Support Agency perhaps, depending on time.

Senator WONG—I will try to be brief or, at least, focused.

Mr Leeper—Mr Chairman, may I interrupt?

CHAIR—Yes.

Mr Leeper—Before the break, Senator Moore asked us whether child-care benefits were accessible under the Family Assistance Office arrangements. No cash is paid from Medicare offices, but people can still register for child-care benefit or they can drop off receipts for registered care arrangements.

CHAIR—Thank you.

Senator MOORE—May I speak briefly on that?

CHAIR—Yes.

Senator MOORE—Mr Leeper, in terms of the expectation of the smartcard, does that mean that it would extend to those elements of child care? I will put that question on notice. That is where the question came up from.

Mr Leeper—Yes, I understand. That would be much appreciated.

Senator WONG—Mr Whalan, I previously asked questions about HS39 and HS53. Are you in a position to be able to respond to some questions about those? Would you like to go first?

Mr Whalan—Essentially your question was two-fold: firstly, why is it that in respect of HS39, which you asked in November 2005, did the response take 14½ hours to complete; and, secondly, why is it that after asking the same question in February did we say that we could not answer the part that we answered from the November question?

Senator WONG—Correct.

Mr Whalan—On the first issue, I mentioned that we have an IT system which keeps records in this area. It does not actually automatically allow us to cut the information in the way the questions were asked in both November and February. The reason that it took so long to prepare the answer in November is because we basically wrote a program to extract the information to allow us to answer that question.

Senator WONG—Can I stop you there? Does this mean that, until you wrote this program, the data system did not trap in a way that the information was easily obtained—

Mr Whalan—Correct.

Senator WONG—and the data in terms of what income support payment the person was on when they incurred the debt?

Mr Whalan—It records what payment they were on, but once we get to payment by type of activity—in this case payment by debt—and noting that people are on more than one payment, it could not answer that question. This is not uncommon, particularly with older systems. You set them up to collect certain fields and report on certain fields and you often go in and write a SAS program to pull out the data if you cannot get it under a normal report.

Senator WONG—One would have thought the number of people whom you refer to the DPP for debts under particular payments would be something that would be useful for Centrelink to record.

Mr Whalan—Yes, but remember we are asking here for a reference to the DPP in terms of being youth allowees in respect of debt.

Senator WONG—Yes?

Mr Whalan—There is a difficulty in answering that. The reason it took so long last time is that we wrote a program to extract the data—

Senator WONG—Presumably then the next question in February would have been easier to answer because you already had the program.

Mr Whalan—With these SAS programs you could rerun it but you would have to change it slightly. It ought to be easier. You would have to change it slightly but you could rerun it. In terms of the first issue, that is why it took so long, and it will take a fair time again this time. We gave it last time; we should give it again this time, and we will.

Senator WONG—Can you explain to me why the policy decision was made? What is the limit? It took you 14 hours and 30 minutes on the last occasion and you assert that is because you wrote a program to extract the information. You have indicated today that you could

probably use the same program although it might require some amendment. Presumably, it would not require the full 14 hours. Why is it that 14 hours previously, if that is what your evidence is, was considered to be a reasonable request and then something less than 14 hours is now considered not to be reasonable?

Mr Whalan—I think it was an error. There is no new threshold, as such. I think we ought to have provided it and we will.

Senator WONG—Thank you. To clarify, is there some time limit threshold above which you say you will not go? Is it 14 hours? Is it 20 hours? What are the guidelines? Did this form part of the minister's direction to you?

Mr Leeper—No.

Senator WONG—What is the limit?

Mr Leeper—We expect people to make a judgment.

Senator WONG—Who makes a judgment?

Mr Leeper—A recommendation comes forward.

Senator WONG—From whom? I love it when people talk in the passive—recommendations just appear.

Mr Leeper—I was getting to the answer. Questions on notice come forward via the agency chief executive officers or from the department itself and in each of those respective places we make a judgment.

Senator WONG—Who makes a recommendation?

Mr Leeper—In my own department it would probably come to me or the secretary for decision.

Senator WONG—What is your rule of thumb? Do you have a number of hours?

Mr Leeper—In a department of 100 staff if someone told me it would take a week to extract the data I would probably think that was excessive. We have been involved this financial year in some very extensive and detailed searches of documentation in support of FOI requests, which subsequently have not been taken up. The expense of resources in those cases has been quite significant. Essentially, I will take advice from the people who are looking at preparing the answer and test the balance between the public interest and the cost to the agency.

Senator WONG—But we are not talking about FOIs, are we, Mr Leeper? We are talking about estimates questions.

Mr Leeper—I was drawing on a principle or an extension of an analogy.

Senator WONG—I am wondering how it is your staff might put to you that this in excess of what is reasonable. Do they have an indication from you about what you would think is an unreasonable request with respect to the number of days or hours?

Mr Leeper—If one of my directors came to me and said that, to extract the material required to answer a question was going to take two or three people two or three working days, I would have to wonder whether that was a good expense of time. If they are talking in

the nature of weeks, we would almost certainly make a recommendation that, on the basis of resource costs, the information not be provided.

Senator WONG—So two or three days is excessive?

Mr Leeper—Two or three days for a number of people, yes. Up to a week's effort is probably reasonable. I do not have a hard and fast rule.

Senator WONG—So 14 hours is not above your threshold?

Mr Leeper—I think what I am saying is that I do not have an explicit threshold. I take advice and try and weigh it.

Senator WONG—You take advice from your department? To your knowledge, has the issue of the number of hours that are considered to constitute a reasonable request been discussed with the minister's office?

Mr Leeper—No, not in terms of a target number of hours. The discussions were in the nature of requiring us to exercise a judgment about when it is unreasonable to put a lot of effort in.

Senator WONG—When did that discussion occur, Mr Leeper?

Mr Leeper—I think I mentioned earlier this afternoon that it was shortly after or around the time of the previous hearing on 14 February.

Senator WONG—Were you present at that discussion?

Mr Leeper—Not that I recall.

Senator WONG—Do you know between whom the discussion occurred?

Mr Leeper—With the secretary of the department.

Senator WONG—And the minister?

Mr Leeper—Yes.

Senator WONG—And his advisers?

Mr Leeper—I do not know. It is quite normal for the advisers to be present in a discussion between the secretary and the minister.

Senator WONG—How do you know about this meeting?

Mr Leeper—In answer to the question you raised earlier, which was how was the advice provided that costs were to be allocated—

Senator WONG—That was not my question, but you can answer that one and I will go back to my question.

Mr Leeper—I am happy to answer the one you are asking.

Senator WONG—How did you know that this meeting occurred?

Mr Leeper—We were advised that it had been decided that we would attach an estimate of cost of answering questions to subsequent answers. That was guidance from the minister's office and it was communicated by the secretary.

Senator WONG—Can you tell me whether it was done in writing or verbally?

Mr Leeper—It was done verbally, but we then had to devise a framework, which we communicated to the agencies, for estimating the costs of answers.

Senator WONG—Are you going to provide that to me? I think you indicated that you might be able to provide that in the course of the hearing.

Mr Leeper—The instruction was conveyed orally but we would have established a template to assist people to cost the activity. There is no written direction that we have issued to the agencies, as far as I am aware, that says, ‘Here is the general arrangement.’

Senator WONG—I thought earlier in the afternoon when I was asking questions about this you indicated that you would try in the course of the hearing to ascertain whether there were any written or email instructions to your staff or to officers within the department and/or other documentation associated with this direction.

Mr Leeper—And I just indicated that the advice about the need to provide cost estimates was conveyed orally by our parliamentary area to the agencies. In support of that, at some point there will be some general guidance about how to cost things. But that will be \$40 for non-SES and \$60 per hour for SES input.

Senator WONG—Are you able to provide me with documentation associated with the direction?

Mr Leeper—I cannot.

Senator WONG—You cannot?

Mr Leeper—Not here, no.

Senator WONG—Is it going to be too onerous to provide that?

Mr Leeper—I guarantee that we will provide it.

Senator WONG—So you will take that on notice?

Mr Leeper—I guarantee that we will provide it.

Senator WONG—Thank you. Mr Whalan or Mr Leeper, in terms of consistency of advice about this taking too long, are you saying to me that there is no consistency and that officers are simply required to make a judgment as to whether the number of hours required to undertake the task is too great?

Mr Whalan—Perhaps I will start this off, given that we probably take the most questions on notice. We do not have a hard and fast rule. I rely, once again, on advice from senior staff about what is reasonable. I think it would not be sensible to set a figure because sometimes, in the context of what else is happening, if we were under a great deal of pressure in an IT area, you might cut it off at a different level basically because of the impact it would otherwise have on things that are happening.

Senator WONG—What is your advice to your staff?

Mr Leeper—I ask them to look at the request and, if they think that it is unreasonable, to put a proposal forward as to why it is unreasonable.

Senator WONG—I go back to the unreasonable requirements. I am interested that you say that two to three people for two to three days is unreasonable. I am just wondering where you get that from.

Mr Leeper—Opportunity costs.

Senator WONG—Is that your personal judgment?

Mr Leeper—To an extent, yes, but I think it is a judgment that ought to be relatively uniformly applied in our core department, but we have not sought to enforce or to give guidance about the judgments that people make around the issue of resource intensiveness.

Senator WONG—I go back to discussions with the minister's office regarding whether or not requests are reasonable. We will leave the issue of the iteration of costs on the answers. Are you aware of any discussions with the minister's office regarding the issue of requests being regarded as unreasonable and therefore unanswered?

Mr Leeper—I cannot recall any instances where we have been given explicit guidance by the office that a question should be considered to be unreasonable. Is that what you are asking?

Senator WONG—I did not ask about explicit instruction. You obviously formed a view about questions on notice being declined to be answered on the basis of allegedly or, it is asserted, unreasonable workload implications. I am asking if that issue has been discussed with the minister's office.

Mr Leeper—I think I indicated that it was the subject of a discussion between the minister and/or his office and the secretary. I was not privy to that discussion after the most recent hearing.

Senator WONG—What understanding did you have when the contents of that discussion were communicated to you as to the minister's direction as to unreasonable workload for answers?

Mr Leeper—Prior to that hearing, we had already exercised judgments about the reasonableness of resources required to answer questions on notice. The thing that differed after the February discussions was that the department was requested to give some indication of the costs of actually answering the question. I do not believe that any guidance has been given, implicit or otherwise, about how we should approach what is reasonable to answer in terms of questions.

Senator WONG—Was that issue discussed, to your knowledge?

Mr Leeper—I was not there. I do not know.

Senator WONG—Has it been communicated to you?

Mr Leeper—What was communicated to me as the difference was that, in addition to making judgments about the resources required to answer questions, at the end of each question we were required to give an estimate of the costs involved in servicing that.

Senator WONG—Yes, I understand that. What I am asking is: did you get any understanding as a result of communications after that discussion, conference or whatever you

want to call it, as to an approach that should be taken with regard to the reasonableness or otherwise of requests?

Mr Leeper—No, nothing different.

Senator WONG—Could I ask about privacy policy, primarily regarding Centrelink, but I am not sure as to what extent the department has involvement in this. Obviously, Centrelink holds a fair bit of personal information about customers or income support recipients.

Mr Whalan—We call them customers.

Senator WONG—Yes. You have a lot of information about them. I presume that this is from your website—where you talk about their right to privacy.

Mr Whalan—Yes.

Senator WONG—I assume this is accurate. Essentially, it says:

You have a right to have that personal information kept private. Centrelink is bound by legislation that contains strict confidentiality provisions that limit who can look at information about you and when it can be given out.

There are some circumstances in which the information can be disclosed and that includes to DEWR, FaCSIA et cetera. It is limited in its use to:

... uses and disclosures that allow the Departments to carry out their functions of administering these laws, as well as evaluating and monitoring the delivery of programs and for the conduct of appeals.

Does that sound about right?

Mr Whalan—Yes.

Senator WONG—Was Centrelink requested to provide personal information of customers for the purpose of the development of an advertising campaign?

Mr Whalan—Not to my knowledge. However, I will check that. I would expect that, if we were, it would have been in general.

Senator WONG—Is there somebody here who might be able to tell us about this?

Mr Whalan—Just let me check for you. Do you have some more details about which campaign?

Senator WONG—Was Centrelink asked to provide, or did Centrelink provide, personal details of income support recipients for the purpose of market testing the Welfare to Work advertising campaign?

Mr Whalan—We will have to check that, but I am not aware of it.

Senator WONG—Do you have a communications division?

Mr Whalan—We do.

Senator WONG—Is there anyone here from that division?

Mr Whalan—There is. Just a moment, we are checking. We do not have an answer here. We would have to check with DEWR. We would have to take that on notice.

Senator WONG—I am going to be asking DEWR about that. I am asking what you did, because you are the people who hold the information? Is there no-one from your communications division here?

Mr Whalan—There is, but I am told they do not have the answer.

Senator WONG—Do you have a market research capacity within your communications division?

Mr Whalan—We do.

Senator WONG—Is there anybody here from market research?

Mr Whalan—There is a person here from the communication division, but they are not from market research.

Senator WONG—Do you have any knowledge of the provision of private details of particular Centrelink customers for the purpose of market testing and an advertising campaign?

Mr Whalan—We would have been involved with market research. I have no knowledge of providing details of private individuals.

Senator WONG—Looking at your privacy policy and also various documents I have been provided with which indicate what documentation Centrelink provides to customers, I understand there are limitations as to what those private details can be utilised for.

Mr Whalan—Yes.

Senator WONG—From the part I read out to you—and I would be pleased if you wanted to point me elsewhere—it seems to be clear that the use of the private information, for example, the information that DEWR would be given, is:

... to carry out their functions of administering these laws, as well as evaluating and monitoring the delivery of programs and for the conduct of appeals.

How does the provision of the private details of Centrelink customers for the purpose of developing an advertising campaign fall within your privacy policy?

Mr Whalan—I am not aware that we did provide them.

Senator WONG—Okay, let us talk hypothetically. I accept that you do not believe you did, but you might want to check that.

Mr Whalan—I will check it.

Senator WONG—I am sure you will; you always do. Would you regard the provision of that information as being for a use that is authorised under your privacy policy?

Mr Whalan—I would normally expect that we would provide information about possible customers—for instance, a sole parent, maybe a person who is 35 years of age with two children on a certain income et cetera—or that we would seek permission.

Senator WONG—I have many other questions. Do you want me to come back to this? Is it possible to get someone here who knows about this?

Mr Whalan—Yes, if you would.

Senator WONG—How long will you need?

Mr Whalan—An hour. Let me see what I can do.

Senator WONG—I will go on to something else and when I finish I am sure that Senator Moore will have questions.

Senator MOORE—Always.

Senator WONG—She always has questions. Can I flip to another subject? I had better write myself a note; otherwise, I will forget I was asking about that.

Mr Whalan—I doubt that, Senator.

Senator WONG—You never know! I understand there is a 12-week trial being conducted in six Centrelink offices. I think it is described as the Welfare to Work contact model. Is that right?

Mr Whalan—That is correct.

Senator WONG—Thank you. And the offices are in Marion in Adelaide, Launceston, Warrnambool, Dubbo, Caboolture and Midlands. Is that right?

Mr Whalan—Yes.

Senator WONG—Perhaps you can explain to me what that trial involves. That might be easier than me trying to outline what I understand it to mean.

Ms Hogg—The trial is being run at the request of the Department of Employment and Workplace Relations to bring into the fortnightly contact regime that we have for people who are currently of workforce age those people who are currently on what we call ‘variable lodgments’. They may be on any cycle between two and 12 weeks. We are testing our capacity to see customers more often if they have work requirements.

Senator WONG—And essentially that means they have to come in how many times?

Ms Hogg—Once a fortnight.

Senator WONG—What is the current fortnightly reporting rate for people on Newstart allowance?

Ms Hogg—It can vary between two weeks and 12 weeks.

Senator WONG—No, sorry, I meant the proportion that come in every fortnight.

Ms Hogg—I think currently it is around 60 per cent.

Senator WONG—Sixty to 65 per cent?

Ms Hogg—Yes.

Senator WONG—And your target for this pilot or trial is 90 per cent?

Ms Hogg—The estimate of how many people we think would be excluded from the process is about that number.

Senator WONG—So you want to go from about 60 or 65 per cent to about 90 per cent. In the context of the contact, you will be expecting your staff to cover a number of things. Is one called the SU19?

Ms Hogg—Yes. That is the fortnightly form that people bring in.

Senator WONG—And that is one of six ‘work first’ messages. Is that right?

Ms Hogg—Yes, there are some ‘work first’ messages.

Senator WONG—So a Centrelink officer will see a Newstart recipient or a youth allowance recipient, fill out the form and give one or all of these six work messages?

Ms Hogg—I think the proposal is that over a period we would deliver all the messages. So it would be one message.

Senator WONG—It would be one message per contact?

Ms Hogg—Yes.

Senator WONG—Okay. Does Centrelink allocate a notional time for the filling out of the SU19?

Ms Hogg—Yes, we do.

Senator WONG—How long is that?

Ms Hogg—I think our estimate is something over a minute.

Senator WONG—A minute and 22 seconds? Would that be right?

Ms Hogg—That sounds about right, yes.

Senator WONG—Do your work processes allow, in this new trial, an estimate of how long they will spend with each recipient?

Ms Hogg—We are trying to work to a model that triples that time, but we are actually doing things quite differently in the trial. There are some things that we currently do that are not part of the lodgment time that we are bringing into the front. So, basically, we are reviewing customers more than just taking a form. We are using some of the other resources that we have paid for to give us the capacity to make that contact at the front of the office.

Senator WONG—It started on 1 May so, presumably, you have 25 days experience of that. But I am interested, firstly, in the model. The original model assumed three minutes for these interactions, didn't it?

Ms Hogg—Approximately, yes. But that is not the first contact. We spend quite a bit of time with each customer first—before we get into the fortnightly cycle. So it would be three minutes from the second contact onwards.

Senator WONG—How long is the first contact?

Ms Hogg—I think it is running at something up to about 45 minutes.

Senator WONG—Is 45e minutes what was modelled?

Ms Hogg—Yes.

Senator WONG—And after that, every fortnight, they get around three minutes?

Ms Hogg—Yes. Initially, we spend time with the customer talking to them because some of them we might have seen only once every three months. We look at their circumstances in

terms of their suitability for this contact regime and then see, basically, if we should be doing some form of assessment or excluding them from this process.

Senator WONG—Is it a different officer each time? Can it be a new one?

Ms Hogg—Potentially, it would be a different officer each time.

Senator WONG—I am little bemused as to how one can cover not only filling out a form but also a ‘work first’ message in three minutes.

Ms Hogg—Well, that is what we are trying it for: to see how effective that model is.

Senator WONG—How effective is that one minute 38-second—three minutes minus what it takes to do the form filling—conversation? That is around a ninety-second conversation to encourage people to go to work; that is a lot of incentive per second.

Ms Hogg—The model that we hope to move to does not have the form in it. We still have the form at the moment because that is the way we pay people; the stimulus is that people have to actually lodge the form to allow them to be paid. In the model we are taking the form, but we hope to move to a process which is more like a diary process so that we are not checking the form per se but enabling a better conversation with the customer.

Senator WONG—Even if you take the form out you still have only three minutes.

Ms Hogg—Yes.

Senator WONG—Is it the government’s or the agency’s view that three minutes is a reasonable time frame to try to deliver the ‘work first’ message?

Ms Hogg—Our view is that it is a considerable improvement in that it is three times longer than we currently get with our customers each fortnight. As to whether we can get this to be an effective model—that is why we are trialling it.

Senator WONG—Whose decision is it to structure your funding and the work processes model around a 90-second discussion? Is it yours? There is 3½ minutes: you have a minute and a half for the form and a minute and a half to deliver the ‘work first’ message. Is that a Centrelink decision? Or is that as a result of DEWR saying, ‘That is all we are going to fund you for’?

Mr Whalan—We deliver services on behalf of a range of policy departments, including the Department of Employment and Workplace Relations. They are the architects, with us, of how this will operate. We are working with them to test how it will operate. Early feedback is that it is going quite well, but we are working with them to test it.

Senator WONG—Is the 90 seconds your idea or DEWR’s?

Mr Whalan—Together we have agreed that it is worth while to test.

Senator WONG—Will they fund you for more than that?

Mr Whalan—We are trying to work within the envelope of funds that the government has provided. We are seeing how we can re-engineer what we currently do to give more time for a conversation with the customer.

Senator WONG—I have to be honest, Mr Whalan, and perhaps I do not understand the detail of this, but I find it hard to envisage a conversation in 90 seconds. Do you think that raises any problems?

Mr Whalan—It is, in trebling the time available, as Ms Hogg has explained, a great step forward.

Senator WONG—I beg your pardon?

Mr Whalan—It is a very good thing that we are moving from an arrangement in which we have traditionally had one and a half minutes to an arrangement where we are going to have close to treble the time.

Senator WONG—Double, I think. It is three minutes. But they are different things, aren't they? One is form filling; the other is actually trying to engage people.

Ms Hogg—The form is already filled out—the customer brings it in filled out. What we use the minute for currently is to check that it is filled out, and we do not really have a lot of time to talk to the customer about what job activity they have done. If we ultimately can move that form and the focus on the form to a conversation it actually might be three minutes that we get extra rather than—

Senator WONG—But you yourself said you allocate a minute 22 seconds to checking the form—you do not want me to use the phrase 'filling it out'; fair enough—and that leaves a minute 38 seconds to have the conversation about working.

Ms Hogg—Yes, because we are still using the form. But, as I said, the model is to move away from the form ultimately. We have to keep it there at the moment to keep the payment going.

Senator WONG—Okay. So you have the form and then you will have a three-minute conversation.

Ms Hogg—Yes, and we are testing the effectiveness of that in the trial.

Senator WONG—Of the three-minute conversation?

Ms Hogg—Yes.

Senator WONG—How much beneficial discussion around workforce participation do you think can be had in a minute 38 or in three minutes?

Ms Hogg—More than we currently do.

Senator WONG—Are you able to tell me, in each of the six offices, what is the current percentage of customers who have a fortnightly lodgment or fortnightly engagement?

Ms Hogg—I do not have the information per office, but we could get that for you if you wanted to know the base we are starting from.

Senator WONG—If you are able to.

Ms Hogg—Yes.

Senator WONG—What I am interested in, and maybe there is someone here who can tell me, is what the increase is likely to be. What will 65 or 66 per cent to 90 per cent mean in raw numbers?

Ms Hogg—We can get that for you.

Senator WONG—Is this another question on notice?

Mr Whalan—That definitely is a question on notice.

Senator WONG—That is a reasonably significant increase. Let us say that at an office you have 400 people a day who are on Newstart or youth allowance—would that be a reasonable figure?

Ms Hogg—I will just find out if anyone here has that information.

Senator WONG—I am a South Australian, so maybe we can do Marion.

Ms Hogg—No, we cannot tell you. But we can tell you by office how many people lodge daily and what the increase is going to be. We can get those figures.

Senator WONG—Okay. Presumably you have figured that into your planning of the trial.

Ms Hogg—Yes, and we have also figured in, in terms of that 90 per cent, the demographics of what the office covers and those people that will not be asked to come in simply because of the distance issue. So it will vary, up to the 90 per cent or less, depending on what the demographics are.

Senator WONG—What additional staff are being employed in each of the offices to deal with the increased number of contacts?

Ms Hogg—We have two sets of additional resources going in there at the moment. One is that in most offices we have put somebody at the front of the office to make sure the customers know what is happening and where to go. A lot of the arrangements are being changed from just simply a line where people hand in a form to asking the customer to sit down and spend some time with us, so there are new arrangements to explain that to customers. We are also taking the opportunity to talk to some customers about self-service, so in those offices you will also find somebody at the front of the office talking about those sorts of opportunities for different customers. The other resourcing we have done is that we have basically estimated that we need extra staff to do this extra amount of lodgement and we have put those resources in place. We have estimated what they are.

Senator WONG—I am interested in that staff allocation. I understand the first two are essentially facilitative, but I am interested in the additional staff to do the additional 90-second contact. So how many additional staff in each of the offices for the 12 weeks?

Ms Hogg—From memory, it is about two to three per office.

Senator WONG—Full-time?

Ms Hogg—Yes.

Senator WONG—If it is not too much work, maybe when you give me the indication of the additional contact or the proportion of people, or however you have that data—I am just trying to get a sense of what 65 to 90 means—you could also say at each of those offices how

many additional staff will be engaged or additional staff hours there will be in terms of the contact time with customers.

Ms Hogg—Yes.

Senator WONG—Do you anticipate that people will have to wait longer? Will customers be queuing to see people?

Ms Hogg—One of the things that is a key evaluation criterion is that we do not create longer wait times for people. Again, something that we will be feeding back to DEWR—and to our own minister, of course, who is very interested in this—is what this actually does to the front of our offices. But really the model is about the capacity of the front of the Centrelink office to actually deal with the volume, bearing in mind also that on some occasions, when we have public holidays and the like, this needs to be scaleable as well. So we have to put in place a model that can handle different eventualities as well as day to day.

Senator WONG—Because you get more people either the day before or the day after?

Ms Hogg—Yes.

Mr Whalan—The model is changing week by week. I have been at a couple of offices and the model they started with in the first week they changed in the second week and again in the third week as they learned, basically. You get longer queues, so how are you going to re-engineer it so that you can work in a way that does not create longer queues?

Senator WONG—And longer queues are bad because people get a bit uptight?

Mr Whalan—Yes.

Senator WONG—And then staff have to deal with more aggressive, grouchy people?

Mr Whalan—Yes.

Senator WONG—Was your experience that that happened occasionally in some offices during the trial and you are trying to work out how to get around that?

Mr Whalan—Whenever you change the way you deal with a group of customers, you have a period where you try to bed down the new arrangements. They are learning as they go.

Senator WONG—Can I go to financial case management. Apart from Centrelink, has the core department had any responsibility for policy development around financial case management?

Mr Leeper—Not to any degree of detail, no.

Mr Whalan—We keep the core department informed, but essentially this issue has been run by Centrelink.

Senator WONG—In the PBS on page 81, the figure is \$4.1 million, I presume, for financial case management for income support recipients. Does that relate to payments or simply the administration of the financial case management system? I presume it is not the administered appropriation—it is an agency appropriation. Is that right?

Mr Divall—I understand that the area you are looking at is under the Welfare to Work financial case management for income support recipients on page 81. For the financial year 2006-07 the figure is \$3.81 million.

Senator WONG—I was looking at the total over the forward estimates. I am asking what that appropriation is for. That is not the administered item, is it?

Mr Divall—No.

Senator WONG—That is not the actual notional amounts that will be paid to these people—this is \$4 million to set up the system to get someone else to pay them. Is that basically it?

Mr Divall—It is to set up a system of payment to NGOs for the delivery of financial case management. It also includes some funds for Centrelink to set up systems for payments in relation to the advice that NGOs provide us.

Senator WONG—Are you able to give me on notice a more detailed breakdown of that funding into the different issues that you have just outlined?

Mr Divall—A breakdown of the financials?

Senator WONG—Yes.

Mr Divall—Into those broad categories?

Senator WONG—Yes.

Mr Divall—Yes.

Senator WONG—I appreciate that. Can you explain this to me. Will the guidelines as to who will come under financial case management and how those payments will be made et cetera be contained in the social security guide?

Ms Hogg—My understanding is that they will be in the policy guide, yes.

Senator WONG—What is it called?

Mr Divall—It will be a policy guide provided by DEWR.

Senator WONG—So it is not in the—what is it called? Is it the social security guide?

Mr Divall—Yes.

Senator WONG—That is the big one. So it is not going to be in that?

Mr Divall—No, it is not.

Senator WONG—Why is it being separated?

Mr Divall—My understanding is that it is not actually covered by social security legislation, but that would need to be clarified with DEWR.

Senator WONG—Mr Divall, you are the Welfare to Work person in Centrelink, are you? I understood from evidence that was given through the Senate committee process and inquiry into the bill that the various guidelines associated with the Welfare to Work legislation were going to be included in the social security guidelines. To your knowledge, are some aspects going to be separate and some in the social security guidelines, or are they all going to be separate?

Mr Divall—That is a question, potentially, for the Department of Employment and Workplace Relations. This program is owned by them.

Senator WONG—Yes, I am aware of that, but you obviously have some knowledge because you just given evidence to me that this particular aspect of the guidelines—which is only one aspect of the Welfare to Work guidelines—will be contained separately. So I am asking: from the advice provided to you, what is your understanding of where a whole range of the guidelines associated with the implementation in this legislation will reside?

Mr Divall—My understanding of where the specific guidelines will be held is only quite vague. We accept guidelines from the Department of Employment and Workplace Relations where they specifically are; I am not clear whether they are in social security guidelines or other guidelines.

Senator WONG—Have you been provided with a copy of these guidelines on financial case management?

Mr Divall—We have sets of questions and answers that guide us on specific aspects of financial case management, but I would have to check whether I have the specific policy guide for financial case management at this point.

Senator WONG—Do you know what the legal status of the stand-alone guidelines would be?

Mr Divall—I do not.

Senator WONG—Centrelink has not been advised?

Mr Divall—We would need to check.

Senator WONG—Remind me, Mr Leeper, of the legal status of the social security guidelines. Are they made pursuant to the act and pursuant to the minister's—

Mr Whalan—Many of those guidelines emanate from the Social Security Act. Prior to the administrative order changes that happened 16 to 18 months ago, they were virtually all the responsibility of the Department of Family and Community Services. Now those arrangements are split between several departments.

Senator WONG—I am aware of that. My recollection was that there was a certain legal status associated with something being in the social security guidelines. Have I misunderstood that; is that not Centrelink's understanding? Centrelink has to follow them, doesn't it?

Mr Jacomb—My understanding is that the social security guide itself is not in the act. You will not find that in the act.

Senator WONG—No, I know.

Mr Jacomb—It is the bricks and mortar handbook of how to do things, so to speak.

Senator WONG—Yes, I understand that.

Mr Jacomb—Other things, like legislative instruments, are legislatively based.

Senator WONG—I understand that. I am asking whether or not there is some legal standing associated with the guidelines. They are not delegated legislation, but presumably they are issued by the relevant departmental secretary pursuant to some statutory authority.

Mr Jacomb—I am sorry; I was out of the room before. Is this in relation to financial case management?

Senator WONG—I am asking more generally. I am asking about the social security guide. I want to come back to the financial case management guidelines. I am asking you a general question about the legal status of the social security guide.

Mr Jacomb—My understanding is that it does not have a basis in the Social Security Act or in the admin act. Therefore I understand that the social security guide itself is not based on the statute.

Senator WONG—Does Centrelink have to follow it? If they do not, is that going to cause problems?

Mr Jacomb—The guide reflects government policy. It makes the bricks and the mortar of the act, so to speak. To the extent that it is consistent with the legislation and consistent with government policy, then it is appropriate that it be followed.

Senator WONG—It is a long time since I have done any administrative law, but isn't noncompliance with the guide something that people can complain about through the relevant avenues? They can say, 'You haven't followed this and that is why I am in trouble' or 'This is why I have done this.' They are relevant matters before administrative tribunals now.

Mr Jacomb—Yes. And generally, unless it produces an unfair or unjust result, you should follow the guide.

Senator WONG—To your understanding, what is the status of these financial case management guidelines?

Mr Jacomb—I have not been involved with these guidelines, but my understanding is that the financial case management itself is outside the Social Security Act—it is an appropriation and it is not under the Social Security Act or the Social Security Administration Act, so my understanding is that the guidelines are simply guidelines to an administrative scheme as such.

Senator WONG—Okay. And, from your understanding, are they authorised by DEWR's secretary? How does it work? I will ask all these questions of DEWR, but you are the people who are supposed to be implementing these guidelines. I am trying to work out whether you actually have to comply with them. That is the first thing. What is their status?

Mr Whalan—We do comply with them.

Senator WONG—You have not as yet, because they have not been implemented.

Mr Whalan—But I am talking generally about the social security guidelines.

Senator WONG—But these are not social security guidelines. I think we have just established that. I am just trying to work out what their status is. I am not impugning Centrelink's compliance with the social security guide at all. I am trying to work out where these new stand-alone financial case management guidelines are, what authority they are issued under, what their legal status is and what your understanding of their current status is—that is what I am trying to work out.

Mr Whalan—My understanding of the status is that, once they are finalised, they would have the equivalent status of the other guidelines that we receive, in that they are the agreed

advice from policy departments about how Centrelink staff are to operate in administering a program on their behalf.

Senator WONG—Mr Divall, you have not seen a full copy of these guidelines, have you?

Mr Divall—I personally have not seen them. My colleagues in another branch may well have seen them. I have seen questions and answers that articulate the aspects of financial case management.

Senator WONG—Which colleagues would have seen it? Sorry, I thought you were the representative from the Welfare to Work Taskforce.

Mr Divall—I am the Welfare to Work Taskforce representative.

Senator WONG—Okay. So wouldn't the guidelines be something that you would know about? Who else in Centrelink should know about it?

Mr Divall—I have an officer who works for me who covers this area. I can check if we have them.

Senator WONG—That would be good—and also what your understanding is of the current status. What form are they in—is it draft form or what?

Mr Divall—Okay.

Senator WONG—You do not have that person here?

Mr Divall—No, I do not.

Senator WONG—Do you have a copy of what you have got—the questions and answers?

Mr Divall—I have a copy of some questions and answers that have been publicly released to the community.

Senator WONG—To whom were they released?

Mr Divall—People that were interested in—

Senator WONG—Are they the welfare rights questions or something else?

Mr Divall—These are questions and answers that were provided to people who were interested in delivering financial case management—NGOs.

Senator WONG—Would it be possible for me to have a look at or get a copy of your document? It may well be what I have here, but I just want to make sure that it is the same document.

Mr Divall—I am happy to table it.

Senator WONG—Thank you. Mr Whalan or Mr Divall, while you are doing that, was Centrelink involved in the development of these guidelines?

Mr Whalan—Centrelink has been working very closely with DEWR on this, and on every other part of our journey towards Welfare to Work, so we would have been heavily involved.

Senator WONG—Who prepared the financial case management Q&A?

Mr Divall—It was prepared jointly by Centrelink and DEWR.

Senator WONG—Are you able to table that?

Mr Divall—Yes.

Senator WONG—Do you have your own copy of this so that I can ask you questions about it? Do we need to get another copy?

Mr Divall—I do have a copy.

Senator WONG—The first question I want to ask you relates to the threshold eligibility question. As I understand both the document I have seen and the document you just provided me with, essentially there are two criteria: either customers with vulnerable dependants or those assessed as exceptionally vulnerable. I will deal with the second category first—that is, people who are exceptionally vulnerable. ‘Exceptionally vulnerable’ includes those with a recognised disability, medical condition, physical or mental impairment, requirement of medication to manage that condition or impairment and people not having sufficient funds available to purchase essential medication. So it is focused in general terms on people who need medication to manage. Is essential medication defined anywhere?

Mr Divall—Not to my knowledge.

Senator WONG—How is the NGO going to determine if medication is essential?

Mr Divall—I would assume that they would ask the customer if the customer deemed it to be essential.

Senator WONG—Are you suggesting that it is going to be highly subjective depending on what the customer says? I cannot imagine DEWR agreeing to that guideline.

Mr Divall—These are the agreed questions and answers that we have from DEWR. DEWR are the policy owner for financial case management.

Senator WONG—Do you understand that they will develop more detailed guidelines before 1 July?

Mr Divall—I believe that they will develop more detailed guidelines before 1 July.

Senator WONG—Are you involved in that?

Mr Whalan—We will be involved in it.

Senator WONG—Are you currently involved in it, given that it is 25 May?

Mr Whalan—We are currently involved.

Senator WONG—The stand-alone guidelines? That is what you are currently involved in discussing.

Mr Whalan—I know that we are involved in working with DEWR on providing more information. I do not know whether they are stand-alone guidelines.

Senator WONG—I am sorry, I thought that Mr Divall indicated that they were going to be. Perhaps I misunderstood the answer.

Mr Whalan—I do not know.

Senator WONG—Are they going to be stand-alone?

Mr Divall—I do not know the technicalities of the social security guidelines or separate guidelines, but there are guidelines being developed for financial case management.

Senator WONG—Homelessness is not identified as something that makes someone exceptionally vulnerable. Can you explain that for me, or confirm it?

Mr Divall—A customer who is homeless is identified as someone who is vulnerable and we would flag a customer as being vulnerable—

Senator WONG—Where in the guidelines does it say that or where in the Q&A? We are not talking about whatever Centrelink might say for the purposes of activity agreements—is that what they are called now; I can never keep up with the terminology—or activities people are required to do; we are talking about the threshold assessment to determine when someone has an eight-week suspension and whether or not they are entitled to money to buy food, clothing, shelter and medication. That is essentially what we are talking about. I am saying to you that it does not appear that people who are homeless would be people who are deemed to be sufficiently vulnerable such that, if they have their payments suspended, you are going to buy them food.

Mr Divall—I think that is a question that you should pose to the Department of Employment and Workplace Relations.

Ms Hogg—My understanding is that, when we first assess whether we would impose a non-payment period, we would take into account whether the customer was homeless. That would influence our decision about whether or not to impose it in the first place.

Senator WONG—You may not have a choice. I understand that the discretion around the eight-week suspension is far less than previously as a result of the changes. Is that correct, if there is a repeated failure to engage in a number of activities?

Ms Hogg—If somebody has a participation failure three times in one year or they are voluntarily unemployed or dismissed, yes, that is correct according to the guidelines. In terms of our imposition of the non-payment period, all customers will be seen by a specialist officer. One of the things they will take into account is homelessness in terms of whether we proceed to impose a non-payment period in the first place, without the person getting into financial—

Senator WONG—So you are saying to me that Centrelink will be reasonable, but if the payment is in fact suspended then a homeless person under the guidelines, or according to the information you have provided me with, is not going to be entitled to have their food paid for for eight weeks?

Ms Hogg—If a homeless person got through that process.

Senator WONG—But you cannot guarantee that no homeless person will not ever be breached by Centrelink?

Ms Hogg—No, we cannot guarantee that.

Senator WONG—Because you do not have discretion around a number of things, do you?

Ms Hogg—Sometimes we do not, with the best will in the world, get enough information from people. It is often through the specialist assessment where those sorts of things emerge more clearly, and that is why we are insisting that every customer who appears to be heading towards one of these non-payment periods is assessed by a specialist officer.

Senator WONG—In one of the budget announcements additional moneys were allocated to extend the eligibility for the with-child rate of Newstart to non-resident parents. I am not going to ask you about that; that is not your department. But I am asking if the definition of ‘vulnerable dependants’ will need to be altered so that those non-resident parents also have access to financial case management, if breached. Or is that something you have not turned your mind to?

Mr Divall—This is a program that DEWR provides the guidelines for. I suggest you direct your questions to the Department of Employment and Workplace Relations.

Senator WONG—Do you know what the notional entitlement would be? What is your understanding of that?

Mr Divall—The notional entitlement would be the payment of expenses up to the limit of what they would normally have been paid under an income support payment.

Senator WONG—So, basically, we are going to pay them the same amount of money, except the government is paying a charity to pay that for them?

Mr Divall—Their essential expenses would be paid up to the level of an income support payment, yes.

Senator WONG—How is Centrelink going to resolve a situation where the so-called essential expenses exceed this notional entitlement?

Mr Whalan—There is a provision under which you can exceed that ceiling by averaging the money over more than the one pay period. So, if some expenses that occur are lumped in, whether it be an electricity bill or a similar sort of bill, you can spread it across by averaging more than one fortnight.

Senator WONG—Is rent assistance included in the calculation of the notional entitlement or is that separate to it?

Mr Whalan—I believe it is, but we need to confirm that. I believe it is basically existing entitlements, the normal payment level, including rent assistance. But we will confirm that for you.

Senator WONG—If I get rent assistance and Newstart, my notional entitlement is the combination of the two.

Mr Whalan—That is what I believe. I will just confirm that for you.

Senator WONG—But you still have to jump the essential items test up to that amount.

Mr Whalan—Correct.

Senator WONG—Is there an expectation that, with an essential item, you purchase the cheapest one? Say the heater blows up. Do you get the cheapest heater, a second-hand heater? Who makes that determination? Is it Centrelink, the NGO or the customer?

Mr Whalan—We would take advice from the NGOs, which are dealing with these sorts of circumstances on a regular basis. They deal with them now.

Senator WONG—Have you already contracted with any NGOs for this case management?

Mr Divall—We have a register established. We have 23 NGOs on that register in preparation for 1 July.

Senator WONG—Are all these 23 NGOs willing to undertake the financial case management that is on offer? Is that the status of it, or is the register just a register of NGOs who help out people in need?

Mr Whalan—These are NGOs that have expressed interest in doing this work.

Senator WONG—Is it regionally segregated? Is there regional analysis? Can NGOs say, ‘We’ll do it for Western Sydney or New South Wales but not Queensland.’

Mr Divall—Some are covering more than one customer service centre, yes.

Senator WONG—Are you able to provide that document?

Mr Divall—Which document?

Senator WONG—The register, and the indication of which areas they will service.

Mr Divall—I can provide a list on notice of the NGOs on the register.

Senator WONG—And which geographic area they have indicated a willingness to service?

Mr Divall—I think I can provide that, yes.

Senator WONG—I am sorry; I thought Mr Whalan said that was indicated by some people. Was I wrong?

Mr Whalan—No, that is correct.

Senator WONG—Presumably some are state based agencies.

Mr Whalan—We can give you advice on both those which have registered with us and, where they have indicated, the geographic spread.

Senator WONG—Does your geographic spread cover the entirety of Australia?

Mr Whalan—No, it does not.

Senator WONG—Western New South Wales might be a problem, and northern South Australia. Is that right?

Mr Whalan—We expect they will be.

Senator WONG—So what is going to happen in areas where there is no NGO willing to service that geographic region?

Mr Whalan—In exceptional circumstances such as that, Centrelink will provide that service.

Senator WONG—Can you give me some sense of the number of areas where there is not currently an NGO registered to service?

Mr Whalan—I note that we are not up to the end of the period.

Senator WONG—No, you have five weeks.

Mr Whalan—I do not have that here but, as I said, we are happy to give you the list.

Senator WONG—You do not have that here? I thought Mr Divall said he did.

Mr Divall—I do not have exactly what you are asking for. I have a list of providers, NGOs, that are on the panel at the moment. But I do not have the geographic spread to the level of detail that you require.

Senator WONG—Is it a panel or is it a register?

Mr Divall—It is a register

Senator WONG—I presume, for example, in Sydney you are going to have more than one that is prepared to service. How is Centrelink going to determine who gets a particular customer—they are not a customer; they are a breached customer who is not getting any money.

Mr Divall—They are still considered by Centrelink as a customer. If there are two providers in one location, we would provide a customer with a choice. They may have an existing relationship with one provider and they may have a preference to go to that provider.

Senator WONG—Do you have conflict-of-interest safeguards in place in relation to NGOs? For example, a number of NGOs that are on this register may well be Job Network providers.

Ms Hogg—Senator, would you mind explaining the conflict of interest you see there?

Senator WONG—Job Network providers may be the ones seeking to breach people.

Ms Hogg—It is ultimately Centrelink's decision to impose the non-payment period, not the Job Network provider.

Senator WONG—Do you still receive participation reports from them? Are they still called participation reports?

Ms Hogg—Yes, we do.

Senator WONG—So there is no problem with a Job Network provider instigating a participation report which leads to a breach and then the same agency with its NGO hat on case managing the job seeker's or the customer's—

Mr Whalan—There would be if they were making the decision, but we make an independent decision.

Senator WONG—But there is nothing that prevents that under your current protocols or guidelines? So, if organisation X is a Job Network provider that is having trouble with a particular job seeker, and it issues a participation report and Centrelink eventually suspends payment for eight weeks, you do not see any problem in the person being sent back to that agency for financial case management? Is that right?

Mr Whalan—We make an independent decision.

Senator WONG—That is not my question. I accept that you are the legal authority to impose a breach. We agree on that. What I am saying is that you, Centrelink or the government sees no issue with people being referred back for financial case management to the same organisation which effectively sought the participation breach.

Mr Whalan—We would leave it to the organisation to manage that.

Mr Divall—I have some information about the rent assistance issue that you asked about. I can confirm that rent assistance is included in terms of purchases. So it is included. I was confirming—

Senator WONG—There were two questions there, and I have just noticed a question and answer. Question: how much money can be spent in paying customers' essential expenses? Answer: each customer will have a notional entitlement each fortnight. It is capped to the amount of income support the customer would otherwise have been eligible for. I am asking if it is income support plus rent assistance.

Mr Divall—The answer is yes.

Senator WONG—Presumably at some point you are going to give a little bit more detail as to what 'essential expenses' will comprise.

Mr Divall—Further details would be included in the guidelines. I have advice from my colleagues that we have a copy of the guidelines and are waiting for some further clarification on some aspects from DEWR.

Senator WONG—Can you provide me with a copy of the guidelines?

Mr Divall—They are in draft form. I do not think I can.

Senator WONG—Are you taking that on notice?

Mr Whalan—You should ask the Department of Employment and Workplace Relations, who have the latest copy of it.

Senator WONG—But, Mr Whalan, you told me that you were jointly preparing it.

Mr Whalan—Yes.

Senator WONG—They are joint documents. You can give me one too. It is not theirs. You told me that you were integrally involved in the preparation of these guidelines. You have joint ownership, so why can't you provide them?

Mr Whalan—I have no problem with providing them. We will make sure we provide exactly the same copy.

Senator WONG—Are you able to give me that soon? I would really like to have them before Monday. It would make my discussion with Dr Boxall much easier—for us both, I am sure. You have them, Mr Whalan. Is the only reason that you do not want to give me the copy you have currently that you think it may not be the most up-to-date version? Is that right?

Mr Whalan—That is correct.

Mr Divall—We are still waiting for some clarification of some points.

Senator WONG—When do you think you will be able to give me a copy?

Mr Whalan—When we have confirmed with DEWR that what we have is the correct copy—the latest copy.

Senator WONG—I am sure someone could call DEWR, couldn't they? It is estimates. I do not think all of them would have gone home. Is that possible, Mr Whalan?

Mr Whalan—We can do that.

Senator WONG—Thank you. I would like to know how Centrelink will deal with the situation where there are essential items that a customer might not want to talk to the NGO about—for example, contraception. Are you going to let people have money to buy condoms? Is that an essential item?

Mr Whalan—NGOs deal in this area now, in terms of emergency relief et cetera. At the moment, if people get breached and they are on a nonpayment period for several weeks, there is no arrangement to give them a guaranteed amount of funds. They are effectively dealing with either family or non-government organisations about getting support. This is a more generous system.

Senator WONG—Why is this a more generous system? You are going to have people breached for eight weeks and the government is going to pay some external provider to pay their bills for them—only up to the amount that they would have been paid anyway. It is hardly more generous.

Mr Whalan—I would just note that there are a number of people now who do not get access to that arrangement.

Senator WONG—There are things that people might be a little embarrassed to talk to people about and that they might have to buy. How are you going to get around that, or do we just say, ‘If you are too embarrassed to talk about it, or if you do not want to talk to a particular religious organisation which might be one of the NGOs, you just have to go without’?

Mr Divall—There would be a broad category of groceries or food which would cover items that you have identified.

Senator WONG—Does someone go along with these people to the supermarket and determine what they are allowed to buy? ‘No, you cannot have smoked salmon but you can have tinned tuna.’

Mr Divall—No.

Senator WONG—So they decide.

Mr Divall—They would be provided with a food voucher or another arrangement—

Senator WONG—So you can go along to Coles up to a certain amount.

Mr Whalan—Correct.

Senator WONG—Who pays that? Do you pay that? Do you arrange that or does the NGO arrange it?

Mr Whalan—We make the payment.

Senator WONG—But who actually arranges for it?

Mr Whalan—The arrangement is made by the NGO.

Senator WONG—Is it \$590 that you are paying the NGOs?

Mr Divall—It is the \$650 figure with the GST included.

Senator WONG—The majority is paid on registration and the final at the end of the non-payment period?

Mr Divall—That is correct.

Senator WONG—When you say the majority, how much of the \$650?

Mr Divall—It is around five-sixths, I believe. I would need to check.

Senator WONG—And they are supposed to meet with them once a fortnight or once a month?

Mr Divall—Once a fortnight.

Senator WONG—Could I go back to the supermarket. I will try to get onto a less controversial item. Let us say that somebody went along and you gave them \$70 to buy some food. What if they bought \$50 worth of cigarettes? Would that be acceptable, permissible, or able to be done under the current policy parameters?

Mr Divall—I would need to check with DEWR what the current guidelines are in relation to cigarettes—

Senator WONG—What I am confused about is this: I understood your previous answer to me—about the things we will not mention—to be, ‘We are not going to stop people buying what they have to buy in the supermarket. We are just going to set a limit and we are not going to give them the money. They get a credit or some other arrangement at the checkout point.’ Correct?

Mr Whalan—Yes.

Senator WONG—So how do you prevent them from spending most of the amount on cigarettes, for example?

Mr Whalan—That statement is correct in general, but there will be arrangements which will preclude the purchase of alcohol. I would have to check on cigarettes.

Senator WONG—Alcohol is not sold in supermarkets, is it?

Mr Whalan—It depends on which state you live in.

Senator WONG—I am South Australian. Where is it sold in supermarkets?

Mr Whalan—In the ACT.

Senator WONG—ACT! No-one told me that. That shows how often I go to supermarkets here. Coles has grog?

Mr Whalan—Yes.

Senator WONG—There you go. You learn something new every day, don’t you—usually not in estimates.

Mr Whalan—You have got to get out more.

Senator WONG—I will have to go to the supermarket. Okay, so in the ACT you would have to make sure people cannot buy grog. But you do not know what you are doing with cigarettes. Is that right?

Mr Whalan—I would need to confirm.

Senator WONG—Will you need to check with DEWR or are you going to put it in the guidelines that you co-author?

Mr Divall—We would need to check with DEWR.

Senator WONG—But I thought you were co-authoring the guidelines.

Mr Divall—We are assisting DEWR to do that.

Senator WONG—Which bit? Cigarettes or alcohol?

Mr Whalan—The guidelines.

Senator WONG—Is the person who is dismissed for alleged misconduct eligible for case management?

Ms Hogg—They are, in the normal assessment of who is eligible for case management, yes.

Senator WONG—Financial case management in this context?

Ms Hogg—Yes.

Senator WONG—What is an unapproved absence for students? Is that still part of this? Can students be breached for eight weeks, Ms Hogg, if they do not turn up to uni or something?

Ms Hogg—From memory, the new compliance model does apply to people who are in receipt of youth allowance, if they are students, yes.

Senator WONG—It is not in these Q&As, though. It was in a document I previously saw. So if you are a student and you do not turn up to uni for a period of time you might be subject to an eight-week breach.

Ms Hogg—That is my understanding, yes.

Senator WONG—Are you eligible for financial case management?

Ms Hogg—It is the same sort of situation. You have to have three occasions where this has happened.

Senator WONG—Three times?

Ms Hogg—Yes.

Senator WONG—Are they eligible for financial case management?

Ms Hogg—Yes.

Mr Whalan—Under the same arrangements.

Senator WONG—Have you done an estimate, Mr Divall, of the number of people you think you will need to financially case manage through this?

Mr Divall—There is an estimate in that paper. The estimate is 4,000.

Senator WONG—Is that 4,000 recipients?

Mr Divall—It is 4,000 people requiring financial case management.

Senator WONG—Are parents plus kids counted as one or more than one?

Ms Hogg—One.

Mr Whalan—It is 4,000 income support recipients.

Senator WONG—Okay, so not including their children.

Mr Whalan—Correct.

Senator WONG—What is the total in 2006-07? Have you done any analysis of the estimated allocation of that as between the particular income support payments—for example, how many parents, how many NSA?

Mr Divall—That probably is a question for DEWR. They have ownership of that policy.

Senator WONG—Yes, but have you had input into that? You are the people who deal with this stuff day to day, aren't you?

Mr Whalan—It is their estimate.

Senator WONG—What is the proportion of breaches? Are you able to give me that? Of the current breaching regime, what is the proportion? You do not have to give me a huge amount of detail. I am interested in global figures. I suppose they would all be on NSA, wouldn't they?

Ms Hogg—Yes. The vast majority would be Newstart recipients.

Senator WONG—Or youth allowance, potentially.

Ms Hogg—Job seekers, yes.

Senator WONG—So we do not know how many of the 4,000 for 2006-07 are projected to be parents who will move on to Newstart or the parenting payment mutual obligation?

Ms Hogg—I do not know what proportion that would be.

Senator WONG—I will ask DEWR that. That is fine. Very quickly, I want to turn to the job capacity assessment. On the last occasion Mr Dolan spoke to me about the guidelines for what was then the CWCA and I understand is now the JCA. Is that right?

Mr Dolan—That is correct.

Senator WONG—I will quote you, Mr Dolan:
Guidelines are being developed at the moment.

... ..

I cannot give you a precise date.

That is a very good public servant answer. You continued:

It will be significantly ahead of implementation, but I cannot give you a precise date.

Have we got the guidelines?

Mr Dolan—The guidelines are being developed—

Senator WONG—As we speak.

Mr Dolan—Yes. They are being finalised as we speak.

Senator WONG—When does this start?

Mr Dolan—They have been distributed in a draft form to the job capacity assessors. When we wrote to the successful tenderers with their contracts we provided them with a draft of the guidelines so that they would be able to understand the nature of the work they will be undertaking.

Senator WONG—Are you able to give me what you have done so far, given that we do not have another estimates, I do not think, before implementation date, which is 1 July—is that right?

Mr Dolan—That is right.

Senator WONG—Which is five weeks? Six weeks?

Mr Dolan—That is right.

Senator WONG—You told me in February that the guidelines would be developed significantly ahead of implementation. I wonder when we will be able to see them.

Mr Dolan—The guidelines have been made in draft form and will be made in final form to the providers. As is consistent with the current guidelines for the current range of assessments, it is not intended to release the guidelines publicly. They are to guide assessors, not to take assessments.

Senator WONG—This is an estimates committee, so it does not matter whether you are releasing them publicly. I am asking you to provide them to the Senate estimates committee.

Mr Dolan—I will take that question on notice; I will get back to you on that. The intention is to provide the guidelines to the assessors, and we can take that on notice.

Senator WONG—This is clearly about the expenditure of public moneys and the operations of the functions of the department for which the Senate is asked to consider the appropriation. These are guidelines which are supposed to be implemented for assessment on quite a number of welfare or income support recipients in about five weeks time.

Ms Frame—The guidelines, as you understand, are an incredibly lengthy and detailed document. I am not sure how many pages but well over 100 pages—

Senator WONG—I am sure I could probably manage to handle it.

Ms Frame—and they have been distributed. They are very—

Senator WONG—To providers.

Ms Frame—They are not in a final form but they are in a very advanced draft form that was distributed to all the contracted providers when the successful tenderers were announced.

Senator WONG—I am asking for the current version to be provided to the estimates committee.

Mr Leeper—We can provide that.

Senator WONG—Thank you. How long will that take? I have been asking for this since February.

Mr Leeper—The issue, as Mr Dolan indicated in February, is that they have not yet been completed. We can give you the current version although I will take advice from my colleagues about how extensive any further revisions might be. I take the point: we are five weeks out and we are working hard with the providers to get the training systems done.

Senator WONG—I thank you; I appreciate that. I want to ask about the pre-vocational account—is that you Mr Dolan?

Mr Dolan—Yes, it is.

Senator WONG—As I understand, this is money that can be spent on a short, sharp intervention that supposedly might assist someone becoming job ready—is that right?

Mr Dolan—That is right.

Senator WONG—Is it the case that funding is available for the assessor to follow up after the intervention?

Mr Dolan—The approach is that the job capacity assessor will assess someone who is almost ready for referral to the Job Network but will benefit from, say, a short-term anger management course beforehand. The short-term anger management course will be funded by the job capacity account, so the person will be referred to two things: first of all, to the job capacity account and then to the Job Network—

Senator WONG—Mr Dolan, can I stop you there so we can try and do this efficiently? I am trying to finish so that your people can go home and Senator Moore can ask questions of child support. I am not asking about that; I am asking whether there is funding after you have done the intervention. In your example of the anger management courses, is the assessor funded to assess the person again as to whether the anger management course has been effective?

Mr Dolan—We would know whether the course has been effective if the person is able to be found a job by the Job Network.

Senator WONG—That is not the question. Are they funded to meet with them again?

Ms Frame—The job capacity assessor does not case manage the person while they are undertaking the job capacity account intervention and they are not funded as such.

Senator WONG—Thank you very much; I appreciate that. We send people to anger management courses or whatever, but it is not the role of assessor to check whether it has been effective.

Ms Frame—No. They are concurrently referred to the Job Network member at the time they are referred to the job capacity account intervention.

Senator WONG—Is the Job Network member advised of the expenditure of the pre-vocational account? Ms Frame, I think you said that you do this intervention and then you refer to the Job Network concurrently—correct?

Ms Frame—That is correct.

Senator WONG—Is the Job Network member advised of what your pre-vocational activity was?

Ms Frame—That is correct; they are.

Senator WONG—Is there a follow-up as to how the money was actually spent? Very briefly, how does it work in practice? You get person X. You decide that they should have an anger management course. Do you book it? Does the assessor book it?

Mr Dolan—The assessor refers the person directly to the anger management course and then pays for the anger management course, and they seek reimbursement from the Department of Human Services.

Senator WONG—And then they do not have any contact with the person again?

Mr Dolan—They will receive notification from the job account provider that the person has attended the course and then, through access to the DEWR system, we will work out if the person was actually suitable for the Job Network—whether or not they have been found a job. So we will actually be able to follow up the outcomes for the individual through the system.

Senator WONG—Mr Dolan, it was a simple question: do they have any contact again with the job seeker? I think—

Mr Dolan—No.

Senator WONG—as I understood Ms Frame's answer, the answer is no.

Mr Dolan—That is right.

Senator WONG—Thank you. So how do you assess the value of the prevocational referral?

Mr Dolan—The intervention is valuable if the right person has been sent to the right prevocational job capacity account, because they will be job ready when they get to the Job Network. So we will assess the value of the intervention according to the outcomes; that is, is the person job ready? If the person, for example, goes to the Job Network after the anger management course and is rejected by the Job Network as not ready for work then that would indicate to us that that intervention was not successful. So we are managing this through looking at the outcomes of the referral. That is how we will know.

Senator WONG—There are a whole range of questions I could ask there. What if the reason they are not job ready actually has nothing to do with the issue that caused the referral to the prevocational training course or intervention?

Mr Dolan—If we found, through looking at the DEWR information system, that a significant number of people referred from one job capacity assessor were not suitable for the Job Network after going to a job capacity account then we would investigate the reasons why. The information we would get would give us the ammunition to work out where to look further to investigate why those interventions were not successful.

Senator WONG—Okay.

Ms Frame—The job capacity account provider is required to provide a report to the Job Network member and the job capacity assessor which would present the outcomes of the intervention. As you said, there may be other issues that come up, but it would address what they achieved against that outcome.

Senator WONG—Thank you. Can I go back to the JCA—and you might want to take this on notice. Perhaps the guidelines deal with this, but I would like to know on what basis an assessor will make a decision to refer a person with a disability and a partial work capacity to DOES, disability open employment services, as opposed to a Job Network service.

Mr Dolan—The guidelines spell out the criteria under which a person should be referred to the Job Network as opposed to DOES. They give the characteristics—

Senator WONG—As opposed to what?

Mr Dolan—The guidelines will spell out the characteristics of people who should be referred to the DOES versus the Job Network, and those have been developed with DEWR. The training will help the providers to understand how to differentiate between the two types of services.

Senator WONG—Are you able to give me a thumbnail sketch of when you get to go to DOES as opposed to a Job Network member?

Mr Dolan—If the person requires significant ongoing assistance in employment due to a disability, that would be one of the characteristics that would suggest they should go to the DOES. That is one example.

Senator WONG—And what about the level of work capacity; is that a factor?

Mr Dolan—The level of work capacity, the number of hours per week a person would work, would determine whether the person would go into a capped or an uncapped place in the DOES, the disability open employment services.

Senator WONG—I thought the capped and uncapped places were split between those who were obligated and those who were not. I thought the uncapped were those who are now going to be obligated under the Welfare to Work changes. Is that not right? I think that is what DEWR told me last time, but I could be wrong.

Ms Frame—Those customers who are assessed as having a work capacity of between 15 and 29 hours a week.

Senator WONG—Correct.

Mr Dolan—Their work capacity determines entry into the type of DOES service, whether it is a capped or an uncapped place.

Senator WONG—That is not a type of service; that is just a funding stream, isn't it?

Mr Dolan—Yes, a funding stream.

Senator WONG—They are the same service, aren't they?

Mr Dolan—Yes, but with capped and uncapped places—

Senator WONG—It is just that one is capped in terms of places and one is not; correct?

Mr Dolan—That is right.

Senator WONG—That was not my question. What I am asking is: in terms of your decision to refer somebody with a disability and a partial work capacity to a DOES service or a Job Network member, is the issue of the level of their capacity relevant?

Ms Frame—It is not, Senator.

Senator WONG—Thank you.

Ms Frame—The key criterion is the one Mr Dolan mentioned.

Senator WONG—The ongoing—

Ms Frame—The ongoing support needs.

Senator WONG—In the early intervention and engagement pilot, I understand that about 9.6 per cent of people were referred to a disability open employment service. Does that sound about right?

Ms Frame—I am sorry, I do not have the report with me. It is owned by the Department of Employment and Workplace Relations. I have seen it, but I cannot recall it.

Senator WONG—I thought you ran the pilot.

Ms Frame—No. That was run by DEWR.

Senator WONG—Didn't it get flicked to you at some point?

Ms Frame—No. We inherited the policy but they ran the pilot.

Senator WONG—So you looked at the results of the pilot to develop the policy.

Ms Frame—That is correct.

Senator WONG—I knew there was something there. Can you confirm the 9.6 per cent?

Mr Dolan—Senator, I would make the point that the results of the pilot are not truly indicative of the results of the world after 1 July 2006. The social security criteria have changed—

Senator WONG—You are anticipating a lot of questions. There are a lot of jumps with that answer; I had not even got there. I am just asking you to confirm the proportion in the pilot that were referred to DOES.

Mr Dolan—You can confirm that with the Department of Employment and Workplace Relations.

Senator WONG—Can you tell me what the usual rate of referral is to disability open employment services?

Mr Dolan—Again, that would be a question you would ask the Department of Employment and Workplace Relations. They have the information on the current regime.

Senator WONG—Okay. In terms of the request for tender, what are you assuming the flows to be? What are you assuming in terms of the proportion of people going to DOES and the proportion of people going to Job Network? Or have you not looked at that?

Mr Dolan—In the request for tender, we have an indication of the estimated number of people who will come in for a job capacity assessment. We have worked with the Department of Employment and Workplace Relations in terms of the guidelines through which providers will send people to the Job Network or to the DOES. It is really the Department of Employment and Workplace Relations that has the estimated numbers of referrals to the different service providers.

Senator WONG—You are not aware of that?

Mr Dolan—DEWR has developed costings and the flow assumptions—

Senator WONG—But this is your thing. About the only thing DHS got out of Welfare to Work was the assessment process. Are you now telling me that you cannot tell me how many or what proportion of job seekers you are assuming will flow through that assessment process to the various services?

Ms Frame—Senator, you would understand that we are given the eligibility criteria by the Department of Employment and Workplace Relations.

Senator WONG—Yes, I do.

Ms Frame—Whether someone is sent to a program is entirely demand driven and dictated by their circumstances. So, as the Department of Human Services, we do not have projected flows into programs.

Senator WONG—Mr Dolan, currently you have the better assessment early intervention program.

Mr Dolan—That is right.

Senator WONG—The current assessment process is the better assessment process—is that right?

Mr Dolan—There are two programs: better assessment and the job seeker supplementary assessment, which is run for Newstart.

Senator WONG—So we are going to ditch better assessment and are now going to job capacity assessment?

Ms Frame—That is correct.

Mr Dolan—That is correct.

Senator WONG—When you want to change again you might have to call it ‘best assessment’ after JCA, if you want a new title. What is the difference? How many more interviews do you have through the JCA than under the better assessment?

Mr Dolan—Some things remain the same; some things will be different.

Senator WONG—What are the different things?

Mr Dolan—The different thing is that it will be comprehensive assessment. People will be no longer streamed into a psychological, medical or work capacity assessment. They will be streamed into an assessment where the assessor looks at the person’s work barriers in totality.

Senator WONG—You do not do that now?

Mr Dolan—No.

Senator WONG—Surely you do that now.

Mr Dolan—Under better assessment, customers can be streamed into a psychologist assessment, into a medical assessment or into a work capacity. They have been combined.

Senator WONG—Sorry, but I thought we had a long discussion in February, Mr Dolan, where you said that that may happen anyway under the JCA—that if the provider thinks they better send a person to a psychologist, they can.

Mr Dolan—I am sorry, Senator—I thought you were asking me to explain the difference between better assessment, the current assessments and the new job capacity assessments.

Senator WONG—I am suggesting to you that what you have just said is a difference. I am asking why that is the case, because my recollection of your evidence on the last occasion was that that sort of referral can and will occur under JCA.

Mr Leeper—Senator, I think that in the February hearing Mr Dolan was making the point that under job capacity assessments an individual assessor is meant to bring to bear whatever skills are needed to make the appropriate assessment.

Senator WONG—I think he conceded that that might include a referral to a relevant specialist.

Mr Leeper—It might, yes. But, basically, we are bringing together into one single point of assessment the responsibility for that action to occur, whereas, at the present time, a person may be referred from one assessment point to another without coordination.

Senator WONG—Could you take that on notice. I would like to clearly understand the difference between the current assessment process and the JCA.

Mr Leeper—Certainly.

Senator WONG—I am conscious of the time and the other officers waiting for questions—I am sure with bated breath. Could you also indicate how many more interview or contacts, if any, are assumed in the JCA?

Mr Dolan—Do you mean per assessment or just total numbers of assessments?

Senator WONG—Per customer.

Mr Dolan—I would generally assume that there would be one interview with a—

Senator WONG—This was a question on notice. If you want to tell me that the data is trapped in a different way, we can have a discussion about that, but I do not really want to go into the substance of the answer now.

Mr Leeper—We will assess it on notice.

Senator WONG—Can I go back to privacy? You have had more than your hour, Mr Whalan.

Mr Whalan—I have two issues to come back to you on, Senator. The first one is the financial case management guidelines. You will get a copy of those tomorrow morning.

Senator WONG—That is extremely cooperative of you. Thank you very much.

Mr Whalan—The second one is the terms of privacy. I can confirm that no Centrelink officer has handed over any information in respect of individual customers for a market research exercise in relation to Welfare to Work.

Senator WONG—I am going to give you the opportunity to take that on notice. I will try and give a bit more information. I said ‘personal details’. That included phone numbers for particular payment recipients. The relevant research group was called Open Mind Research Group. In fairness, I will give you the opportunity to discuss this with your officers over the next period. I want to know exactly what information was provided to DEWR or any other department for the purposes of a testing and advertising campaign or market research in relation to an advertising campaign. I also want to know whether that complied with Centrelink’s privacy policy.

Mr Whalan—I will take that on notice.

Senator WONG—So we do not have an argument about questions on notice, do you still trap data in terms of benefits per postcode?

Mr Whalan—Yes, we do.

Senator WONG—Could I have that for DSP, the various Newstart payments and the parenting payment?

Mr Whalan—Yes.

Senator WONG—Is it onerous to extract that detail?

Mr Whalan—I actually think it is already published on the web—

Senator WONG—I do not think it is up to date.

Mr Whalan—I will confirm that for you and, if it is, we will ring your office and confirm that. If it is not, we will provide it in a paper.

Senator WONG—I understand what the issue is—I think it is on the web by electorate, not by postcode.

Mr Whalan—I stand by what I said. We will confirm whether you can get it by postcode by yourself and, if you cannot, we will get it to you.

Senator WONG—Thank you.

Senator MOORE—We will try to finish this section by 9.30, so there will be quite a few questions on notice. In terms of Centrelink, I want to get a snapshot of the IT process in terms of the current status of various programs that are going on and any enhancements that have been announced in the budget. So I want a snapshot of exactly what is going on with IT in the department, because it is such a significant element of where we are going. We had a full report when IT Refresh was introduced. Your predecessor came and gave us an introduction on how it was going to go through. We are just under halfway through. It may well be that this will need to go on notice, because it is such a significant program. But, with the large expenditure that was being put into IT Refresh, we want to find out where that has gone up till now and then, from your expectation, how the augmentation of systems has worked. Is it possible to start that?

Mr Whalan—I will ask Mr Wadeson to take us through this.

Mr Wadeson—We are just over the halfway mark with Refresh. Refresh is the name given to the five-year program to modernise substantial components of Centrelink systems. The first

year was mostly spent in the area of fixing more critical issues in the older parts of the system—such things as what are called docs and things like that. A lot of those sorts of tasks took up the first year. In the second year and more recently we have been doing a lot of work in the online space. Currently there are just over 40 online services available on the net. Refresh has contributed a lot of the underpinning infrastructure for that, particularly in the area of security. It has built a lot of the security frameworks. We now have both a PIN password and a secret questions component to that security. It is surprising, in trying to get our systems more accessible and open, how much is spent on the security side of it—that is a big component of it.

Where are we up to now? We are coming to the point where, in IT terms, we have probably done a fair bit of the most difficult work. What we have left to do is that, as more and more people come into these online systems, we have to strengthen them. They will become a big part of the IT capability, as a proportion. We have got that ahead of us. We have also got a substantial number of systems that we have to migrate off the old platforms. That and some more work to do with management information are the focus for the last two years. I think that this year we feel as though the online and IVR systems, which use essentially the same thing, are really coming of age. I think we and indeed other people who are moving onto online services feel as though there is fairly good underlying growth. But it is not a simple and easy task, the migration to the new architecture. Migrating the old systems is still a substantial component ahead of us.

Senator MOORE—When Refresh was introduced there were clear intentions published about what was hoped to be achieved by this process. The idea was that it was going to augment different things. There were also going to be some core project components. Is it possible to get an update from you on notice of the core components of the program and how the budget is going? It was a huge budget at the time. It has been dwarfed by other things since then, but when it was introduced it was an absolutely threshold technology budget. So, at halfway through, we want to see how it is going, because it was going to be the turnaround for your agency. We are asking because we now have all the other things coming on, with Welfare to Work and also the smartcard, so we want to balance it all.

Mr Wadeson—I gather the components you are talking about are those often described in the early days as customer to Centrelink, business to Centrelink, government to government and government to community. You would like an update, under those four headings, of where we are going?

Senator MOORE—Yes, and also in terms of your project plan. There was the five-year project plan, but there were also snapshots, 12-month project plans, within that. We just want to see how it is going. That may then lead to further questions next time, but I think it is timely to get that question on the books at this stage.

Mr Whalan—I am happy to give that. Thank goodness for that investment, which we are now halfway through, because a lot of our ability to respond quickly now is a result of that investment.

Senator MOORE—Absolutely. We will not have time to get into this too much, but I particularly want to get some information about the call centre supplementation in the recent

budget. It seems to be one of the specific aspects of this round for Centrelink. I want to get some idea of where you fit in this process and what the expectation is for that. You were allocated \$2.5 million under the call centre supplementation. I also note that that is the capital cost and that the funding costs for process are above that. This is at 2.10 in budget paper 2. I would like more information about your program plan for that and what supplementation is going to happen. In the short explanation in the budget paper, it talked about gearing up for more complex calls. We would like some information about what that means in terms of the process.

Mr Whalan—I will try to give you an overview. There are a few components to this. One component is that we have been funded to develop a 24-hour call capability.

Senator MOORE—It has finally happened.

Mr Whalan—Yes. It is, in particular, recognition that, when you have a natural disaster of any type, one of the most important things is your ability to cope with the surge of calls that come early. Organisations get swamped early, so this is a start. This is about our ability to cope in the first hour. We are funded to have, effectively, 10 people working at any hour outside normal working hours—so 24 hours a day, seven days a week. But essentially it is really outside our normal working hours.

Senator MOORE—And it would not matter where they were.

Mr Whalan—We will have them in a location. We have not settled that yet, but we will have them in a location. In addition to that, we will have another 40 staff who will be rostered on call to be available outside hours. People will be rostered on a Sunday midnight-to-dawn shift and recognised as being on call. They will be required to be available at very short notice.

Senator MOORE—Do they get paid whether they get called up or not?

Mr Whalan—They will be.

Senator MOORE—On the basis that they need to be ready. Then the payment will be enhanced if they are called in. That would be the standard kind of process.

Mr Whalan—We are working our way through that. You have two levels. You have people who are actually working in the office.

Senator MOORE—So that is 10 actively available at any time but 40 on call at any time.

Mr Whalan—There will be 40 on call at any time.

Senator MOORE—To cover a 24-hour process.

Mr Whalan—Yes. Part of their job is to take the first calls and to also start linking and bringing in more capacity. Another part of the funding is for us to start to join up our systems with Medicare call et cetera so that, once again, if you have a very big event you can start to not only call on Centrelink but also other federal call centre capacity as well.

Senator MOORE—And that is linked into disaster planning as well.

Mr Whalan—This is around the 24-hour call concept. It is a fantastic initiative which places Australia in a better position to respond to emergencies early and quickly. The second

major element is about unmet call demand. A part of it is a continuation of funding that otherwise would have lapsed and part of it—

Senator MOORE—That was a previous budget initiative, wasn't it?

Mr Whalan—Correct.

Senator MOORE—So this is continuing that funding with a new allocation.

Mr Whalan—That is right. But there is expansion beyond that. That is about us trying to provide a better level of service in terms of increasing demand on call, which increases year on year. In addition to that, we are going to be doing some further development of natural language speech recognition to allow more work to be done with interactive voice—

Senator MOORE—So that is funded out of call centre extension and not IT?

Mr Whalan—We have been funding it out of IT. Part of it was funded by Refresh—that is, the ability to do that.

Senator MOORE—It is one of the things specifically mentioned when Refresh got kicked off.

Mr Whalan—Yes. Now the government is saying, 'That is working well—we would like you to go further and develop some more capability there and some more options that allow people to ring in and deal automatically.' For example, in reporting of earnings it has been very successful. People find that ringing in and being able to do it by voice works well for them.

Senator MOORE—It is not a system that I like! Are you anticipating opening more centres?

Mr Whalan—We are not there as yet. We are just doing planning at the moment on how much capacity we have in the existing footprint and the extent to which we use that capacity or go further. Part of that decision is going to include a judgment about how much surge capacity we need. My advice is that we could actually fit the existing staff within the current footprint, but then we are going to get into issues about what happens if you have an event and you need to surge suddenly.

Senator MOORE—There will not be any specific questions on notice on that, but we may ask for a briefing on that expansion. Beyond that, to put it on record, I am asking particularly about data mining. I have no idea what it is. There is \$2.2 million over two years to investigate the use of data mining. Can you provide us with some information about data mining? There must be a general thing.

Mr Whalan—I can give you some brief advice.

Senator MOORE—You could just give me a fact sheet or something like that. That would be useful.

Mr Whalan—You do not want it now?

Senator MOORE—No. That is something I am sure you can provide. It is \$2.2 million over two years—is that right?

Mr Whalan—For data mining, yes.

Senator MOORE—And the way it is phrased is that it is to investigate the use of it. Is that on the basis that it is not used now in the department?

Mr Whalan—It is not used as extensively as we would wish in Centrelink, no.

Senator MOORE—I am going to be putting some questions on notice about advice to refugees and temporary protection visa holders as set out. Also, I want to follow up something else. You gave me information at either the last estimates or the one before about access by Aboriginal and Torres Strait Islander people to the ARO system and general reviews and appeals. That was very useful. In your last year's annual report it said that there was going to be a review of Indigenous servicing in the department, which was due to be completed in 2005-06. Where is that at? I am sorry to throw all of these at you like this, but it is an ongoing issue. I will leave that with you as well. It was talked about as a focus on the whole way that Indigenous servicing was going to be handled within the department. Could we get an update on where that review is at and also some specific staffing information on Aboriginal and Torres Strait Islander services within the department? Where are they, which offices are they at and that kinds of things are they? We got some standard staffing information last time, but I would like to know where there are dedicated—

Mr Whalan—I would just like to be a bit clearer there. We can give you number of staff by classification.

Senator MOORE—Yes, that would be good. I would like the number of staff by classification generally who identify as Indigenous. That is one question. The second question is: where do you have your specific Indigenous services located?

Ms Hogg—That is very easy. The remote area service centres are very easy.

Senator MOORE—Are they in every area?

Mr Whalan—We might be talking at cross-purposes. Ten of the remote area service centres were funded prior to this budget and two are funded in this latest budget. My memory is that seven of those 12 are operating now. For example, they are in the Tiwi Islands, Thursday Island, Cape York and those sorts of locations.

Senator MOORE—They are the ones that are dedicated—they have the title. Are there not Indigenous units in every area with identified staff who have the responsibility?

Mr Whalan—We have Indigenous service officers.

Senator MOORE—It is another snapshot element which I know you have picked up in your review of Indigenous services and which will lead to more questions subsequently. The methodology of service delivery for Indigenous people in Centrelink has evolved and I am just trying to get an idea of exactly how it is now.

Mr Whalan—We will give you an overview of Indigenous staffing and how we deliver in relation to Indigenous customers.

Senator MOORE—Good. You can rest assured that there will be more time in the next estimates round. Chair, Senator Carol Brown has a couple of questions to put on notice. Senator Brown, so that the department has some idea, what were the topics?

Senator CAROL BROWN—I am going to ask a couple of questions about the complaints process. I also want an update on the initiative that was announced by the minister—I think it was late last year—about issuing receipts by phone contact.

Mr Whalan—Are they questions that you are asking now?

Senator CAROL BROWN—I will ask them on notice.

Mr Whalan—Thank you.

Senator MOORE—Are they long answers?

Mr Whalan—In terms of receipts, an arrangement was in place previously whereby receipt numbers were provided by call centres. We have an arrangement now with customer service centres whereby people can be given a receipt. This is an interim arrangement; we have a better system coming out in the second half of this year. It can already happen and there is a better system being put in place in the second half of this year, in terms of receipts.

Senator MOORE—Is that an administrative change or a technological change?

Mr Whalan—Both.

Senator MOORE—So the receipt process is another thing that has been affected by enhanced technology?

Mr Whalan—Yes.

Senator CAROL BROWN—On notice, just provide some information about the new system.

Mr Whalan—I will.

Senator MOORE—They are the areas that we are putting on notice as a result of this afternoon. It is entirely up to the department as to whether we go to Medicare Australia or the Child Support Agency.

CHAIR—It is up to you, Senator Moore.

Senator MOORE—Then we will go to Medicare.

Mr Leeper—In the changeover, I will mention that, in relation to the cost of answering questions, I have determined that on 22 February the secretary of my department, in a regular meeting with the heads of the six agencies, gave a verbal update on the arrangements that have been discussed during the hearing today. They came under an agenda heading ‘Costing answers and advising early on what we can provide’. Subsequent to that meeting, on 24 February we provided advice to the agency coordination points that said: ‘Please advise by the close of business 1 March’—this was on 24 February—‘advice to any questions which require clarification or any questions which will take more than 50 hours to answer.’ I am feeling slightly vindicated. I said ‘two to three days for two to three people’, which is 28 to 63 hours, so I might have got in the right sort of zone. And we attached a template for estimating the cost for that, which, if you wish, I am happy to table.

Senator MOORE—We would appreciate that.

Mr Leeper—It is literally just the shell of a spreadsheet, but I am happy to table that.

CHAIR—Does the committee agree for that to be tabled?

Senator CAROL BROWN—Yes.

CHAIR—It is so tabled.

Senator CAROL BROWN—Just refresh me: was that on 28 February?

Mr Leeper—That advice went out on 24 February and the matter was discussed with agency heads on 22 February.

Senator MOORE—When were the last estimates?

Mr Leeper—On 14 February.

Senator MOORE—So the 14 February estimates happened and this internal decision happened about the week after.

Mr Whalan—Yes. On 22 February it was communicated to agency heads and on 24 February it was communicated to coordination points.

CHAIR—Thank you.

[9.33 pm]

Medicare Australia

Senator MOORE—Chair, the reason I chose to go to Medicare is that we had asked for the officers who were involved with the smartcard discussion earlier to stay until we had finished the Medicare discussion, so more staff will be affected by this particular series of questions. Senator Carol Brown has some particular questions about the Tasmanian Medicare smartcard trial, so that may well affect the gentleman who was here earlier who looked at the smartcard.

Mr Leeper—If he is not here, I will do my best to help you. After four hours of practice, I am feeling a little bit in the groove.

Senator CAROL BROWN—We might start with a bit of an update on the Tasmanian Medicare smartcard trial.

Ms Argall—Is there anything in particular that you would like to have by way of an update? I can give you the status or the number of Australians who are currently registered on a Medicare smartcard in Tasmania. Is that the sort of update you are looking for?

Senator CAROL BROWN—What information is on the Tasmanian smartcard?

Ms Argall—At this stage, other than what is on an existing Medicare card, there is no additional information contained on the card apart from a photograph where the member of the public has elected to include that photograph.

Senator CAROL BROWN—It is the same as a Medicare card, but it has a photograph on it—is that right?

Ms Argall—That is correct.

Senator CAROL BROWN—Is there any information that is not visible?

Mr Trabinger—As Ms Argall has said, the only additional information is a photograph that is on the card. It is actually on the chip. It is not visible on the card itself. It is held within the chip.

Senator CAROL BROWN—How many Tasmanians currently have a Medicare smartcard?

Ms Argall—As at 24 May, there are currently 4,393 people registered with 2,966 cards having been issued.

Senator MOORE—Is that still based on around 16,000 being offered?

Mr Trabinger—As at 24 May, we had invited 17,813.

Senator MOORE—We asked the question last time, I noticed.

Mr Trabinger—We have had 4,393 customers, which relates to 2,966 cards issued.

Senator CAROL BROWN—What percentage of the eligible population is that?

Mr Trabinger—I understand that roughly one per cent of the Tasmanian population would now have a Medicare smartcard.

Senator CAROL BROWN—Are you happy with that uptake?

Mr Trabinger—With the fact that the Medicare smartcard was really a pilot and that it was not offering, really, any functionality over and above the existing Medicare card, I guess the uptake is not surprising.

Senator CAROL BROWN—Have you looked at the reasons for the low uptake?

Ms Argall—While it is only one per cent of the population in terms of those Tasmanians who have been offered the opportunity to have a Medicare smartcard, the percentage is somewhat higher. It was 16 per cent and now—

Mr Trabinger—It is about 17 per cent.

Ms Argall—It is about 17 per cent today. I think we need to bear in mind, as Mr Trabinger said, that it is a pilot of a concept, and I think it was always intended that we would add additional information like emergency contact details and allergy information. That functionality has not been added to the card at this stage. The incentive to go through the registration process has not really been there at this stage.

Senator CAROL BROWN—You have not looked at the reasons why people have not been taking up the offer of a smartcard—is that right?

Mr Trabinger—We have not actually undertaken any research. Anecdotal evidence from advice from our customer service operators indicates that the fact that there is no additional functionality has not been something that customers have been demanding.

Senator CAROL BROWN—To receive a Medicare smartcard, did the client have to provide proof of identification?

Mr Trabinger—That is correct.

Senator CAROL BROWN—Did that include an original birth certificate or something along those lines?

Mr Trabinger—That is correct.

Senator CAROL BROWN—If they had to go off to births, deaths and marriages to get a copy of that, did they have to pay for that information?

Ms Argall—Yes. I think that is included in one of the responses to the last committee hearing. I can give you the reference.

Senator MOORE—That was in the response and it said that at this stage in the early pilot these things were under review. That was the tenor of the answer—is that correct?

Ms Argall—That is correct.

Senator MOORE—At that time, that was still an issue but there was knowledge of this idea of perhaps, down the track, looking at cross-referencing between registries and so on?

Ms Argall—Yes, but at that stage that had not been taken any further.

Senator CAROL BROWN—What is the status of the Medicare smartcard HealthConnect project in Tasmania?

Ms Argall—We have made a decision to end that pilot as of today.

Senator MOORE—What does that mean?

Ms Argall—In light of the government's decision on the access card, it is now considered inappropriate to continue to roll out a Medicare smartcard in Tasmania when there will be a new access card introduced in the foreseeable future.

Senator CAROL BROWN—How much money has been spent on the project to date?

Ms Argall—A total of \$4.4 million.

Senator CAROL BROWN—Was that from 2004?

Mr Trabinger—There was money allocated in 2004-05 and money allocated in 2005-06.

Senator CAROL BROWN—You are answering my questions before I ask them!

Senator MOORE—We had not quite got that last one. Is there going to be an evaluation of the whole process now? Senator Brown's questions were looking into the future. Now you have actually started a project, you have put two years of hard effort into it, you have one per cent of the available population signed up. What is going to be the evaluation process for that work? I would expect that to lead into whatever work is going to be done on the new card. Is that right?

Ms Argall—This whole exercise was part of a pilot program. What we learned from the smartcard pilot certainly has informed the business case that has been developed for the access card.

Senator MOORE—And is there now a formal evaluation strategy?

Ms Argall—I do not believe we have contemplated a formal evaluation.

Senator CAROL BROWN—There are obviously staff in Tasmania working on this Medicare HealthConnect project.

Ms Argall—They are Medicare office staff, so they do it as well as their other Medicare office duties.

Senator CAROL BROWN—So there are no job losses from the trial ending?

Ms Argall—I would not envisage that, because Medicare officers are undertaking additional functions as we roll out family assistance services in Medicare offices.

Senator MOORE—You said earlier, Mr Trabinger, that there has been no research done around the process. Is there an expectation that now there will be a research component?

Mr Trabinger—No, as Ms Argall has said, we have been passing on the information we have to the access card people. Also, in consultation with KPMG, we have given them access to the sorts of work that we have done over the last 12 to 18 months.

Senator MOORE—That will go through to the new task force—whoever they are?

Mr Trabinger—That is correct.

Senator MOORE—In terms of the 17,813 people who were offered this access, is there going to be any strategy for letting them know that the pilot is now not happening and to hold the phone until we get the new access card?

Ms Argall—Not in relation to the 17,000. Those Australians who have taken up the offer are clearly early adopters. In the roll-out of this sort of technology, you always have the early adopters—those who have an appetite for experimenting with new technology. Given their appetite, we would like to ensure that they have the opportunity and are maybe given some priority in registering for an access card. We will be talking and working with DHS as the detailed design work on the access card proceeds, to ensure that this group of Australians is given some priority.

Senator CAROL BROWN—So it ends today. When was the decision taken that this was the day it was finishing up?

Ms Argall—The decision was taken this week, and it coincides with the contractual obligations that finish today.

Senator MOORE—Can we be confident that the lessons learnt out of the process will not be lost?

Ms Argall—Absolutely.

Senator MOORE—I have a couple of questions about the private health insurance enhanced choices process, which crosses a lot of departments but, mainly, Health and Ageing. Medicare Australia has a particular allocation under that, and I am interested to see that it says in the brief explanatory notes underneath that it will ‘involve an ongoing direct marketing campaign, to be undertaken by Medicare Australia’. I know it is early, because it has just been announced, but has any consideration been given as to how that short, sharp marketing campaign will take place?

Ms Argall—This is a DOHA measure, and I understand the cost of the total measure is \$50.4 million. The Medicare Australia allocation is \$684,000 over the forward estimates period—over four years. Our discussions with DOHA have been around our role in relation to this program—and our role is quite limited. Each year we will be sending a covering letter

with a brochure to the target population on the benefits of having private health insurance. The target population for the mail-out are new migrants and those people approaching the age of 31, which is the age at which new policy holders can expect a Lifetime Health Cover loading on premiums, so it is an appropriate target audience.

Senator MOORE—So it is new migrants who have already come into the Medicare office to establish their eligibility?

Ms Argall—Yes.

Senator MOORE—So new migrants who have already made access with Medicare and people on your records who are getting close to 31 would be getting this information?

Ms Argall—That is correct.

Senator MOORE—Is the brochure yours or Health and Ageing's?

Ms Godwin—My understanding is that the costs to Medicare are to manage the mail-out process.

Senator MOORE—The distribution facility?

Ms Godwin—Yes, as I understand it.

Senator MOORE—Also stuff within your offices, like signage. My understanding of Medicare offices now is that there is quite a good use made of walls and those things so that when people are queued up they look up and see signage about different things. Is it proposed that there be some kind of static displays in offices?

Ms Argall—I am not sure. Ms Godwin can comment on this, but I think it is very early days in terms of our discussions with DOHA, and I am not sure that we have developed any idea of the full extent of the promotion campaign.

Senator MOORE—A few other things were extended, particularly around mental health and also pregnancy counselling, that involved the extension of Medicare coverage and some funding. Would that be over four years? For example, the pregnancy support counselling was a new Medicare item. Page 277 of Budget Paper No. 2 says:

The Government will provide \$35.6 million over four years to fund a new Medicare item for general practitioners ...

It will be a new Medicare item. Is there any role for Medicare as an organisation in that apart from that item now being funded?

Ms Argall—Again, most of these items are DOHA measures. They have the policy role and the design of that policy role. Medicare Australia's role will be to administer the new Medicare items.

Senator MOORE—There is no PR in these particular programs?

Ms Argall—Not as far as I am aware.

Senator MOORE—So, in terms of your active role in promoting a change, to the best of your knowledge out of the budget program it is only in the private health insurance enhanced choices that you are expected to have a proactive role?

Ms Argall—That is a limited role. That is my understanding at this stage.

Senator MOORE—To the best of your knowledge you do not have any more requirement to mail people or to give people information through the network?

Ms Argall—At this stage, but it is early days in terms of the development of some of these new measures. As we understand it at the moment, Medicare Australia's role will be administering the new medical benefit schedule items.

Senator MOORE—I am asking the same question of a few agencies this time in terms of Indigenous staffing. Do you happen to have that information at hand?

Ms Argall—Yes, we do.

Senator MOORE—I thought you might.

Ms Argall—It is less than one per cent of our total staffing.

Senator MOORE—Less than one percent?

Ms Argall—It is 0.97 per cent, but I have the actual numbers. It is 52 people.

Senator MOORE—Actual bodies? Is that right?

Ms Argall—Yes, that is right—people—which is 0.97 per cent. We certainly have an objective to increase that number.

Senator MOORE—Is that an internal plan? Do you actually have a program?

Ms Argall—Yes, we do.

Senator MOORE—Are the people spread through the network or in the area? Are they in state offices and the national office?

Ms Argall—That is across Australia.

Senator MOORE—Is there any particular program within Medicare that is designed to promote the use of Medicare to Indigenous Australians?

Ms Argall—Yes, there is. We have put a huge effort into enhancing Indigenous access in recent years, and that has led to substantial improvements in the enrolment rates of Indigenous Australians.

Senator MOORE—Have you got some data on that?

Ms Argall—I am not sure that I have it with me but someone else might have enrolment rates. I think in the Northern Territory it is as high as 98 per cent, but I would stand to be corrected on that. That is the last number I recall. A lot of that effort has been put into the Northern Territory. We have a Northern Territory regional office that has made great headway into enrolments of babies and enrolments of Indigenous adult Australians by working with the Aboriginal medical services in the Northern Territory. We have also made similar progress in other areas, but we are hoping to build on that through the creation of some more regional offices in Cairns and possibly Broome. We have not finally decided on those locations yet, but we want to place a small number of staff specifically to enhance enrolments and access.

Senator MOORE—Do you have a program planned for that? Over what period of time are you hoping to make these enhancements to the regional network?

Ms Argall—I would hope to have the new regional offices up and running in the first half of next financial year—so between September and December of this calendar year.

Senator MOORE—The budget for those enhanced offices—

Ms Argall—Will be part of our ongoing funding arrangements.

Senator MOORE—Anecdotally, in terms of a couple of recent Senate inquiries that were looking at Indigenous health, there is ongoing questioning about the take-up of Medicare cards by Indigenous Australians. It is a particular issue, and it is one we raised earlier with the people from the smartcard process—whether that is going to be factored into their program plan. It will be interesting to see the results of your current changes feeding into that process, because there continue to be statements made at different times that there is not a high take-up of Medicare access, particularly in regional areas, in Central Australia, around the APY lands and in regional Western Australia. Is that something that is reflected in your information?

Ms Argall—We are aware of that and have been working very hard to enhance access. A lot of our efforts are put into working with the Aboriginal medical services in those locations to ensure that they are aware of their capacity to access Medicare programs. A lot of the Indigenous health services are bulk-billed services and I think it is fair to say that we have made major headway in working with Aboriginal medical services so they understand their capacity to access the Medicare program.

Senator CAROL BROWN—Are there any other smartcard trials around Australia?

Ms Argall—There are some private smartcard trials but there are no other government trials confirmed.

Senator MOORE—In the budget papers there is a statement also linked to Health and Ageing about fraud and compliance, which took up a lot of the budget papers, which spoke of ‘increasing Medicare compliance through education’ and it said clearly that your expenditure is out of existing resources. I am interested in the program itself in that, under the ongoing government focus on fraud, there is a particular line item here looking at more education to general practitioners involving Medicare. What is your role in that?

Ms Argall—We have the responsibility to ensure the integrity of the Medicare program. A major part of our activity ensuring integrity of our programs is education, and part of that is ensuring that the medical profession across the board understands how the system operates and what is able to be claimed under the medical benefits schedule. As part of the education process we also provide targeted feedback to medical practitioners about their claiming profiles. For example, where profiles appear to be out of kilter with a peer population, we will write to those medical practitioners and advise them of their claiming patterns. That may well be followed up with a discussion with one of our medical advisers.

Senator MOORE—Isn't that part of your core business?

Ms Argall—Yes.

Senator MOORE—I am interested in the way that it appears in the budget papers. It says that you are not going to have any more expenditure in that area but the government is hoping to acquire significant savings from it. Has that come out on any research that you have been

involved in as an agency? Is there any research that there is room for significant increases in the amount of education and better practice by GPs?

Ms Argall—I think that there is evidence to suggest that proactive education by Medicare Australia does produce some real compliance savings, or savings in terms of expenditures under the program.

Senator MOORE—What savings are happening now? This is an ongoing program and you have been involved in education and interaction with GPs since you began.

Ms Argall—Some of the research that has been undertaken indicates that for an intervention there is a saving of \$20 per practitioner—and I think I have got that right.

Senator MOORE—It is the kind of modelling that people do.

Ms Argall—Yes. It is not formal research but it is modelling that we have done which has been confirmed in some independent research.

Senator MOORE—Are you anticipating doing more interventions? Is that the reason it gets a gig in the budget papers—greater activity?

Ms Argall—I think that this is one of those areas where we said that there are gains to be made from increasing our proactive education and in the budget process that has been considered to be desirable. But it is also considered that that is something that we should be undertaking within our core finances.

Senator MOORE—Has Medicare grown as a result of the budget net result?

Ms Argall—I think you will find a decline in the overall numbers.

Senator MOORE—What, from your point of view, is it from the agency, where are you now and, with the budget coming through, what has happened?

Ms Argall—We have had a difficult year this financial year and we have had to do some restructuring in our national operations to live within our means. We have undertaken that restructuring, and I am pleased to say that we have improved on the forecast financial position for the organisation for this financial year and that improvement is based on a reduction—

Senator MOORE—That is 2005-06.

Ms Argall—2005-06—which will enable us to move into 2006-07 with the confidence of being able to meet all of our obligations within the budget envelope that we have been given.

Senator MOORE—Has the restructuring been focused in Canberra?

Ms Argall—Yes, it has.

Senator MOORE—What kind of a net loss?

Ms Argall—The overall numbers of positions that we have reduced by is in the order of 360.

Senator MOORE—Which is what you anticipated.

Ms Argall—It is.

Senator MOORE—Was that handled through a redundancy process?

Ms Argall—No. We were fortunate that in the environment we were working in in Canberra there was a very buoyant employment market coinciding with our transfer back into the mainstream Australian Public Service. It provided significant opportunities for our Canberra based staff to transfer to other government agencies, and they have taken up that advantage. We had a number of contractors who were the first categories of staff that we looked at reducing. At the end of day, there were only about 40 redundancy payments made.

Senator MOORE—Out of a net loss of 360, which is very low.

Ms Argall—That is right—very low.

Senator MOORE—The loss was limited to Canberra—in a previous discussion we talked about that—so there was no network impact.

Ms Argall—No. In fact, we have increased the staffing in our state operations to meet the workload increases in the states.

Senator MOORE—And we will be able to see some explanation of how that worked in the annual report.

Ms Argall—Yes, you will.

Senator CAROL BROWN—Who decides where the Medicare offices are located?

Ms Argall—Medicare Australia makes those decisions.

Senator CAROL BROWN—How are those decisions made?

Ms Argall—It is a range of information, including the demand in that area, the vicinity and proximity of offices within the area and the distances between other Medicare offices. Ms Dunne might want to give you a full set of criteria around Medicare offices while I find my notes.

Senator CAROL BROWN—I am not sure if the criteria are different from state to state, so I am only interested in Tasmania.

Senator MOORE—We would like information that covered the whole country.

Ms Argall—We have seven Medicare offices in Tasmania. I am not sure that I can give you any instant evaluation of particular locations that you might like to see.

Senator CAROL BROWN—What are the figures we are looking at when we talk about demand?

Ms Dunne—When we look at demand we generally have a look at historical data based on a postcode analysis to see what the volume in claiming has been over a period of time within a particular postcode catchment area for the location that we happen to be analysing at the time. We would probably expect to be able to support sufficient claims to allow for minimum staffing levels in a Medicare office, which currently we consider to be 3.5 FTE. Traditionally, we feel that around 150 cash claims would have to be generated within a Medicare office location to make it viable.

Senator CAROL BROWN—A hundred and fifty?

Ms Dunne—A hundred and fifty cash claims per day. It is not the only criterion that we look at. We look at all the claim volumes that occur within the location that is being analysed.

Senator CAROL BROWN—If I wanted some information about a particular location, I can ask questions here or I can just write to you?

Ms Dunne—Yes.

Ms Argall—Yes, you could write to us and we could give you that information. We do have significant demand for new Medicare offices—

Senator CAROL BROWN—I am sure you do.

Ms Argall—across Australia. We have to also be able to afford to provide that service.

Senator CAROL BROWN—I understand that.

Ms Argall—That is the final criterion, Senator.

Senator CAROL BROWN—Okay. I think I will write to you and ask particular questions about Tasmanian locations.

Ms Argall—Thank you.

Senator MOORE—Ms Argall—and I think this is also for Mr Leeper; it is a general question—with the allocation of the funding for the access card, the allocation to Medicare is very significant in terms of the process. It is on page 295 of Budget Paper No. 2. I am looking at Medicare's role in the brand new card arrangement. Is that stimulated by the number of clients you anticipate would need Medicare cards? Is that the modelling; is that how that figure has been calculated?

Ms Argall—In terms of the current allocations of funding, and as was explained by DHS earlier on, it is very early days and all of that sort of thing. But, for the purposes of trying to estimate volumes and allocations, it was thought that Medicare Australia would probably undertake around 9½ million registrations.

Mr Leeper—We notionally costed about 60 per cent of registrations to Medicare, basically.

Senator MOORE—Is there any science to that?

Mr Leeper—Centrelink will have an existing and ongoing relationship with a number of people through income support contact, and it probably logically makes sense to use the opportunity of a grant of a new payment, where that person agrees to do that in 2008-09, to also instigate the registration process for the access card. Obviously, there are many Australians who are not Centrelink customers or who, even if they are existing customers, might choose to do that activity at a Medicare office. So there has been an estimation process, but I will not pretend to you that it is perfect.

Senator MOORE—I would imagine, and this comes back to what we have to work out, that there are many people who are in the Medicare system who may not be in the other systems.

Mr Leeper—Absolutely.

Senator MOORE—And your experience in Tasmania, limited as it is by size, indicates that a large number of people use the system. Whether they are going to be open to the new technology is another thing. You can have a choice whether to go in and out of the Centrelink

system if you are going to be in the system. When you are looking at the 2010 compulsory nature of the system, you do not have many choices if you are an Australian person who gets sick and goes in and out of the Medicare system. Is that a fair comment?

Mr Leeper—I do not understand your point, Senator, I am sorry.

Senator MOORE—In 2010, if you access any of these government services under Human Services, the expectation is that you would have one of these new smartcards.

Mr Leeper—Yes, that is right.

Senator MOORE—You can make a conscious choice not to accept a Centrelink or Veterans' Affairs payment. That is something that any person can do.

Mr Leeper—Yes, or a Medicare benefit.

Senator MOORE—But a Medicare benefit is so linked into the health system and to bulk-billing, if that still exists in 2010, and to the Medicare card, that it is very hard not to have that process. So I would think the expectation would be that a higher percentage of citizens would need to have one of these cards in the health system.

Ms Argall—That is a choice. Yes, I think that is their choice.

Senator MOORE—Yes, it just seems to be a threshold issue. And the expectation would be that they would actually claim this card through the Medicare process, so that means all the technology we heard about this afternoon—the readers, the cameras and all those things—would have a particular link with Medicare. Is that part of the planning process?

Ms Argall—Yes, and that is predicated on some of those numbers I was just talking about.

Senator MOORE—Which is about 60 per cent of the people?

Ms Argall—Yes; 9.5 million is what the estimates were based on.

Senator MOORE—Because it is so early, I will not ask why it peaks in 2008-09. Are we continuing to fund the existing Medicare Easyclaim centres, or are we extending the Easyclaim places?

Ms Argall—There is still capacity for some new Easyclaim kiosks.

Senator MOORE—It is mainly pharmacies that operate the Easyclaim service.

Mr Leeper—The measure was a lapsing measure, which means that, all other things being equal—

Ms Argall—It is a continuation.

Mr Leeper—This is a continuation of an existing program—the 200 sites.

Senator MOORE—So there is not a growth in it; it is just continuing what it was?

Mr Leeper—It is the continuation of the funding for 200 sites.

Senator MOORE—We are hoping that a few more might get picked up, but that is not the expectation?

Ms Argall—I will take that on notice, in case there is a change on that.

Senator MOORE—The funding was actually in the forward estimates. It got into this particular budget because the money was going to be allocated in this budget.

Mr Dalzell—As Mr Leeper indicated, that measure had been funded in the previous budget round. It was a lapsing measure. It was due to be reviewed. This year was its year for review, so it just continued on after the budget round.

Senator MOORE—Was there a review of the way it was working?

Mr Dalzell—Not a formal review.

Ms Argall—No.

Senator MOORE—It is working. Since it did lapse, and we knew it was going to continue because we were told it was, I was interested in whether there had been any process about how it was going, the acceptance of it and the usage of it and all that kind of general program review. Not that you know?

Mr Dalzell—There was no formal review of it, no.

Senator MOORE—Is it expected that it will be reviewed?

Ms Argall—I am told that we may need to check that particular aspect. There may well have been a review undertaken by the Department of Health and Ageing.

Senator MOORE—Do I have to put that on notice, or is it duly taken on notice?

Mr Leeper—Part of the budget framework is that part of our minister's submission to the expenditure review process is to report on lapsing programs with a recommendation that they be continued or stopped, so there will have been some form of review. I am not sure how formal it would have been, but there certainly was an attachment to our submission that was talking about how this program was going and recommending continuation.

Senator MOORE—I would have expected that. It is a program that generated a degree of interest when it was first introduced, as people were complaining that they did not have access to a Medicare office. It was promoted as a service that would give this access. It was also widely valued by the Pharmacy Guild, so if there is anything we can get on what your evaluation had been we would appreciate that.

Mr Leeper—If you are happy, we will check that on notice.

Senator MOORE—Absolutely. Thank you, Ms Argall and team.

[10.13 pm]

Child Support Agency

Senator MOORE—I apologise for the lateness of the hour, but it does happen.

Senator CAROL BROWN—I have a few questions on the 1 July changes. The first question is about the capping of the maximum income level. What is the total number of Child Support Agency clients who will be affected by the change in the capping of the maximum income level?

Mr Miller—My understanding is that it is of the order of 11,000, but Deputy General Manager Bird is at the table and she is working actively in this process, so I might get her to confirm the precise numbers for you.

Ms Bird—We extracted some up-to-date figures earlier this week and the number is somewhere between 12,000 and 13,000.

Senator CAROL BROWN—How many resident parent clients will be negatively affected?

Ms Bird—The same number.

Senator CAROL BROWN—All of them—and how many children, how many kids?

Ms Bird—I cannot give you a precise figure for that, but roughly 60 per cent of our customers have one child, about 30 per cent have two children, about eight per cent have three children and the rest have four or more.

Senator MOORE—Is that based on a demography check of the clients you have?

Ms Bird—It is based on the total population of our clients, so it is the full population.

Senator MOORE—You can just do that by a system press, can you?

Ms Bird—We extract figures and do an analysis generally twice a year.

Senator CAROL BROWN—Under the new cap—I am not sure if you can give me this information now but I will try—how many resident parent clients will have their fortnightly child support payments reduced by less than \$10 per fortnight?

Ms Bird—I cannot give you a precise figure. We have done an analysis, but I do not have that here. I could provide that on notice.

Senator CAROL BROWN—Thank you. I am looking for less than \$10 per fortnight; more than \$10 but less than \$20 per fortnight; more than \$20 but less than \$50 per fortnight; more than \$50 but less than \$100 per fortnight; and then more than \$100 per fortnight.

Senator MOORE—Ms Bird, is that the kind of analysis you have done?

Ms Bird—The analysis was not to those particular categories. We would be able to provide relatively quickly the analysis that we have already undertaken. I would have to determine how quickly we could do this analysis.

Senator CAROL BROWN—What categories have you already done an analysis in?

Ms Bird—They were not in such narrow bands and we were looking at it more on an annual basis. They were in higher bands.

Senator MOORE—In case that degree of definition can be obtained quickly, can we put on notice that we would like your preliminary analysis as quickly as possible, and that may lead to further questions. If we can leave that request on notice just in case it can be obtained.

Ms Bird—Yes, Senator.

Senator CAROL BROWN—I want to ask some questions about the changes to non-resident parents who receive income support and who have contact with their children; that is,

the change to the system which broadens the 'with children' Newstart rate to non-resident parents who care for their children one night per week. How will this measure be introduced?

Ms Bird—This is more a measure for Centrelink. I do not know whether Mr Leeper can answer this one.

Mr Leeper—This is a measure that alters the threshold at which a parent who does not have the majority of care with the child can receive the 'with child' supplement. The policy decision was to move it from the current threshold—I am sorry I cannot tell you what that is—and to introduce a new threshold of care at which they would be eligible to receive the 'with child' rate. It would be a supplement to Centrelink payments. In effect it introduces a new lower threshold at which non-resident parents can now receive the 'with child' payments as part of their income support.

Senator CAROL BROWN—I understand that, but how is the measure going to be introduced? Is it just an administrative change or is it a legislation change?

Mr Leeper—I would have to check that. That is a legislative responsibility of the Department of Employment and Workplace Relations rather than DHS. Centrelink obviously delivers the service. My recollection was that it could be done without legislation, but we will check that.

Senator CAROL BROWN—But you expect the measure to commence on 1 July?

Mr Leeper—Yes, that is correct.

Senator CAROL BROWN—How many CSA clients currently receive the 'with child' additional rate of Newstart? Do you have that information?

Ms Bird—No, that would be a Centrelink figure.

Mr Leeper—Centrelink is gone; I am sorry, Senator.

Senator CAROL BROWN—Perhaps you could take it on notice.

Mr Leeper—I absolutely do not have that data in my head. I am happy to make something up, but you may not rely on it, I am afraid.

Senator CAROL BROWN—Could you take that one on notice, and also: how many CSA clients will receive the 'with child' additional child rate of Newstart under the new measure?

Mr Leeper—Certainly.

Senator CAROL BROWN—I would like to ask some questions about the reforms on page 18 of the PBS, particularly about the proposed expense spending. The measure 'Child Support Reforms—a new formula' says \$7.122 million for 2006-07. What is that proposed money to be spent on? Staff? Consultants?

Ms Bird—The \$7.122 million would be mainly staff and some printing—production of documents. There is also an amount of \$8 million in capital that would be mainly for internal software development to change our computer system.

Senator CAROL BROWN—That is the capital spend of \$8.087 million?

Ms Bird—That is correct.

Senator CAROL BROWN—Just going back to the \$7.122 million, that is mostly staff. Do you have a breakdown on the figures?

Ms Bird—In 2006-07 it will be roughly 90 to 100 staff.

Senator CAROL BROWN—So it is basically staff and some printing, from that \$7.122 million.

Ms Bird—Yes.

Senator CAROL BROWN—Are you able to tell me precisely how much the spend will be on your brochures and the like—whatever the printing is?

Ms Bird—No; sorry, Senator.

Senator CAROL BROWN—Going down to that capital amount, can you enlighten me as to the 2007-08 and the 2008-09?

Ms Bird—Both of those years are also internal software development. The amendments to the computer system will take place over the 18 months or so before introduction of the final phase of the reforms.

Senator MOORE—Do you have to write whole new programs?

Ms Bird—We are undertaking a systems architecture review at the moment, to determine the best way of making those changes.

Mr Leeper—A significant proportion of the code would need to be rewritten.

Senator MOORE—It is a such a major change, I would think so. You are doing a review to see the best way forward.

Ms Bird—That is correct.

Senator MOORE—Could that anticipate new hardware as well?

Ms Bird—I think that is unlikely.

Senator CAROL BROWN—Why is there a decrease in the measure in the forward estimates for 2007-08? There is quite a considerable one.

Mr Miller—Is that capital you are talking about?

Senator CAROL BROWN—Yes. It goes from \$8.087 million to \$6.453 million.

Mr Miller—That would reflect that the majority of the capital expenditure on rebuilding the IT system will occur in the previous year. That is necessary because we have got to be able to deliver it by 1 July.

Senator CAROL BROWN—The answer for the quite substantial decrease in the 2008-09—

Mr Miller—The system will be built and have to be operational for 1 July 2008.

Ms Bird—The funding for that year is any additional items that need to be enhanced.

Senator MOORE—And you are developing a project plan to reflect that.

Ms Bird—Yes.

Senator MOORE—I want to ask specific questions on the child support legislation amendment introducing increases in the minimal annual payment from \$260 to \$320. Can you provide the number of residential clients who currently receive the minimum amount of child support of \$260 per annum?

Ms Bird—It is in the vicinity of about 250,000.

Senator MOORE—What kind of percentage of your clients get the minimum amount?

Ms Bird—About 40 per cent receive \$260 or less.

Senator MOORE—Do you have any idea how many children are involved in that payment?

Ms Bird—We would expect it to be roughly the same kind of—

Senator MOORE—The same kind of thing. Is there an average number—we are talking in averages and roughlies—of children per household who are in residential client houses who currently receive the minimum amount of child support?

Ms Bird—The average is 1.6 children per child support case.

Senator MOORE—I am not big on averages but 1.6 children receive the lowest—that works out—

Mr Leeper—It is actually slightly less than the average rural Australian family, which is about over 1.8.

Senator MOORE—So around 40 per cent of the current clients receive the lowest payment.

Ms Bird—That is correct.

Senator CAROL BROWN—What is the total number of CSA resident parent clients?

Ms Bird—It is about 700,000 to 720,000.

Senator CAROL BROWN—What is the total number of CSA resident parent clients who will be affected by the change in the formula?

Ms Bird—The changes at 1 July will affect all those who are currently paying \$5 a week. That will increase to \$6.13 a week. That is about 240,000 to 280,000, and then there are the 12,000 to 13,000 who are affected by the income cap being reduced.

Senator CAROL BROWN—I have a series of questions I will put on notice.

Senator MOORE—These are questions on the sliding scale impact—the same kinds of questions we asked earlier in the different percentiles—so rather than read them out tortuously, we will just provide them to you in writing.

Senator CAROL BROWN—I want to ask some questions about the child support reforms improving compliance. For this measure, what is the proposed \$29.962 million for 2006-07 to be spent on?

Ms Bird—This picks up an expansion of some of our existing measures in 2006-07. There will be an increase in the number of tax returns the Australian Taxation Office is asked to enforce on behalf of the Child Support Agency. There will also be an increase in the number

of parents who may be minimising their income so there will be an investigation into what their true income is. There is an increase in the number of cases that we will take to court and litigate to enforce payment where administrative action has not been successful. It will also increase the number of parents to whom we issue departure prohibition orders to prevent them leaving Australia if they have not paid their child support. So they are the strategies that are included in that \$29 million for the coming year.

Senator MOORE—They are all expansions of pre-existing actions?

Ms Bird—That is correct.

Mr Miller—Senator, they are significant expansions. In the case of tax lodgments, it is something like a 400 per cent increase. In the case of the serious avoiders program it is something like a 500 per cent increase in the number of proactive investigations. In the case of the departure prevention orders it is about a doubling of activity. So there is a very significant increase in the amount of compliance activity contemplated as a part of the overall \$160-odd million over five years and that is seen as an integral part of the reforms.

Senator MOORE—Was that reform recommended by the reports that were done or has that come through staff and internal processes that are saying that this is what should happen?

Ms Bird—The ministerial task force report recommended the agency be provided with additional resources in relation to compliance and enforcement.

Senator MOORE—But the actual format of the compliance task was determined by the department?

Ms Bird—The Child Support Agency contributed to the response.

Mr Miller—But Senator, as you pointed out, it is on the basis of an expansion of—

Senator MOORE—Pre-existing action.

Mr Miller—existing activities that have proven highly successful. You are probably aware that it is expected that activity will raise something like \$470 million in child support—

Senator MOORE—Yes, there is a big amount linked to that.

Mr Miller—as a result of that investment in compliance.

Senator CAROL BROWN—With respect to the child support reforms and changes to family tax measures on page 18, would this measure be introduced through changes to legislation or through an administrative measure?

Ms Bird—Again, this is mainly a Centrelink measure that extends the amount of time a parent has before they are required to apply for child support without adversely affecting their entitlement to family tax benefit. This is some associated work that the Child Support Agency has to do to support that. It does not require legislation for the Child Support Agency.

Senator CAROL BROWN—What about through Centrelink?

Mr Miller—There two components to this measure. One of the changes ensures that the maintenance income test applied by Centrelink to family tax benefit part A will only apply to children in a family for whom child support is paid. Secondly, as Ms Bird has mentioned, the time a resident parent is allowed to take action to obtain child support payments before family

tax benefits are affected is being increased from the current 28 days to 13 weeks. Both of those elements are fundamentally Centrelink's to deliver and I would expect that they would both require legislation.

Senator CAROL BROWN—Are you able to tell us the total number of CSA clients who will be affected by the change in the family tax benefit maintenance arrangements?

Mr Leeper—Not on the information in front of me, I am sorry, Senator, no.

Senator CAROL BROWN—Would it be very difficult to get that information?

Ms Bird—It would need to be Centrelink information, I believe.

Mr Leeper—We will have to provide it on notice. I am sorry, Senator, I just do not have that information with me.

Senator MOORE—On notice to Centrelink or to Child Support?

Mr Leeper—It will come to us and we will get Centrelink to answer it, certainly, yes.

Senator MOORE—So it is Human Services?

Mr Leeper—Yes, I will take personal responsibility, Senator.

Senator MOORE—We found out earlier, Mr Leeper, that is your job.

Mr Leeper—A small part of my job.

Senator CAROL BROWN—I have a few questions in relation to the family tax benefit maintenance arrangements in a sliding scale so I will put those on notice as well. Now I will go to your communications strategy, which is also listed on page 18.

Senator MOORE—Big money.

Senator CAROL BROWN—Who will be involved in the decision making to establish a communications strategy?

Mr Miller—Are we talking about the communications strategy around the child support scheme performance?

Senator CAROL BROWN—Yes, we are.

Mr Miller—My understanding—and I will get Ms Bird to clarify if I am wrong—is that it was a joint thing that the interdepartmental committee proposed as a part of the overall response. It would have involved, as the funding does, money directed to Centrelink, CSA and FaCSIA.

Mr Leeper—Of the \$36 million, approximately \$13 million has been allocated to the Department of Families, Community Services and Indigenous Affairs for those communications activities. The Department of Human Services will receive \$4.1 million in 2006-07, \$17.7 million in 2007-08 and \$0.2 million thereafter for implementation of those communication measures, which will include effort expended in the Child Support Agency.

Senator CAROL BROWN—So what are we spending the \$4.17 million on in the 2006-07 budget?

Ms Bird—A working group has been established that consists of DHS, the Child Support Agency, Centrelink and FaCSIA. They are working out the detailed strategy at the moment. It

is likely that much of the money for the forthcoming year will be for research and development in terms of communicating the changes to the child support scheme. There is also money for the Child Support Agency and for Centrelink for responding to customers' inquiries when they hear about the changes through media and other avenues.

Senator CAROL BROWN—Did you say that group is together?

Ms Bird—There is a working group in existence, yes.

Senator MOORE—Focusing specifically on the information strategy.

Ms Bird—The detailed strategy is being developed.

Senator MOORE—Are there a number of working groups under these proposals?

Mr Miller—Yes, there are.

Senator MOORE—Can we find out who the working groups are? It is such a huge change and there would be a number of working groups looking at particular issues. Rather than finding them as we go through, which working groups are working?

Mr Leeper—There is a child support reform steering committee, which is a joint committee between the Department of Families, Community Services and Indigenous Affairs, the Department of Human Services, the Child Support Agency, Centrelink and the Attorney-General's Department. They are core members of the steering committee. Officers from the departments of Prime Minister and Cabinet, Finance, Treasury, the tax office, Employment and Workplace Relations and Veterans' Affairs may be invited to join on issues that are relevant. Under the guidance of the steering committee there are five working groups: one on legislation and policy, one on aspects relating to courts and the Social Security Appeals Tribunal, one on performance monitoring and research, one, which was mentioned on communications and stakeholder interactions, and another subgroup which straddles implementation of the child support scheme reforms and the Building a Better CSA reforms, which I chair and which is the DHS Child Support implementation steering committee. Those two reforms are pretty fundamentally intertwined, so that brings together, from a service delivery point of view, CSA and Centrelink, fundamentally, to make sure that we make all the stuff sing and dance together over the next 2½ to three years.

Senator MOORE—So four of them are feeding off—

Mr Leeper—So there are a number of working groups. They cover the major aspects of implementation and the responsibility for the chairs of the working groups to split amongst different agencies and departments. But we are all seeking to work together to get things to operate well.

Senator MOORE—And the steering committee reports to the ministers?

Mr Leeper—It reports to Minister Brough as the Minister for Families, Community services and Indigenous Affairs. The committee I chair reports to Minister Hockey. Both ministers provide periodic implementation reports to the Cabinet Implementation Unit, which as we mentioned in access card, monitors major implementations.

Senator MOORE—Does Minister Brough or Minister Hockey have the senior ownership of these changes?

Mr Leeper—Policy responsibility for the Child Support Scheme rests with Minister Brough. Minister Hockey is responsible for service delivery experience.

Senator MOORE—So they are partners in crime?

Mr Leeper—Yes, it is effectively a partnership. They will both do well if each does well.

Senator CAROL BROWN—Going back to the communications strategy and the spend for the 2006-07 budget, will there be any new staff other than the people that you have indicated?

Ms Bird—Yes. This does include a small number of additional staff in communications. I do not have the precise number.

Mr Miller—Rather than giving you a 2006-07 view, I can provide you with a longer term view of the work that has been done on the communications work. That might give you an idea of the sorts of things that are being talked about.

Senator CAROL BROWN—I appreciate that, but I would like the information broken down into 2006-07 and 2007-08.

Mr Leeper—There are 17.7 FTE equivalent staff in 2006-07 between the department and the Child Support Agency and 31.1 in 2007-08 in support of this communications measure.

Senator CAROL BROWN—How many of those are new staff?

Mr Leeper—The measures support funding for 17.7 and 31.1 additional staff. One in each year is in DHS; the others are in the Child Support Agency.

Senator CAROL BROWN—When will the communications strategy be completed?

Mr Leeper—The funding expires in 2008-09, if that helps, and then it is back to business as usual.

Senator CAROL BROWN—I am just assuming that by 2007-08 you will be ready to spend 17.7—

Mr Leeper—I would expect the communications campaign would be focused around three key dates: the 1 July changes this year, the 1 January changes in 2007 and the 1 July changes in 2008. By far the largest customer magnitude effects are in July 2008.

Senator CAROL BROWN—Could you detail for me what the money is going to be spent on in those years—so the \$4.17 million that we have just talked about and then for 2007-08 and 2008-09?

Senator MOORE—The plan for that expenditure.

Senator CAROL BROWN—I would appreciate you including the time lines for the spending.

Mr Miller—We will take that on notice.

Senator CAROL BROWN—In 2004 CSA engaged two firms to develop a media communications plan: Cosway Australia and Crosby Textor Research Strategies. Would these two companies be involved in the future media communications strategy?

Ms Bird—My understanding is that no decisions have been made as yet about which consultants will be engaged. I understand that part of the work that the working group is undertaking at the moment is preparing a brief to engage a consultant to undertake the research to help develop the strategy. So there have been no decisions about who will be engaged.

Senator CAROL BROWN—When can we expect a decision to be made?

Ms Bird—That is part of the detailed plan that is being prepared at the moment. I think it would be a matter of weeks rather than anything longer than that.

Senator MOORE—What is the existing communications staffing that does public relations—whatever the term is—in your agency.

Mr Miller—We have a deputy general manager for external relations, which includes communications as well as stakeholder engagement. As a part of the Building a Better CSA initiative there is significant funding for that activity as well, to the tune over four years of \$22 million.

Senator MOORE—Is it that person's area that will be involved, from your point of view, in this kind of working group—

Mr Miller—The deputy general manager for external relations is a member of the working party that Mr Leeper referred to and is therefore one of the key influencers of that strategy which is being developed for the overall steering committee that FaCSIA has carriage of.

Senator MOORE—They are not all new people; there are people with considerable skill already in the organisation that will be part of the change?

Mr Miller—That is right.

Senator CAROL BROWN—I have a few questions about the child support reforms, Building a Better Child Support Agency. They are along the lines of the questions that I have asked previously. The 2006-07 figure of \$36.729 million: what is that going to be spent on?

Mr Miller—In 2006-07 it is planned to spend \$3.1 million on communications and stakeholder engagement; \$27.9 million on customer service improvement; \$7.8 million on cultural reform, which is primarily training directed to staff to improve service delivery.

Senator MOORE—Is that the new term?

Mr Miller—Cultural reform?

Senator MOORE—That is training and enhancement of skills?

Mr Miller—Senator, we are differentiating this from technical training. It is about getting a customer focus into the organisation and attempting to transform the culture. That is quite separate from technical training.

Senator MOORE—Is there an expectation that there will be consultancies involved in that?

Mr Miller—The project briefs are still being developed for a lot of this work—

Senator MOORE—Which one of those working groups is running this bit?

Mr Miller—None of those working groups that Mr Leeper mentioned. This is being done from within the Child Support Agency and being monitored by the Service Delivery Implementation Group which Mr Leeper is the chair of and which reports to Minister Hockey.

Senator MOORE—So the top one that you talked about, that reports to the minister, has the previous working groups that you described working off it but it also has this particular project under its control as well?

Mr Miller—Because we need to make sure that the reforms for Building a Better Child Support Agency work together with Child Support Scheme reforms; and from a Child Support Agency perspective, the governance of both those very significant pieces of work are being led by the national executive of the Child Support Agency with the involvement of the Deputy Secretary for the Department of Human Services and the Deputy Secretary of the department of immigration.

Senator MOORE—And that particular one would report back to Minister Hockey?

Mr Miller—That is right.

Senator MOORE—Because of service delivery?

Mr Miller—Yes.

Senator MOORE—It would also have links to Minister Brough because of the cultural aspects of the policy changes in the whole atmosphere—is that how it would work?

Mr Miller—Yes, and we would see FaCSIA staff having involvement in some of the working groups that are involved in that process.

Senator MOORE—There will be new CSA officers?

Mr Miller—There is very significant growth in staff contemplated by the Building a Better Child Support Agency initiative of the order of 560 additional staff. We are still refining the estimates but the costings were done on the basis of 560-odd additional staff in 2006-07 rising to something like 800 or 900 additional staff in the subsequent year as the impacts of the Child Support Scheme reforms come online. By 1 July 2008 when the Child Support Scheme is to commence we will have had to ramp up the number of staff to deliver both the improvements in service delivery and new policy.

Senator CAROL BROWN—I think Minister Hockey announced 26 new offices. Is that right?

Mr Miller—Minister Hockey pointed to the fact that, as part of the service delivery improvements that are included in this \$150 million for Building a Better Child Support Agency, there will be an expanded regional presence. The CSA is currently operating out of 21 Centrelink offices and there is funding to extend that to another five sites, so we would be co-located with Centrelink and delivering Child Support Agency services out of a total of 26 offices. It is a total of 26 not 26 new ones.

Senator CAROL BROWN—So it is five new sites co-located with Centrelink offices?

Mr Miller—Yes.

Senator CAROL BROWN—Do we know where those new sites will be?

Mr Miller—Significant modelling work is being done, but we have not finalised where those sites will be. As you would expect, the modelling is based around where the existing sites are, where our largest child support parent populations are and where the numbers of changes of assessments are. In some of the new service delivery modelling, we are looking to provide more personalised, face-to-face service, so we are having to look at where the customers with particular high-end needs in face-to-face contact are. There is a degree of modelling that is still happening to determine those sites.

Senator CAROL BROWN—So the CSA will make the decision on where the new sites will be?

Mr Miller—That is correct.

Senator MOORE—Over what period of time is that expected to be implemented?

Mr Miller—We would expect to have that in train by January 2007.

Senator MOORE—So in the next six months?

Mr Sutton—That is correct. We are aiming to get them in place for the second half of next financial year—January 2007.

Senator CAROL BROWN—You mentioned 560 new staff. What is the time line to recruit the new staff?

Mr Miller—Over the course of the 12-month period, but priority is already being given to the recruitment of something of the order of 100 new team leaders. Part of the government's commitment to helping improve service delivery is to see a dramatic reduction in the size of the teams that operate within the agency, and our estimates at this stage are that we need of the order of 100 new team leaders, and that process is expected to be completed by November this year.

Senator CAROL BROWN—Have you had a look, by classification, at what other employees you will need?

Mr Sutton—Yes, we are looking at the levels of officers that we might require, particularly, for instance, in the high-end enforcement type work. It will be a range of classifications that we will be looking for. They will be from our client service officers, at levels 3 and 4, right through to EL1s—more senior officers in some of the more complex compliance work.

Senator CAROL BROWN—Will they be employed on an ongoing basis?

Mr Miller—Yes.

Senator CAROL BROWN—They will presumably be spread across the 26 offices.

Mr Sutton—To the extent that that is possible. We are doing some work at the moment to look at the labour market situation across Australia and take that into consideration when looking at where we might place particularly some of the more complex services that we are looking at putting in place.

Mr Miller—We are also very mindful of current experience, which says that we have good pools of quite stable staff with the characteristics we are looking for in regional Australia, so we are not necessarily seeing a growth in the major CBD sites but some of the regional sites.

Mr Sutton—For example, places like Newcastle and Albury have stable labour markets and we find that we attract good quality.

Senator CAROL BROWN—You have talked about reducing the service delivery teams. Do we know what size we are looking at?

Mr Sutton—We are looking at reducing the size of teams in the sense of the ratio of a team leader, if you like, to the number of staff. We are currently running teams that we believe are too large. Mr Miller indicated earlier that there would be recruitment of an extra 100 team leaders. We hope by about December this year to have in place much smaller team sizes, particularly in our call centre areas, which will enable us to provide a much greater level of quality control in terms of the services staff are providing without a greater level of supervision and accountability.

Senator MOORE—What is the size ratio?

Mr Sutton—It is running at about one team leader to about 20 staff.

Senator MOORE—And the goal?

Mr Sutton—One team leader to about 10 or 11. We believe that will significantly improve a range of things, but more importantly, the quality of the service we provide to our customers.

Senator CAROL BROWN—Will current CSA employees be relocated as part of this structure?

Mr Miller—Senator, no staff will be forcibly relocated. There will obviously be a range of opportunities that staff may wish to avail themselves of as a part of the significant expansion in activity but there will be no forced transfers. This provides an enormous opportunity for people who may wish to move around.

Mr Sutton—One of the key areas we are looking at improving is the way we manage some of our more complex clients—clients with multiple issues. We are looking at case managing that client population in a very personalised way and, if you like, whole case manage them for an extended period of time and address their issues in a more holistic way than we currently do.

Senator CAROL BROWN—How much money is going to be allocated for the intensive and ongoing training of the CSA employees?

Mr Sutton—\$22 million over four years.

Senator MOORE—That is for all training or just the enhanced cultural training?

Mr Sutton—That is the enhanced cultural training.

Senator MOORE—What is the technical training budget—the total training package?

Mr Sutton—No, not off the top of my head.

Ms Bird—There is also significant technical training as part of the scheme reforms because of the changes to the formula.

Senator MOORE—But as Mr Miller said earlier, there are the ongoing technical requirements of working and this is an enhancement of those, so I would expect that there would be ongoing funding to maintain the other skills levels. Your full training budget will not be \$22 million; it will be bigger than that.

Mr Miller—It will be a lot more—

Senator MOORE—That is what I would have thought, Mr Miller.

Mr Miller—As Ms Bird has pointed out, there will be additional funding for training around the new Child Support Scheme. I cannot quantify the exact amounts for you but the numbers, the sort of quantum increase we are looking at, is something like two to three times the investment we currently make in technical training per staff member.

Senator MOORE—Per staff member. That was the idea.

Senator CAROL BROWN—Has a schedule for the training been developed?

Mr Miller—All the projects that are funded through this have been developed at project initiation stage and we are now in the detail design phase. We expect by 30 June to have finalised the project plans for all of these things so I am not in a position to give you any greater detail at this point.

Senator MOORE—So by the next estimates round, Mr Miller, we will have the first stage of report back?

Mr Miller—Yes, Senator.

Senator CAROL BROWN—So you are not in the position to tell me how much training each customer service officer will receive?

Mr Miller—No, I would prefer to take that on notice, Senator.

Senator MOORE—Thank you, Mr Miller. You will receive a number of Senator Brown's questions on notice and we will get those back as quickly as we can. Again, we apologise to Child Support for having you here at this last stage of the proceedings this evening.

Mr Miller—Chair, I would like to make one final statement.

CHAIR—Go ahead.

Mr Miller—I would like to place on record that Sheila Bird will be leaving the agency and I think it is appropriate that we recognise the tremendous service she has given the agency.

Senator MOORE—Hear, hear.

CHAIR—I thank you, Mr Miller, Mr Leeper and Senator Colbeck for your assistance to the committee this evening. It has been a long four days. Senator Moore and Senator Brown, thank you very much as well. I remind your officers that the Senate has fixed Friday, 7 July 2006 as the date for the return of answers to questions that were taken on notice.

Mr Leeper—No, Senator.

Committee adjourned at 11.01 pm