

Human Services Portfolio

5.1 The Committee took evidence from the Department of Human Services (DHS), Centrelink and Australian Hearing on Thursday, 29 May 2008.

Department of Human Services

5.2 The main subjects of discussion relating to DHS¹ included:

- absence of the Secretary from the Budget Estimates hearings;
- staffing levels;
- Members and Senators attending community consultations; and
- child support income assessment calculations.

Absence of the Secretary from the hearings

5.3 On 26 May 2008, 3 days before the committee was scheduled to examine DHS, the committee received a letter from the Secretary of DHS, stating that she would be unavailable to attend the Budget estimates hearings.² Senator Coonan questioned DHS on why the Secretary of the department would not be appearing before the committee. A DHS official stated that the Secretary was attending an international social sector forum in Brussels. Senator the Hon Joe Ludwig, Minister for Human Services, apologised to the committee for the inconvenience that this may have caused.

5.4 The committee is disappointed that the Secretary of DHS did not attend the Budget Estimates hearings, as the hearings present one of the few opportunities for Senators to put questions to the Secretary. The committee expects that in the future that Departmental Secretaries, as well as all SES officers will make themselves available for Estimates hearings unless there are exceptional circumstances. The committee encourages these staff to diarise Estimates hearings, the dates for which are generally known well in advance.

Staffing levels

5.5 Following on from the committee's previous examination during Additional Estimates 2007–08 of staffing levels within DHS, Senator Coonan questioned officials about what affect the efficiency dividend has had on the staffing levels across the department. This information was provided to the committee on both a portfolio and departmental basis.

1 Note that the Department of Human Services includes the Child Support Agency and CRA Australia.

2 Correspondence received 26 May 2008, Ms Helen Williams AO, Secretary, Department of Human Services.

5.6 Senator Ludwig drew the committee's attention to the statistics relating to the Human Services Portfolio average staffing levels:

...[T]here is an average staffing level and we use that as the base for all staff across the portfolio...The total is 35 399 in 2008–09. This reduction, which we are now referring to, results of course from a number of factors such as the abolition of the access card, completion of some of the child support reform measures and increased gains being made at Medicare Australia. In terms of Centrelink, which is where staffing will reduce marginally by less than one per cent, average staffing levels across the portfolio including SES will reduce by 816, or 2.3 per cent in 2008–09.³

5.7 An official from DHS also outlined the specific implications for the result in the decrease in staffing numbers for the department. The official informed the committee the reduction will cause the loss of 15 staff from the department.⁴

5.8 Other noteworthy issues raised by the committee with DHS included:

- appointments made by the government to statutory authorities, executive agencies and advisory boards.⁵

Members and Senators attending community consultations

5.9 Senator Coonan also questioned officials about the protocols that are in place for Members and Senators to receive information packs when invited to attend community forums.⁶

5.10 A CSA official stated that the department contacts local Members of Parliament six weeks before a community forum to invite them to attend. Once a Member of Parliament confirms that they will attend a session, an information pack is then sent out.⁷ For the benefit of the committee the information pack was tabled.⁸

Child support income assessment calculations

5.11 Senator Coonan questioned CSA officials about how the agency conducts client income assessment calculations. Specifically, Senator Coonan examined the

3 Senator the Hon Joe Ludwig, Minister for Human Services, *Estimates Hansard*, 29 May 2008, p. 32.

4 Ms Kerri Hartland, Acting Secretary, Department of Human Services, *Estimates Hansard*, 29 May 2008, p. 33.

5 *Estimates Hansard*, 29 May 2008, p. 30.

6 Senator Coonan, *Estimates Hansard*, 29 May 2008, pp 25–26 and 88–89.

7 Ms Samantha Palmer, Deputy General Manager, External Relations, People and Assurance, Child Support Agency, *Estimates Hansard*, 29 May 2008, p. 88.

8 Child Support Agency, *Community Information Sessions*, tabled 29 May 2008. See: www.aph.gov.au/Senate/committee/fapa_ctte/estimates/bud_0809/human_services/taled_documents/CSA_Community_Info_Session29-05-08.pdf (accessed 18 June 2008).

issue surrounding checks and reviews that are put in place by CSA to identify any weaknesses in income calculations.⁹

5.12 A CSA official informed the committee that clients are notified of an assessment based on information that CSA has stored in its existing database together with the information that a client has supplied in response to mail-outs and other requests for information. The official also referred to the ‘online estimator’ that is available for clients to gauge the likely impact of the new child support scheme in terms of their personal circumstances.¹⁰

5.13 In relation to the new arrangements for determining child support income calculations, Senator Coonan questioned officials as to their assessment of its application so far. A CSA official replied that change is often viewed with uncertainty by clients, but that CSA had put in place additional staff to answer all inquiries that the agency has received from clients.¹¹

Centrelink

5.14 The main subjects of discussion relating Centrelink included:

- the appointment of a new Chief Executive Officer;
- compliance issues and data-matching;
- baby bonus payments; and
- changes to income testing for the seniors health card.

Appointment of a new Chief Executive Officer

5.15 With the recent announcement of the resignation of the Chief Executive Officer (CEO), Senator Coonan sought details about what action Centrelink is undertaking to find a replacement.¹²

5.16 A DHS official stated that the current CEO will finish on 24 June 2008. Furthermore a merit based process will be used to select an appropriate candidate using a selection process as per the normal public service process. The committee was informed that an interim arrangement will be put in place whereby the Deputy

9 Senator Coonan, *Estimates Hansard*, 29 May 2008, p. 27.

10 Mr Matt Miller, General Manager, Child Support Agency, *Estimates Hansard*, 29 May 2008, p. 27.

11 Mr Matt Miller, General Manager, Child Support Agency, *Estimates Hansard*, 29 May 2008, p. 28.

12 Senator Coonan, *Services Estimates Hansard*, 29 May 2008, pp 30–31.

Chief Executive Officer of the Customer Service division will act in the position of CEO until a replacement is found.¹³

Compliance issues and data-matching

5.17 Senator Coonan questioned Centrelink about the practice of data-matching people's financial and other information between government agencies including the Australian Taxation Office and Australian Customs.¹⁴

5.18 Senator Ludwig provided the committee with a useful account of the two Budget measures that were introduced to support the data-matching program:

There are two elements to the data matching program announced in the budget; data matching with banks and the ATO. For banks the 2008-09 budget provided...\$138.9 million [in] funds to allow Centrelink to expand. It is to expand the Commonwealth Bank data matching scheme and to start working with other major financial institutions. In respect of the ATO, the data matching program...is also being expanded.¹⁵

5.19 Although a Centrelink official could not inform the committee about the estimated savings from the data matching programs, the committee was informed that 41 500 people are expected to have their bank accounts reviewed over the next four years.¹⁶

Baby bonus payments

5.20 Senator Coonan raised with Centrelink issues surrounding the administrative processes behind the payment of the baby bonus. The committee was provided with specific information including how many baby bonus payments have been made, and an outline of the changes that have been made to income thresholds.¹⁷

5.21 A Centrelink official informed the committee that for the 2006–07 financial year, 286 896 people received payments that were previously referred to as maternity payments. Senator Ludwig informed the committee about the government's new arrangements for the administration of the payments will include the introduction of an eligibility means test for families earning up to \$150 000.¹⁸ Senator Ludwig justified the government's decision stating:

13 Ms Kerri Hartland, Acting Secretary, Department of Human Services, *Estimates Hansard*, 29 May 2008, p. 31.

14 *Estimates Hansard*, 29 May 2008, pp 38–47.

15 Senator the Hon Joe Ludwig, Minister for Human Services, *Estimates Hansard*, 29 May 2008, p. 39.

16 Mr Jeff Whalan, Chief Executive Officer, Centrelink, *Estimates Hansard*, 29 May 2008, p. 39.

17 *Estimates Hansard*, 29 May 2008, pp 48–49.

18 Senator the Hon Joe Ludwig, Minister for Human Services, *Estimates Hansard*, 29 May 2008, p. 48.

Income tests will be based on the family's income in the six months following birth on a pro rata annual basis, that is, \$75,000 over six months. This will ensure that the timing of the birth within a financial year does not affect the family's eligibility. The income threshold will also be indexed annually and the new means test will affect less than 6 per cent of families, that is, 16,000 out of 293,000 expected births in 2008-09. It will be paid in 13 fortnightly instalments from the date of the claim. Paying the baby bonus in a fortnightly instalment better supports families who often experience a drop in income after the birth of a child.¹⁹

Changes to income testing for the seniors health card

5.22 Senator Coonan also questioned Centrelink officials about changes that the government intends to make to the eligibility requirements for people seeking a seniors health card.

5.23 The committee was informed that there will be four elements taken into account when assessing the income of people applying for a seniors health care card.²⁰ An official stated:

For the purpose of determining eligibility for this card the adjusted taxable income test will change. The changes include gross income from a superannuation income stream with a taxed source. That will be added to the customer's income. Income that is salary sacrificed to superannuation will be added to the customer's income. Net losses incurred through financial investments will be added to the customer's income and both members of a couple for all health care card holders will have income assessed on the same tax year. In previous years we have accepted income tax assessed in different years.²¹

5.24 Other issues that the committee examined in relation to Centrelink included:

- the development of an income management card;²²
- child protection pilot and school attendance and enrolment pilot;²³
- Keeping System Fair multimedia campaign;²⁴
- Changes to Welfare to Work;²⁵
- staffing levels;²⁶ and

19 Senator the Hon Joe Ludwig, Minister for Human Services, *Estimates Hansard*, 29 May 2008, p. 48.

20 Ms Natalie Howson, General Manager, Centrelink, *Estimates Hansard*, 29 May 2008, p. 50.

21 Ms Natalie Howson, General Manager, Centrelink, *Estimates Hansard*, 29 May 2008, p. 50.

22 *Estimates Hansard*, 29 May 2008, pp 55–61.

23 *Estimates Hansard*, 29 May 2008, p. 62.

24 *Estimates Hansard*, 29 May 2008, p. 64.

25 *Estimates Hansard*, 29 May 2008, pp 65–73.

- different types of payment cards.²⁷

Medicare Australia

5.25 The committee briefly examined Medicare Australia. The notable issues covered during this examination included:

- the use of the Medicare Card;²⁸ and
- the establishment of new Medicare offices.²⁹

Australian Hearing

5.26 The committee also briefly examined Australian Hearing. The notable issues covered during this examination included:

- the provision of universal newborn hearing services;³⁰
- the provision of hearing services within the Northern Territory;³¹

26 *Estimates Hansard*, 29 May 2008, pp 73–77.

27 *Estimates Hansard*, 29 May 2008, pp 77–83.

28 *Estimates Hansard*, 29 May 2008, pp 84–85.

29 *Estimates Hansard*, 29 May 2008, p. 86.

30 *Estimates Hansard*, 29 May 2008, pp 89–90.

31 *Estimates Hansard*, 29 May 2008, pp 90–91.

- reforming the Hearing Services Consultative Committee;³² and
- support for people with hearing impairments entering the workforce.³³

Senator Helen Polley

Chair

32 *Estimates Hansard*, 29 May 2008, p. 91.

33 *Estimates Hansard*, 29 May 2008, p. 91.

