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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 24 October 2019

Members in attendance: Senators Abetz, Askew, Bilyk, Carol Brown, Dodson, Hanson, Henderson, Hughes, Kitching, Lines, McAllister, McCarthy, McMahon, O'Sullivan, Roberts, Scarr, Siewert, Dean Smith, Steele-John, Urquhart, Watt.
SOCIAL SERVICES PORTFOLIO

In Attendance
Senator Ruston, Minister for Families and Social Services
Senator Birmingham, Minister for Trade, Tourism and Investment
Senator Seselja, Assistant Minister for Finance, Charities and Electoral Matters

Department of Social Services—Executive
Ms Kathryn Campbell AO, CSC, Secretary
Ms Margaret McKinnon, Chief Operating Officer
Mr Nathan Williamson, Deputy Secretary, Social Security
Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
Mr Michael Lye, Deputy Secretary, Disability and Carers

Department of Social Services—Cross Outcomes
Ms Margaret McKinnon, Chief Operating Officer
Mr Richard Baumgart, Acting Group Manager, Community Grants Hub
Ms Jo Talbot, Group Manager, Corporate and Governance
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Peter Qui, Chief Information Officer and Group Manager, Information Technology
Mr Paul Menzies-McVey, Chief Counsel and Branch Manager, Legal Services
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
Ms Teena Blewitt, Group Manager, Communities
Ms Carolyn Paterson, Branch Manager, Grant Management Office
Mr John Riley, Branch Manager, Corporate and Governance

Australian Institute of Family Studies
Ms Anne Hollonds, Director
Dr Michael Alexander, Deputy Director, Corporate Services
Ms Kelly Hand, Deputy Director, Research
Ms Rachel Carson, Senior Research Fellow, Family Law and Family Violence

Department of Social Services—Outcome 3, Disability and Carers
Mr Michael Lye, Deputy Secretary, Disability and Carers
Mr Andrew Whitecross, Group Manager, Market Capability
Ms Flora Carapellucci, Group Manager, Commonwealth/State Policy
Mr Peter Broadhead, Group Manager, Participants and Performance
Mr George Sotiropoulos, Group Manager, Disability, Employment and Carers
Ms Margaret McKinnon, Chief Operating Officer
Mr Richard Baumgart, Acting Group Manager, Community Grants Hub
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mr Thomas Abhayaratna, Branch Manager, Market Development
Ms Melanie Metz, Branch Manager, Market Quality
Ms Anita Davis, Branch Manager, Advocacy and Inclusion
Ms Catherine Reid, Acting Branch Manager, Carer Reform
Mr Stewart Thomas, Branch Manager, Disability Employment Services
Mr Philip Brown, Branch Manager, Disability Employment Taskforce
Ms Sarah Hawke, Acting Branch Manager, Participant Outcomes
Ms Nerida Hunter, Branch Manager, NDIS Finance and Performance
Ms Julie Yeend, Branch Manager, NDIS Governance
Mr Chris D’Souza, Acting Branch Manager, Mainstream Policy
Ms Kirralee Thomas, Acting Branch Manager, Mainstream Interface
Mr Stephen Moger, Branch Manager, Disability Policy

NDIS Quality and Safeguards Commission
Mr Graeme Head AO, NDIS Quality and Safeguards Commissioner
Ms Samantha Taylor PSM, NDIS Quality and Safeguards Registrar

National Disability Insurance Agency
Ms Vicki Rundle PSM, Acting Chief Executive Officer
Mr Victor Walter, Deputy Chief Executive Officer, Participants and Planning Experience

Group
Mr Hamish Aikman, Head, People and Culture
Ms Liz Neville, Acting Head, Markets, Provider and Sector Development
Mr Ian Frew, Chief Information Officer
Ms Melissa Woodburn, Acting Deputy Chief Executive Officer, Corporate Services, and Chief Financial Officer

Department of Social Services—Outcome 1, Social Security
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Shane Bennett, Group Manager, Participation Payments and Families
Ms Emma Kate McGuirk, Acting Group Manager, Pensions
Mr Troy Sloan, Group Manager, Analysis, Evaluation and Data
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Ms Margaret McKinnon, Chief Operating Officer
Mrs Tracey Bell, Branch Manager, Communication Services
Ms Kath Paton, Branch Manager, Participation and Supplementary Payments
Ms Vanessa Lathorne, Branch Manager, Study and Compliance
Mr Tim Crosier, Acting Branch Manager, Families and Payment Support
Ms Mary McLarty, Branch Manager, Older Australians
Mr Andrew Seebach, Branch Manager, Carer and Disability Payments

Department of Social Services—Outcome 2, Families and Communities
Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
Mr Bruce Taloni, Group Manager, Redress
Ms Teena Blewitt, Group Manager, Communities
Ms Carolyn Paterson, Branch Manager, Grant Management Office
Ms Lisa Foreman, Group Manager, Families
Ms Eliza Strapp, Acting Group Manager, Families Taskforce
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Shane Bennett, Group Manager, Participation Payments and Families
Mr Troy Sloan, Group Manager, Analysis, Evaluation and Data
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Ms Margaret McKinnon, Chief Operating Officer
Mr Richard Baumgart, Acting Group Manager, Community Grants Hub
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Tim Crosier, Acting Branch Manager, Families and Payment Support
Ms Chantelle Stratford, Branch Manager, Family Safety
Ms Tracy Creech, Branch Manager, DHS Engagement
Ms Selena Pattrick, Branch Manager, Welfare Quarantining
Mr Benjamin Peoples, Director, Welfare Quarantining Branch
Mr Peter Arnaudo, Branch Manager, Redress Implementation
Ms Sharon Stuart, Branch Manager, Redress Policy
Ms Lisa La Rance, Branch Manager, Financial Wellbeing
Ms Sarah Guise, Branch Manager, Community Cohesion
Ms Lisha Jackman, Acting Branch Manager, Family Policy
Ms Sarah Peascod, Acting Branch Manager, Children's Policy

Department of Social Services—Outcome 4, Housing
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Brenton Philp, Group Manager, Housing and Homelessness
Mr Troy Sloan, Group Manager, Analysis, Evaluation and Data
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Ms Margaret McKinnon, Chief Operating Officer
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Sidesh Naikar, Branch Manager, Housing and Homelessness Policy
Mr Ross Schafer, Acting Branch Manager, Housing and Homelessness Program Delivery
Mr Shane Bennett, Group Manager, Participation Payments and Families
Ms Kath Paton, Branch Manager, Participation and Supplementary Payments

Digital Transformation Agency
Mr Randall Brugeaud, Chief Executive Officer
Mr Peter Alexander, Chief Digital Officer
Ms Joanne Hutchinson, Chief Portfolio Officer
Dr Anthony Vlasic, Chief Strategy Officer
Mr George-Philip de Wet, Chief Operating Officer

Services Australia
Ms Renee Leon PSM, Secretary

Outcome 1
Mr John Murphy, Deputy Secretary, Payments Reform Group
Mr Greg Divall, General Manager, Business Transformation
Mr John Kilner, National Manager, Business Design and Architecture
Ms Amanda Cattermole, Deputy Secretary, Service Delivery Operations Group
Ms Jennifer Rufati, Acting General Manager, Operations Management Division
Mr Chris Horsley, General Manager, Service Delivery Strategy Division
Ms Sandy Mamo, Acting General Manager, Face to Face Services Division
Ms Michelle Kelly, General Manager, Child Support, Indigenous and Tailored Services Division
Mr Paul McNae, Acting General Manager, Smart Centre Operations Division
Ms Annette Musolino, Acting Deputy Secretary, Integrity and Information Group
Ms Anthony Seebach, General Manager, Debts and Appeals Division
Committee met at 08:59

CHAIR (Senator Askew): I declare open this meeting of the Senate Community Affairs Legislation Committee. The committee will today examine the Social Services portfolio, including Services Australia, formerly the Department of Human Services. The committee has set Thursday 31 October 2019 as the date by which senators are to submit written questions on notice and Thursday 12 December 2019 as the date for the return of answers to questions taken on notice. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, the secretariat has a copy of the rules.

I draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which I now incorporate in Hansard.

The extract read as follows—

Public interest immunity claims

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

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

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

(1) If:

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

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

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

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

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

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

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

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

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

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

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)
Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or document.

I remind senators and witnesses that microphones remain live unless I instruct otherwise, for example at suspension or adjournment. I would ask photographers and camera operators to follow the established media guidelines and the instructions of the committee secretariat. As set out in the guidelines, senators' and witnesses' laptops, mobile phones, other devices and personal papers are not to be filmed or photographed. The committee's proceedings today will commence with the Department of Social Services whole-of-portfolio and corporate matters and the Australian Institute of Family Studies. The hearing will follow the order as set out in the circulated program. The committee's scheduled break times are listed in the program or as required.

Department of Social Services
Australian Institute of Family Studies

[09:02]
CHAIR: The committee will now begin consideration of the Social Services portfolio. I welcome the Minister for Families and Social Services, Senator the Hon. Anne Ruston. I also welcome the Secretary of the Department of Social Services, Ms Kathryn Campbell, and Ms Anne Hollonds, the Director of the Australian Institute of Family Studies. Minister or Secretary, would you like to make an opening statement?

Senator Ruston: No, thank you.
Ms Campbell: No, thank you.
CHAIR: Who would like to kick off? Senator Watt.

Senator WATT: Hello. How are you? Good morning. Couldn't stay away. I want to begin with some corporate governance questions regarding the NDIA.

Ms Campbell: We don't have those officers until outcome 3. We had understood that the general corporate governance was about the Department of Social Services, but we can endeavour to answer them.

Senator WATT: Again, given this is in corporate matters involving the department, I thought this would be the appropriate place to raise corporate governance matters?

Ms Campbell: We can see whether there are some officers out there that can assist, but there will be some things I will be able to answer and there will be some things that will necessarily be for the National Disability Insurance Agency to answer. It will depend on your question.

Senator WATT: They are not too far away though, are they?

Ms Campbell: No, they are not very far.

Senator WATT: I imagine there is a reasonable chance they are pretty close. Let's give it a go. In particular my questions involve matters involving the chair of the NDIA, Dr Helen Nugent. When was she appointed as chair, again?
Ms Campbell: We will get the exact day, but I understand it was sometime in September or August/September 2017.

Senator WATT: Obviously Dr Nugent had a longstanding business career before she took on this appointment, including having been a member of Macquarie Group's board of directors for about 15 years. Are you aware of that?

Ms Campbell: I am aware of that.

Senator WATT: Are you aware that she conducts NDIA business, as the chair of the NDIA, from her office at Macquarie Group headquarters in Sydney's Martin Place?

Ms Campbell: My understanding is that Dr Nugent is no longer a member of the Macquarie board and that she does conduct business and she privately hires facilities at that facility, which are paid for by her.

Senator WATT: She personally hires an office in Macquarie Group's headquarters in Sydney's Martin Place?

Ms Campbell: It's my understanding that she uses facilities there. I'm not clear whether it's a full-time office or a part-time facility there, and that is a private matter for her.

Senator WATT: But she conducts her NDIA business as the chair of the NDIA out of the Macquarie Group headquarters?

Ms Campbell: I don't think it would be accurate to say that. I have often engaged with Dr Nugent in the offices of the NDIA in Sydney, in Geelong and various other offices—

Senator WATT: I'm not saying every single thing that she does as the NDIA chair is done from that office, but she does use her office, which is in the Macquarie Group headquarters, to conduct some of her NDIA business?

Ms Campbell: I will see whether we can get someone from the NDIA to give you precision on that.

Ms Rundle: Can you repeat the question, please?

Senator WATT: Essentially I'm seeking confirmation—and there have been media reports to this effect, which I can table if I need to—that the chair of the NDIA, Dr Helen Nugent, conducts at least part of her work as the NDIA chair from her office in the Macquarie Group headquarters in Sydney?

Ms Campbell: Would it be okay if I just filled in Ms Rundle on the evidence that I've provided?

Senator WATT: Sure.

Ms Campbell: Ms Rundle, I advised the committee that Dr Nugent does use the facilities there but that she also uses facilities elsewhere in the NDIA, and I know that we've engaged significantly with Dr Nugent in the offices in Sydney, on Elizabeth Street.

Senator WATT: In fact, the way you have just phrased it is sufficient for my purposes—by saying that she does. I am not alleging that she does all of her work from that office, but the way you put it was that she does do some essentially from the Macquarie Group office. You are aware that Macquarie Group is building a significant amount of disability housing with NDIS funding?
Ms Rundle: We are aware that they are. Like many investors, there are many different groups building SDA housing.

Senator WATT: You are aware that Macquarie Group is the only financial services representative on the NDIA's specialist disability accommodation reference group?

Ms Rundle: I would need to check that. I'm not sure that's entirely correct. It may be. There are a range of representatives on the SDA reference group, and they are only one of many.

Senator WATT: But they are one?

Ms Rundle: Yes, they are.

Mr Lye: I think the relationship that Macquarie has as an investor in SDA is not one where we are providing them with NDIS funds. I think they are, like others, invested in an asset class. They have to win participants' business and then provide a service for them. Participants will have money to put to that. I don't think it is fair to say that we are funding them.

Senator WATT: It might not be a direct contract between the department or the NDIA and Macquarie. But, if I understand what you have just said correctly, Macquarie Group is building disability housing, which is used—

Mr Lye: They have indicated that they are going to enter a market and take their chances, like everybody else.

Senator WATT: They are investing in it, building it or however you want to characterise it?

Mr Lye: That is correct.

Senator WATT: And some of that housing is going to be used by people who receive NDIA funding—so under the NDIS for their housing?

Mr Lye: If they produce a good product and people choose to use them.

Senator WATT: I don't think Macquarie would be investing if they didn't think anyone was going to use their services. They're not known for that.

Ms Rundle: That is the same for every investor. They will make their own commercial decisions.

Senator WATT: Sure, but not every investor has the chair of the NDIA working from their office, do they?

Ms Rundle: I would like to, if I may, just make something really clear. Dr Nugent has always been scrupulous in the way that she handles herself as chair, and she has always remained very distant from all of these things. In fact, she had no say at all in any of the Macquarie interest in the SDA group or anything else.

Senator WATT: Are you aware that it has also been revealed in an article in the Saturday paper that Dr Nugent has been conducting NDIA business on Macquarie's email server?

Ms Rundle: The first thing I would say is that it's not unusual for non-executive directors of the board to use their own personal—

Senator WATT: But she's the chairperson, isn't she? She's not just a non-executive director?
Ms Rundle: That is correct.

Senator WATT: She is the chairperson?

Ms Rundle: And she has two emails. She has both her own personal email, which all directors have, and she has an NDIS email.

Senator WATT: Which of those emails is connected to the Macquarie Group server?

Ms Rundle: Sometimes people that she has met with might email her on her own personal email, but I would say the majority of the NDIS business is conducted through the NDIS email system.

Senator WATT: So her personal email address is connected to the Macquarie Group server because she works out of their office?

Ms Rundle: That's probably the same for all people with private emails. They are connected to a gateway of some sort.

Senator WATT: I've got a personal Gmail address, but I'm not the chair of the NDIA working out of an office owned by a significant provider of housing services that are going to be funded through the NDIS. Can you see there's a bit of an issue here?

Ms Rundle: I can see what you're trying to draw, but I don't accept it.

Senator WATT: When did the NDIA become aware that Dr Nugent was conducting NDIA work from an external server?

Ms Rundle: If you're asking about a date for the first time Dr Nugent ever sent an email from that server, I would need to check that. Dr Nugent has been chair since January 2017 and she has used both emails, as I have just described, which is not unusual.

Senator WATT: Can you take on notice when the department first became aware that Dr Nugent was conducting NDIA work from an external server?

Ms Rundle: I will.

Senator WATT: Ms Campbell, is the department aware of any other government appointed chair using a personal email for government business?

Ms Campbell: We generally involve ourselves with the boards that we are focused on.

Senator WATT: With those, are there any examples you can give us?

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

Senator WATT: Okay, but are you aware of any?

Ms Campbell: I'm just thinking of the chairs within our portfolio. Primarily the significant board is the NDIA.

Senator WATT: Can you take that on notice for me? Is Dr Nugent still conducting NDIA or NDIS work using that private email?

Ms Rundle: As I said, Dr Nugent's NDIS related emails between the NDIS and her are conducted on NDIS email.

Senator WATT: That covers off emails between her and the NDIS. I'm asking something broader, which is whether Dr Nugent, as the chair of the NDIA, is conducting any NDIA or NDIS related work using her private email that's connected to the Macquarie Group server.
Ms Rundle: I would need to ask Dr Nugent that question, but I would say that it wouldn't be at all unusual for a person anywhere in the sector—say, a participant who has met her at a participant roundtable that she's been hosting—to contact her on her Macquarie email, because it's probably reasonably well known that she has a business address and a business email.

Senator WATT: Ms Campbell, are you aware of whether Dr Nugent is conducting any NDIS related work using that Macquarie Group email?

Ms Campbell: I think Ms Rundle is probably in a better position than I to answer that question.

Senator WATT: I'm asking you whether you know. Are you aware?

Ms Campbell: I am not aware.

Senator WATT: Has Dr Nugent ever been advised either by the NDIA or the department to not use the Macquarie Bank email for NDIA related work?

Ms Campbell: Services Australia provide the IT services to the NDIA. I don't usually involve myself with the IT systems of the NDIA.

Senator WATT: Sure, but have you, Ms Campbell, ever advised or discussed with Dr Nugent her use of a Macquarie Bank email for NDIA related work?

Ms Campbell: I may have discussed it with her in the context of the media, that there was media interest in the matter, but I can't recall it. I would have to go back and check documents.

Mr Lye: It's a question that Services Australia would be better placed to answer.

Senator WATT: We can ask them as well. Ms Campbell, you did talk to Dr Nugent about her use of the Macquarie Group email address around the time of this media coverage?

Ms Campbell: I was generally talking to her about the media coverage and to alert the NDIA to the fact that there was this media coverage—I'm sure they were very much aware of it—and that it would be important for us to be able to answer questions, in particular for Ms Rundle to be able to answer questions about that.

Senator WATT: Ms Rundle, have you discussed this with Dr Nugent—her use of a Macquarie Bank email for NDIA work?

Ms Rundle: Of course, since the media coverage Dr Nugent and I have talked about that. Dr Nugent is very intent always on using her NDIS email. Sometimes emails have inadvertently gone to Dr Nugent's email address, but not through any instruction of herself.

Senator WATT: It's not inadvertent. Earlier you were saying that it wouldn't be surprising if participants, providers or other people external to the NDIA might email Dr Nugent at her Macquarie Group email. It wouldn't be true to say that that would be an inadvertent sending an email.

Ms Rundle: No, you're correct.

Senator WATT: Have either of you, Ms Rundle or Ms Campbell, given Dr Nugent advice about the wisdom of using her Macquarie Group email for matters involving the NDIA or NDIS?
**Ms Rundle:** Dr Nugent herself is very cognisant of using the NDIS email. It was hardly necessary for anyone to remind Dr Nugent. She understands that.

**Senator WATT:** Why does she keep receiving and possibly sending emails regarding the NDIS from her Macquarie Group email if she is so cognisant of this?

**Ms Rundle:** One of the things we might need to do is allow Dr Nugent herself, through questions on notice, to respond as well, rather than me responding on her behalf. If people in the community choose to email Dr Nugent on her Macquarie email address, I don't see that that is at all unusual. I am trying to work out what the actual issue might be.

**Senator WATT:** You do not think there is an issue with the chair of the NDIA working from an office in a big bank that is a big investor in housing services that the NDIA is going to be funding, directly or indirectly, and using premises there to conduct NDIA work and an email server to send and receive some emails regarding the NDIA? You don't think there is an issue there?

**Ms Rundle:** I don't, because I don't draw the same conclusions that you have.

**Senator WATT:** What about you, Ms Campbell? Are you starting to feel there might be a bit of an issue here?

**Ms Rundle:** I think Ms Rundle has already given evidence that Dr Nugent is very much aware of the appropriate use of the email and that she strives to use the—

**Senator WATT:** How do you know that if neither of you have given her advice about that? Is that just like a bit of wilful blindness that it will all be okay?

**Ms Campbell:** No.

**Senator WATT:** You both seem very confident that Dr Nugent knows what to do, but neither of you have spoken about whether or not it is a good idea to be using a Macquarie Group email address.

**Ms Campbell:** I thought I had previously given evidence that I had discussed the—

**Senator WATT:** I thought you said that you had talked about the media coverage.

**Ms Campbell:** media coverage with her.

**Senator WATT:** But you haven't given her any advice about whether it is wise to use her Macquarie Group email for anything involving the NDIA?

**Ms Campbell:** We discuss the use of email and how sometimes there is a failure of one email system and that is why someone may have inadvertently sent email to—not inadvertently, but sent it to Dr Nugent so she received the email, particularly when she was travelling overseas.

**Senator WATT:** You think it is only these sorts of isolated instances when maybe the NDIA email server is down that her private email is being used?

**Ms Campbell:** I think appropriate attention has been brought to this matter. Dr Nugent is aware and focused on ensuring that particularly the NDIA material does go through her NDIA email service. I don't think there is any further need for me to provide her with advice about using the NDIA server.

**CHAIR:** Senator Watt, I am conscious that other senators do have questions.
Senator WATT: Has Dr Nugent been subject to any internal disciplinary action regarding conflicts of interest or a breach of privacy?

Ms Rundle: No. I can answer that: absolutely not, because there has been no conflict of interest or breach of privacy, to my knowledge.

Senator WATT: I will come back to this.

Senator SIEWERT: I have one clarification question. Where do I ask about the Northern Territory royal commission?

Ms Campbell: The Northern Territory royal commission into children’s?

Senator SIEWERT: Youth justice.

Ms Campbell: Outcome 2.

Senator SIEWERT: That is what I thought. I thought I had better double-check.

Ms Campbell: Outcome 2 will be here later today.

Senator SIEWERT: Can I ask some questions of Institute of Family Studies, please. I have lots of questions. I know I will be told to stop, so I will put some on notice. I will probably do this in a fairly rapid-fire way if that is okay. As to your evaluation in August of the childcare package, I have had a look at it, but I am particularly focused on First Nations and First Nations children. The feedback I have had from a number of providers and other Aboriginal organisations is they have concerns about the impact it has had and is having on access to child care for First Nations families across the board. Firstly, did you look specifically at that? I can't find a lot of detail about it in the evaluation. Did you specifically look at that issue or get feedback on that issue?

Ms Hollonds: As you are probably aware, this is a project that is going over some years and is still continuing. It has many aspects to it. We have had consultations with First Nations people on the impact and their experience of the services. Would you mind if I hand over to my colleague Kelly Hand, who is actually working on the project? She can give more detail.

Senator SIEWERT: That would be great.

Ms Hand: As Ms Hollonds noted, we are doing this project over the long term. It is not actually completed until the middle of 2021. The first report was really focused on the baseline and early impacts and so is largely using some surveys we conducted early on and some admin data. None of that is really particularly sensitive to the experiences of First Nations families with services.

Senator SIEWERT: I have noticed that.

Ms Hand: We are aware of that. But this is a focus we are taking over the longer term of the project, and we anticipate that we will have a number of things to say as the evaluation progresses in the different reports. That includes some targeted case studies in Indigenous communities. We also have interviews. We have been conducting interviews, for example, at the SNAICC conference. We are engaging with former BBFSs—budget based funded services—in interviews to understand their experiences of the transition, as well as families. We will be using administrative data where we can.

Senator SIEWERT: In terms of the early work that you have done, you articulate that in the first report in terms of a number of findings about its usefulness and whether it has been
hard to navigate et cetera. In your interviews did you interview First Nations families or providers in that first wave? In your ongoing interviews have you found any trends coming out of that?

**Ms Hand:** At this stage we are really only able to comment on the first report, because we are in that process of collecting data at the moment. We actually haven't done any further analysis that would help you with that question. But I can say that for the first report we did not specifically interview First Nations families. There are a small number of families who participated in the survey that we conducted, and similarly we invited all of the BBFSs to participate in the baseline survey, to get their understanding of what they were anticipating and the type of information they had. Beyond that, though, we haven't really had any other information to feed into that report in any substantive way, but we expect that we will have much more information going forward.

**Senator SIEWERT:** Thank you. When is the next report due?

**Ms Hand:** We are currently discussing that with the department. In the evaluation framework—December this year—we are working with them around making sure that we have the administrative data that we want to put into that report available. We think that is really essential. It is an outcomes focused report. We are very close to getting the data we need and then working out a new date for that report.

**Senator SIEWERT:** To read into what you just said, I take it it's not going to be December—

**Ms Hand:** No, it's not going to be December.

**Senator SIEWERT:** Because you're just getting hold of the data now?

**Ms Hand:** We have received the data at different time points. We are working with the department to make sure the data actually is fit for purpose for an evaluation. Obviously administrative data collection systems have their own needs, and now we're trying to work together to shape the data for evaluation purposes.

**Senator SIEWERT:** So it will be early into the new year?

**Ms Hand:** Yes, we expect early next year.

**Senator SIEWERT:** Can I go to a specific question about ParentsNext? Have you had a look at ParentsNext, or do you intend to look at the operation of that particular program and its impacts on families, particularly single-parent families, and children?

**Ms Hollonds:** Most of our research is commissioned by various Australian government departments and state and territory departments. We actually don't do much of our own work.

**Senator SIEWERT:** You don't do self-initiated?

**Ms Hollonds:** That's right. We do commissioned work. We have not been commissioned to investigate ParentsNext.

**Senator SIEWERT:** I turn to the work that you are doing on elder abuse. I have been looking at the definitional work. Are you including and picking up sexual abuse, particularly in aged-care facilities?

**Ms Hollonds:** I have my elder abuse expert, Dr Rachel Carson, right next to me.
Dr Carson: The elder abuse prevalence study is focusing on elder abuse perpetrated within community settings. There are questions relating to sexual abuse in the draft survey. The process that we are going through at the moment is undertaking the ethical clearance. At this stage there may be further modifications to the survey instrument.

Senator SIEWERT: Can you explain that in a bit more detail? Are you saying you will be modifying it further to include it?

Dr Carson: There are already questions included in the survey instrument as it currently stands. At the moment we are at the pilot stage. We are testing the instruments and then we will return to the ethics committee for further clearance.

Senator SIEWERT: Which settings fit within the definition of ‘community settings’?

Dr Carson: Those who are living in the community but not in residential aged care.

Senator SIEWERT: So home care gets picked up?

Dr Carson: Yes.

Senator SIEWERT: To your knowledge, who is looking at this issue in an institutional setting?

Dr Carson: I would have to take that on notice.

Senator SIEWERT: Could you take that on notice? That would be appreciated. What is the extent of the survey that you are undertaking, as in how many people?

Dr Carson: The national elder abuse prevalence study is the first of its kind in Australia. It is the first large-scale study. The intention is to sample 7,000 older people as part of the survey of older people. That is the main component of the prevalence study. We also are undertaking a survey of the general community as part of the prevalence study, and that is intended to involve a survey of 3,500 people who are aged 18-64. There is also a culturally diverse component of the study, which will involve an analysis of both of these datasets to provide particular insight into the prevalence and characteristics of abuse that occurs for people in culturally and linguistically diverse communities.

Senator SIEWERT: Thank you.

Senator WATT: We will have some questions for AIFS as well, but I'm keen to complete the NDIA issues. Going back to where we were before, how many emails relating to NDIA or NDIS matters has Dr Nugent received or sent from her Macquarie Group email?

Ms Rundle: I would need to take that on notice.

Senator WATT: What I took from our earlier discussion was that both the department and you, Ms Rundle, were quite satisfied that Dr Nugent had not done anything improper involving her Macquarie Group email—is that a fair summary?

Ms RUNDLE: That's correct.

Ms Campbell: I think we gave evidence explaining how the email was used and that Dr Nugent was actively discouraging NDIA staff from ever sending emails to that address. That is my understanding.

Senator WATT: Could you just say that last bit again?
Ms Campbell: Dr Nugent had actively discouraged NDIA/NDIS staff from using that email and said that they should use the NDIA server. I think that was the evidence that Ms Rundle gave. I think Ms Rundle also gave evidence that some people in the community or people that Dr Nugent met may send information to Dr Nugent on that email that related to the NDIA, because that's how they knew how to engage with Dr Nugent.

Senator WATT: How would they be getting that email address, though?

Ms Campbell: They may have previous relationships. They may understand that that's where she had worked in the past. I'm not sure what happens when you google Dr Nugent's name for a contact. Often people have residual and old emails in their email systems where they have typed something up and it would come up with that old email address.

Senator WATT: There is at least one instance where emails were sent to Dr Nugent's Macquarie Group email that contained highly sensitive information regarding a Mr Tim Rubenach, a 32-year-old man with severe epilepsy who died in north-east Tasmania awaiting NDIS care in May 2018. Are you aware of that instance?

Ms Rundle: I would need to check that. I am aware of Mr Rubenach, of course. We've talked about that before at this estimates committee. I would need to check the answer to your question, though.

Senator WATT: There has been some media coverage of that email regarding Mr Rubenach. It is obviously a tragic situation. Emails regarding his situation were sent to Dr Nugent's Macquarie account?

Ms Rundle: Yes, I think I do recall that being in one of the media articles.

Senator WATT: So you are aware of that occurring?

Ms Rundle: Yes.

Senator WATT: Are you aware of any other instances where personal information regarding NDIS participants has been sent to or from Dr Nugent's Macquarie email address?

Ms Rundle: As I said earlier, I would really need to check that for you.

Senator WATT: What about you, Ms Campbell? Is this the only one you're aware of?

Ms Campbell: I don't usually involve myself with the day-to-day running of the NDIA and who is sending what emails. I think those questions are best directed to Ms Rundle.

Senator WATT: Is that another way of saying, no, you're not aware?

Ms Campbell: I am not aware of the emails, and I think Ms Rundle has said she would need to take that on notice.

Senator WATT: Given this instance involving Mr Rubenach, how can the NDIA ensure NDIS participants will not have their privacy breached due to the use of a non-NDIA email?

Ms Rundle: To my knowledge, I would anticipate that most, if not all, of the emails to Dr Nugent's Macquarie email address were not containing participant information.

Senator WATT: You don't know that, do you?

Ms Rundle: I understand you've asked me a question about Mr Rubenach. I've taken that on notice. Dr Nugent is very cognisant of this and so is the agency. I must say, if ever we are aware of any privacy breach at all we do always try and follow up or we always follow up and look at suspected breaches of privacy.
Senator WATT: Were you unaware of the emails involving Mr Rubenach being sent to Dr Nugent's Macquarie Group email until you heard about it in the media?

Ms Rundle: I was reminded of it. I wasn't. I hadn't remembered until the media article, and then I was reminded, yes.

Senator WATT: So it is possible, though, that there have been other instances that you're not aware of, because they haven't had any media coverage?

Ms Rundle: Possibly, but as I said I would take that on notice. I'm hoping that won't be the case.

Senator BILYK: For clarification: do you know how many times Dr Nugent has used her Macquarie Bank email for NDIA issues?

Ms Rundle: That's the question that I've just taken on notice for the senator.

Senator BILYK: Sorry.

Senator KITCHING: While you are taking that on notice, Ms Rundle, would you be able to tell us how many there were from that email address?

Ms Rundle: That is again the question—

Senator KITCHING: No, the quantity as well?

Ms Rundle: I think that's the question.

Senator BILYK: That is what I was trying to clarify, too.

Senator WATT: Is it the NDIA's view or the department's view that this handling of emails regarding Mr Rubenach has involved a breach of the NDIA's privacy policies?

Ms Rundle: I did say I would take all of these questions on notice relating to that. I'm hardly going to be able to answer that until I've looked into it.

Senator WATT: But you're aware of the emails involving Mr Rubenach?

Ms Rundle: Yes.

Senator WATT: And that it included highly personal information?

Ms Rundle: I said I would check that. I said to you that I would go away and I would check the exact nature of all of the emails, and that's what I need to do to be clear.

Senator WATT: So, you are aware of those emails. I assume you're aware of the NDIA's privacy policy?

Ms Rundle: I am.

Senator WATT: You don't think that there's any breach of the privacy policy in this instance or any others that we may yet not be aware of?

Ms Rundle: I think I've explained, or tried to, that I'm not able to answer that question until I ascertain the answers to some of your earlier questions.

Senator WATT: Just to remind you—the NDIA's privacy policy states, among other things:

We take steps to ensure that no-one outside the NDIA can access information we hold about someone without that person's consent, unless that access is authorised or required under law.
Did the family of Mr Rubenach consent to Dr Nugent accessing his sensitive case information in her capacity as a Macquarie representative/tenant, whatever she might be?

**Ms Rundle:** You've asked me a number of questions that go back to the original question which I need to answer. You're asking me another question now where I'm unable to answer that until I ascertain some of the earlier facts. I would need to come back to you.

**Senator WATT:** I haven't seen the emails involving Mr Rubenach. I'm going off a media report in the *Financial Review* on 14 October—which again I can table, but it sounds like you've seen it—which said that the journalist had cited emails sent to Dr Nugent's Macquarie account containing highly sensitive case information on Mr Tim Rubenach.

**CHAIR:** Senator Watt, I think the official has answered your question or has taken it on notice.

**Senator WATT:** Taking that at face value, that surely is a breach of the NDIA privacy policy by the NDIA chair?

**Ms Rundle:** I think I've answered your questions as best I can this morning. I really can't provide any further detail until I've gone back and ascertained some of the facts in relation to some of your questions.

**Senator WATT:** Understood, but the—

**CHAIR:** I think any further questions could be placed on notice.

**Senator WATT:** At face value, this again seems to be a clear case that someone outside the NDIA has accessed information the NDIA holds about a participant without that person's consent? Would the NDIA chair, the very highest position in the organisation, be in breach of your privacy policy?

**Ms Rundle:** I think I've answered the question. But I do want to finish my answer by saying anyone who has had anything to do with Dr Nugent will attest to this. She is very scrupulous in the way that she deals—

**Senator WATT:** Except for the fact that she is renting an office in an investment bank that is investing in presumably millions of dollars of disability accommodation which your agency will indirectly fund through participants, and except for the fact that she's using a Macquarie Group email server, an email address, to conduct NDIA related business. Macquarie Group seemingly have access to this personal information about at least one participant without their consent. How is that scrupulous?

**Senator HUGHES:** We don't want aspersions being cast on Dr Nugent. Can we clarify how many people emailed Drs Nugent and where she responded to them—that is, where they emailed her on her Macquarie email versus her initiating the contact? As I'm sure Senator Watt does, I personally have a number of email addresses and people tend to email me on a raft of them.

**Senator WATT:** You are not the NDIA chair.

**Senator HUGHES:** And I tend to then reply from that email. Perhaps you can also take on notice how many of the emails were actually initiated by Ms Nugent versus how many emails were people actually getting in contact with her directly via that email and her simply replying to them, and so the email contact would therefore not be a breach of privacy if they've initiated the contact on that email? Thank you.
Senator WATT: I did ask for that. I already asked for emails sent and received. Even if someone is sending emails to Dr Nugent at her email address, that is clearly still a breach of the privacy policy.

Senator HUGHES: It is not if they have actually—

Senator WATT: No. I will read it to you again. The NDIA privacy policy states:

We—

the NDIA—

take steps to ensure that no-one outside the NDIA can access information we hold about someone without that person's consent, unless that access is authorised or required under law.

My question actually was whether the family of Mr Rubenach consented. If he did not consent to that information being transmitted via a Macquarie Group email, that is a clear breach of the policy.

Senator HUGHES: I think you are asking one specific one there versus the broader questions that you are asking.

Senator WATT: We don't know how many others there are.

Senator HUGHES: That is what we are asking, and I think we have established that point.

Senator BILYK: This is just a point of clarification. If this has been asked before, obviously tell me, but when did you become aware of this media story?

Ms Rundle: On the day that the media occurred. I described that earlier.

Senator BILYK: Why have you not checked whether it is a breach of privacy or not in the interim?

Ms Rundle: We always look at all of the media reports and we always investigate them.

Senator BILYK: What date was the media report?

Senator WATT: It was 14 October.

Senator BILYK: What is the date today?

Ms Rundle: The date today is the 24th.

Senator BILYK: That is 10 days and you haven't checked whether it was a breach of privacy or not?

Ms Rundle: In following up any of these things it takes quite a while. DHS, Services Australia, is our shared services provider and so it would take quite a while for us to go through a number of processes on any particular issue to be able to ascertain—

Senator BILYK: It is a privacy issue. Why would that not be a priority?

Ms Rundle: It is a priority, but it does actually—

CHAIR: Let her answer the question.

Senator BILYK: What is the timeline?

Ms Rundle: If—

Senator BILYK: That is bizarre. If it is a breach of privacy, you should prioritise that.

Senator Ruston: Chair, could you please ask the senator—
Senator BILYK: Ten days!
CHAIR: Senator Bilyk.

Senator Ruston: The senator is badgering the witness. It is a perfectly legitimate line of questioning, but perhaps the senator might let Ms Rundle answer the question before she comes in with her next question.

Senator BILYK: I am not finding the answers particularly suitable.

Senator Ruston: You are not giving her the chance to give the answer. Please allow her the opportunity—

Senator BILYK: Do you have any family members that are involved in the NDIA? I do. If I find out that any of their private information—
CHAIR: Senator Bilyk!

Senator BILYK: I think you know this is atrocious.

Senator Ruston: I think you really do need to give the witness the opportunity to answer. If you're not satisfied, you can follow up, but you're not letting her even answer the question. Out of respect for your answer and hearing your answer, you should let—

Senator BILYK: I have heard the answer.

Senator Ruston: I haven't.

Senator BILYK: The answer was, no, they haven't decided whether it was a breach of privacy or not.
CHAIR: Thank you, Senators. We will let Ms Rundle finish her answer and then we will move to Senator Kitching, who has a question.

Ms Rundle: I was going to say that if there has been a breach of privacy—if there has—it is very likely that that's been a breach of privacy on the NDIA side, not Dr Nugent's side.

Senator BILYK: I wasn't asking whose breach of privacy it was. I just want to know if it was a breach of privacy.

Ms Rundle: What I will do for you, if it is helpful, is try to be helpful and answer your earlier question. I can explain to you and on notice describe the way that we investigate our breaches of privacy and the timelines.

Senator BILYK: Okay.
CHAIR: That would be appreciated.

Senator WATT: Just to finish off this email point: where is the Macquarie Group's email server based? Is it based in Australia or is it based overseas?

Ms Rundle: I can't answer that. I would need to ask.

Senator WATT: Does anyone know?

Ms Campbell: I am not aware.

Senator WATT: We've got the chair of the NDIA using an email server owned by an investment bank that is seeking to make money out of the NDIS, and that email server could well be based in any country around the world, which may or may not have very good data security provisions. The chair of the NDIA is at least receiving, if not sending, emails containing highly personal information about the NDIS. Is this something worth looking into?
Ms Campbell: I think we have provided advice that the chair, Dr Nugent, has made it very clear to NDIA staff that she does not want to receive emails—

Senator WATT: I am not saying and I have never said that Dr Nugent is communicating with NDIA personnel, but what I am saying is that there is at least one instance where an NDIA participant's personal information has been communicated to Dr Nugent on a Macquarie Group email address. We don't know what part of the world that email server is based in. We don't know who has got access to that person's information. That has got to be a shocking breach of privacy.

Ms Campbell: Ms Rundle has taken those questions on notice and she will come back to the committee with the answers.

Senator WATT: It has never occurred to you, knowing that Dr Nugent has been using a Macquarie Group email address, to check where in the ether that information might be going or what country in the world that might be going to? Is it going to Nigeria? Is it going to Singapore? Where is it going?

Ms Campbell: Ms Rundle has undertaken to take that question on notice.

CHAIR: We will move on now to Senator Kitching.

Senator KITCHING: I want to go to wait times. Do you mind if I change topics?

Senator WATT: I have a bit more to do on this.

CHAIR: We still have whole-of-portfolio issues. I think Senator Steele-John had some questions in that as well.

Senator KITCHING: I think Senator Watt—

Senator WATT: I have a bit more to do on this.

CHAIR: We will go to Senator Steele-John first.

Senator STEELE-JOHN: I have a couple of questions in relation to the appointment of your new CEO.

Ms Campbell: I will take those questions.

Senator STEELE-JOHN: I anticipate you will have to provide these on notice as they are quite detailed. I would like to know the official selection criteria for the CEO, the application process the department went through in selecting the CEO, the number of applications the department received, the number of subsequently shortlisted applicants, the number of interviewees and the composition of the interview/selection panel.

Ms Campbell: As you suggested, I won't be able to answer all of them.

Senator STEELE-JOHN: It would be very impressive if you could.

Ms Campbell: Let me try and give you some context. The selection panel consisted of Dr Nugent as the chair and two other board members as well as myself, the Secretary of the Department of Social Services—

Senator STEELE-JOHN: Which other board members?
Ms Campbell: John Walsh, Paul O'Sullivan, myself and Peter Woolcott, the Public Service Commissioner, comprised the selection panel. The advertising was public. We should be able to see even today whether we can get you the information that was provided, the selection materials and the like. There were a number of people interviewed. I just can't remember exactly, but someone will hopefully be able to get that for us today, and all of the other information. We should be able to take that on notice for you.

Senator STEELE-JOHN: Thank you very much.

Senator WATT: We have already talked about the fact that Macquarie Group is investing in disability housing and is a member of the NDIA specialist disability accommodation reference group. Is Dr Nugent still employed by or receiving any benefit from Macquarie Group?

Ms Campbell: My understanding is she is not employed by Macquarie Group.

Ms Rundle: That is right.

Senator WATT: Is she receiving any benefit from them?

Ms Campbell: I have no knowledge of that. We would have to take that on notice.

Senator WATT: Has any check been done to establish that?

Ms Rundle: There is a conflict of interest disclosure by all members, and Ms Nugent has always met the conflict of interest disclosures.

Senator WATT: Could you please table Dr Nugent's conflict of interest disclosure?

Ms Rundle: We will take that on notice.

Ms Campbell: We will take that on notice.

Senator WATT: You might not want to table it?

Ms Campbell: We will take it on notice. That would be private information. We will take that on notice.

Senator WATT: So she gets her privacy protected, but Mr Rubenach can have emails sent all around the world about his—

Senator HUGHES: From the article, the emails were sent to Dr Nugent.

Senator WATT: Sure.

Senator HUGHES: She was not forwarding them everywhere. Potentially Mr Rubenach's family sent the information to Dr Nugent—

Senator WATT: And we know that hackers out there—

Senator HUGHES: But that is not Dr Nugent's fault if they decided to choose—

Senator WATT: If you send me an email—

CHAIR: Senator Watt, we are here to ask questions.

Senator HUGHES: Is Dr Nugent expected to shut down every email address she has outside of her NDIA one?

Senator WATT: She might not want to use a Macquarie Group email.

Senator HUGHES: If she does not ask them to use that, how is it her fault? If they choose to use that—
Senator WATT: I am not even going to try to explain.
CHAIR: Could we please return to asking questions of the officials. Thank you.
Senator KITCHING: Was that the email address that Ms Nugent actually gave when she started as chair? Was there a form? Did she nominate and say: 'Look, this is the best email for me. Please email me at this email address?'
Ms Campbell: When she nominated, she wouldn't have been a chair. Therefore, she wouldn't have had an NDIA address.
Senator KITCHING: You know how you might say to someone, 'Look, this is a good email address for me. Send it to this email address'?
Ms Campbell: When she first—
Senator KITCHING: When she was first at the organisation.
Ms Campbell: We would have to take that on notice, and I think Ms Rundle has taken that on notice.
Senator KITCHING: If you could. You know when you start and someone might say: 'Look, here is a suggested email address. Here is the best phone number for me and contact details,' in order to make it easy to contact someone? I'm just wondering if she nominated that email address?
Ms Campbell: She probably did before she had an NDIA email address, but we will take that on notice.
Senator KITCHING: Thank you. That would be great.
Senator WATT: Is Dr Nugent paying market rent for her office in Macquarie Group?
Ms Campbell: I understand that is a matter between Dr Nugent and the organisation and does not have any relationship with the NDIA.
Senator WATT: The chair of the NDIA can be located in an office from which she conducts NDIA business, including receiving/potentially sending NDIS related emails. She could be getting that office for free? She has been on their board for 15 years. Maybe she is paying—
Senator DEAN SMITH: You have taken verbatim other aspects of that AFR article. That AFR article makes it very clear: commercial rent. So, you cannot—
Senator WATT: So you are confident she is paying commercial rent?
Mr Lye: Dr Nugent has stated that she pays rent at a commercial rate.
Senator WATT: Again, you are not aware of her receiving any other benefit from Macquarie?
Ms Rundle: I am not aware of any. The other thing is that Macquarie Group—you may not be aware of this—rent premises to quite a few others that don't work for the Macquarie Group and are not associated at all.
Senator WATT: What is Dr Nugent's relationship with Macquarie if she can still use a Macquarie Group email?
Ms Rundle: Again, we would need to seek advice from Dr Nugent. As I said, she rents and—as Mr Lye just said—pays commercial rent for a property, an office, in a Macquarie
building. Dr Nugent has not been on the Macquarie board for five years. She is not connected with them in any way, to my knowledge.

**Senator WATT:** Is Dr Nugent conducting meetings relating to NDIA matters from her Macquarie Group office?

**Ms Rundle:** Again, any of us, if we have public offices or other offices that people come to—I would not be at all surprised if some people do go to Dr Nugent's office. I have actually been to a meeting in that office because it was closer. I was between meetings and it was closer to have a meeting there than to go back to the NDIS office. But Dr Nugent generally conducts her NDIS business in NDIS premises most of the time.

**Senator WATT:** So you as the acting CEO of the NDIA have met with Dr Nugent as the chair of the NDIA about NDIA business in her office in the Macquarie Group?

**Ms Rundle:** No. I have met with Dr Nugent once when I was in my usual substantive deputy role.

**Senator WATT:** Remind me what that was again. You were Deputy CEO?

**Ms Rundle:** Deputy role, yes.

**Senator WATT:** As Deputy CEO of the NDIA, you met with Dr Nugent as the chair of the NDIA about NDIA matters in her Macquarie Group office?

**Ms Rundle:** In her private office.

**Senator WATT:** Which is in the Macquarie Group premises?

**Ms Rundle:** It is. But of course offices are in buildings.

**Senator WATT:** What about Ms Campbell and Mr Lye? Have you met with Dr Nugent in that office about NDIA matters?

**Ms Campbell:** I have met with Dr Nugent on one occasion in that office, but I think it may have been on a DSS matter. I think we were briefing her on a DSS—

**Senator WATT:** What is her role in the DSS?

**Ms Campbell:** I think it was some work we were doing around disability and carers and I was seeking her views.

**Senator WATT:** You were seeking her views as the chair of the NDIA?

**Ms Campbell:** I was.

**CHAIR:** I am aware Senator Hughes has some questions on cross-portfolio as well.

**Senator WATT:** Could I just take five more minutes? We are not finished with this. This is going to take a little while. Five minutes would enable me to finish a bracket of questions, if that's okay? Given that Ms Nugent's Macquarie Group email is on a private email server and is therefore not subject to FOI law, will Dr Nugent agree to provide any NDIA related correspondence from her Macquarie Group email?

**Ms Rundle:** I would need to take that on notice. I don't know whether that's possible. I don't know the answer to that, so we will find out for you.

**Ms Campbell:** We would also need to explore those emails to see whether there was anyone from the agency copied in. If they were copied in, that document would then be within the agency.
Senator WATT: Again, having heard all of this, you are still confident that Dr Nugent as chair of the NDIA has not breached your agency's own privacy policy? Or is this something you need to have a bit of a look at?

Ms Campbell: I think Ms Rundle has provided advice that she will take that on notice and review that matter.

Senator WATT: Does any of this concern you today, that you might have a chair who has breached your privacy policy?

Ms Campbell: Are you asking for opinions now?

Senator WATT: Can you assure us that the NDIA chair has not breached the NDIA's privacy policy?

Ms Campbell: Ms Rundle has taken on notice that she will review that matter.

Senator WATT: So, you can't assure us of that at this point in time?

Ms Campbell: I think Ms Rundle has given evidence that there has not been an investigation of that matter.

Senator WATT: There has not been?

Ms Campbell: That there has not been a review of that matter.

Senator WATT: So you can't assure us of that at this point in time? Until you have a look at—

Ms Campbell: Ms Rundle has taken it on notice to look at that.

Senator WATT: That is three times you haven't assured us. I think we can read into that the answer.

CHAIR: I don't think you can read anything into it. They have taken it on notice.

Senator WATT: There was every opportunity to assure us.

Senator Ruston: We have AIFS here. Obviously we would like them to get back to Melbourne and get on with their job as soon as possible. Is there any possibility that questions to AIFS could be undertaken now and then go back to your questioning for as long as you need?

Senator WATT: We have some AIFS questions. I am happy to have that happen and then come back to the other issues.

CHAIR: Senator McCarthy.

Senator McCarthy: Relative to other countries, how does Australia's tax and transfer perform in terms of reducing poverty?

Ms Hollonds: Could you repeat that question?

Senator McCarthy: Relative to other countries, how does Australia's tax and transfer perform in terms of reducing poverty?

Ms Hollonds: I still didn't quite understand. Tax and transfer systems? That is not something the institute has investigated, so I wouldn't really be able to comment on that.

Senator McCarthy: You have no thoughts on it at all?

Ms Hollonds: I'm not really in a position to give my personal views on this. If you wanted some information that we could garner from other sources, we'd be happy to assist to provide
on notice any information we can find, but that's not something we've ever been asked to consider, to my knowledge.

Ms Campbell: We might be able to answer that question better under outcome 1, in the Social Security stream.

Senator McCarthy: I will just keep going and let's see how we go. We can obviously do it again later. Are tax cuts or transfer payments a more targeted and effective way to reduce poverty and inequality?

Ms Hollonds: Again, it's not something that the institute has been asked to investigate.

Senator McCarthy: What has been happening to rates of poverty in Australia over the last five to 10 years?

Ms Campbell: I think these are questions more for outcome 1 than the Institute of Family Studies.

Senator McCarthy: I just have a couple of questions, and this will give the heads up to the output later on. Which groups of Australians are most at risk of poverty?

Ms Campbell: Outcome 1 would be able to answer that question.

Senator Watt: Will AIFS be there?

Ms Campbell: No.

Senator Watt: We're interested in the institute's views.

Ms Hollonds: Of course, there are issues about how poverty is defined. It's a complex issue. But I think it's fairly well known that First Nations communities suffer high rates of disadvantage. I will seek clarification from our deputy director as to whether there is anything further we could say with regard to that question.

Ms Hand: We could pull together on notice from a number of sources the research we've done around that. We haven't done any research specifically around that in recent years, but much of our work would touch on that in some way and we would be happy to look into that for you.

Ms Hollonds: I reiterate that it is a complex issue that would require probably a detailed explanation. It's a bit hard to cover in one verbal interaction.

Senator McCarthy: It is just that you've said First Nations would be one group. What other groups might be affected and most at risk of poverty? I don't think that's a difficult question.

Ms Hollonds: It may not seem to be a difficult question, but it has many layers to it, which we would prefer to answer in writing once we check all of the work that's been done at the institute in the past, if that's all right.

Senator McCarthy: What about people on Newstart?

Ms Hollonds: We would probably take that on notice as part of that earlier answer.

Senator Watt: You must have had a look at this?

Ms Hollonds: No-one has asked us to have a look at that issue.

Senator Watt: The institute hasn't got a position on whether people on Newstart are experiencing poverty?
Ms Hollonds: We would have an understanding that they would be amongst the groups that would suffer disadvantage on a number of levels, but we don't know to what extent. We haven't investigated it. I guess they would be in the category of the people who are struggling more than others, as is well known.

Senator McCarthy: Why haven't you looked at it?

Ms Hollonds: The way the institute operates, we get a small amount of funding for appropriation. That's only a third of our income. Most of the research that we do is commissioned by various departments, and these are not questions that we've been asked to consider.

Senator McCarthy: What about pensioners in private rental?

Ms Hollonds: It's a similar situation. We would be able to address those details in a written response and we will investigate those questions for you in detail. We are very happy to do that.

Senator McCarthy: What would the most effective federal policy response to poverty be, in your view?

Senator Ruston: You're asking an opinion.

Ms Hollonds: That would be an opinion.

Senator McCarthy: You must have an expert opinion?

Ms Campbell: Are you asking whether there's been research undertaken into that?

Senator McCarthy: I'm just asking Ms Hollonds while we have her here: what would the most effective federal policy response to poverty be?

Ms Campbell: I don't recall there being any research undertaken recently by the Australian Institute of Family Studies.

Senator McCarthy: I'm asking Ms Hollonds.

Ms Hollonds: Ms Campbell is correct. We have not been asked to investigate what would be the most effective policy response.

Senator McCarthy: Would increasing Newstart be a fair, efficient and effective way to alleviate poverty?

Ms Hollonds: Similar to my earlier answer, we haven't been asked to investigate that question.

Senator Watt: You may not have been asked to investigate that. In fact, I'm sure this government hasn't asked you to investigate that. But does the institute have a position on that?

Ms Hollonds: No, the institute doesn't have a position on that. As I said, we are very happy to undertake some investigation now for you to pull together what is available that might help inform an answer to that question.

Senator Watt: Could you take that on notice?

Ms Hollonds: Absolutely.

Senator Kitching: Maybe an analogy is available here. In previous iterations of the Newstart payment did the institute do any research at that point? You may not have done any research into Newstart, but have you done research in the past on similar types of payments?
Ms Hollonds: On payments?

Senator KITCHING: Yes, on payments. To perhaps the same group of people. Obviously, people might have received other payments that weren't called Newstart. You understand?

Ms Hollonds: Yes.

Ms Hand: The institute has undertaken research with people who are experiencing significant disadvantage in different ways over the years. Not specifically a project that focused on Newstart or its previous iterations. We have looked at particular groups that may have come up in our findings, and their relationship to the income support system. I think we would have to take it on notice, though. A lot of that is quite a long time ago.

Senator KITCHING: If you could take that on notice and then provide it to committee members, that would be very helpful.

CHAIR: Are there any further questions?

Senator McCARTHY: What have other countries done to decrease poverty?

Ms Hollonds: Again, as part of our answer on notice, we could give you information available as to what's happening in other countries.

Senator McCARTHY: What about increased transfer payments? What do the countries with the lowest rates of poverty do that is different from Australia?

Ms Hollonds: We will provide that answer on notice for you.

Senator SIEWERT: On notice, have you ever done anything around the definition of poverty?

Ms Hollonds: I don't believe so.

Senator SIEWERT: You've never been asked to?

Ms Hollonds: No, we haven't. In our submission to the intergenerational welfare inquiry, we did reference some research in there that we could provide for you as part of our answer on notice.

Senator SIEWERT: That would be great.

Senator McCARTHY: Aren't you part of a network of international organisations that do research in this area?

Ms Hollonds: In which area?

Senator McCARTHY: Poverty?

Ms Hollonds: No.

CHAIR: Are there no further questions for the Institute of Family Studies? Thank you very much for your time. I think Senator Hughes had—

Senator HUGHES: I will let Senator Watt keep going.

CHAIR: Did you have further questions in whole of portfolio? Otherwise we will move on.

Senator WATT: We will keep going. We're now friends at the NDIA. We have sort of gone into outcome 3, anyway, have we not? They blend into one.
Ms Campbell: Can we clarify this? We might be able to send some other officers back to conduct work. Have we finished with cross-portfolio?

CHAIR: No.

Senator WATT: I will try to get through this as quickly as I can but, we do have some more questions here. Ms Rundle, I don't suppose you've been able to clarify any of the points that you've taken on notice this morning?

Ms Rundle: No.

Senator WATT: One of the other matters involving Dr Nugent that has attracted some media attention is her former role as a McKinsey Partner. Are you aware that in the past two financial years the NDIA has spent over $25 million on contracts awarded to McKinsey?

Ms Rundle: I'm going to, in a moment, just check that figure for you, but I would say one thing first. You've drawn another parallel between Dr Nugent and McKinsey. Dr Nugent hasn't worked for McKinsey for 27 years, just to make that clear.

Senator WATT: I know, but I haven't been comforted so far about your attempts to assure us about her connection to Macquarie, so I think this is a valid line of questioning.

Ms Rundle: I agree and am happy to answer. In terms of McKinsey, generally, all of our contracts with McKinsey have complied with the requirements and the parameters of the whole-of-government procurement rules.

Senator WATT: But none of them has gone to competitive tender?

Ms Rundle: All but one NDIA contract with McKinsey was established using the Department of Finance business advisory procurement panel arrangement. Each panel arrangement established by the Commonwealth is for the use of Commonwealth entities and has been vigorously market tested, as you know. The NDIA's use of these panel arrangements is consistent with everyone else across the Commonwealth. In relation to the only contract that it didn't apply to, the NDIA itself made a competitive request for quote.

Senator WATT: Did you put out a competitive request?

Ms Rundle: We did. Four organisations were approached to provide proposals. That is also in keeping with the CPRs and our own procurement policy.

Senator WATT: Which contract was that?

Ms Rundle: Just give me a moment. I may have to get someone else to the table, if I can't find it in my notes.

Senator WATT: Just while you're looking for that, do we have confirmation that over the last two financial years the NDIA has spent over $25 million on contracts with McKinsey?

Ms Rundle: That's what we've been able to tally up. For instance, in 2017, it got a contract to deliver the corporate plan, $4.3 million; design a payment program, $1.7 million; review the scheme's pricing, $5.2 million. In 2018, a corporate planning study, $1.1 million; pricing review, $3.9 million, and there's a range of other ones as well.

Senator KITCHING: Can I just clarify this? Was that a consultancy just for the NDIA? As to when you went to see Dr Nugent in her office in your role as secretary of the department, McKinsey doesn't provide any services to the department, does it?
Ms Campbell: On that occasion, McKinsey was not involved in any way with that contract. No. It was another consulting firm providing support to us.

Senator KITCHING: Providing support?

Ms Campbell: To the department.

Senator KITCHING: I understand as the Secretary of the department you might be going to see the chair of the NDIA or other agencies. In all of those briefings with Dr Nugent, McKinseys was never providing services to the department? So there was no conflict that way either?

Ms Campbell: I would have to ask Mr Lye whether we have ever engaged McKinsey. I can't recall.

Mr Lye: Not to my knowledge.

Senator KITCHING: Can you check?

Ms Campbell: We will check through our consulting registers as well. We have engaged McKinsey in the department, but my recollection is it's not in outcome 3, which is disability and carers. It might have been in outcome 1.

Senator KITCHING: Just enlighten me as to what that would be.

Ms Campbell: Social security.

Senator KITCHING: When you provide that detail, are you able to give me the AusTender contract notices?

Ms Campbell: We should be able to. That is what we will look for. We will try to see whether we can get it this morning. If not, we will have it for outcome 1.

Senator WATT: Ms Rundle?

Ms Rundle: I'm sorry. I perhaps have too many notes here. I can't find it easily and I know I have it. We are just getting someone to find that for us.

Senator WATT: Is that the value of the contracts?

Ms Rundle: I can give you the four contracts and how they were each procured.

Senator WATT: Let's just try and deal with it in general terms rather than get bogged down about individual contracts. Am I right that only one of the contracts that was awarded to McKinsey's went to a competitive tender?

Ms Rundle: In the way that I've just described, correct, but the other three used the government's procurement panel. So, they all complied with procurement.

Senator WATT: What I am focusing on is whether they went to a competitive tender, which in some circumstances is required under procurement policies and in some circumstances is not, and putting all of that together only one of those contracts went to a competitive tender; is that correct?

Ms Rundle: No matter which government procurement process you use you have to assure yourself that it is the right one and value for money.

Senator WATT: I understand. But, again, one contract went to competitive tender and the rest did not? The rest followed another process in line with government guidelines?

Ms Rundle: Which was using a panel. That's correct.
Ms Campbell: And of course those panels are established not only to expedite getting contractors/consultants into the Commonwealth but also to minimise the impact on the providers as well.

Senator WATT: Why was McKinsey awarded $25 million in consultancies over any other firm with the same service offering without competitive tenders?

Ms Rundle: I first have to be clear that they all followed proper processes. I want to dispel any view that they might have just been given a tender without any due process.

Senator WATT: What selection applied to those contracts?

Ms Rundle: That's what we're just getting to now. The three that we used off the panel would have gone through the usual panel processes where we would have assured ourselves of value for money. I do have it. I will find it in a moment.

Senator WATT: Does this panel process mean you have a panel of, say, four or five consultancies that you can choose from without going through a competitive process? Is that what you mean by a panel?

Ms Woodburn: The panels that we often use are established by other government agencies. The particular panel in question was established by the Department of Finance. They go through a range of processes to establish the panel. When we identify the need to use various organisations, we will draw from the panel and so there is a competitive process for those organisations to be selected and put on to the panel. Then the NDIA will obviously go out with a scope of requirements off those panels.

Senator WATT: What selection criteria applied to the awarding of these contracts that didn't go to a competitive tender?

Ms Woodburn: We would need to have a look at those specific contracts.

Senator WATT: Can you table any documents relating to the selection process, please?

Ms Rundle: We can't table them today. We don't have them.

Senator WATT: No. You can take that on notice. Did Dr Nugent have any input into the decision to award $25 million in consultancies to McKinsey?

Ms Rundle: No, she did not.

Senator WATT: Absolutely not involved?

Ms Rundle: No.

Senator WATT: Was she aware that they were—

Ms Rundle: These are agency decisions. Dr Nugent would have been aware, as are other board members, of consultants that are selected to do work. We have used a range of other consultants. If you look at our Murray Motion, you will see that some of the others have had a higher amount awarded to them in the past. You will also note that our consultancies have dropped considerably over the past few years and particularly in the last two reporting periods, the last two annual reports.

Senator WATT: What measures did the agency have in place to ensure there was no inappropriate influence?

Ms Rundle: Normally when we set up processes there is an established process for setting up procurement. People on panels need to declare their conflict of interest. As to the agency
people—we need to not communicate the deliberations to other people who are not involved and who don't have roles on the procurement panel. There is a range of requirements of people who choose people off panels and any procurement. We can outline our procurement protocol for you, if like.

**Senator WATT:** Has Dr Nugent disclosed any potential conflict of interest involving McKinsey or Macquarie Group?

**Ms Rundle:** I will need to go back and check that. I can't recall that being the case, but I haven't been in my role for longer than six months and I may not have visibility.

**Mr Lye:** But I think Ms Rundle said that she wasn't a decision-maker.

**Ms Rundle:** Yes, that is right.

**Senator WATT:** Turning to the recruitment of the new CEO, who made the decision to use the recruitment firm Russell Reynolds to do that search?

**Ms Campbell:** I understand that the agency undertook a quote process to do that.

**Senator WATT:** What process?

**Ms Campbell:** A request for quote process. I might ask the CEO if she can answer.

**Ms Rundle:** That's right. I am just finding it. All appointments of Russell Reynolds were undertaken by the NDIA through a competitive process except for one. I will come back to that in a moment. We have gone through the usual competitive process. The one that wasn't is the one that is currently still going through the selection process and that is the deputy for the participant and planning role. That is Mr Francis's old role. That is the one that is heading up all the participant area. As to the reason that we chose to use Russell Reynolds for that—they were directly sourced because we wanted to take advantage of candidates that might have emerged from the CEO search. They were conducted pretty much at the same time, one almost just after the other. We have used other executive search firms over the last couple of years, of course, for other executive roles, but we felt that for this one particularly, in view of the skillset of the CEO, it might be advantageous to look at those candidates and consider them for the other.

**Senator WATT:** Just coming back to the decision to use the Russell Reynolds recruitment firm to search for a new CEO, who ultimately made the decision to use them?

**Ms Rundle:** Just going back, I think the people and remuneration committee of the board decided. We always provide advice on these things.

**Senator WATT:** Who is a member of that committee?

**Ms Rundle:** I will need to take that on notice.

**Senator WATT:** Is Dr Nugent a member of that committee?

**Ms Rundle:** Dr Nugent can choose to attend any of the meetings if she wishes. I don't know that Dr Nugent is a member of that committee.

**Senator WATT:** Was she involved in the decision to use Russell Reynolds to find a new CEO?

**Ms Rundle:** I will have to go back and check who was at the meeting where they would have ratified the recommendation by myself.
Senator WATT: So, the decision to use Russell Reynolds to find a new CEO did arise from a competitive tender? Did Dr Nugent suggest using Russell Reynolds?

Ms Rundle: I can't ever recall her suggesting to use Russell Reynolds for this.

Senator WATT: Can you take that on notice just for the sake of completeness?

Ms Rundle: Yes.

Mr Lye: I should say that the recruitment process with Russell Reynolds in relation to the NDIA predates Dr Nugent's involvement.

Senator WATT: We will come to that. Why were Russell Reynolds chosen to find a new CEO? Was it about their rates, their expertise, their experience in the sector or their relationship with anyone involved?

Ms Rundle: No, it's a combination of their knowledge of the sector, particularly the international sector, and the broader national sector, not just in government or the non-government sector but also the commercial sectors. They have a very broad view and they have a good understanding of the business of the agency. They were competitive and they were value for money.

Senator WATT: They got the contract to find the last CEO, too, didn't they?

Ms Rundle: Yes, that was something that the NDIA wasn't involved with.

Senator WATT: Who chose them that time?

Mr Lye: That was DSS.

Senator WATT: That was the department? Mr Lye, you mentioned that Russell Reynolds has been used a few times now to find senior executives for the NDIA?

Mr Lye: In August 2015 following a review of the skills requirement for the board our department did a request for quote to four recruitment firms. We have received three responses. We evaluated those and chose Russell Reynolds in around September 2015. Then, following national advertisements seeking board candidates, requests for nominations from states, and subsequent consultation and negotiation with states, the board was in place on 1 January 2017. We used Russell Reynolds for that process and then they were direct sourced for the recruitment of the NDIA CEO in early 2017.

Senator WATT: Does either the department or the agency know whether Russell Reynolds has a previous relationship with the chair?

Mr Lye: No.

Ms Campbell: I'm unaware.

Senator WATT: So, no-one checked?

Ms Campbell: The department went through those selection processes, and that was before the chair was appointed.

Senator WATT: Can you take on notice the number of times the chair has previously used Russell Reynolds for recruitment processes?

Ms Campbell: In respect of the NDIA?

Senator WATT: Or outside the NDIA?

Ms Campbell: We would have to ask Dr Nugent.
Senator WATT: That is what I said. If you could take that on notice. One of the reasons I'm a bit concerned about using Russell Reynolds—they found the last CEO of the NDIA, who didn't last two years in the job. Did Russell Reynolds offer a discount to find another suitable candidate this time around?

Ms Rundle: Would you repeat the question?

Senator WATT: I am just wondering, given the unhappy experience last time around in recruiting a CEO and how long he lasted, did Russell Reynolds offer you a discount this time to have a second crack at it?

Ms Rundle: I would need to check that for you.

Senator WATT: Is there any reason you would go back to Russell Reynolds to find you another CEO, given last time they did this the guy they found didn't last two years?

Ms Rundle: I would make two comments. Firstly, I have explained already why we chose and recommended Russell Reynolds to the people and remuneration committee. Secondly, we had a really high-calibre selection panel and I had every confidence that they would pick the right person.

Senator WATT: Even though the last time it didn't really work out?

Ms Rundle: I would like to take the opportunity to recognise Mr De Luca's contribution—

Senator WATT: I don't have anything against him personally, but it's a very highly paid and important position that he was recruited for and he left within two years. I'm a little bit surprised that you would go back to the same recruitment agency to find another CEO.

Ms Campbell: Ms Rundle will take that question on notice.

Senator WATT: Did Russell Reynolds have any direct interaction with the NDIA chair on the recruitment of a new CEO?

Ms Campbell: As the chair of a panel, it would be normal practice to engage with the recruitment firm that is doing that work to understand what the chair is looking for, and particularly the chair of the board. I think it would be quite normal practice for the recruiting firm to engage with the chair.

Senator WATT: That would be normal practice? Do you know whether that happened here?

Ms Campbell: I was on that panel and I understand that that did happen here.

Senator WATT: You were on the selection panel?

Ms Campbell: I was on the selection panel.

Senator WATT: Was the chair on the selection panel?

Ms Rundle: The chair was on the selection panel.

Senator WATT: And there was direct contact between Russell Reynolds and the chair about the recruitment?

Ms Rundle: There was and that is normal practice.

Senator WATT: What email address was Ds Nugent using in that communication with Russell Reynolds?

Ms Campbell: We would have to take that on notice.
Senator WATT: Do you know whether she was using her Macquarie Group email?
Ms Campbell: I do not know.
Senator WATT: Given the chair's close relationship with Macquarie Bank and this whole issue about the email address, what due diligence has being carried out to ensure that no inappropriate information, water cooler chatter or anything like that, has been passed on to Macquarie Bank given their substantial interest as a provider of disability housing?
Ms Campbell: Is that in the context of the selection?
Senator WATT: Probably not so much the selection of the new CEO, but more broadly. We have gone over Dr Nugent's connection to Macquarie Group, the office, the email address, that they are a big provider of disability housing, that she has had at least one meeting with each of you regarding NDIS matters in the Macquarie Group, and so there are things going on about the NDIA around the Macquarie Group—
Senator DEAN SMITH: Feel free, Secretary, to challenge Senator Watt's phrasing.
Senator WATT: What is wrong with what I just said?
Ms Campbell: I think we have been answering your questions factually about what is going on. You are now—
Senator WATT: Facts. Dr Nugent is the chair of the NDIA. Fact.
Ms Campbell: That is correct.
Senator WATT: Dr Nugent is a former long-term director of the Macquarie Group. Fact.
Ms Campbell: That is correct. But that relationship has not been in place for many years.
Senator WATT: But she has been a long-term director of the Macquarie Group. That is a fact.
Ms Campbell: I am just checking the years since that was—
Ms Rundle: It is five years.
Ms Campbell: Five years since that was the case.
Senator WATT: Sure. But it is a fact that she was a director for about 15 years. Fact. Macquarie Group is a substantial provider, or hoping to be a substantial provider, of disability housing which will be funded through your agency. That is a fact.
Ms Campbell: The funding will be provided to participants, who will make a choice over who to select their accommodation from.
Senator WATT: That funding will come from your agency, which Dr Nugent chairs?
Ms Campbell: To a participant, and the money will go to a participant and the participant will choose.
Senator WATT: There might be an intermediary, being the participant, but the money comes from the NDIA—
Senator HUGHES: That is the whole way the NDIS works.
Senator WATT: The NDIA funds—
Senator HUGHES: Choice and control.
Senator WATT: Thank you. I am aware of that. I am reasonably across the NDIS.
CHAIR: Senator Watt, we do need to wind up. We still have other questions in cross-portfolio.

Senator WATT: I've got a little bit of experience with this as well, Senator Hughes. Chair of NDIA, former director of Macquarie Group, has an email address for Macquarie Group, and we now know there are emails regarding NDIA business, including personal information, going to that Macquarie Group email. We don't know whether the Macquarie Group email server is in Australia, Nigeria or anywhere else. The office is in Macquarie Group. She's had meetings with both of you in the Macquarie Group office about NDIA or disability matters. Macquarie Group is seeking to invest in and make money out of disability housing, which your agency funds, through participants, but in your view there's no conflict, there's no breach of privacy policies; it's all hunky-dory.

Ms Campbell: I don't think we've said that. The agency and the board have in place robust conflict-of-interest arrangements. I understand from Ms Rundle's evidence that at every board meeting board members are asked to review their conflict-of-interest matters and that that is a matter for the board. Dr Nugent is a very experienced chair and is very conscious of conflict of interest, and I have discussed not necessarily this issue but conflict of interest with her. She has a very fine understanding of conflict of interest.

Senator WATT: Well, that's what you say.

CHAIR: Senator Watt, please let the secretary continue.

Ms Campbell: So I consider that the arrangements in place for the board are appropriate to ensure that conflict of interest doesn't occur. It would be very difficult for us to get high-calibre people on the board of the NDIA who have never worked for anyone before and who have never had any relationships with—

Senator WATT: I don't have an issue with that at all.

CHAIR: Senator Watt, we let you ask the questions. Would you please let the secretary answer.

Senator WATT: I don't have an issue with NDIA directors or chairs having substantial corporate, government or academic experience. I have an issue with the chair of the NDIA—an agency which is potentially funding a large investment bank to build disability housing—renting an office in these premises, using an email address that's out of that investment bank, having meetings with you in those premises and having the personal information of NDIS participants going through this email server that's connected to that bank.

Ms Campbell: We have taken on board a number of those questions to determine how they happened and whether someone sent the information to Dr Nugent. We know that Dr Nugent has told the NDIA staff not to send information to that email address. We know that she has taken active steps to ensure that the information does not go to that address. We will provide that information to you on notice.

Senator WATT: How many speaking or media engagement requests does the chair of the NDIA receive each year?

Ms Rundle: I don't know whether I could easily answer that question, even taken on notice. Occasionally Dr Nugent does get media requests. Dr Nugent generally doesn't do media; she believes that it's more appropriate for the agency to do media related to the NDIS.
Senator WATT: She's the chair of the NDIA—we'll get to problems with the NDIS soon—an agency that has had substantial challenges. As such, how much is she paid a year?

Ms Rundle: The board appointments are under the REM tribunal determination.

Ms Campbell: We'll see whether someone can give that answer now.

Ms Rundle: I have it here.

Senator WATT: I assume that she's paid a reasonable amount of money every year, but she doesn't see it as her role to communicate with the public, participants or providers about what's going on with the NDIS?

Ms Campbell: I think Ms Rundle has given evidence previously this morning that has talked about the roundtables that Dr Nugent attends—which she does attend.

Senator WATT: I know, and I'm asking about media and speaking engagements for the broader public.

Ms Rundle: I've answered media for the moment. While we find Dr Nugent's REM, which is in the annual report, the other thing I would say is that Dr Nugent does a lot of engagements. She has met with a lot of participants, other stakeholders and state and territory ministers. She's actively always out and about.

Senator WATT: How many media engagements has the chair undertaken?

Ms Rundle: I'm not aware of any and I would need to check that, but I think that's fairly accurate.

Senator WATT: How many speaking engagements—delivering speeches at conferences and things like that—is she undertaking?

Ms Rundle: I would need to check that. She has done some. Her general disposition is to deal with people a lot more closely, face-to-face, in smaller interactions. She has had a number of roundtables and has attended a lot of our things, like New Pathways, for example.

Senator WATT: How many speaking engagements and media opportunities did the previous chair of the NDIA take up?

Ms Campbell: We'd have to take that on notice.

Senator WATT: It was hundreds, wasn't it?

Ms Campbell: Minister Robert has been talking about the agencies—about the NDIS particularly—since his appointment.

Senator WATT: I've noticed that Minister Robert is unavailable for comment more times than I have seen him making comment in the media.

Ms Campbell: Minister Robert has been making comments in the media.

Mr Lye: Senator, we have that information for you.

Ms Woodburn: In the financial year 2018-19, the chairman was paid $158,801.

Senator WATT: But can't be bothered making any media comments about how the NDIS is going.

Senator HUGHES: Regarding concerns about where everyone worked 27 years ago, I had an after-school job at Wendy's, so if you like ice cream there might be a bit of a conflict of interest there!
Senator WATT: Don't make the obvious—

CHAIR: Senator Watts, please let Senator Hughes ask some questions.

Senator HUGHES: I'll just keep going.

Senator WATT: If you want to trivialise it, go for your life!

Senator HUGHES: Dr Nugent is an experienced chair. We know about her background; we've heard about her corporate background. Did she ever hold a position with a union?

Senator WATT: Your government would not appoint her if she did.

Senator HUGHES: No. I guess that's probably why Senator Watt has an issue with the corporate experience that she has and the great depth of experience she brings to the board. Could you give us an update on the diversity of staff within the NDIA?

Ms Rundle: I can. I'll ask Mr Aikman to come to the table.

Mr Aikman: Are there any specific aspects of diversity that you want to talk about?

Senator HUGHES: There are three areas I'm interested in. This being the organisation that looks after those with a disability, what numbers do you have of people with a disability with a CALD background as well as Indigenous?

Mr Aikman: Perhaps I could start with our workforce, particularly people whom we employ with a disability. We collect data monthly. As new team members and staff members join the agency; we report that every month. In our latest year-end number, from our human resources system, the number is 11.85 per cent of our APS workforce. We have recently completed the census for the APS. We survey our whole workforce, which includes our labour hire workforce as well. The number overall that people felt comfortable to share was 16 per cent; when we further break that down to our agency staff, it's 19 per cent. In relation to Aboriginal and Torres Strait Islander people, we have very consistent data between our human resources system and our census. As at 30 June, it stands at just over three per cent: 3.03 per cent of our staff members share that they have an Aboriginal or Torres Strait Islander background. Lastly, I also have data on cultural and linguistic diversity across the agency. I will provide that to you. Unfortunately, I don't have the percentage in front of me, but I think it's about 16.7 per cent. I will confirm that number; I will calculate that.

Senator HUGHES: Are these just NDIA figures or are they all DSS—all APS—figures?

Mr Aikman: Perhaps I can clarify that for you.

Senator HUGHES: This is just so that we can break it down.

Mr Aikman: Sure. These are specifically for the agency—

Senator HUGHES: Excellent.

Mr Aikman: and specifically again for our APS staff members.

Senator HUGHES: If anyone here has DSS, it would be great to get them for DSS as well.

Ms Campbell: I can help you with the DSS diversity figures. As for our disability figure, 7.2 per cent of our staff identify with disability. So 7.2 per cent identify with disability; the percentage of staff identifying as Aboriginal or Torres Strait Islander is 5.14 per cent; the percentage of female staff in DSS is 68.22 per cent; and the percentage of staff identifying as
being from a non-English-speaking background is 11.07 per cent. Those figures are as at 31 August.

**Senator HUGHES:** Excellent.

**Mr Aikman:** Senator Hughes, I have located the number; it is 16.97 per cent as at 30 June this year.

**Senator HUGHES:** The new CEO, Martin Hoffman, hasn't started yet; I understand that he is taking time after having had a family tragedy.

**Ms Campbell:** Yes. He will commence on 4 November.

**Senator HUGHES:** Maybe we can have a chat about his background and his appointment; the applicable skillset of transitioning from Services Australia, his previous experience there and what he also did with Services New South Wales. How did that help with the choice?

**Ms Campbell:** Mr Hoffman has both business and government experience. He's got broad experience in government, both in New South Wales and the Commonwealth governments. He was previously a deputy secretary in the Commonwealth government before he went to New South Wales and eventually took up the position of secretary of the Department of Finance and Services— I'm sure it has another name, but generally that's what it did. Most recently he was working with Services Australia on the establishment and changes to Services Australia. Mr Hoffman has vast experience in service delivery in government and large organisations and in delivering for customers, participants and recipients. His vast experience is what was so attractive to the panel as well as his taking on areas that have some challenges and streamlining and working with those. We were most impressed with his experience in that area, and particularly his bringing with him his previous business experience with firms before he went into government.

**Senator HUGHES:** Does he have a set of KPIs that are set by the board?

**Ms Campbell:** I expect that the board will have that engagement with Mr Hoffman, when he commences, about what their expectations are. I know that the minister has been very clear with the chair and with me, as the secretary, about his expectations of how the NDIS and the NDIA will operate.

**Senator HUGHES:** Are the column inches, media mentions and speeches that he makes publicly going to be part of that KPI system, or is it going to be based more on effective plans being delivered to participants and better experiences for those involved in the program?

**Ms Campbell:** I expect the Minister will be focused on participants to ensure they are getting the right services in a timely manner and are able to access their supports.

**Senator HUGHES:** Coming back to some of the other issues that have been raised, perhaps we can get some clarification. It's suggested that influence is being incorrectly used with regard to housing under the SIL and SDA programs. Ms Rundle, maybe you can explain this best: when a participant gets either an SIL or an SDA component to their plan, how do they make the choices in the marketplace, and does NDIA or NDIS have any influence in how that person might then determine how to spend their plan money? Could you clarify the process that's gone through and the steps involved in that.
Ms Rundle: I'll talk about SDA primarily because that's probably more relevant to the question you're asking.

Senator HUGHES: We'll get to a discussion of the separation of those two later.

Ms Rundle: Yes, later; okay. Three things need to be present in respect of SDA generally in the SDA system. One is that participants must have SDA in their plan; the second one is that the SDA dwelling has to be enrolled, so it has to be suitable and checked against standards; and the third one is that the provider has to be a registered provider; they also have to meet registered provider requirements. When a participant gets SDA in their plan, generally they are people with a lot of complex needs. Most often—nearly always—they'll have a support coordinator in their plans as well. That person will help them to try to identify what the available SDA properties are in their area. Sometimes they connect them up with people who they know are starting to build SDA properties. As much as we can, we want to be able to get the provider to influence the design of the property. Once the market matures more, I think we'll see more and more of that. That's it in the broad. Have I answered your question?

Senator HUGHES: Yes. Would you say that we've got an oversupply of SDA-available housing at the moment or—

Ms Rundle: No.

Senator HUGHES: Are we, in fact, actually in need of more participants coming in?

Ms Rundle: No. As people may know, this is the single biggest investment in this sort of housing for people with disability that I think has ever been made. It will be around $700 million a year—so it is considerable—around the time of the full scheme when we're fully rolled out. When we think that we've got most people into SDA properties, there'll be around, I think, 28,000 people, being six per cent—

Senator HUGHES: You've just anticipated my next question.

Ms Rundle: Of the total population of participants. That was what the Productivity Commission always thought; it's not capped though. It is whatever people need; if they need it in their plans, they get it in their plans.

CHAIR: Senator Hughes, we will go to a break now. It's just after 10.45, which is our expected time for a break. I'm conscious that Senators Steele-John, Dodson and McCarthy still have questions in the whole-of-portfolio area, so we will come back to that.

Proceedings suspended from 10:46 to 11:00

CHAIR: We will resume. Secretary?

Ms Campbell: I can put on the record the answer to one of the questions asked, I think, by Senator Steel-John about how many applicants there were for the NDIA CEO role. There were 30 applicants, with a further 53 individuals identified through a separate search process. There were eight individuals shortlisted for interview; one individual subsequently withdrew prior to interview. We've also been able to find the material that was put in the Public Service Gazette in relation to the role, and we're able to table that information.

CHAIR: Thank you very much. We will continue with whole-of-portfolio questions. Senator Dodson has the call.

Senator DODSON: My questions are in relation to the retirement income review.
Ms Campbell: That is primarily a matter for the Treasury. The officers who would be able to answer that are generally under outcome 1, the social security outcome, which is later today.

Senator DODSON: I'm interested in what the department's role in it is.

Ms Campbell: That would normally be under outcome 1.

CHAIR: We might hold that over to outcome 1.

Senator DODSON: Okay.

CHAIR: Do you have any other questions, Senator Dodson?

Senator DODSON: No.

CHAIR: We will go to Senator McCarthy.

Senator McCARTHY: Chair, could we have some of those questions put by Senator Dodson, to see whether you can answer some of them, Ms Campbell?

CHAIR: I think the secretary has indicated that they belong under outcome 1. Are you happy to hear the questions?

Ms Campbell: Sure.

Senator DODSON: I can put the questions. It will give the persons appearing later an opportunity to prepare.

Ms Campbell: They'll have a chance to be ready, Senator.

Senator DODSON: The first question is: what is the role of the Department of Social Services in the government's retirement income review?

Ms Campbell: This is a review that's primarily run through the Treasury. We will have staff with expertise in the payments system seconded to assist with the review.

Senator DODSON: Have you provided advice to the review panel yet?

Ms Campbell: We might wait for outcome 1, but my understanding is no, not yet.

Senator DODSON: You haven't met with them?

Ms Campbell: I haven't met with the panel, no.

Senator DODSON: Do you know whether the review is looking at the asset test taper?

Ms Campbell: I think this is of more detail and it would be better to be asked under outcome 1.

Senator DODSON: Okay; and is it looking, in particular, at the impacts of the recent changes to the asset test taper? That's more of an up-to-date matter, so you may not be across that.

Ms Campbell: You are speaking of the 2017 changes?

Senator DODSON: Yes.

Ms Campbell: We'll ask the officers in outcome 1; they'll have an opportunity to prepare for that.

Senator DODSON: If they can prepare for that, it would be useful. Is the adequacy of the pension going to be considered? What will be the new, future pension rate or what will the
Ms Campbell: We'll get the terms of reference for the review. I wasn't sure that was one of the terms of reference, but officers under outcome 1 will be able to take us through the terms of reference for that review.

Senator DODSON: Also, it would be useful if I could find out what rent assistance will come to pensioners.

Ms Campbell: That will all be in outcome 1.

Senator DODSON: I'll take it up with your competent officers when they arrive.

Ms Campbell: I think they're on after lunch.

CHAIR: Yes. We're going to outcome 3 first. Senator McCarthy, do you have any further questions?

Senator McCARTHY: Yes. I would like to go to the grants hub. How many agencies are part of the Community Grants Hub?

Ms McKinnon: Nine agencies use the services of the Community Grants Hub.

Senator McCARTHY: Which ones?

Ms McKinnon: The Department of Social Services, the Department of Health, the Department of Agriculture, the Attorney General's Department, the Department of Education, the Department of Home Affairs, the Department of the Prime Minister and Cabinet, the National Disability Insurance Agency, and the Department of the Environment and Energy.

Senator McCARTHY: Has there been an assessment of the performance of the Community Grants Hub?

Ms McKinnon: There have been post-implementation reviews of particular grant rounds. I'm aware that in the very early days, when we were delivering a grant round with the Department of Agriculture, we did a review of how that operated and what we could learn from that. To my knowledge, I don't think there's been an evaluation of the Community Grants Hub as a whole.

Senator McCARTHY: Are there any plans to wind up or scale back the Community Grants Hub?

Ms McKinnon: It delivers grants on behalf of the agencies. For example, if there are grants programs that lapse or no longer continue, the grants hub obviously does less, so it will scale back. It fluctuates to meet the grants programs of the various agencies that we deliver services for.

Senator McCARTHY: Have any agencies withdrawn or are you in discussions about any withdrawing?

Ms Campbell: It's fair to say that we discuss how the grants hub operates with agencies. We provide a number of services within the grants hub. Ms McKinnon might be able to go through those once I finish this bit. Sometimes, for example, it's the platform, which is the IT...
system and the payments engine, which are really good facilities that all agencies would like to access because it means that they don't have to duplicate those big IT investments. We see that the providers are able to use the same system and that gives less red tape for the providers.

As for the selection processes, sometimes in the past the hub did assist agencies with selection processes; but often, because the subject matter is so specific to that department or agency, it's better to have their officers. It's fair to say that we've been learning and adjusting to determine the best way to run the grant processes—which services the hub can provide best and which are the services which would be better within the expertise of the grant-owning department. We are in discussions all the time with agencies about that.

Senator SIEWERT: Perhaps I can ask a follow-up to those questions about the grants hub. Did you say the figure was $104 million?

Ms Campbell: Yes.

Senator SIEWERT: What does that pay for?

Ms Campbell: We've got quite a large number of staff. I think the staffing number is about 700.

Senator SIEWERT: So there are 700 staff in there?

Ms Campbell: Yes. These are the staff out in the regions that do the liaison with the providers and make sure that the providers are meeting the obligations of the grant agreement. In relation to the Department of Social Services, approximately a quarter of our staff are in the capital cities. These are the people on the ground, going out, talking to providers and making sure that they are meeting their obligations.

Senator SIEWERT: If a department, say, has a grant system of $100 million, does that whole $100 million get delivered or is there a percentage taken off that contributes to that $104 million?

Ms Campbell: As for the cost of running it, in the past a department would have had their own grant area, and some continue to do that. We're looking at which service is the best for us to deliver, and we consider it to be the IT platforms that do the payments and the acceptance of grants, and to ensure that the probity arrangements are put in place. It's really what we would call the departmental or running-cost nature of those processes that go into the $104 million that Ms McKinnon talked about.

Senator SIEWERT: It doesn't come off the amount of money that's allocated to a grants program?

Ms Campbell: In the Department of Social Services, I can assure you that is not the case, because we have the departmental running costs. How other agencies manage their grants and things, I couldn't comment on.

Senator SIEWERT: So we have to go to each agency and ask them?

Ms Campbell: It would be very unusual because usually they have departmental staff that are running those grants as well.

Senator SIEWERT: So they'd use that money—

Ms Campbell: Yes, to pay—
Senator SIEWERT: In theory.
Ms Campbell: In theory.

CHAIR: Are there any further questions in the whole-of-portfolio area?

Senator CAROL BROWN: Can I ask questions around NDIA staff appointments here or within outcome 3?

Ms Campbell: With staff appointments, if it's the CEO, you could probably ask here.

Senator CAROL BROWN: What I want to know is along the lines of how long the deputy CEO, participants and planning experience, has been acting in the role—those sorts of questions.

Ms Campbell: The NDIA would probably be best to answer that. We're about to move on, once we finish this.

CHAIR: On that basis we'll complete the whole-of-portfolio area and move to outcome 3.

Department of Social Services
National Disability Insurance Agency
NDIS Quality and Safeguards Commission

[11:11]

CHAIR: I am conscious that we have quite a few questions to be asked in this outcome. We will probably go a little bit over the time planned.

Ms Campbell: Chair, because this area canvasses the Department of Social Services, the National Disability Insurance Agency and the National Disability Insurance Scheme Quality and Safeguards Commission, we'll try and work out who is the best person to answer those questions to get the information to the senators.

Senator CAROL BROWN: How long has the deputy CEO, participants and planning experience, been acting in this role?

Ms Rundle: Since the beginning of September. I could get the exact date. It might have been the 4th, but we'll check it for you, if you want us to.

Senator CAROL BROWN: That would be good. The beginning of September is fine but, on notice, perhaps you could give us the actual date. When is the permanent appointment expected to be made?

Ms Rundle: We're in the middle of recruiting for that role now and we're well advanced in that recruitment. We chose to wait until Mr Hoffman was appointed so that he could meet the recommendations of the panel. Once Mr Hoffman has started, I hope that we'll be able to finalise that reasonably quickly.

Senator CAROL BROWN: Is this recruitment process the same as the recruitment process that's been undertaken in terms of the CEO position? What is the recruitment process?

Ms Rundle: It was advertised separately and there is a separate position description, but it's correct to say—

Senator CAROL BROWN: Are you doing the work or have you got an outside—

Ms Rundle: I was saying earlier, in response to Senator Watt, that Russell Reynolds did the CEO selection and also this one. The reason we chose to use Russell Reynolds for these
was because of the close proximity of both selection processes. We knew that there would be some participants in the CEO process that could well fall out of that and be suitable applicants for this one.

Senator CAROL BROWN: I've got the same question about a different role. If it's a different person doing your recruitment, just let me know; otherwise I'll assume it's the same.

Ms Rundle: Yes.

Senator CAROL BROWN: How long has the general manager of service delivery and performance been acting in this role?

Ms Rundle: That particular person is not acting in the role. They are actually in the role and—

Senator CAROL BROWN: So they've been appointed as the permanent—

Ms Rundle: Yes. They're actually contracted. They're a contractor. That's the term of their appointment. Mr Hamish Aikman can tell you if he's got the term of that appointment here. We may have to take it on notice.

Mr Aikman: I'll need to take it on notice specifically to get the dates. But, in terms of the appointment to that role, the person who is filling that role has done so for some time. I'll be more precise about it, but it is at least 12 months in that role.

Senator CAROL BROWN: Do you have an understanding of how long these contracts normally run for?

Mr Aikman: Yes. I don't have that detail with me just at the moment but, for every single role within the SES, the senior executive staff organisation, we have that information.

Senator CAROL BROWN: I'll continue and you will give me that information on notice, if you don't have it here?

Mr Aikman: Sure.

Senator CAROL BROWN: How long has the general manager of the division been acting? Is that a similar situation as the general manager of service delivery and performance?

Ms Rundle: He's no longer acting. We had an acting person in the role for about five weeks while the substantive occupant was away on leave and that person has just come back. I am not sure how recent your information is.

Senator CAROL BROWN: That's why I'm asking. You're going to give me the most recent information?

Ms Rundle: Yes, we will.

Mr Aikman: Yes, we will.

Senator CAROL BROWN: Is it a he?

Ms Rundle: He.

Mr Aikman: Yes.

Senator CAROL BROWN: From a few weeks ago he has been in the role. You will be able to tell me how long his contract goes for?

Ms Rundle: Yes.

Mr Aikman: Yes.
Senator CAROL BROWN: How long has the head of provider, market and sector development been acting?

Ms Rundle: Since 1 July this year.

Senator CAROL BROWN: And is still acting?

Ms Rundle: That is correct.

Senator CAROL BROWN: When do you expect a permanent appointment to be made?

Ms Rundle: This is one that we thought about advertising earlier but, with respect to the incoming CEO, we just wanted to make sure that they had the opportunity to look at their senior leadership team more broadly in their structure. It's likely that Mr Hoffman will do that quite quickly and then we would make a decision about that role.

Senator CAROL BROWN: How long has the general manager, provider and market relations, been acting?

Ms Rundle: The person who is currently acting as the head of markets that you just spoke about a minute ago, that's is their nominal position; so the person who's been acting has been acting for the same time—since 1 July.

Senator CAROL BROWN: That person is currently acting as the head of markets—

Ms Rundle: Provider engagement.

Senator CAROL BROWN: How long has the deputy CEO of communications and stakeholder engagement been acting?

Ms Rundle: Again, from 30 April because that's my nominal role. I moved into the acting CEO role; so Mr McNaughton stepped up into that role.

Senator CAROL BROWN: Will you be going back there?

Ms Rundle: I will.

Senator CAROL BROWN: How long has the general manager of government been acting?

Ms Rundle: These are good questions. As you move a few people up, you get these—

Senator CAROL BROWN: It's musical chairs?

Ms Rundle: Exactly. The general manager of government is in Mr McNaughton's role; so he's—

Senator CAROL BROWN: That's 30 April?

Ms Rundle: Yes.

Senator CAROL BROWN: Is it the same situation for the general manager of communications, media and marketing?

Ms Rundle: No. That position is occupied by someone for whom that is her nominal position; she's always in that role.

Senator CAROL BROWN: Is it an acting position?

Ms Rundle: No.

Mr Aikman: No.
Ms Rundle: If she was on leave or if she's acting for someone else, there could be someone acting in her role, but that's her nominal role.

Senator CAROL BROWN: The deputy CEO of corporate services and CFO?

Ms Rundle: Yes. As you can tell, we have had to move people around because of our sudden resignations. That is normally Mr Walter's role and he's at the table here. You would have seen Ms Woodburn a little while ago, who came to the table for questions; she's acting in that role at the moment. That role has been an acting one ever since 1 July because—I'll try and do this simply—one of the other sudden resignations was Mr Anthony Billa, who occupied a different role and Mr Walters very kindly stepped into that role for a number of weeks and then, just recently, he has very kindly again stepped into Mr Francis's role.

Senator CAROL BROWN: I'll take you up on your offer to provide information on notice and perhaps you can clarify outline where people were and, if there are new people—it doesn't seem as though that's happened yet—that would be good. Has the executive pay increased or decreased since the NDIS rollout? Perhaps you could give me some figures.

Ms Rundle: Yes. If you're seeking more than what is reported in the annual report, I don't have anything further than what is publicly reported. The reporting requirements for executive remuneration did change this year from the Department of Finance; so in the public information, it's not possible to compare them as easily as it might seem. But we can provide any information, if you can be specific about that.

Senator CAROL BROWN: Will you include information around the percentage decrease or increase?

Ms Rundle: Yes.

Ms Campbell: We would expect there to be changes across there as the scheme has grown from 30,000 people to over 300,000 now. So it might be useful if the officers at the table were able to give, maybe in each year, how many participants were in the scheme when we had that executive spend.

Senator CAROL BROWN: The more information, the better.

Ms Rundle: I'm happy to do that. I can go to the quarterly in a moment. But just briefly, at the end of June, we had almost 300,000 participants—298,816—in the scheme. And comparing that to the beginning of transitioning, on 1 July we had 30,000 people. The next year, I think we had 90,000 people coming in and then a subsequent growth and then there's another subsequent growth to this number. So we've increased the size of the scheme and the agency considerably in that time.

Senator CAROL BROWN: I was going to ask this later, but what's the average percentage that participants have been using? What's the utilisation rate?

Ms Rundle: The utilisation, I've got it here. At the moment, the quarterly report reported 64 per cent average for the last financial year. But if you look at the differences, you can see that it varies greatly from the first plan to the fifth plan. On a person's first plan, their average utilisation is around, I think, 47 per cent.

Senator CAROL BROWN: What was that figure?

Ms Rundle: It's a very low utilisation in year 1. If you just give me a moment, I'll actually find it for you.
Ms Campbell: It might be worth just providing some clarity about first plans. When participants first join the scheme, they're—

Senator CAROL BROWN: I understand that, Ms Campbell, so don't worry about that.

Ms Rundle: I have it here for you. In the first year, if it's people's first year in the scheme, on average there was a 47 per cent utilisation by people of their plan. It rises over time. If you are on your fifth plan, the average utilisation is 75 per cent. However, it varies considerably depending on geography and also participant characteristics. For example, someone in supported independent living had a utilisation rate of 85 per cent in the last financial year.

Senator CAROL BROWN: That information is readily available?

Ms Rundle: It is.

Senator CAROL BROWN: It breaks it down, in terms of utilisation: first plan, second plan, third plan, fourth plan and fifth plan?


Senator CAROL BROWN: What about the other information—for example, if somebody lives remotely?

Ms Rundle: In the quarterly report, there's a graph around utilisation by the remote, the very remote and other break-ups of the population.

Senator CAROL BROWN: What is the utilisation plan?

Ms Rundle: Just give me a moment.

Senator CAROL BROWN: Seventy-five per cent is still considerably under, obviously, what our target is of 100 per cent utilisation?

Ms Rundle: I'm sorry, I've got the utilisation but there's another graph here on rural remote and I'm just looking for that for you. Maybe Mr Walter could look for that for me in the quarterly while I keep answering your other questions.

Senator CAROL BROWN: Thank you. How much will the new CEO, Mr Hoffman, be paid?

Ms Campbell: The CEO's remuneration is established by the Remuneration Tribunal and I'll just check whether anyone at the table has got the number. I'll just see whether someone can grab the dollar amount for me. But it's been established by the Rem Tribunal; so it's probably on their website as well.

Senator CAROL BROWN: Do you have any figures, Ms Rundle, around the executive staff turnover rate?

Ms Rundle: Executive staff turnover rates? Do you mean—

Senator CAROL BROWN: People leaving.

Ms Rundle: everyone in an executive position in the agency? Do you mean SES, senior executive service, and equivalents, or would you like me to include the EL1s and EL2s, the next level down?

Senator CAROL BROWN: Can I have that across those three levels that you've mentioned? You can give it to me on notice, if you don't have that information.

Ms Rundle: Yes, we will need to do that.
Mr Aikman: I could probably just add to that in that the annualised turnover rate hovers between 10.5 and 11 per cent for the agency staff overall. But in terms of the specific breakdowns by different levels, we'd need to take that question on notice and do that work.

Ms Rundle: I did find the per cent for remote and very remote. For remote, the average utilisation in the period 1 January last year to 31 December last year was 63 per cent; and in very remote, it was 39 per cent.

Senator CAROL BROWN: On notice, are you able to provide that over what plan we're talking about, plan 1, 2, 3, 4 or 5—or don't you keep that information?

Ms Rundle: I'll need to check for you, but we'll certainly try to do that for you. We should be able to do that, yes.

Senator CAROL BROWN: Have we got that figure on Mr Hoffman's remuneration?

Ms Campbell: I'm still waiting for someone to bring it through. It may not have been put on their website yet, but we'll see whether we can find that out.

Senator CAROL BROWN: Do we know whether it's different from what the previous CEO was paid?

Ms Campbell: I think it's in the same vicinity. I'm not sure whether it's exactly the same, but it's in that same sort of banding.

Senator CAROL BROWN: Given that obviously the agency would be concerned around the rate of utilisation, particularly in remote and very remote areas, has there been any consideration by the agency of putting a freeze on executive pay until the utilisation rate is at 100 per cent?

Ms Rundle: The remuneration for executives is not at all related to the utilisation. If I might describe the utilisation a bit more for you—

Senator CAROL BROWN: I'm just using this as a key benchmark for the work that the agency is doing.

Ms Rundle: No, Senator, if I can explain. There is a complicated story around utilisation, not just by geography but also by length of time in the scheme. I talked about Supported Independent Living. There is a question about the low utilisation in remote and very remote areas; we have been doing a lot of work with states and territories on that. It is a good question because we are trying to understand why. Is it just about market, or is it about other things? When we have looked at people's plans—we have done a cross-section around all states and territories by remote and very remote—we can see the level of support coordination. For example, in people's plans with very complex needs it is almost 100 per cent; about 98 per cent. We think that is probably not a reason for low utilisation because that person is supposed to help them find their services. For Aboriginal and Torres Strait Islander communities, there will be other factors. We are working with local communities to try and understand what we might do differently. The chairman and I, and other people, have been going around each state and territory, meeting with state ministers and their officials and looking at all of the state-specific data. Out of that, we have agreed on some specific projects to try and work out what more we can do for people to increase their utilisation—but firstly to understand why there is low utilisation. This may include things like pooling funds in a community for participants where they want the same service to come in. It might include
brokering and paying more brokerage or it could be quotable supports, for example. So, we are very mindful—it is probably one of our highest priorities at the moment.

Senator HUGHES: You mentioned support coordination.

Ms Rundle: Yes.

Senator HUGHES: And low utilisation. Has anyone looked at the full usage of support coordination allocation but the still low utilisation rate of other parts of the plan? In other words, support coordinators are very happy charging for their services but are yet able to identify services to assist people. In our plan we have the reverse: I'm doing well on my plan and I have a big chunk of support coordination I haven't touched.

Ms Rundle: Yes.

Senator HUGHES: I would love to move it to another part of my plan. Is it a case perhaps with those that are not plan-managed of support coordinators charging for their services but not delivering the support coordination as proactively as they could, or not being as results-driven as they could be?

Ms Rundle: Yes, it is one of the many questions we have asked, and it is a good one. I do not know the answer.

Mr Lye: We are embarking on some research which has come out of the full scheme agreements with Victoria and Queensland to look at utilisation, including talking to participants. Part of that exercise is to better understand some of the drivers around utilisation. That is something we can look at as part of that work.

Senator HUGHES: Do we have an issue with support coordinators being employed by some of the old, larger block-funded providers and the way they are directing participants to utilise their funds? It would be interesting to see those directives and whether there is any crossover from where support coordinators are employed versus where people are being directed to utilise services. My understanding is that they should have been separate but there was nothing necessarily driving that.

Mr Lye: We would be happy to follow that up.

Senator HUGHES: They didn't have to be from separate organisations. I am happy for you to take that on notice.

Ms Rundle: The conflict of interest provisions we've made very clear, and we have a code of conduct, but there will be other checks and balances. But again, it's a good question. I know anecdotally that some people report that that is still the case, and we don't want that.

Senator HUGHES: Absolutely, so I would appreciate it if you could take that on notice.

CHAIR: Senator McMahon has dropped in briefly and has asked to ask a question.

Senator McMAHON: Thank you, Chair. I've been receiving reports from constituents in my hometown of Katherine in the Northern Territory of difficulties accessing the NDIS, most commonly long waiting times for having plans approved. Is the department aware of this and any similar issues in remote areas across Australia?

Ms Campbell: Ms Rundle will have better data on that.

Ms Rundle: Yes, Katherine is one of the areas that we talked to the Northern Territory government about as a possible area to look at utilisation and how plans are working for
people. That was in relation to markets, low utilisation. We would need to check for you that level of detail. While our quarterly report does show our waiting times and we have information around waiting times, we don't have it down to the Katherine level. So I'll need to take that question on notice, if that's okay?

Senator McMAHON: Yes. Have you received any comment back or anything from the Northern Territory government at this stage on that?

Ms Rundle: No. We acknowledge, and we have acknowledged in the past, that building the scheme is complex. We've had to do a number of things—primarily build the scheme at the same time as we're rolling it out. That doesn't come without its challenges. We've had some awful backlogs and long wait times. We're the first to acknowledge that, and we're not happy at all with that. That's not the experience we want people to have. In the last 12 months, and particularly six months, we've reduced a number of the backlogs, which can be seen in our successive quarterly reports. With the next one about to be released, you'll see that again. Nonetheless, the most important thing is to try to resolve issues. If you have individual issues, Senator, I'd be grateful if I can get them from you later and we will do something about them.

Mr Lye: In states where there is a large number of new clients, new participants, in the NDIS, some of those people have been harder to find and slower to come in. In Queensland and the Northern Territory, that's an issue—finding actionable records to then follow up and get people in. The government has funded Community Connectors. We now have a very good network of Community Connectors who provide that linking role, particularly for Indigenous communities, to access the scheme, helping people get up to the scheme with the material they need to make an application. The government is extending the Community Connectors—it has been primarily focussed around regional and remote Indigenous—so we will have a substantial network of people from local communities helping people to access.

Senator McCARTHY: So, whose responsibility is that?

Mr Lye: The NDIA. The NDIA is the Community Connectors.

Senator McCARTHY: Are they interacting with these remote, regional communities?

Mr Lye: That is right, and engaging local people to help with that task, people who know people in their community and can help them identify the pathway through to the NDIA and make an application. Also, we're doing some work collectively with the NDIA around working with Aboriginal-controlled organisations to assist people to get into the scheme but also taking up the role of being NDIA providers and working—

Senator McCARTHY: Is that in language as well? We have over 100 Aboriginal languages in the territory.

Ms Rundle: In relation to the Community Connectors that's very important. What we will do wherever we can, and we've so far been able to, is get Community Connectors who are part of that community who will help us connect participants to the NDIA, because they are trusted and it's in language. We currently have almost 83 FTE, full-time equivalent, Community Connectors around the country, serving 234 communities; 74 people of that number are located in Queensland, Northern Territory, Western Australia and South Australia, but when we've implemented the remainder of the government's Community Connector initiative, we will have another 121 Community Connectors servicing 344 communities.
Senator McCARTHY: That is on top of the 83?

Ms Rundle: That's a total. We will also have another 45 Community Connectors to do urban and rural. So far we've focused on remote and very remote, but western New South Wales, for example, will need good coverage.

Senator SIEWERT: You said 121 were embedded in community, but they are obviously not in all the communities; so how many communities would each connector serve?

Ms Rundle: I haven't got the right person here to answer the detail of that, but I'm trying to get as much coverage around the country in all of the communities, and where it's a large community or a very geographically dispersed community it's likely that we'll have more than one. Recently in Kalgoorlie I met with a couple of the Community Connectors we fund, and they have so far brought quite a few people in whom we had not been able to contact.

Senator SIEWERT: Could you take that question on notice?

Ms Rundle: Yes.

Senator SIEWERT: Also, are some employed in the community part-time so they can service just that community—because they are more trusted than someone coming into that community from outside?

Ms Rundle: Yes, that is our aim. I would need to check for you.

Senator SIEWERT: Yes, fair enough, if you could take it on notice.

CHAIR: Is the department aware of access issues for rural and remote areas?

Ms Rundle: Yes, and we are doing a lot of work, not just with Community Connectors, but as Mr Lye has talked about, in other ways. We know it will take some time for people to come into the scheme in some cases, but we also know that at full scheme, in the mature sites, we get pretty much the numbers and distribution of participants that we had expected to get.

Senator McMAHON: So, it sounds like you have this on your radar as an issue to fix?

Ms Rundle: Yes, we've been working on it since the beginning of scheme; it's a work in progress.

Senator CAROL BROWN: Is there a backlog of known people—not people whom you are going out and seeking—who are waiting to have a plan put together?

Ms Rundle: The backlog has improved considerably, but there is a backlog.

Senator CAROL BROWN: Yes, there is. Could I get my answer around the remuneration of the new CEO?

Ms Campbell: I have been googling the website and I can't find where the actual determination has been made yet, so I would not want to pre-empt the Remuneration Tribunal. My understanding is it will be in the same ballpark as the previous CEO. That will arrive on the website when it's available.

Senator CAROL BROWN: I don't know if this question has been asked before, but are we able to get information on the termination payments for the former CEO and others who left at the same time or very soon after?

Mr Aikman: There have been no termination payments related to recent senior executives who have departed the agency.
Senator CAROL BROWN: So, there was no termination payment to Mr De Luca?

Mr Aikman: Except for their entitlements, things like annual leave, but outside of that, no.

Senator CAROL BROWN: Can we get those figures? He wasn't there that long.

Ms Campbell: I am not sure those are publicly available.

Senator CAROL BROWN: That's fine.

Ms Campbell: It is generally how many leave days they were paid out.

Senator CAROL BROWN: Okay.

Senator STEELE-JOHN: I'll start off with a quick question—I'm not sure whether it would be to the minister or to Ms Campbell. The DSS's funding advocacy in relation to the royal commission to the tune of $27.1 million; do you have an official breakdown of where that money will be going—individual, systemic, First Nations, et cetera, as part of that overall pot?

Mr Lye: I think we can give you our ballpark on that breakdown. As you know, the money that's going to individual advocacy has been allocated by way of a top-up to existing providers: a roughly 33 per cent increase over the remainder of this financial year to provide services. We've had a process with systemic advocacy providers which has taken some time to finalise because we needed advice from the royal commission around the nature of the services they want us to provide.

Senator STEELE-JOHN: Yes, I'm aware.

Mr Lye: We have run a process with providers where they put submissions to us around the kinds of services they would provide.

Senator STEELE-JOHN: Yes.

Senator Ruston: Senator Steele-John, while the officials are getting that information, can I acknowledge your support and assistance to us and the department in providing us with some first-hand advice about how we should go about this. The meeting I had with the disability advocacy sector, which has helped to inform us on this process, was immensely useful. My understanding—Mr Lye can follow up on this—is that subsequent to that meeting we received submissions from those providers on what they believed were their priorities in supporting people with disability in their various sectors to work with the royal commission. So, I put it on record that your assistance was greatly appreciated and very helpful.

Senator STEELE-JOHN: No worries. In this regard, I am crippled and here to help. Have we got that figure, Mr Lye?

Mr Lye: For general individual advocacy, just shy of $7 million per year over the next three years; for systemic advocacy, $2.2 million per year over the next three years; and for Indigenous-specific advocacy, $2 million per year over the next three years. That totals slightly more than the amount that you mentioned. It is $33.6 million.

Senator STEELE-JOHN: Fantastic. It is okay if you need to take this on notice: within the Indigenous advocacy funding, is there a breakdown as to individual and systemic there?

Mr Lye: There is. We can get that for you. I think most of the funding in relation to systemic advocacy will be around the $200,000 mark. The Indigenous one will be in that
ballpark, and the remainder will be for service delivery. But we're still working through with the First Peoples Disability Network the arrangements for delivery of individual advocacy.

**Senator STEELE-JOHN:** Excellent. Thank you. So you've received submissions. Could you give us an idea of the status of those submissions? Do you have a time line for when you expect to let organisations know whether they have been successful in their applications?

**Senator Ruston:** I might ask Mr Lye to answer that.

**Mr Lye:** The minister has relied on us to do the procurement process, which we have done—receive submissions and assess those. That process is complete, so the minister will be announcing those grants, hopefully, in the coming days.

**Senator STEELE-JOHN:** What is the usual time line? As we all know, there's a difference between when you're officially given the green light and when your draft contract comes through and then the final contract comes through. Do you have a time line in mind around that?

**Mr Lye:** Usually that can take somewhere between a week and four weeks. We put an offer to an organisation. They have to formally accept that, and there is a process of them agreeing to commit to the contract. With these projects it will be working through what the deliverables look like in the organisations.

**Senator STEELE-JOHN:** So within a week to four weeks should be a reasonable expectation?

**Mr Lye:** Yes.

**Senator STEELE-JOHN:** Thank you. Ms Rundle, I believe—if I got my dates correct—that you have been acting CEO for roughly the same amount of time that the royal commission has been publicly announced and underway. Was there a crossover with Mr De Luca there?

**Ms Rundle:** I would need to check that.

**Ms Campbell:** I think the royal commission was announced in late March or April, and Ms Rundle took over as the acting CEO on 30 April.

**Senator STEELE-JOHN:** In relation to Mr De Luca, feel free to take this on notice. I want to draw your attention to part 2 of the NDIS Act, sections 60 to 68, which deals with privacy and granting the CEO the discretion in certain circumstances, in the public interest, to not release personal data relating to participants.

**Ms Rundle:** I would need to check that.

**Ms Rundle:** Has the agency received any information or data requests from the royal commission in your time as acting CEO?

**Ms Rundle:** Are you talking about the aged-care royal commission or the disability—

**Senator STEELE-JOHN:** Sorry; the royal commission into disability, violence and exploitation.

**Ms Rundle:** No, not to my knowledge yet.

**Senator STEELE-JOHN:** Could you take that on notice so that we know?

**Ms Rundle:** Yes.
Mr Walter: I can answer that.

Senator STEELE-JOHN: You can? Excellent.

Mr Walter: We have received some requests for information regarding providers but not around specific participants.

Senator STEELE-JOHN: From the royal commission in relation to providers?

Mr Walter: Correct.

Senator STEELE-JOHN: Have you, in relation to those requests, exercised the powers granted under the act?

Ms Rundle: Yes. We are just working through that at the moment, that request.

Senator STEELE-JOHN: Is it one request or multiple requests?

Ms Rundle: I would need to check that, but I believe it's one. I think there would be some things that would be related to the royal commission that we would need to be cautious about here, I understand. I know of one request. There could be others, because we have someone managing this for us.

Senator STEELE-JOHN: Do you have a guideline developed around how you approach those kinds of requests beyond what is—

Ms Rundle: I have looked at the provisions under which I am able to release information. It would always be in our interest to be helpful and work collaboratively with the royal commission. We've done that so far on every single request that came in previously with the aged-care royal commission. The one thing that I'm always cognisant of is, if we are releasing anything that I would write, particularly in relation to participants, I would not want to release any information without conferring with participants—but that hasn't been the case so far. There are a number of points that I need to satisfy myself about in relation to public interest. In each case previously, I've satisfied myself that it was in the public interest to release the information to the royal commission.

Senator STEELE-JOHN: Thank you. Could you provide, on notice, the number of times that you or the previous CEO had to make that call in relation to requests of that nature, and, additionally, any rationale or processes you've developed to guide you in making that decision? I'm trying to get a picture of not only what you are responsible for under the act but also how you have then turned that into a guide for CEOs in this area.

Ms Rundle: Yes.

Senator STEELE-JOHN: I have other questions, but I feel like I've had a good run.

CHAIR: Thank you very much. If you've got any other questions, you can place them on notice.

Senator STEELE-JOHN: No, I will need to do another block of questioning.

CHAIR: All right; we will come back to you.

Senator ABETZ: I have a very brief bracket of questions in relation to the NDIA's interaction with disability employment providers in sourcing the services that you need. Do you have any protocols in place for your head office or state offices to engage with those that could provide you with your printing services, catering, shredding services, uniforms and things of that nature?
Ms Rundle: I will answer it in the general, and then Mr Walter might want to add to this. It's always our intention to try to use not only Indigenous service providers but also people with disability in the provision of services to us. As an example, we use a lot of organisations that primarily employ people with disability to do our catering in various locations, and similarly with some of our Indigenous organisations. That's our predisposition and our wish. We also have procurement processes. Where we're locked into procurement processes and looking at who is the best provider for services, it is always based on other things such as: are they suitable for the task that we're wanting to get done; do they offer value for money; do they know about the business that we've asked them to deliver et cetera—so taking all of those things into account.

Senator ABETZ: Yes, but do you prioritise them and try to assist them to ensure that they can deliver the service? I would have thought that, for an agency like yours, prioritising the disability employment sector would be up there in lights. The reason I've come here—just to try to truncate all of this—is that I wrote to my now Senate colleague Ms Henderson when she had the head ministerial responsibility. I was amazed at the bureaucratic response that was given. There didn't seem to be, quite frankly, heart and soul in the response that disability was your core business. So disability employment providers might be an area that you could give special attention to. Without taking any further time of the committee, could I invite you, Ms Rundle, to take on notice all of the providers that you do use around the country and the extent, in dollar terms, of those services, because that might give us an indication of how engaged you are. Having said all of that, can I please encourage you and all your state offices to use the disability sector as much as you possibly can?

Ms Rundle: Could I seek a point of clarification? You're talking, aren't you, about procurement for services to the agency rather than the ADEs that we fund through participant plans?

Senator ABETZ: Yes. I just think it would be an exceptionally good look if the agency itself could be seen as proactively engaging with disability employment providers in our community.

Ms Rundle: I agree with you. I'm not expressing an opinion myself; that would be our predisposition. I think as well, not to let us off the hook, this is something we have to pay more attention to. We really have been so focused on so many things that it perhaps hasn't yet been given the attention that it needs.

Senator ABETZ: I think what now Senator Henderson expressed to me at the time, like me and you, was the predisposition, and I thought there was possibly some pushback in the agency that was not as willing to be engaged as they otherwise might be—but enough editorialising. Thank you very much for the indulgence, Chair.

Senator Ruston: Madam Chair, I have just a bit of follow-up information for Senator Abetz. One of the things that, as a government, we have clearly placed a great deal of additional emphasis on more recently has been making sure that if people with plans wish to have an employment component built into their plan, we're certainly encouraging them much more proactively to do so in the hope that anybody with a disability who wants to participate in the workforce is able to do so.

Senator ABETZ: Thank you, and thanks a lot, Chair.
CHAIR: I am going to Senator Siewert and then Senator Dodson.

Senator SIEWERT: Thank you. Can I go to psychosocial packages. Could you give us the most up-to-date figures on the number of psychosocial packages that are now out there?

Ms Rundle: I can. Senator, I know you may be interested that 12 per cent of participants in the quarter ending 30 June had a primary psychosocial disability. That is compared to eight per cent in previous quarters. So it is increasing, which is pleasing to see because we know that the psychosocial participants have been very slow to come into the scheme and very difficult to contact.

Senator SIEWERT: Yes. That's why I'm chasing it.

Ms Rundle: In relation to your more detailed questions, I'm just going to find it for you.

Senator SIEWERT: While you're looking, are you able to provide it against the states or table something that can give a breakdown against states and territories?

Ms Rundle: I can give you a breakdown by state and territory now, if you wish. It's also available in the quarterly report.

Senator SIEWERT: Okay. So you haven't got any figures beyond the quarterly report; is that correct?

Ms Rundle: It depends what you're looking for. I may have more here. I've also got active participants. Sometimes, as you know, people aren't always actively using their plan. I've got active participants and I've got the proportion of people with an approved plan, which I've just called out. I'm just looking here whether or not there are any other statistics that you might be interested in. I have got a figure here which is that 33 per cent of access decisions—

Senator SIEWERT: Sorry?

Ms Rundle: Thirty-three per cent still did not meet access for psychosocial disability. This is one of the highest and we are looking at this—and this is work that the Disability Reform Council signed off recently—because we're realising we need to do quite a lot more work to streamline the access for people with psychosocial disability, which is why we've got a pathway stream.

Senator SIEWERT: Yes, I wanted to go to the pathway stream. You're taking me down a path, and I haven't got back to the figures yet. I do want to get to the pathway, but can you just go back to the figures? Of the 12 per cent now where the primary reason for access is psychosocial disability, you are saying 33 per cent of those did not—

Ms Rundle: No.

Senator SIEWERT: I want to come back to that question. I want to know how many have actually activated their plan and what percentage of usage of their plan they are using. Does that make sense?

Ms Rundle: It does. I may have to take some on notice.

Senator SIEWERT: Could you take that on notice? I'm trying to work out whether people are able to access the services now they've actually accessed the NDIS.

Ms Rundle: Yes.

Mr Lye: I don't want to confuse you further, but just to say to you that Ms Rundle has given you a figure of, I think, people with primary psychosocial disability. What we're
obviously seeing in the scheme is another percentage of people for whom psychosocial disability is a secondary diagnosis—so they might have it in combination with something else. In terms of active participants, in June there were 51,399 people in the scheme with primary or secondary psychosocial disability.

**Senator SIEWERT:** But you can't give me a figure for how many have activated their package and what percentage are fully using it? Obviously, you collect that sort of information?

**Ms Rundle:** Yes. I think we can get that for you. As well as that, we can get you the utilisation, which is what I know you will be interested in.

**Senator SIEWERT:** That would be great. If that could be broken down by state, that would be great.

**Ms Rundle:** We'll try and do that for you.

**Senator SIEWERT:** Can I go to the comment you made, Ms Rundle, about the 33 per cent that aren't able to—I presume they are being found ineligible; is that correct?

**Ms Rundle:** At the moment that is the case, but this is what has prompted the work that we have agreed to do through the Disability Reform Council. We've been trying to work out why that is the case. Some of it will be episodic. People, as you know, present. We saw in the Newcastle region, for example, in the trial that people with psychosocial disability took a little while to come in there. We found out that many of them had episodic psychosocial disability, and they just didn't come in at the time that we thought they might. But when they did, they were there. The other thing we have noticed is that often they are very difficult to contact because there are a range of other issues that might be happening for them. They could be homeless. We've been doing some work with Mental Health Australia and others to try and work out how we can find those people more easily; and, when we find them, link them up to a very trusted individual that they are already working with, so that they can get assisted, streamlined access to be considered.

**Senator SIEWERT:** In terms of the streamlined access, how many people have been assisted through that process?

**Ms Rundle:** I would need to take that on notice. The streamlined access only started from 1 April, I understand, this year.

**Senator SIEWERT:** That's six months, though?

**Ms Rundle:** Yes, that's true. What I did notice, and I wondered about this myself, was whether the difference between the eight per cent and the 12 per cent correlated to that streamlined access starting, and I don't know the answer to that yet.

**Senator SIEWERT:** If you could take that on notice, it would be interesting to find out about that.

**Ms Rundle:** Yes.

**Senator SIEWERT:** Of those 33 per cent, do you know where they came from? Are they people who have not had supports before? Are they people that have had supports that haven't accessed services for quite a while? How many were transitioning, with respect to those that were accessing PIR? We got some figures yesterday, but it wasn't clear whether, with the people that weren't accessing, it was because they weren't eligible.
Ms Rundle: You want the story, don't you, of state, territory and Commonwealth clients that were receiving services? In the main, most of those people came straight into the scheme because of the arrangements with states and territories. If they didn't meet the age or residence requirements, it would be very unlikely for them to not have come into the scheme. I'm hazarding a guess that many of these will be about news. We'll find out for you.

Senator SIEWERT: That would be appreciated. In terms of the pathway approach, where are we up to?

Ms Rundle: Do you mean the psychosocial pathway approach?

Senator SIEWERT: Yes.

Ms Rundle: We've been doing quite a lot of training. We had rolled out amongst three states, and we should be finalised by, at the latest, December this year for that particular specialised training. It might be earlier. We'll have a look for you. Are you asking particularly about the training? I went to training, but is there something else?

Senator SIEWERT: Basically, you've been doing the training?

Ms Rundle: Yes.

Senator SIEWERT: I want to find out how successful that has been in terms of providing that level of support to people.

Ms Rundle: As I said earlier, the most reliable data we've got at the moment is the jump between eight per cent, in the third quarter of the last financial year, to 12 per cent. That may coincide with the streamlined access, which I believe was national, but I will check that.

Mr Walter: In November 2018 we started rolling out the stream in Tassie, New South Wales and South Australia. We will continue to progress the rollout across the other states and territories, which will be finished by June 2020.

Senator SIEWERT: When will it happen in my home state?

Mr Walter: I would have to take that on notice.

Senator SIEWERT: Can you take on notice when it's happening in WA and where it's happening in WA? WA is a big state, so I'd like to know if it's covering the whole state or whether people have to travel.

Mr Walter: Ultimately, by June 2020, it will, but I'll have to get the exact details for you on notice.

Senator SIEWERT: That would be appreciated. Are you taking on notice the utilisation of the packages?

Ms Rundle: Yes.

Senator SIEWERT: Can you tell me the average value of a psychosocial package?

Ms Rundle: Senator, I will need to take that on notice. I knew you would ask me that, and I should have had it ready, so I apologise.

Senator SIEWERT: I would like the average value, the minimum and the maximum, please. How many people with a psychosocial package have also had access to the specialised disability accommodation funding?
Ms Rundle: That's another good question and I don't have the answer with me. We can definitely look for you. We can look by the psychosocial disabilities in our actuarial data and compare that to the SDA that we know about.

Senator SIEWERT: That would be appreciated. One of the things, certainly in WA, that seems to be becoming a problem is that people are spending a lot of time in crisis accommodation. I'm reliably informed by support organisations that people are unable to come out because there's no suitable accommodation. They're actually in hospital, taking up a bed, because there aren't adequate support services for people with psychosocial disabilities in the community.

Ms Rundle: We're aware of that. That is an issue nationwide. We've been doing quite a lot of work in the hospital discharge area, which Mr Lye can also comment on; so can Mr Walter. We've had a pilot running in South Australia, a bit of a trial, where we've been quite successful in trying different ways of getting people out. We've talked to WA about this. I spoke to the WA minister, Minister Dawson, about this when I visited WA. We are aware that there is not the range of accommodation there, and it does go partly to the SDA market, which was raised earlier. Where we can, we're trying to look for other solutions, including maybe some interim solutions for participants whilst they have something built, if it's SDA accommodation.

Senator SIEWERT: Are you monitoring the number of nights people are spending in hospital-type accommodation—I should ask the department that; I think it goes to the department—across the country?

Mr Lye: DRC agreed a hospital discharge action plan. Ms Rundle has talked about the South Australian pilot. Effectively, we are trying to install hospital liaison officers. We are starting to roll that out in Victoria. Obviously, it is something we want to do nationally, in conjunction with the states. It does revolve around states' concern around the number of days people are in hospital. This was an issue prior to the NDIS. Clearly, it's something that is uppermost in our minds. Essentially, we're trying to intercept other practices that happen, to see how we make sure that that hospital liaison person helps to put people in touch, in a timely way, with the NDIA process, so that we can get those supports in place. SDA is important but it will not always be the thing that is missing. It can be around getting the clinical and other supports around a person to enable them to be outside the hospital setting. We have a plan to roll that out nationally.

Senator SIEWERT: How many hospital liaison people are you putting in place and who is paying for that?

Ms Rundle: We are; the NDIA.

Senator SIEWERT: The NDIA is paying for it?

Ms Rundle: Yes. We're going to have about 50 around the country at the moment. This might be a combination because the same skill mix that you need for this is not dissimilar to what is needed for other people that you are trying to help move out of settings, such as custodial settings. We will have some justice liaison officers and health liaison officers. Sometimes it may be the same person doing both roles. It is fair to say as well that our complex planners right around the country have a role in this. They connect up with patients
in hospitals who also have a disability, who have a plan. Fifty is not the only number, but we are getting 50 dedicated people. If we need to look at it further, we can.

Senator SIEWERT: Who are the hospital liaison officers?

Ms Rundle: Some of them will also be justice liaison officers.

Senator SIEWERT: Of the 50, some are hospital—

Ms Rundle: No, because sometimes they will have dual roles. In a small location they won't need to do something full time.

Senator SIEWERT: Could you take on notice where they are—of the 50, where around Australia they are? Does that make sense?

Ms Rundle: Yes. We don't have them yet, though; we're rolling them out, but we will—

Senator SIEWERT: Thank you for that; that's really useful. In terms of going back to the issue of the accommodation, Mr Lye, I appreciate what you said about maybe finding interim solutions. There are certainly suggestions about how you could find those interim solutions. Are you looking at some more creative approaches as to how you could deal with this? If so, what's the time line? I'm looking at both of you because I think it falls between both of you.

Mr Lye: In general terms, there's a very small percentage of people who have SDA in their plans. Beyond that there will be things like arranging timely home modifications to enable someone to go home to a family home. In other cases, what are the kind of supports that give someone confidence to be out in the community? Some of the work we've been doing with the states has been around that resolution of the boundary between the NDIS and Health, and health-related supports. This is all about assuring a person or assuring where they are currently staying that they will be safe out in the community. Those range of things have been picked up in the health work. We've had a branch of work looking at all of the ways in which people come out of custodial or institutional settings, whether it be a hospital, a prison or a mental health facility, and looking at how we get that process right. In most cases that is around having a timely conversation around a plan and access, and getting those things in place so that they're not just exited from one of those places into homelessness. Obviously, we're trying to stop entry into residential aged care for people under 65.

Senator SIEWERT: Going back to my original question, we don't have an idea—maybe the department does—of the number of nights that people are spending in hospital?

Mr Lye: In the DRC discussions around hospital discharge, states and territories are saying, 'We have this many people and this many who are there for this many nights,' and that obviously led to the South Australian work, which has then prompted the rest.

Senator SIEWERT: You don't have an overall view across Australia; would that be correct?

Mr Lye: I don't think so. The issue is that, at the time at which you're counting, with somebody who has overstayed or who has stayed for a long time in hospital, some of those people haven't tested their eligibility for NDIS. With some of those people the issue could be palliative care that they need, and that is a state responsibility. In other cases they will end up being our person, and in some cases they will be related to aged care.

Senator SIEWERT: DES—does that come under outcome 1?

Ms Campbell: It depends what you want to ask about.
Senator SIEWERT: I have questions about partial capacity to work. Should I ask about that in outcome 1?

Ms Campbell: Partial capacity to work is outcome 1. Disability Employment Services, the services that somebody will be provided with, is in outcome 3, and the officers are here now for that.

Senator SIEWERT: When are the DES star ratings going to be released?

Mr Lye: Imminently—within the next few days, I think.

Senator SIEWERT: If I had a buck for every time I have heard that in this place I would be able to run in the next election campaign.

Mr Lye: I think the plan is that they will come out before the end of the month.

Senator SIEWERT: What has been the time delay?

Mr Lye: Some of the organisations have had it on an embargoed basis to look at.

Senator SIEWERT: It is an organisation then?

Mr Lye: Our DES providers.

Senator SIEWERT: Do I understand they have got them, but they—

Mr Lye: They definitely have their results. The issue is really just that to my knowledge this is the first time they have released star ratings under the new model where we have not had market share. We have had a more open market with a larger number of providers and we want to make sure that the comparative material is right.

Senator SIEWERT: You can't talk about how the ratings are going because they have not been released?

Mr Lye: I don't think there is anything contentious about them at all. This is a well-worked methodology. Providers are very used to them; they are very comfortable with them. They know how to use them to win more business. The issue is just that previously we have had allocated business and now we have a more open market. I think it will come out soon.

Senator SIEWERT: As you said this is the first time they have come out with a different approach. With the new approach, are they showing up anything new that has come out of the new approach, out of the change to the market share approach?

Mr Lye: I don't believe so. Certainly, the providers are very anxious for that material to get out there.

Senator SIEWERT: Yes, I know.

Mr Lye: They have been talking to you as well? That is largely because they will use that to make some decisions, including to advertise their services if they are doing well, to people out there. There is certainly heightened competition amongst providers and we are seeing that in terms of a larger number of participants in the scheme.

Senator SIEWERT: I will come back to this issue next time I have my turn.

Senator KITCHING: Can I ask some questions around the wait times for the NDIS. Are we on the right outcome now?

Ms Campbell: We are now.
Senator KITCHING: Thank you. I noticed that the minister this week made some statements about the backlog being at zero. Would you say that, based on current weight times, the backlog across the scheme is zero?

Ms Rundle: I cannot recall whether the minister was referring to one particular part of the scheme. I'll check, but I think it might have been access. We have reduced, in relation to access, one of the first bits of the pathway into the scheme. We have reduced the backlog. We had a significant backlog because we had a little technical issue with our system that we became aware of. We actually didn't have the visibility that we needed of the people on the access list. It didn't last very long. It was fixed very quickly.

Senator KITCHING: When was the technical issue identified and when was it resolved?

Ms Rundle: Let me just find it for you. I have it—apologies for this.

Senator Ruston: Just while the official is getting that information, I want to clarify the comments that you are referring to in relation to the comments made by Minister Robert about the backlog. Are you referring to him saying that there was a zero backlog of entry into the scheme?

Senator KITCHING: I think what he was saying was that he applied it quite broadly. I think he meant to say it was access, but I think he applied it quite broadly.

Senator STEELE-JOHN: I have it here. He said:

We've also seen any access or any backlog of access now reduced to zero.

Ms Rundle: It is access and backlog of access. I just wanted to be perfectly clear. I hadn't seen the comment; so I just wanted to be clear on what the backlog was referring to. I should also be clear that when the minister talks about backlog, what he probably is implying is that there is always a float of people that we are working with. For example, the requirement under the act is that access decisions have to be made within 21 days after you've got all of the evidence that you need. If you don't have all the evidence that you need, then the time extends; the clock starts again to give people time to get everything else that they need. So when the minister talks about no backlogs, he means no-one waiting over 21 days because, in a scheme like this, there is always going to be stop and flow.

Senator KITCHING: Can we just go back to the technical issue so that I can mentally close that off? Then I'm going to go back to backlogs.

Ms Rundle: There was a small issue that we discovered on 20 June; we discovered that we were seeking to have the capacity of our system increased. When the work was done by Services Australia—they did a really good job—we discovered that there were some documents at the time that didn't get uploaded when they were meant to get uploaded. When we found that out, mutually, the problem was fixed immediately. But what it did mean was that we had more people waiting for access at a point in time that we hadn't realised. And we quickly worked our way through that. So we had a number of people waiting for access above the number that we would normally have and we've reduced that backlog. We have put in additional resources and we fixed the problem. It was a small problem.

Senator KITCHING: When was that resolved?
Ms Rundle: It got fixed. We resolved that. By the end of August we had completely reduced the access backlog. That means people were not waiting. The average wait wasn't over 21 days.

Senator KITCHING: I am going to come back to backlog and numbers, but can we just unpack—I don't really like the verb 'unpack'; I'm not sure it's really a verb—or can we just have some detail around that? When you said that there were more people waiting than you realised, can you give me some numbers there?

Ms Rundle: Our backlog at the time was—

Mr Walter: We can give you the days, but not the number of participants. At its worst, it blew out to 38 days waiting time at 30 June. It's now well below 20 days, and it has been since the end of August.

Senator KITCHING: When was it at its worst? Was that when you said—

Mr Walter: At 30 June it was 38 days.

Senator CAROL BROWN: The days begin again if more information is required?

Ms Rundle: Yes, that's correct.

Senator CAROL BROWN: They may get up to 20 days and then a piece of information is required, so it starts from day one again?

Ms Rundle: Yes, but, to be fair, what we try to do is give a participant a lot more warning than that—for them to wait 20 days—

Senator CAROL BROWN: Start again, Ms Rundle. To say that participants have been dealt with within 21 days is not actually correct because the time starts again every time you ask for a piece of information?

Ms Rundle: You can't make an access decision without having the information—

Senator CAROL BROWN: This is the point where we go to training around planners and whether there are enough staff to deal with people wanting access. We heard earlier in answer to a question from Senator McMahon that there were people waiting to get on.

Ms Rundle: At the moment, for all of the records that we have that we know about as, Mr Walter has just described, we've got our average access waiting time down to under the required time and the backlog has reduced on that to zero.

Senator CAROL BROWN: How many of those had to restart?

Ms Rundle: The important thing to note here is that if you don't give the participant the additional time to be able to get information then the access is stopped altogether and it is treated as a new access. And we don't want to do that.

Senator CAROL BROWN: Do you keep the details on how many participants needed to be restarted, back to the beginning?

Ms Rundle: We'll have a look for you, for a defined period of time of course, but this is all specified. This is all specified; this is not new information. This is how the act has been constructed. So the act—

Senator CAROL BROWN: You need to have a look at this in total. It's okay to say some people are getting dealt with within 20 days, but we don't know how many people have been restarted. And the fact is that planners should be asking for this information and not then
going down the track and saying, 'You need to give us this as well.' This has been one of the issues that have been brought up constantly, I'm sure, with anyone that deals with NDIS participants and/or their families.

Ms Campbell: And the pathways work that the agency has been undertaking, particularly with some of the specialist pathways, is to ensure that the planners are well equipped and well trained to be able to get that information. That has been a constant improvement as we have gone through.

Senator KITCHING: I'm going to come back to planners and training. Can I just go back to the questions around the access? When you said 'the required time', Ms Rundle, what did you mean by that?

Ms Rundle: If they make an access request to the scheme and they give us the information, then once we've got all of the right information then we can make a decision—and generally that is the case, because we're getting more and more information from participants about what they need, and we're also helping participants a lot more because we've got more capacity to do that. The requirement is that we make a decision within 21 days, and you've heard Mr Walter say that for the stop and flow that we've got, the average is now under 21 days.

Senator HUGHES: Let me just clarify: when you say that people are required to provide more information, does the clock go back to them then having another acceptable period of 21 days? Or, for example, if it is paused or stopped on day 12, is it then paused and is there a nine-day period remaining that is acceptable for them? I'm not sure if I'm making myself clear. Is it a restarting of the clock or is the 21-day period paused so that once that new information is provided the agency then still only has a certain number of days left, as opposed to a full 21 again? Does that make sense?

Ms Rundle: Yes, it does. I think you're asking me to clarify that if there's only a little—

Senator HUGHES: If somebody needs to provide more information, the clock doesn't start again; it's just paused until they get that information and then the process continues within the 21 days of processing?

Ms Rundle: Correct, but it's longer than nine days. For example, I think—

Senator HUGHES: I was just using that as an example, if it falls on day 12. That's what I'm just trying to understand, that the clock—

Ms Rundle: Yes, of course. I did not define it very well.

Senator HUGHES: But just to make sure that we're not giving the agency a full 21 days again to then keep processing, they still have to adhere to that 21 days wherever it's paused?

Ms Rundle: Yes. And the way the act has been constructed is—I always thought it has been in the interests of participants—that it gives them that extra time rather than cut the access process off and have to start all over again.

Senator KITCHING: I think that's a good point. Just to drill down on that, would there be any extra information that was required where it was so substantive that one would need to restart the clock?

Ms Rundle: We would need to check that for you. Generally, we give a lot of advice to people now about what they need. We need evidence of age, residency and disability and
functional impairment. The latter bit for some people usually takes a little longer because, if they're a new participant and they haven't approached the scheme before, they're required to get some information from their general practitioner or other therapist to show that they have limited functional impairment such that they need the supports of the scheme. We often ask for extra information. Often we get extra information to help a person get an access decision, if we know that it's likely they could. It's required under the act for us to make a decision in the full knowledge of the person's disability, but it also acts in the interests of the participant.

Senator Ruston: Am I correct in assuming that the clock ticks on the NDIS and it doesn't tick on the participant?

Ms Rundle: Yes.

Senator KITCHING: I'm not suggesting that. Let's clarify that. The participant fills in forms and whatever. You might say to them, 'We need a doctor's analysis or diagnosis'—or whatever. That participant is not barred from being a participant but rather, until you receive that information they can't be a participant in the scheme.

Ms Rundle: That's correct. They can't become a participant until you're satisfied that they meet the requirements.

Senator KITCHING: Do you give them advice at that point about what they might need in order to be a participant?

Ms Rundle: This is the Pathway work that the secretary referred to a moment ago and that we talked about earlier. In the Pathway work we've done a lot around access and trying to anticipate what sort of information people would need so that they could gather it up. We've done all sorts of things, like prepare pre-access booklets. In the sessions we used to run in transition out in the locations when the NDIS was about to roll into that area, we would do a lot of engagements with various groups, including public engagements.

Senator KITCHING: Do you do it with GPs as well?

Ms Rundle: We've been doing a lot of work with GPs; we can do more. We can always do more of everything and do better at everything, but we've been doing a lot of work with GPs. We've been to speak at the RACGP—I think it was the annual forum—and we've worked with the AMA. They're a key partner.

Senator KITCHING: Does the agency think the backlog is cleared across the whole scheme and it's not what Minister Robert was saying?

Ms Rundle: You mean every point of the pathway, don't you?

Senator KITCHING: Yes.

Ms Rundle: Yes.

CHAIR: I think Minister Robert was talking about access.

Senator KITCHING: Yes, but I'm asking about the entirety.

Ms Rundle: Yes.

Senator KITCHING: I'm happy to take that in parts. Access is 21 days?

Ms Rundle: Yes.
Senator KITCHING: If you look at the Hansard, Minister, it would seem to be more broadly applied than access—but let's keep it narrow and say it is access. After access, in the next part of the scheme is there a backlog at that point?

Ms Rundle: In terms of backlog—this does fit in with Mr Tune's review of the act and the participants' service guarantee—we've been trying to work out what would be a reasonable timeframe for a person to expect between access and plan approval. We have a reasonably good idea. Mr Walter has some figures, I think. We've reduced the timeframe now for people to get a plan.

Senator KITCHING: I can ask this on notice, but I presume that, given this data is probably electronically stored, you will be able to cut that data in any way that is reasonable to ask for it.

Ms Rundle: Yes. In the quarterly report, which is published, you can see how many people have an access decision and how many have a plan and, in general, you can work out what the difference is because people are at various stages of the planning pathway.

Mr Lye: Technically, there's no backlog. There's no legislative requirement about the time it takes to go from access to having an actionable plan that you can use.

Senator KITCHING: There's no time requirement.

Mr Lye: There's no time limit; there's nothing in the act. The issue here is people's perception of timeliness. In many cases they say, 'This should have been quicker than it has been'. For that reason, the government committed to a participant service guarantee. The work David Tune is doing for us is to examine how we give effect to that. For example, that could mean that, rather than just having access timelines in the legislation, you have access and actionable plans in the legislation. Different people will have different levels of complexity in formulating a plan; some people will have a plan for a short period, and some for the rest of their lives. That's a big exercise.

Senator KITCHING: So it has to be tailored—

Mr Lye: It has to be tailored.

Senator KITCHING: But there must be an understanding that, when you have an agency like this, obviously individual circumstances are going to be different; they're not going to fit in neat, square holes—I guess it's round holes, but you know what I mean. This must have been envisaged in the planning of the scheme and the planning of the access.

Mr Lye: The work the agency is doing in that process—through to access and then from access to having an actionable plan—is to say, 'We don't want to be the impediment to someone getting an actionable plan'. A person might have a complex set of arrangements where they need to go away and do some things or have some time to think about what they want in their plan but, as service delivery providers, we shouldn't be the impediment to their getting a plan that they can action. I think the trick in terms of Mr Tune's work is to say, 'Is that a legislative guarantee or is it some other kind of service delivery guarantee?' and then, 'What is the agency doing?'

Senator KITCHING: Can you table the service delivery guarantee?

Mr Lye: Mr Tune is doing the work to develop and give effect to that as part of his review.
Senator KITCHING: But have you got a document already?
Mr Lye: No.
Ms Campbell: No.
Senator KITCHING: So there is no document.
Ms Campbell: That's what the commitment was and that's what is underway at the moment.
Senator KITCHING: When's that due?
Mr Lye: Mr Tune's work finishes at the end of this calendar year.
Senator KITCHING: So December; okay.
Senator CAROL BROWN: The guarantee is going to be in place by 1 July next year, is it?
Mr Lye: Correct.
Senator KITCHING: Is it Mr Walter who has the detail on 'access to plan approval'? Can I get some numbers?
Mr Walter: It depends particularly on the type of participant. However, if you're looking at participants older than age six, the average to complete a plan approval is 90 days at the moment. Our target is 60 and we're working the backlog down towards that.
Senator KITCHING: You've said: 'If you're older than age six.'
Mr Walter: Seven and above.
Senator KITCHING: It's 90 days currently?
Mr Walter: Currently, yes.
Senator KITCHING: You're aiming for 60; is that correct?
Mr Walter: At this point, that is our target.
Senator KITCHING: And six and under?
Mr Walter: Under six is currently 51 days.
Senator KITCHING: What are you aiming for there?
Mr Walter: The minister has made a commitment in that environment for some 50 days and we have brought that down materially over the last few months.
Senator KITCHING: What was it?
Ms Rundle: I've got it here and I've got some more recent ones. The original backlog at the time the minister made his announcement was around 3,400 waiting for more than 50 days. As at 28 September, it was down to 1,685 participants.
Senator KITCHING: So was it June when there were approximately 3,400?
Ms Rundle: That was the original backlog; I think that was in June.
Senator KITCHING: Was that 3,400 days?
Mr Walter: No; 3,400 children.
Ms Rundle: Children under six waiting for more than 50 days—at the end of September, that had come down to 1,685 children and I think it has come down even further.
Mr Walter: It has come down further.

Senator KITCHING: But they're waiting. At 28 September, 1,685 children were waiting for how long?

Ms Rundle: For more than 50 days at the time—

Mr Walter: More than 50?

Ms Rundle: The minister committed to getting that under 50 days. The average wait time has reduced.

Senator KITCHING: What is it now?

Mr Walter: As of two days ago, the average wait time was 50 days; the average wait time in June was 115 days.

Senator KITCHING: In June 2019, it was 115 day?

Mr Walter: That is correct, and it has been reduced by 50 days.

Senator ROBERTS: My understanding of the NDIS is that it's complex. Perhaps someone could say that it's been an unplanned pregnancy with a premature birth—to get votes initially—plus you've got the complication of centralisation. That's not being critical of anyone in the NDIA; that's just the reality of what I see as the politics of the circumstances of when it started. It's still being unpacked and it's still being built, as I understand it; is that correct?

Ms Rundle: That's correct.

Ms Campbell: Minister Robert has said that we're probably about 80 per cent done, but some refinements need to be done to the scheme and those refinements are underway.

Senator ROBERTS: I've heard horror stories about shortfalls and confusion in providing services, excessive costs and lots of consultants. If they are true—and I think they are—I understand the circumstances. I would like to ask questions that go to access and continuity. I'll give you an introduction of where I'm coming from. I'm hearing many stories from groups such as the Transport Development and Solutions Alliance in Queensland that there is sometimes not equal opportunity in access to services for transport for participants. It has been said that people who have a family member or a friend who works in healthcare or who understands the NDIS system are getting access to more services than everyday Australians who don't understand the system. It's complex.

The Transport Development and Solutions Alliance have sought my support to encourage you to consider improvements to NDIS service delivery. This organisation is a Queensland based, state-wide non-profit group that is committed to supporting and facilitating a collaborative response to improved transport access and mobility. They are telling me that users of the NDIS services are concerned about inequities in access to services, including transport services. As we know, access to transport is often a necessity for employment and social participation and for access to other services, such as health and education. Can the NDIA advise what steps it is taking to ensure everyone is informed as to the full range of available services and that they are given an equal opportunity to access NDIS and transport services? How do you reduce the complexity and make sure people understand?

Ms Rundle: Transport is something we've been working on with states and territories and our colleagues at DSS for some time now. It's important to understand—I think you've
acknowledged this—that transport is more than the NDIS. States and territories provide public transport. Under the Disability Discrimination Act and under the National Disability Strategy they're required to provide reasonable access for all their citizens. That includes making allowances for people with disability. That's my first point.

The other point I would make is that, for our participants who need extra support in their plans because either they are going into employment or they need to participate more fully in the community, we fund transport in the plans. We don't enter into contracts directly with transport providers, because we're not a provider. The funds go through participants' plans and then they choose whom to use to provide their transport services. I'm not sure if that's answered your entire question.

**Senator ROBERTS:** I guess I'm looking for something to do with making more people more aware of the choices and options within the NDIS, because what we're picking up is that, if a participant has a family member who's in health services, they can understand and sign up and go through the process much more easily.

**Ms Campbell:** It might be useful if the NDIA talked about how they communicate the NDIA service and what's available and how a participant or someone seeking access engages with those.

**Ms Rundle:** Just a little while ago, prior to your coming in, I pointed out that, when we were firstly rolling out the scheme into new locations—Queensland is a good example because some of the locations only started coming in six months ago, at the beginning of this financial year—what we've always done is go into those locations and engage very strongly with the community—all the community groups, schools or whatever we need to do, public forums—to try and talk to people about what the scheme offers, how they can seek access to the scheme and what sorts of things the scheme can do for them to make their lives better. That's one of the things that we do.

The second thing we do is spend a lot of time with people, when they come through after getting access at the planning stage, talking about their goals and what they want to do. So, if someone wanted to use transport in their plan to achieve their goals, that's something that would likely go into their plan. So we spend quite a bit of time with people explaining what they can do and access that they may never have been able to access.

**Senator ROBERTS:** Is that based on an interview, in a way, of needs?

**Ms Rundle:** Yes. When a person comes into the scheme, once they've had an access decision, a local area coordinator, who is someone whom we contract—a community-based organisation like Anglicare, Mission Australia or someone of that nature—contacts the person. They will bring them into the office or go and talk to them at home and they'll start the planning discussion with them and talk about what they want to get out of their first plan. The person may have very complex needs and the agency looks after people who've got very complex needs, connecting them up with many other systems like health systems, the justice system, the child protection system and the like.

**Senator ROBERTS:** So there are various alternatives for transport and various ways of securing that transport.

**Ms Rundle:** Yes.
Senator ROBERTS: There must be a diverse range of people's needs when it comes to transport costs.

Ms Rundle: Yes. We can give you some examples. There have been some people who have just wanted to learn how to use public transport better and they haven't been confident, so we've helped them through their plan—paid for someone to help them and travel with them for a while until they're confident. The other thing that we've done—this falls into a different part of the scheme—is modifications. We've even modified people's cars in the event that they've wished to drive. There's a great example in the ACT here of a young man who couldn't get to the bus stop easily to get to a job—he wanted to work—so he had a car modified and that enabled him then to meet his transport needs. That's another example. There are many different ways in which people can choose to use their funds.

Senator ROBERTS: Thank you for that. At planned client or participant service reviews, do different NDIA planners have different approaches or make different decisions on transport costs for people with similar disabilities? How do you standardise; how do you make sure that it's fair?

Ms Rundle: That's a good question. It is through training of our planners and through guidance. We have quite a lot of guidance in the agency in relation to every decision the planner would have to make in a plan with a participant. One of the things we do is audits. We do look at the differences between plans to try and understand the consistency between our planners. But I want to acknowledge though that, in a scheme like this, we've gone from less than around 2,000 people in 2016 to now what is a workforce of over 11,000. Nationally, unfortunately, we will have some variation for a little while and that's why we need to keep training.

Senator ROBERTS: I'm pleased to hear that word 'variation'. At least it's understood.

Ms Rundle: Yes, we acknowledge that there is.

Senator ROBERTS: Chair, can I ask one more question?

CHAIR: It will be your final question.

Senator ROBERTS: Are the payments to providers for NDIS services inclusive of an administrative overhead; and, even if it is, how do you make sure that the more established providers from, say, the non-government organisations—mainly from the churches that are very strong in rural areas—with high overheads, are going to be able to transition to a transaction model where the smaller, more nimble and more tech savvy companies are able to provide service with lower overheads and then take their business? How will that affect rural areas in particular? We're worried about the potential discontinuity of services if the more established, older players with high overheads are driven out of business.

Ms Rundle: With all of our pricing increases, we do a lot of work around the country. We talk to a lot of providers and, even by service type, we dig right down and work out what we think would be the price needed to be able to help people to continue to deliver services, but we also want to make sure that the provider market moves to become efficient and effective. So it is fair to say that the transition to the scheme and individual payments by participants to providers has been quite challenging. Many providers have made that transition and done very well. Some find it more difficult, particularly some of the smaller organisations. Where we know that there are issues with providers servicing participants, we will quickly hop in and try
and understand the reasons why. We've also sometimes intervened by making some quick changes where we think the problem is more systemic rather than just one or two providers.

Senator ROBERTS: It is a concern that some people in rural areas and regional areas are used to the old model with one organisation doing several services; it comes in and has a cup of tea, and that's valuable, but those entities tend to have higher overheads and might be driven out. So I just wonder if the NDIA is aware of that.

Mr Lye: We're doing some work with providers and offering them business advice grants. We've got regional coordinators across the country and we're offering grants to organisations to help them deal with that transition that you're talking about. They were providing under this model and we're asking them to change their business. It's up to $20,000 that we're providing to organisations to do that work.

Senator ROBERTS: Does that mean it's for smaller organisations?

Mr Lye: It's a mix.

CHAIR: We'll go to Senator Steele-John now.

Senator STEELE-JOHN: I have some questions very briefly around ILC. Who's the best person to direct those to?

Ms Campbell: I think that would be Ms Rundle.

Senator STEELE-JOHN: Ms Rundle, the latest round of ILC funding commenced for application in February this year; is that right?

Ms Rundle: Which one, Senator?

Senator STEELE-JOHN: There was a round of ILC funding that commenced in February, I believe; is that correct?

Ms Rundle: That's right. I'm just finding my ILC brief, because I do have the list of all of the ILC rounds, so I can check that date for you; my apologies.

Senator STEELE-JOHN: I believe that, as part of that, organisations would be told they would find out whether they had been successful by 1 May. In the projects that they submitted, the budgetary time line outlined was for projects that commenced at 1 May; is that correct?

Ms Rundle: That may be the case; I'm not sure. If I had a bit more information, it might help me to answer that question. But, assuming that it is, is the question—

Senator STEELE-JOHN: Let me just expand a little further. I have received feedback from a number of organisations that applied for the round of funding that commenced in February. It was indicated that they would be informed as to whether they had been successful by 1 May, but they were not subsequently informed as to whether they had been successful until August. This led to a situation where they still now haven't signed their final agreements with the agency. So they've got about six months worth of funding—six months worth of project time line—that hasn't been able to be actioned because of the delay. The commencement date is 17 December but the end date is still for that same date in the next financial year.

Ms Rundle: I understand what you're saying. Maybe we can get the details off you later of the particular ones because we also provided money to the states and territories—interim
transition funding—to help bridge situations like this. We've done a couple of rounds of this. I'm just trying to work it out. If we knew which ones they are particularly, we might be able to answer your question and then also see what the issue is.

Senator STEELE-JOHN: Of particular concern to these organisations is whether they are eligible for an extension to their timeline, given that they fully intended to undertake the work and be funded between May and now—that was the plan and the indications that they were given—and it seems to actually be a pattern within ILC funding that has repeated itself in terms of that delay numerous times.

Mr Lye: I'm just thinking about other grants that we have. It may be that the federal election meant that we were in caretaker and then waiting for the government to be established, and that sometimes interrupts the timetable that we might have. It sounds like the timing might have clashed. But also, where that happens, we do go back and, generally speaking, adjust time frames to help the organisations.

Senator ROBERTS: That hasn't happened in a number of cases that have been brought to me.

Ms Campbell: We can get those.

Ms Rundle: I just want to acknowledge though something that you did mention. You talked about the overall delay. I think Mr Lye is right regarding 'caretaker'. The other thing is that we have been a little behind, but we've really sped up and we now have a timeline that will enable us to get back on track. That's why for that interim period we did talk to states and territories about where there were difficulties to see what we could do to resolve those. If you've got particular examples that you can give me later on, I'm very keen to know what they are so that we can follow up for you.

Senator STEELE-JOHN: Thank you. Also, about 350 folks applied for ILC funding in that round and I think 37 were successful in their application. Do you provide individual feedback on applications that are unsuccessful so that organisations can figure out where they may have gone wrong and then are able to adjust for future applications?

Ms Rundle: Can I just ask you something first, Senator? When you refer to 37, are you referring to the National Information Program round that's just been announced, because there were 37 recipients there?

Senator STEELE-JOHN: Yes. That's 350 applications and 37 successful recipients; that would be the one that I'm referring to.

Ms Rundle: There are a couple of points. One goes to the DSS grants hub, which Mr Lye might want to jump in and say something about as well.

Ms Campbell: I don't have specific knowledge on this round and we could see whether we could get it. But generally, when there is a selection process run, the grants hub does provide feedback. Sometimes it's of a general level. Particularly if there were 350 and 313 of those were unsuccessful they might have given them general comments, but there is also the opportunity to seek more specific comments. I don't have the exact data on that round, I'm sorry, but we can take that on notice.
Senator STEELE-JOHN: Take it on notice; thank you very much. I'd like to turn now to the information that I have here in relation to the amount of money that the agency has been allocated to deal with the royal commission into disability abuse. It is still 27.62 million?

Ms Campbell: I don't think there have been any changes to that.

Mr Walter: No changes.

Senator STEELE-JOHN: I note that that's just shy of what's been given to advocates to do that work on the ground with participants. Could you give me some understanding as to what went into the calculation of that figure and the intended uses of that money?

Ms Campbell: The Department of Social Services worked with the agency to develop those costings. I'm just seeing whether we've got any specific detail about what that breakup was. Do you guys have that detail?

Mr Walter: We can take on notice to give you the exact breakdown. But, in fairness, at a high level, it's for the staff that actually run it to respond to the queries that are received from the royal commission, to make sure from a legal perspective and a privacy perspective that we're obeying the laws, and then also to prepare our own staff for the process. We've also undertaken a fairly detailed file review to identify where we may have issues that we should be addressing upfront.

CHAIR: Senator Steele-John, it is one o'clock, so we will go to our break now, if that's okay.

Senator STEELE-JOHN: As long as I can do the Quality and Safeguards Commission when we get back.

CHAIR: We are looking for agreement to return at 1.45 pm instead of 2 pm and we will continue on with outcome 3 at that point. I know that Senator Brown still has some questions to ask as well. We'll go back to Senator Brown straight after.

Proceedings suspended from 13:00 to 13:46

ACTING CHAIR (Senator Dean Smith): I'll be chairing the committee for the early part of the afternoon. Senator Askew advised me that we were proceeding with questions from Senator Steele-John, Senator Siewert and then others.

Senator KITCHING: Just before that, could I just ask some questions about access. I'm going to put some questions on notice on Mr Walter's figures and I'm going to ask you to cut the data in particular ways. Can I clarify what happens when someone gets access per se? What does that mean to you? Does that mean, for example, that someone gets their wheelchair immediately?

Ms Rundle: No. When they get access they get access to the National Disability Insurance Scheme as a participant.

Senator KITCHING: What is the wait time for assistive technology to arrive?

Ms Rundle: I'll just go to our data, if I may. I will have to take that on notice. I have numbers but not averages—

Senator KITCHING: Did you say you have some numbers?

Ms Rundle: Yes, but not average wait times.

Senator KITCHING: What numbers have you got? Have you got that by state or by—
Ms Rundle: For assistive technology, I have the average days taken to get the quote accepted.

Senator KITCHING: What is that?

Ms Rundle: For assistive technology, many things can be bought directly by the participant themselves and don't require a quote. Other things which are bespoke, specialised or very expensive require a quote.

Senator KITCHING: How do you define expensive?

Ms Rundle: At the moment, we're defining anything over $5,000 as requiring a quote, but we're just looking at whether we should increase that threshold.

Senator KITCHING: When would that decision be made?

Ms Rundle: Likely in the coming months once we have a bit more experience about a recent improvement that we made in relation to the $5,000 and under. Maybe I can provide a little more context. When we first engineered or built the AT business process, I think we all learned that we over-engineered it. We made it a bit difficult and didn't streamline it as much as it should be. We've been working to try and reverse engineer it. We started off by saying that anything under $1,500 could go straight into a participant's plan with no quote at all. We're just implementing that everything under $5,000 has that same flexibility now. We're in the middle of implementing that. We'll have that implemented by the end of December. When we see the effect of that then we will think about what is the next threshold that we may go to.

Senator KITCHING: How much is a wheelchair—a basic wheelchair with no special features?

Ms Rundle: I can safely say that 'just under $5,000' was a figure we gave recently to a similar question, but it varies.

Senator STEELE-JOHN: A cheap wheelchair—

Ms Rundle: It varies, especially when you have particular needs. I should also say that if a person already has an item of equipment and they're replacing it, one of the other things we have changed is that they can replace it like for like without the need for any onerous processes. Going to a wheelchair, if it was one that was more bespoke then they could replace it with a similar wheelchair.

Senator KITCHING: I'm going to ask you to take on notice the percentage, and I can imagine there might be some participants whose conditions may worsen as they get older—so you start here and then you can't replace like for like. Do you know what I mean? So you then have to get approval. I would like that information.

Senator STEELE-JOHN: I'm sorry, Ms Rundle, but what do you mean by 'like for like'?

Ms Rundle: One example would be a prosthetic device such as a prosthetic leg. If someone needed a prosthetic leg that was quite different—for example, if they now need a prosthetic leg that is able to be used in water and they didn't have one before—

Senator STEELE-JOHN: But not a chair. There is no such thing as a like-for-like chair.

Ms Rundle: No; quite so. I mean like for like for yourself. So if you have a chair that is like this, it will be like for like for you.
Senator KITCHING: What is the wait time for a plan review—I would like a specific answer—and for assistive technology to arrive? So the wait time for a plan review in relation to that. And then the wait time, how you can cut the data. I imagine, given Mr Lye's evidence this morning, that it is a complex scheme to administer and you can't fit lots of people into a few round holes. If you are able to give me a quick answer now, that would be helpful.

Ms Rundle: I can't give you a quick answer to the question you just asked because the data will need to be cut in the examples that you've just used.

Senator KITCHING: You are going to give me the wait time for a plan review for assistive technology and you are going to give me a wait time for a plan review generally in the categories by which you normally break it down. I presume you do have categories?

Ms Rundle: We have wait times. We do know how many scheduled plan reviews are due. What you're referring to is a change of circumstance where a person might raise it. That's different. We don't have any visibility until people tell us that they want to do that.

Senator KITCHING: Is every plan reviewed anyway or do you wait for the participant in some instances to come back to you and say, 'I need a wheelchair with this following modification,' or something like that?

Ms Rundle: It can normally happen in two ways. One way is that you're coming up for a two-year plan review—longer, shorter—and you decide to wait and you have that conversation then, or you can say: 'Look, I need it. My plan review is not for so many months so I really need it looked at now.' That would be referred to as a change of circumstance and that would be what we call an unscheduled plan review and we would review the plan.

Senator KITCHING: Can I ask how many people have died in the time between submitting the access request form—I am going back to access—and receiving supports? I'm aware of one—because their family has written to me—where they waited and the person died before he received a wheelchair. Have you got an answer on that?

Ms Rundle: We're going to take questions relating to participants, particularly because of the privacy nature of that, on notice.

Senator KITCHING: I'm pretty sure that, if I had a family member who died, I wouldn't have a privacy complaint. I'd be doing exactly what these people are doing.

ACTING CHAIR: No. I don't think you can take a liberty like that.

Senator KITCHING: What I want to know, and you can take it on notice—I will keep coming back to you about this, so it would save all of our time if you could give a full answer initially rather than have me come back to you again and again—is how many people have died in the time between submitting the access request form and receiving supports. I would like those figures to be provided in a breakdown of the various supports. I would like it broken down by state or territory. I would like that also with the information about the age of the applicant or the participant.

Ms Rundle: Well, we've—
Senator KITCHING: If you can tell me now that you're not going to do that—if you're actually saying to me that you won't do that—then I will FOI you. If you're telling me you can't do it then I want to have the information that you are able to give, and then we will iterate backwards and forwards about that information.

Ms Rundle: Senator, the first thing I would say to you is that in all cases we want to be as helpful as we can. That's my absolute predisposition to any question that's asked. The second thing I would say is that we will take away all of your questions and see what is possible and we will come back to you and describe, if not all is possible, why it's not possible. The third thing I feel I must say is that, whilst any circumstance is very tragic, I don't think we can make an assumption about anything until we understand the circumstances of the case. Beyond that I don't think I can comment now.

Senator KITCHING: I am aware of someone else who used to work in this building who has also been waiting for nearly 18 months for a wheelchair.

Ms Rundle: If that's the case, I would very much welcome the—

Senator KITCHING: He's not dead yet.

ACTING CHAIR: Ms Rundle, you only have to answer the questions. You do not have to answer statements. You are only required to answer the question.

Ms Rundle: Thank you. I'm offering to take the information—

Senator KITCHING: I might have been using the subjunctive tense. Ms Rundle, could you continue with your answer.

Ms Rundle: If you can tell me later who that person is, I will try and find out why they have had a wait of 18 months. That's unacceptable.

Senator KITCHING: It is totally unacceptable.

Ms Rundle: If that's the case, it is unacceptable.

ACTING CHAIR: Thank you, Senator.

Senator KITCHING: No, I'm nearly finished, Chair.

ACTING CHAIR: No, you can put your hand down. I am chairing this meeting. For the interests of all senators, it was agreed prior to the lunch break that 2.15 would be a hard marker where we would be moving from this outcome to the next outcome. It was also foreshadowed that Senator Steele-John and Senator Siewert also had questions.

Senator KITCHING: I have two more questions.

ACTING CHAIR: Two more questions.

Senator KITCHING: Can the agency provide answers in relation to the early intervention plans? I would like that by state and territory respectively for children under six years and children over six years. Also, in June, children were waiting, on average, 127 days to get access to an NDIS plan from the day they were deemed eligible for the scheme. Minister Robert said there were 4,700 children in June that had reached 50 days, that number is down to 1,700 and it will be zero by the end of the year. That is a different figure from the figure you gave me earlier, which I think was given in June 2019, when you told me 3,400. I'm going to give it to you on notice, but I'd like to understand the discrepancy around that figure.
Ms Campbell: Was all of that question on notice?

Senator KITCHING: If you can tell me why you have a figure of 3,400 and the minister has stated 4,700, that would be helpful now.

Ms Campbell: I know that the officers at the table do have the information by state.

Senator KITCHING: Great.

Ms Rundle: We've got the information by state on early childhood plans, kids with early childhood plans. I can't answer that question without looking at the date that the minister was referring to.

Senator KITCHING: If you could find that detail, I will, through the minister, come back to you about the person who's been waiting for 18 months.

Ms Rundle: That would be good.

Ms Campbell: Can I clarify that that question will be taken on notice?

Senator KITCHING: I'm happy for it to be taken on notice because we're running out of time. I have suggested a spillover day. I'm not sure that my colleagues are necessarily minded that way.

ACTING CHAIR: Let's worry about those things later so that we're not chewing into other senators' time.

Senator STEELE-JOHN: For clarification, is the term 'exit' still used as the official terminology for a participant who passes away while they're still within the scheme? That's the right phrase, isn't it—the participant has exited the scheme?

Ms Rundle: We use the term 'exit' to cover a range of reasons why a participant might not be in the scheme anymore. I'll need to check this for you, but in the recording in a person's file it might be more specific about the fact that they may not have—

Senator STEELE-JOHN: Would you be able to take on notice for me—this may be a larger project—since we've been at full scheme, the number of folk that have exited the scheme due to passing away within my state of Western Australia since we started collecting that data, whenever the trial sites commenced way back when?

Ms Rundle: All right.

Senator STEELE-JOHN: I have some questions for the quality and safeguards commission folk. This is continuing a line of questions that I have asked at each estimates since you have been in the job, Mr Head. Could you provide us with an updated figure regarding reportable incidents related to allegations of abuse, neglect, violence and exploitation that have been given to the commission between 25 October 2018—which is the last time that I asked you this question—and now?

Mr Head: I have the total financial year numbers. I don't have the subset of those numbers that go from 25 October to now. We've just published our first full-year report on reportable incidents. I remind senators that the model for implementing the quality and safeguarding arrangements has states migrating in progressively. These numbers relate to New South Wales and South Australia. I also remind senators that reportable incidents include both things that are known and things that are alleged. The numbers do not reflect a one-to-one relationship with things that have actually happened. Many matters require police
investigation, investigation by us or other agencies. With that in mind, the total number of reportable incidents for New South Wales and South Australia for 2018-19 was 4,537. About 36 per cent of those related to the unauthorised use of restrictive practices. It might be helpful for senators to be aware that, with the unauthorised use of restrictive practices, the arrangements in the rules and the act take quite a conservative approach. Where plans are not in place, or in some jurisdictions where there are not authorisation processes for every class, the obligation is on the provider to report. We expect in the transition to see higher numbers of reportable incidents in that category while providers are putting plans in place et cetera.

Senator STEELE-JOHN: Have you got a further breakdown of types of reportable incidents?

Mr Head: Yes. Our annual report includes the breakdowns against the same categories that we talked about last year, as I said. There were 1,618 reports of unauthorised restrictive practices and 1,925 reports of alleged abuse and neglect. That includes the full range of things from verbal abuse to much more serious forms of physical abuse. Known serious injury, including accidents, was 614. Providers are also obliged to report to us any death that occurs in connection with the receipt of supports and services. There were 353 such deaths, many of which were not unexpected deaths. In relation to that category, many of the matters that come to us are subject to coronial inquiries.

Senator STEELE-JOHN: Could you also tell me how many of those 4,000 or so reportable incidents resulted in contact with the police?

Mr Head: I believe that, across that whole number, in the order of 900 of those matters are matters that have been referred to the police. Our role is to oversee the providers. Providers are obliged to have an incident management system. They're also obliged to report a reportable incident to us. Part of our role when they make a report is to ensure that they're managing that incident in accordance with the requirements of the rules, and that will include whether or not they've notified the police about a matter that should be notified to the police.

Senator STEELE-JOHN: Just to clarify, Mr Head, you currently cover New South Wales and South Australia. What work has been done by the commission to engage with those states that currently aren't covered by your mandate to prepare them for coverage?

Mr Head: For 2018-19 we operated only in those two states. We are now operating in all other states since 1 July this year.

Senator STEELE-JOHN: I thought that was the case.

Mr Head: Except for WA, which comes in on 1 July next year. Extensive work is done in advance of transition to ensure that (1) the migration of providers goes very smoothly, which we did, and (2) that we reach out to participants so that they're aware of the role the commission will play instead of the state agencies they've dealt with in the past, and that we've dealt with the various statutory officers and stakeholder groups. This time around, and in advance of WA, we had new participant packs developed, messages which went directly to participants encouraging them to order material in the format that best suited their needs, such as Braille, AUSLAN interpretive resources—a wide range of things. We also did extensive outreach to providers about what their new obligations would be, as well as a second national workshop for advocates around the changes and what they represented.
Senator STEELE-JOHN: Could you take on notice for me and provide the figures that you have for between the end of 2018-19 and today, in terms of the same categories that we've been talking about?

Mr Head: Yes.

Senator STEELE-JOHN: Particularly, I'm interested in referral to police.

Senator CAROL BROWN: I'm going to ask some questions around planning. Is there some sort of guiding document or a flowchart that planners use?

Ms Rundle: There's quite a bit of guidance. Are you asking about something specifically?

Senator CAROL BROWN: Generally.

Ms Rundle: Yes, there is. There's guidance around how to make an access decision for people working in that area. There's guidance around planning and how to approach planning. There's also guidance around making an assessment of reasonable and necessary supports.

Senator CAROL BROWN: Is that available? Is that something that you can give to the committee?

Ms Rundle: It's internal guidance. Some of our guidance is published on our internet. It's mostly internal guidance for planners, but I'm sure—

Senator CAROL BROWN: You provide them with information on how to—

Ms Rundle: Yes. That's supported by training.

Senator CAROL BROWN: As they make the decisions around plans?

Ms Rundle: We do.

Senator CAROL BROWN: What's the turnover rate for planners?

Mr Aikman: The turnover rate for all of our APS staffers, as I mentioned a little earlier, was 10.7 per cent. I'll need to double-check my numbers.

Senator CAROL BROWN: If you can do that on notice—

Mr Aikman: I can do that and provide—

Senator CAROL BROWN: If you could provide it by state and territory or whatever.

Mr Aikman: Yes.

Senator CAROL BROWN: Provide that information.

Mr Aikman: We can do that, yes. Just to clarify, it was 10.87 per cent.

Senator CAROL BROWN: Thank you. On notice, if you can break it down for me, that would be good.

Mr Aikman: Sure.

Senator CAROL BROWN: There was a media report on 17 October in the Daily Telegraph; I'm sure you would know about it, Ms Rundle, because the NDIA are quoted in that story. I'm trying to get an understanding of why brothers who suffer from the same rare genetic condition have vastly different plans. Do you recall that media report?

Ms Rundle: Yes, I do. I know of the cases. I may have the actual detail of each of the children here, but as we said earlier we may not talk about that. We did respond quite quickly to that family. There are a number of things that we have done to resolve their issues.
Senator CAROL BROWN: I thought you would because it was in the paper. Can you try to help me understand why this situation would have occurred? I'm trying to understand what process the planner went through to arrive at the decision for each of these boys that was so different, when they suffer from the same condition.

Ms Rundle: One of the issues was that they may have had different planners. That doesn't answer your question properly. One of the things we did was to link them up in the system so that we could identify that they were siblings and we could look at their plans together. I don't know the circumstances of why each of the planners made such different decisions, except that I would note it is a very inconsistent decision between the two, and we quickly set about to address it.

Senator CAROL BROWN: You've addressed the brothers' issues. Is it actually finalised? They haven't got an appeal pending? They're not in the AAT?

Ms Rundle: I'd need to check for you in a moment. Mr Walter might check while you continue with your questioning.

Senator CAROL BROWN: Things have obviously moved on since the article of 17 October, but the article indicates that one of the participants is now before the AAT.

Ms Rundle: I think what—

ACTING CHAIR: Are you referring to an article, Senator Brown? Do you have that available?

Senator CAROL BROWN: Ms Rundle's already indicated she's well aware of it.

Ms Rundle: I am familiar. I don't have it with me but I think I'm familiar with it.

ACTING CHAIR: You're familiar with it?

Ms Rundle: I think I'm familiar with the article. I would need to come back to you on the participant details separately, outside the session. You must have the permission of the participant for me to do that.

Senator CAROL BROWN: I'm only reading from the article.

Ms Rundle: Okay. If you're talking about the general question of people making different decisions, one of the things that we've acknowledged is that we still need to make sure that our training continues to be rolled out properly, and we also do some testing of our decisions, so that we can get the consistency that we're looking for.

Senator CAROL BROWN: First of all, I'm not sure if the issue has been resolved. I will put some questions on notice around that, Miss Rundle. You say you've come in to assist the family, I'm assuming. There are these sorts of issues around inconsistent plans for similar conditions, and this is a really good example where they've got the same condition. In fact, my understanding is the participant who had their funding cut significantly has actually also got an intellectual disability as well. I can't understand it, and obviously the family can't understand it. It's good that the agency is looking at it, but fundamentally there's an issue in terms of that training.

Ms Rundle: Whenever issues like these arise, we would always, to go to your point, look at the root cause of the issue and then we would try to make sure we feed that back into our improvement loops. In this case it would definitely go back to the people in question who made those decisions, firstly to understand what happened and to try to understand the
circumstances and then, if required, to give some remedial professional advice. This points to
the feedback that we get where we start looking at where we need to focus on our training
more. We do know this is an issue. And I talked before about the workforce growing
significantly. We know that this is an issue that we are continuing to work on.

Senator CAROL BROWN: Essentially you're saying this sort of situation occurred
around training?

Ms Rundle: I need to exactly understand whether or not there was a reason for that
decision. Indeed, I know that it was dealt with and I asked that it be dealt with quickly. I
wouldn't normally get involved in the detail of some of these things unless they remained
unresolved. I would expect the senior managers in the agency to resolve that.

Senator CAROL BROWN: How many complaints does the agency receive about
planners?

Ms Rundle: Sorry?

Senator CAROL BROWN: How many complaints do you receive about planners?

Ms Rundle: I can talk about complaints in general and I can talk about complaints—

ACTING CHAIR: Before we go to complaints, just in the interests of the committee, we
have passed 2.15 pm. The committee had reached agreement in regard to what it would do at
2.15 pm, so I'm looking for some guidance about whether you would want to—

Senator CAROL BROWN: Chair, I was going to keep going until you reminded me of
it. I will put them on notice, Ms Rundle.

ACTING CHAIR: Thank you very much, Senator Brown. Consistent with the
committee's previous decision, we will end outcome 3.

[14:18]

ACTING CHAIR: We will now move to outcome 1, social security. For the interests of
those at home who are watching, Senator Siewert will lead off the questions when officials
have come to the table.

Senator SIEWERT: I want to start with the issue around the figures for people on
Newstart who have a partial capacity to work and the change to the figures that have been
reported. Can I just check that the table that has now been supplied actually has now corrected
all the figures back to what it should have been—not just for every two years. Is that a correct
understanding?

Mr Williamson: The June quarter data that we put forward has been released. We have
also gone back and done a consistent time series; so you are able to map comparative numbers
over that time.

Senator SIEWERT: The last time the figures were reported—for the March quarter—
they were just on the 200,000 mark; that's right, isn't it?

Mr Williamson: Yes.

Senator SIEWERT: They're nearly 279,000. So we've seen an increase of 11,000 over
that period of time?

Mr Williamson: Between the March quarter and June quarter? I will just confirm with Mr
Bennett. I think that's about right.
Mr Bennett: If I could clarify, were you asking what the Newstart partial capacity work figure was as at March 2019?

Senator SIEWERT: My take on that now is that the corrected figure—from what it was previously—is 278,970. That's a corrected figure, isn't it?

Mr Bennett: We are just getting that.

Senator SIEWERT: Everyone should have this table that was circulated—yesterday, I think, wasn't it?

Senator CAROL BROWN: No.

Senator SIEWERT: I beg your pardon, sorry.

Mr Williamson: I don't think that's a table that we've circulated.

Senator SIEWERT: I think we pulled it off your website. I beg your pardon.

Senator Ruston: For clarification, I think the material that Senator Siewert is referring to is something that was made publicly available yesterday.

Senator SIEWERT: Yes, I beg your pardon.

ACTING CHAIR: My interest is only to ensure people are all working off the same document.

Senator SIEWERT: This is publicly available data.

ACTING CHAIR: I understand that. I just wanted to make sure everyone was working off the same document.

Senator SIEWERT: I was confusing it with the CDC data that was circulated yesterday. I apologise.

Senator Ruston: We know what you're talking about.

Senator SIEWERT: The officials know what I'm talking about.

ACTING CHAIR: I am just wondering if the people at home who are watching may not be picking it up.

Senator SIEWERT: This is the activity tested payment by work capacity of June 2019. There's a full table of the years for those corrected figures, as understand it, from 27 June 2014 to 28 June 2019.

Mr Williamson: Yes.

Senator SIEWERT: Do you have the figures for the latest quarter?

Mr Williamson: The latest quarter is the June quarter data.

Senator SIEWERT: You don't have anything for September?

Mr Williamson: No.

Senator SIEWERT: Can I ask you to take that on notice?

Mr Williamson: Certainly.

Senator SIEWERT: Basically, because of the errors, we have been underreporting consistently over that period of time—underreporting the number of people with partial capacity to work.
Mr Williamson: We wouldn't characterise them as errors. It was a data rule that has existed since 2006. It has been a consistent rule that has been applied since that time, in terms of reporting partial capacity to work. In the course of our usual day-to-day activities of looking at payments in demographics et cetera, it came to our attention that there was probably a better way it could be reported, a more fulsome way. We investigated that, and the data that was published yesterday reflects that. The data that was previously published—the rule that existed on data.gov, which is the public domain—was correct against that rule.

Senator SIEWERT: The bottom line is: you've been underreporting the number of people with a partial capacity to work. Thank you for the correction. But you've been underreporting it; is that not true?

Mr Williamson: The number of recipients—in this case we're talking about the number of Newstart recipients with a partial capacity to work—has increased. The rule that we have now put in place looks at people over the whole series of time.

Senator SIEWERT: It is 289,489, where previously you were reporting just on 200,000.

Mr Williamson: Yes.

Senator SIEWERT: It is 289,489, where previously you were reporting just on 200,000.

Mr Williamson: I am not trying to dress it up. I am just telling you how we reported it previously and how we report it now.

Senator SIEWERT: I'm not going to keep arguing with you over that. In terms, then, of the percentage of people, or the number of people, who are reporting working with a partial capacity to work, have you gone back then and looked at that, using that same process?

Mr Williamson: Just for clarification, that's for people who would be reporting earnings?

Senator SIEWERT: Earnings, sorry, yes.

Mr Williamson: Let me just confirm with Mr Bennett. We don't have that readily available. We can certainly look into it. I don't know if we can get it for you now, but we can try.

Senator SIEWERT: There are two things I'm trying to find out. The first is what the latest figures are for those reporting earnings, but then I'm very keen to know whether the figures that we've been using as a percentage are correct, or have you gone back and then—

Mr Williamson: I understand your question.

Senator SIEWERT: You understand what I'm trying to find out?

Mr Williamson: I'll need to find out if we've gone back and changed that data series or not. Off the top of my head, I'm not sure.

Mr Bennett: With me today I have got earnings for the total population of Newstart who have earnings and those who don't have earnings. But as you've asked the question specific to a subset of partial capacity—

Senator SIEWERT: It should come as no surprise that I'd be asking this, because I've asked about this before. And I've been particularly interested in that group of people who have a disability or are sick who have not been eligible for DSP and whether they've been able to gain work.
Mr Williamson: We will see if we can get you that data today. But, if not, we can take it on notice.

Senator SIEWERT: That would be appreciated. Are you able to tell me, for the 289,489—for that percentage—how many have earnings? Are you able to tell me that now?

Mr Williamson: No.

Mr Bennett: That is the question, I think, we just took on notice to get that for you.

Senator SIEWERT: You are taking on: have you reworked the whole lot?

Mr Bennett: Then part 2 of the question.

Mr Williamson: And also that, yes. We only have the earnings data for the whole of the Newstart population. We don't have it broken down right here for the partial-capacity-to-work population. We are just checking to see if it's available for us to be able to tell you that today. If not, we will take it on notice. We have officials looking at it.

Senator SIEWERT: You might as well tell me the overall Newstart one.

Mr Bennett: In terms of people who had earnings, it is 131,388—approximately 19 per cent of the population.

Senator SIEWERT: Nineteen per cent of the whole population?

Mr Bennett: Of the Newstart population, 19 per cent.

Senator SIEWERT: If you are able to get that for me today, that would be appreciated. I want to ask a more general question before I go to my other questions about partial capacity to work. Yesterday we were given Targeted Compliance Framework data that showed a large number of people whose job plans are not adequate or are inappropriate—in particular, those two groups. Have you been paying attention to that and looking at why those groups of people are getting to the point where they've had three demerit points, they're having their capability assessment and then going back to 44 per cent? Then it's higher if you break that down into cohorts; it is higher for some cohorts. Have you had a look at that and have you been talking to the department about it? I have got some more detailed questions coming after that.

Mr Williamson: The Targeted Compliance Framework, as you know, is with the Department of Employment, and it is their responsibility. In terms of how people are streamed initially, that's Services Australia who conduct those assessments. So it is fair to say we have an interest in the overall system, but we haven't done specific work on that.

Senator SIEWERT: That's why I'm asking. These people are people—you are the Department of Social Services—who are falling out of the system. I will get to the 104,000 that are falling completely out of the income support system in a minute. But these people here, the 289,000 people who had a partial capacity to work who are being forced to do programs of support, I would suggest to you, have you looked at whether these are the people that are not getting appropriate plans from their job service providers? Have you spoken to the agency? I know very well it's a different agency; I was talking to them yesterday. Have you looked at that and started looking at this cohort of people? We know from previous data that people with partial capacity to work have a much lower percentage of reporting earnings than those that don't have a disability.

Mr Williamson: Yes.
Senator SIEWERT: So you have looked at it?
Mr Williamson: Sorry, no. I thought you were asking a question about the earnings.
Senator SIEWERT: So you agree with that?
Mr Williamson: Yes.
Senator SIEWERT: This may be a question for the minister. Is there an ongoing process of working with the department to look at the 44 per cent of people in that group who are being sent back to zero because their plans are inappropriate? In other words, we're not supporting them properly.
Mr Williamson: We have not undertaken a specific piece of work on that. It comes back to the fact that the compliance framework does not sit within this portfolio.
Senator SIEWERT: This is a group of people for whom you are responsible for the Department of Social Services; you are providing income support. The system is not supporting them well; they are falling through the cracks in that system. Who looks at whether the system is supporting the people for whom you are providing income support—as low as it may be?
Ms Campbell: The department of employment is responsible for that framework and the operation of that framework.
Senator SIEWERT: You are responsible for providing income support for these people with a disability and administering the system that keeps them on less than $40 a day.
Ms Campbell: The administrative arrangement orders indicate that the department of employment is responsible for that compliance framework.
Senator SIEWERT: Can you see why people are so frustrated with this system? It's as plain as the nose on your face that the system is failing these people. There are nearly 300,000 people with a disability, and you can't tell me whether they're the group of people who are failing in the system for the targeted compliance framework.
Ms Campbell: For the targeted compliance framework, there was evidence given yesterday. The officers at the table have said we haven't undertaken any work on that. We can talk to the department of employment. I would assume they are taking appropriate action. They had that capability review after the third demerit point to see whether there are issues. The whole change to the compliance framework was to provide additional support to those people, to make sure that they understood the system and were able to comply. It also gave them the opportunity to be re-assessed to determine whether they were getting the correct supports. I know you're not going to like this, but I think the department of employment are best placed to answer questions—
Senator SIEWERT: They couldn't answer them yesterday.
Ms Campbell: about the best ways to support those individuals into employment.
Senator SIEWERT: You can't tell me today how many of those people have earnings?
Mr Williamson: Yes.
Senator SIEWERT: You can? Thank you!
Mr Williamson: We can only do it for the June data.
Senator SIEWERT: I'll take what I can get.
Mr Williamson: In the June quarter, the population you were talking about was 289,489. Of those, 41,907 had earnings in the last fortnight, representing about 14½ per cent.

Senator SIEWERT: Are you able to tell me the range of their earnings?

Ms Campbell: We might have to take that on notice.

Mr Williamson: Sorry, we don't have that here.

Senator SIEWERT: Can you take that on notice?

Mr Williamson: Yes.

Senator SIEWERT: I'm interested to know the degree to which they're earning.

Mr Williamson: Certainly.

Senator SIEWERT: They're in the partial capacity to work group. What about the work capacity for 30 hours plus per week?

Mr Williamson: I don't think we've got a breakdown of the range of earnings. Again, we would have to take that on notice. We could provide the information on the range of earnings for both—the whole Newstart population and the partial capacity to work population.

Senator SIEWERT: Yes. Then, on notice, could you work backwards so we have it for all of the recalculation group of people.

Mr Bennett: I can give you some data: nil earnings, 555,397—this is total population; I don't have it broken down—$0 to $104, 5,848; $104 to $254, 16,083; and then over $254, 109,457.

Mr Williamson: That's the 19 June quarter data.

Senator SIEWERT: That's the overall population, isn't it?

Mr Bennett: Correct.

Senator SIEWERT: It's not the partial?

Mr Williamson: Partial capacity would be a subset of that. We would have to go through and break that up for you.

Senator SIEWERT: That would be much appreciated. I'm asking these questions assuming this is against the new calculation. Is that a safe assumption?

Mr Williamson: The numbers released yesterday are the numbers we're working from.

Senator SIEWERT: How many people with a partial capacity to work have had an exemption from the activity test requirements?

Mr Bennett: As I understand it, the issue we'll have is that the exemption is done at a higher level. I don't have the ability to break it down at the moment between people with PCW, who'd have the exemption, versus non-PCW, so I'm going to have to take that on notice.

Senator SIEWERT: I'm speculating that people with a partial capacity to work may have an increased number of exemptions.

Ms Campbell: We can test that hypothesis for you.

Senator SIEWERT: That would be great. How much is it for the broader group of people?
**Mr Bennett:** I don't have the exemptions with me, let alone the subsets.

**Senator SIEWERT:** Could you take it on notice for exemptions against the broader group of people on Newstart and then for those with a partial capacity to work? You can break it down that far, can't you?

**Mr Williamson:** We're unlikely to have that data with us today.

**Senator SIEWERT:** I understand. I'll put them on notice; I have a lot of questions around the breakdown of that data into cohorts, so I will put those ones on notice. As I understood it recently from another inquiry, it's not a time of 18 months for the program of support. It doesn't include the exemptions. So, if I've had an exemption for a couple of months due to illness or the severity of my disability, I have to then keep trialling the program of support. That's correct isn't it?

**Mr Williamson:** I'll ask Ms McGuirk to take you through the program of support.

**Ms McGuirk:** Yes, that's correct. That's why people have 18 months within a three-year period to undertake the program of support. They have an exemption. They're essentially not connected with their employment service provider at that time, so that doesn't go towards their time on program of support.

**Senator SIEWERT:** What happens after the three years if I haven't managed to complete that?

**Ms McGuirk:** It's, I suppose, a rolling period of time.

**Senator SIEWERT:** But you've just said it's usually within a three-year period.

**Ms McGuirk:** I'll confirm that for you on notice.

**Senator SIEWERT:** If I haven't completed in three years do I have to start again?

**Ms McGuirk:** I'll confirm that.

**Mr Williamson:** Our understanding is that it's rolling, but we'll confirm it for you.

**Senator SIEWERT:** Yes, but you said for three years so—

**Ms Campbell:** We'll see if someone out the back knows.

**Ms McGuirk:** Someone might be able to get that.

**Senator SIEWERT:** If they have to start again, that only makes somebody's life even harder, someone who already has a disability. Could you take on notice—I'm presuming that you won't be able to answer this one either—the number of people who have a program of participation exemption while on a program of support?

**Ms McGuirk:** No, we don't have that.

**Senator SIEWERT:** You don't keep that at all?

**Ms McGuirk:** Exemption data is department of employment data—

**Mr Williamson:** We have to go to Employment to get that data.

**Ms Campbell:** We'll take that on notice.

**Senator SIEWERT:** So I'm better off—

**Ms Campbell:** We can work with Employment.

**Senator SIEWERT:** If I have a partial capacity to work I should be sending these to—
Mr Williamson: Exemption related issues sit with Employment, but we are happy to work with Employment; we have taken the question and I'll give you that data.

Senator SIEWERT: Thank you.

Ms McGuirk: I might be able to clarify what I said before. A person meets the POS requirement if they participate for 18 months within three years prior to their DSP claim. So it's the date of the DSP claim when you go back three years. If you claim again, you've got a different period of time.

Senator SIEWERT: So, if I do my 18 months over a three-year period, put my claim in and the claim fails and I'm found not eligible, I then have to start the whole process again?

Ms McGuirk: If you reclaim, we will look at the three-year period prior to your next claim.

Senator SIEWERT: Will you? So I don't have to do another 18-month program of support?

Ms McGuirk: The 18 months would still have to be within the three years.

Mr Williamson: It would be problematic if you did it at the start, but if you did it at the end then you wouldn't have an issue.

Ms McGuirk: It depends when you're adding it on.

Senator SIEWERT: Okay. You may need to take this on notice. How much is the cost of providing the program of support? Is there a different costing on that?

Ms McGuirk: Program of support very much depends on the employment services they go to. They could be in DES or jobactive or ParentsNext. They have a range. We don't have the pure cost of that.

Mr Williamson: So we're not funding for the program of support as such. It's a requirement that's needed for some people, for DSP. But, as Ms McGuirk said, it depends on what an individual's program of support is. The only way to do that, which would be quite difficult, would be to look at all the individuals who've gone through it and say, 'What activities they participated in?'

Senator SIEWERT: They have to demonstrate that they've participated in the program of support, and in order to do that they have to go to their job service provider?

Ms McGuirk: Yes.

Senator SIEWERT: If I'm undertaking a program of support, I put in an application for DSP. I haven't done my 18 months. I'm put in a program of support. To trigger the program of support, do I have to put in an application or can I put one in in three years or whatever the time period?

Ms McGuirk: For the program of support, it's just the engaging with your employment service provider. There's no separate application for doing that. It's just engagement with an appropriate employment service provider.

Senator SIEWERT: Yes. We just call it 'program of support'.

Ms McGuirk: Exactly.

Senator SIEWERT: It's just a name.
Mr Williamson: Yes, it's not a program as such.

Senator SIEWERT: I don't get any extra things.

Ms McGuirk: It's tailored to an individual's need, the level of impairment, what exactly is required to improve their capacity.

Senator SIEWERT: This is part of the problem that we've identified through the department of employment—if I'm on Newstart but I've got a partial capacity to work, when does it get determined about when I have a partial capacity to work?

Mr Williamson: That would generally be determined when you applied for Newstart.

Senator SIEWERT: That's where we get into the problem of some people not being identified until they get to that third demerit point.

Mr Williamson: Yes, there would be circumstances where that's the case. As the secretary previously mentioned, one of the underpinnings of the target compliance framework is to give that opportunity to look and re-assess where appropriate. A job services provider at any stage can refer a client back for a further assessment. If the provider felt there were issues and barriers there that hadn't been picked up, they can refer them back for a further assessment.

Senator SIEWERT: Another question on notice in relation to employment will be how many of the providers have asked for reassessment. When somebody's applied for DSP and they've got their own information, their psychiatrist's report, for example—

Mr Williamson: Medical information.

Senator SIEWERT: or their medical information, is that handed—sorry, I'm trying to phrase this in a way that makes sense. Do you keep records of the people that end up on Newstart, that have actually already applied for DSP and been found not to meet the 20 points, on the one table? Do you keep records and the numbers of people that have done that?

Mr Williamson: So specifically people who have applied for DSP—

Senator SIEWERT: Yes.

Mr Williamson: have not been granted because they didn't meet 20 points on one table?

Senator SIEWERT: On one table, yes. Therefore, they are program of support people—

Ms McGuirk: But they met 20 points across a variety of tables, therefore, programs—

Senator SIEWERT: I will ask about that group and then the other group.

Ms McGuirk: Those that met across several tables, therefore, need to fulfil the program of support requirement. We have an annual number of people whose DSP claim is rejected because they haven't met POS.

Senator SIEWERT: Can you give me that?

Ms McGuirk: We have provided you with some numbers previously. I might update the 2017-18 number as well for you because when you repeat the data sometimes you can pick up, through appeals and that sort of thing, a new number.

Senator SIEWERT: Are those numbers under the old system or the new system?

Mr Williamson: These numbers aren't affected by that data.

Senator SIEWERT: They are unaffected by that data.
Mr Williamson: That was a rule change only for the partial capacity to work cohort. It doesn't affect any of the other data that we publish on a quarterly basis.

Senator SIEWERT: Right.

Ms McGuirk: This is the number of people whose DSP claim was rejected because they've not met the POS requirement. In 2017-18 it was 1,919 and in 2018-19 it was 1,347.

Senator SIEWERT: Thank you. I've got some more detailed questions in terms of cohorts again, but I think there's no point in asking them now. I'll put them on notice because it'll take up too much time. Can I go then to the general issue around impairment tables. I understand the impairment tables will be up for review in 2022.

Ms McGuirk: Yes.

Senator SIEWERT: We have previously talked about it a little bit, but is there any further progress in the review process that's going to be undertaken?

Ms McGuirk: We're scoping that out at the moment.

Senator SIEWERT: You're scoping that out at the moment? What's the time line or the intention for that?

Ms McGuirk: I suppose we're just working backwards from 2022, to work out some milestones in that. We are at the early stages of scoping that piece of work so we can get it across the line in 2022.

Senator SIEWERT: Thank you. Will there be a review of the programs of support process as part of that or is it purely about the impairment tables and not about how the system is working overall?

Mr Williamson: It is about the impairment tables, but it doesn't mean we don't consider things more broadly. That's something we would consider and provide advice to government on.

Senator SIEWERT: In terms of whether you should assess it or not, or you will assess it and provide advice to government?

Mr Williamson: On the process for reviewing the tables, we will provide advice to government at different stages about the process. And then as we are going through it we will take into account factors more broadly within the DSP space.

Senator SIEWERT: Thank you. Can I keep going?

ACTING CHAIR: Great minds think alike. I was just about to inquire whether or not you might like to take a little break. We might go to Senator Dodson for a period and then come back to you.

Senator SIEWERT: Fair enough.

ACTING CHAIR: Senator Dodson, questions in outcome 1?

Senator DODSON: Thank you, Mr Acting Chair. The set of questions go to Newstart and youth allowances. How many people are on Newstart or youth allowances in the drought-declared areas?

Mr Williamson: We don't have data broken down to the local government areas that are drought declared. We'd have to take that on notice for you.
Senator DODSON: Thank you. Could you also take on notice, since you don't have the basics, how long has this change been going on over the last five years? Has there been any change here in the last five years?

Mr Williamson: You're interested in the number of people on Newstart in those areas over the previous five years?

Senator DODSON: Yes.

Mr Williamson: We'll take that on notice.

Senator DODSON: How many people in the drought-declared areas have had the ordinary waiting period—and it may relate particularly to the drought period—or the liquid assets waiting period waived because of financial hardship?

Mr Bennett: I would have to take that one on notice.

Senator DODSON: Thank you. Can I keep going, Mr Acting Chair?

ACTING CHAIR: Of course, yes.

Senator DODSON: My other set of questions go, in the main, to the minister's press release on 14 July, which was a really good press release, Minister. It goes to pensions and deeming rates. Does the department know the number of people impacted by deeming rates broken down by state, territory and payment types?

Mr Williamson: We know the number of people impacted overall and I think by payment types. I am not sure if we've got state and territory, but we'll get that for you.

Ms McGuirk: Around 620,000 age pensioners and around 350,000 people receiving other payments are expected to benefit from the deeming changes and payments, as I was mentioning. I just mentioned the age pension. In relation to Austudy, we're looking at around 5,700 people impacted; carer payment, around 51,000 people impacted; disability support pension, around 87,000; jobseeker payment—and by that I mean all of the payments that would be encompassed by the jobseeker payment: Newstart, sickness allowance and those types of payments—around 124,000; parenting payment partnered, nearly 14,000 people; parenting payment single, nearly 46,000 people; special benefit, 10,500; and widow allowance, nearly 1,500. It is the same with youth allowance other, nearly 1,500; and youth allowance student, 12,500.

Senator DODSON: What's the average value of the financial assets held by pensioners and how are financial assets distributed amongst the pensioners? Can you break that down either by quartiles or short periods?

Ms McGuirk: We certainly don't have all the information available that you're looking for. Let me just see what I do have.

Senator DODSON: If you don't have it, you can take it on notice.

Senator McCarthy: Can I just query that you will take on notice the first question, though, the deeming provisions by state?

Ms McGuirk: By state, yes.

Senator McCarthy: Thank you.

Ms Campbell: Yes.
Mr Williamson: Senator Dodson, we will need to take that on notice.

Senator DODSON: So you don't have anything more. You can't provide me even the average now?

Ms McGuirk: A broad average. On average, age pensioners, for example, are expected to benefit by $9.59 per fortnight for singles and $12.06 per fortnight for couples combined. I can go through each payment type with an average as well or the other payments—

Senator DODSON: Yes, that would be useful.

Ms McGuirk: The average change per fortnight for Austudy was $1.07; carer payment, $3; disability support pension, $3.89; jobseeker payments, $2.32; parenting payment partnered, $1.11; parenting payment single, 74c; special benefit, 28c; widow allowance, $5.51; youth allowance other, 33c; and youth allowance student, 90c. That's the average change per fortnight.

Senator DODSON: Can you tell me how do you come to calculate this?

Ms McGuirk: It's just part of the—

Mr Williamson: The models that we use for it—

Senator DODSON: There are models for it?

Mr Williamson: Yes—are able to show how many people are on those particular payments and how many people are impacted by deeming, as we gave you the numbers before. It's an average, so it's looking at that population for the payment, the assets that they hold and the impact that will have on their deeming rates. Obviously it's an average and the distribution can be quite wide of that impact.

Senator DODSON: Since July, the Reserve Bank has cut the interest rate three times by 0.75 basis points. What impact has this had on the number of people on full and part pensions?

Ms McGuirk: We apply the deeming rate. There is no direct relationship to the RBA cash rate because we use the deeming rate.

Senator DODSON: The fact that the cash rate changes has no impact on you?

Ms McGuirk: The RBA's official cash rate doesn't directly feed into our assessments about deeming rates. It's not a direct measure of the returns that are available on investments.

Senator DODSON: When the minister announced in the press release on 14 July that there would be changes to the deeming rates, dropping the upper deeming rate from 3.25 per cent to three per cent and dropping the lower deeming rate from 1.75 per cent to one per cent, the press release indicated that this costs $600 million over four years. What is the annual cost of this change?

Ms McGuirk: I don't have a breakdown here by financial year. It's similar annually, but I don't have it here.

Mr Williamson: It's roughly 150 across the forwards.

Senator DODSON: You can take it on notice and get back to me.

Mr Williamson: We can get the exact data for you.
Senator DODSON: Since you don't have the basic data here, can you tell me how it relates to the upper deeming rates and the lower deeming rates?

Ms McGuirk: We'll see what we can provide you on notice, Senator.

Senator DODSON: What's the average benefit of this change for a homeowning couple?

Ms McGuirk: I don't have data with me for homeowner versus non-homeowner.

Senator DODSON: So you wouldn't have it for singles then?

Ms McGuirk: The information that I've provided to you before about the average impact is 74c for a single person.

Ms Campbell: That was for parenting payment single, I think.

Mr Williamson: We went through all the payments and—

Ms Campbell: We went through all the different amounts. For example, for the age pension the average change per fortnight was $7.44.

Senator DODSON: So it's in those average figures, basically.

Ms McGuirk: That I read out, yes.

Senator DODSON: How many pensioners will benefit from the $1,053 extra a year for couples and an extra $804 per year for singles that was referenced in the media release? How many people are going to benefit?

Ms McGuirk: Around 1,831 single pensioners received more than $30 a fortnight, which brings it to the $780 annually. Around 2,700 or so coupled pensioners received more than $20 a fortnight. That's $20 per fortnight individually or just a bit over $40 combined, and that's $1,040 a year.

Senator DODSON: As a percentage of all pensioners, how many got the amounts promoted by the minister in the minister's statement?

Mr Williamson: I think the minister's press release referred to what the maximum increases were. Based on those figures, probably about one per cent.

Senator DODSON: One per cent got the benefit?

Mr Williamson: The maximum benefit. Before, we gave you the average benefits and we ran through those payment by payment.

Senator DODSON: Does the maximum benefit correlate to what the minister said, in terms of the amounts?

Mr Williamson: I understand that the minister's release referred to the maximum that an individual or a couple could receive.

Senator DODSON: How is the decision made about the extent of the reduction in the deeming rates? How do you make that decision? Has the department established a methodology? I asked you about something like this earlier.

Mr Williamson: I might answer the first part and then hand over to the minister. The department provides advice to the minister on deeming rates. In terms of how we provide that advice, no, there isn't one formula or methodology. We take into account a whole range of information. Primarily, deeming rates are about looking at what returns somebody could reasonably expect to achieve from financial investments. We look across the range of
financial investments that this cohort of people may be able to invest in and provide advice on that basis to the minister.

Senator Ruston: By way of background, when I was first appointed as the minister responsible for this particular area of policy I sought from the department a briefing and advice around the current rates of deeming, particularly in respect of the broader marketplace. Subsequent to receiving that advice, and after speaking to other ministers in portfolio areas that are impacted by this, particularly the Finance and Treasury portfolio areas, I collected all of that information and decided that it was appropriate, on the basis of the information that I had received, to make a recommendation to drop the deeming rates, particularly the lower deeming rate as it applied to more liquid assets, given that the information that was provided to me showed that it was those lower or more liquid assets that had been impacted by changes in the market circumstances over the last little while. That was the basis on which I made the decision. Subsequent to that, we continually monitor what's in the marketplace in relation to the financial assets that make up the basket of assets that people hold their money in. That's the process through which I determine the appropriateness of the current deeming rate.

Senator DODSON: Continuing on with that discussion, is there an objective set of criteria that might guide you or is this just out of the largesse of your heart—you feel a bit sorry for pensioners and people on low rates and you want to do something good for them? For instance, is it twice a year that you do this, because there's been a threshold change of some type or there's been an interest rate move? What objective criteria might move you to consider the deeming rates?

Senator Ruston: We constantly monitor the assets in the marketplace. They range significantly from at-call transaction accounts that have almost negligible interest rates right the way through to some of the higher paying assets, particularly ASX200 shares and assets, superannuation returns et cetera, and all of the assets that sit somewhere in between those two levels. We constantly monitor the returns in the marketplace. It's quite evident when there are significant changes. When there are significant changes, obviously, that was why, at the time when I first came in, I sought the advice of the department and other ministers in relation to this issue. But it is an ongoing monitoring process and we try very hard to make sure that it reflects the market rate for the kinds of assets that people do hold their financial assets in.

Senator McCARTHY: Minister, do you think that the deeming rate should change again if interest rates are cut further?

Senator Ruston: Obviously, if the suite of products that make up what people hold their assets in change significantly, we would continually monitor that and make changes that reflected what the marketplace was showing. One of the things that we need to be very clear about is that the overnight cash rate—the clearing rate for banks with the Reserve Bank, which is what the cash rate is—is only one of the factors that play into the market returns that people can get for various financial assets.

Senator McCARTHY: What is the basket of assets that the government is assessing at the moment?

Senator Ruston: As I mentioned in response to Senator Dodson, while accepting that people will probably hold some of their cash in at-call transaction accounts, which are very low interest, right the way through to a range of assets like term deposits, ASX-listed stocks.
and superannuation, the two thresholds—the lower deeming rate and the upper deeming rate—reflect the fact that people with smaller amounts of cash are more likely to hold them in more liquid assets that pay lower returns than people who have larger amounts of cash that are more likely to hold them in longer term assets that pay higher returns.

Senator DODSON: Minister, thanks for that intervention; it was most helpful. What does the department do to help keep the minister abreast of these changes and movements?

Mr Williamson: As the minister indicated, one of our roles is to make sure that we're keeping across the returns that are available.

Senator DODSON: Is this a regular thing? Do you do this monthly, quarterly, weekly or fortnightly?

Mr Williamson: There is no regular occurrence of the briefing of the minister as such. Part of our core work is to monitor the markets and the returns that are available. If we saw that there were changes in those returns, we could brief the minister, bringing changes to the minister's attention. That doesn't mean it says, 'Change the deeming rate.' It might say, 'The environment's changing and it's something to keep under close watch.' Equally, at any stage, as the minister's indicated, when she came to the portfolio one of the first things she asked us for was a briefing on deeming rates. It can be a request from the minister; equally, the department might, through our normal course of business—

Senator DODSON: I think I've got the picture that it's pretty ad hoc, except for the diligence that you apply in your particular roles. There's not a monthly report to the minister on the trends or anything else?

Mr Williamson: That is correct.

Senator DODSON: That's the position, isn't it?

Mr Williamson: Yes.

Senator DODSON: My last question is—

Senator Ruston: Senator Dodson, I have only been in the portfolio for just over four months, and during that time I have received very regular advice in relation to the marketplace. Whilst it isn't a matter of saying, 'You must report to me on the 28th of every month,' I would say that the level of advice that I continually get across all of my areas of responsibility is very timely and quite significant.

Senator McCARTHY: Can I take you to the Pension Loans Scheme? I want to get some information. How many outstanding loans are there?

Ms McGuirk: Currently—that's a September figure—there are 1,131 participants in the Pension Loans Scheme.

Senator McCARTHY: What's the total and average value of the loans?

Ms McGuirk: I don't have that here with me. I'd have to take that on notice.

Senator McCARTHY: Okay. Has there been an increase in Pension Loans Scheme updates since the change in July?

Ms McGuirk: Certainly. Prior to June, the numbers were hovering around 700 or so. In June 2019 there were 768 participants; as I said in September 2019 it's at 1,131.
Senator McCARTHY: What's the average value of fortnightly payments that people elect to have under the Pension Loans Scheme?

Ms McGuirk: I don't have that average value. I'll have to take that on notice.

Senator McCARTHY: Okay. The Reserve Bank has cut the cash rate seven times since February 2015. How many times has the government adjusted the Pension Loans Scheme reverse mortgage rate?

Senator Ruston: By way of clarification, the Pension Loans Scheme, as you rightly pointed out in your description of it, is, I suppose, akin to a reverse mortgage. It's not exactly a reverse mortgage but it is akin to a reverse mortgage. Currently, the average rate of reverse mortgage that's available in the private sector—outside this particular product that's in the marketplace—is about 100 basis points higher than the rate that is applied to this particular product, which is specifically designed for pensioners to be able to access additional income, fortnightly income, on the basis of drawing down against an asset that they own. I want to be very clear that this is a version of a reverse mortgage. It is not something that parallels to a standard mortgage.

Senator McCARTHY: Minister, do you expect the Reserve Bank to cut interest rates again in the near future?

Senator Ruston: That's a matter for the Reserve Bank.

Senator McCARTHY: How are decisions made about setting the reverse mortgage interest rate?

Mr Williamson: Similar to deeming, we provide advice to the minister on the Pension Loans Scheme rate as we monitor the markets.

Senator Ruston: Senator, as you may be aware, yesterday the government publicly stated that currently we are reviewing this particular rate. I draw to your attention the fact that it is currently below market rate. As is our general practice, we do continue to monitor this and the deeming rate. I think that a public statement was made yesterday by the Treasurer that I will be reviewing this rate over the coming days.

Senator McCARTHY: This is probably for the department: is regular advice provided to the government?

Mr Williamson: Again, similar to deeming, we provide periodic advice. It can work in two ways. It can be advice generated by the department if we see changes or it can be advice that is requested by the minister.

Senator McCARTHY: When you see a cash rate change, you would provide advice—or would you do it only when you're asked for it?

Mr Williamson: No, we would not always provide advice on a cash rate change because increasingly you see a divergence between cash rate changes and returns. I'm interchanging here between deeming and the Pension Loans Scheme. To give you a sense, you see a divergence in what's happening with the returns on financial assets in the markets.

Senator McCARTHY: When did you last provide advice to government about the Pension Loans Scheme interest rate?

Mr Williamson: The most recent piece of advice was when we discussed this with the minister yesterday.
Senator McCarthy: If a pensioner gets a better deal somewhere else, can they move their reverse mortgage?

Ms McGuirk: The Pension Loans Scheme is drawing down on your real estate assets to support a higher standard of living through receiving essentially an amount equivalent to the pension on a fortnightly basis. It's not the same as borrowing a large amount of money. The maximum fortnightly amount of pension loan that you can receive recently increased from 100 to 150 per cent of the maximum age pension. Based on current fortnightly rates of pension, for example, the maximum loan plus pension is $1,400.10 for a single or $2,110.50 for a couple combined. They're the 20 September rates. It's a fortnightly amount that you receive, so it's not directly comparable.

Senator McCarthy: Mr Williamson, you said you had briefed the minister yesterday. When was the last time before that, though?

Senator Ruston: Can I give a point of clarification regarding the previous answer? You asked a very specific question. If someone wished to go and seek a different product in the marketplace, they are entirely entitled to do so. There is no penalty if they choose to go to a market based product instead of availing themselves of the government offered product. I want to be very clear about that.

Mr Williamson: You can opt out of the pension loan plan scheme at any stage.

Senator McCarthy: You said you briefed the government yesterday. When was the time before that?

Mr Williamson: In the budget context.

Senator McCarthy: In the budget context?

Mr Williamson: Yes.

Senator McCarthy: As in during the budget?

Mr Williamson: In the 2019-20 budget.

Senator McCarthy: In May?

Mr Williamson: No, that is actually not correct. In fact, in May Mr Williamson briefed me because there were some changes because of the greater availability of this product that came into effect on 1 July. I was briefed around the implication of that at the time. I'm not sure whether it was Mr Williamson or the secretary, but I was briefed in July.

Senator McCarthy: Early July?

Senator Ruston: Yes, around that time. I couldn't be exactly sure.

Senator McCarthy: Would you like to take that question on notice?

Mr Williamson: We can take that on notice, yes.

Senator McCarthy: I know you have just provided your answer on the reserve mortgage question, Minister, but I want to ask this one: is DSS aware that better reverse mortgage rates are available outside the Pension Loans Scheme, given that they do have an option of what they want to do? Are you aware of that?

Mr Williamson: The information I have to hand here indicates rates—I can read the four products out, if you want me to—that are above the Pension Loans Scheme rate. They're not
better rates. They're rates that are above the Pension Loans Scheme rate. That's not advantageous to the person—

Senator McCarthy: They aren't cheaper options?

Mr Williamson: No.

Senator McCarthy: Does the department use debt to fund the mortgage scheme until the equity stake that has been taken in homes is repaid?

Mr Williamson: How the Pension Loans Scheme is taken onto the government's books is actually a question for Finance or Treasury.

Senator McCarthy: What rate does the government borrow at for this purpose?

Mr Williamson: Again, that's a question for the departments of Finance and the Treasury.

Senator McCarthy: And what is the annual cost of this debt to government?

Mr Williamson: Again, those are questions that should be directed to the Treasury and the Department of Finance.

Senator McCarthy: Does the government make a loss or a profit on the reverse mortgage scheme?

Ms Campbell: We don't think of it in the context of profit or loss, we think of it as providing a program of assistance to Australians.

Senator McCarthy: But you must take it into account somehow in the budget, wouldn't you?

Ms Campbell: We do. The recent changes included the cost to the scheme.

Senator McCarthy: But you must take it into account somehow in the budget, wouldn't you?

Ms Campbell: Again, these are probably good questions for Finance and Treasury, but my understanding is that this is an expense. It is expensed out of the special approp, isn't it?

Senator McCarthy: It is just that yesterday the media reported that the government was reviewing the Pension Loans Scheme interest rate. How was DSS informed of the review? Was it in the media?

Ms Campbell: We were discussing it, as the minister has already provided evidence, with the minister yesterday.

Senator McCarthy: Who asked for it to be completed?

Mr Williamson: Our discussions were with the minister.

Senator Siewert: Did the minister ask you or did you ask them? Or did you provide advice?

Senator Ruston: I asked.

Senator Siewert: You asked?

Senator McCarthy: You asked for it. When will it be completed?

Senator Ruston: I'm hoping to have some further advice. I have already received a level of advice, which we've provided to you today. I was just making sure that we were totally up to date in terms of the products that were already out in the marketplace. I'm hoping it will be something that will happen over a matter of days. It's not a review that will require a long time.
**Senator O'SULLIVAN:** I have some questions in regard to the cashless debit card.

**Ms Campbell:** The cashless debit card is generally in outcome 2, which I think we are due to commence soon.

**Senator ROBERTS:** Data is needed to make sound, objective decisions and policy, I'm sure you'll agree, but in this area of child support there seems to be a lack of data. Quite often when there's a lack of data, in my experience, it destroys objectivity and increases misrepresentations, politicisations and emotive false claims. I'm not accusing anyone of that, but there seems to be a lack of data in this area. Perhaps I could just go through and ask you for some data.

**Ms Campbell:** We will seek to answer what we can today and take on notice what we can't.

**Senator ROBERTS:** Is there a record of cause of death of payers of child support?

**Ms Campbell:** I'm wondering if some of these questions might be better targeted to Services Australia, who are on this evening. They actually run the child support scheme. The data we have would probably be about rates and things like that—that more operational data.

**Senator ROBERTS:** How about I go through a few more questions and you can tell me if—

**Ms Campbell:** Okay.

**Senator ROBERTS:** What is the number of children who receive child support payments who spend no nights with the paying parent? How many child support change-of-assessment applications are appealed to the Administrative Appeals Tribunal each year? Can you provide details over the last five years?

**Ms Campbell:** Services Australia are the best place to provide that data for you.

**Senator ROBERTS:** I will come back.

**Ms Campbell:** They're on tonight.

**Senator SIEWERT:** Do you know the number of children living with a parent or person who is on Newstart or youth allowance? Do you have oversight of that?

**Mr Williamson:** Just let us check one thing, if that's okay?

**Ms Campbell:** I'm thinking just how the data might come out. It would be people on Newstart or youth allowance, did you say? And then those who also have family tax benefit? It's going to be whether or not we can cross-reference.

**Senator SIEWERT:** Not everyone on family tax benefit is on Newstart.

**Ms Campbell:** No. It would be those people on Newstart or youth allowance, did you say? And then those who also have family tax benefit?

**Senator SIEWERT:** Yes, if you have oversight of that.

**Ms Campbell:** What I'm worried about is that we don't have it today.

**Mr Williamson:** If you can bear with us just for 30 seconds, we will tell you whether we can today or not.

**Mr Bennett:** I might have something, but I'm not quite sure if it'll go as far as you'd like. It comes back to data around who on Newstart also gets family tax benefit. That would be an indicator.
Senator SIEWERT: Ms Campbell was using that as an indicator. You're right, yes.

Mr Bennett: I can you tell you that 18.5 per cent get family tax benefit, but I can't break it down by FTBA and FTBB.

Senator SIEWERT: Is that 18.5 per cent of Newstart and youth allowance?

Mr Bennett: Just Newstart.

Ms Campbell: Generally, would they be on youth allowance or would they be on parenting payment single?

Senator SIEWERT: That's what was going through my head.

Ms Campbell: I'm trying to think of the construct—

Mr Williamson: They are more likely to be on parenting payment single, but no doubt there'll be some—

Senator SIEWERT: They are more likely to be on Newstart; you're right.

Ms Campbell: Because by the time the kid grew up they'd be over 22.

Senator SIEWERT: It would take you over 22; you're right. That doesn't tell me how many children they have, though.

Mr Williamson: We'll have to take it on notice.

Senator SIEWERT: Can you take it on notice? At the moment I can use 18.5 per cent as an indicator—

Ms Campbell: With children—at least one child.

Senator SIEWERT: Thank you very much for that. I'm sorry to bounce back. I apologise, I should have asked this one first. I just wanted to go back to the review of the impairment tables. I've got a process question. You're still working out the process that will be undertaken. Is it intended that there'll be consultation with the broader community, experts in the area and, in particular, disability organisations and people with disability?

Ms Campbell: We're yet to brief government. We haven't briefed government, have we? So those decisions are yet to be taken.

Senator SIEWERT: Are you thinking about that?

Ms Campbell: We would look at what the practice was last time. In good bureaucratic measures we'd go back and see what was undertaken on the last occasion.

Senator SIEWERT: The Australian Federation of Disability Organisations released three reports very recently around the cost of living when living with a disability on DSP and Newstart; around impacts on First Nations peoples; and around health. Has the department provided any advice to government on those three reports?

Mr Williamson: I think that may have been a question we discussed in another hearing. Generally, we would provide advice to the minister when reports are released—at least information sorts of briefs—and we did for those reports.

Senator SIEWERT: Pushing on, can I go to drug testing? That is here, isn't it?

Ms Campbell: Yes.

Senator SIEWERT: I have a lot of technical questions which, to your vast relief, I'm sure, I'll put on notice. I want to go back to this issue of the treatment fund. It's going to be
divided up into those three categories you talked about earlier. In terms of actual treatment: how will the decisions be made about modality of that treatment?

**Mr Williamson:** It will be on a case-by-case basis, but I will ask Mr Bennett—

**Mr Bennett:** Because we've previously had these discussions I won't go through the architecture again. You will get to a point after the second drug test where someone will be referred, effectively, to a medical professional who will then determine what the appropriate treatment is, based on the testing result.

**Mr Williamson:** And the person's circumstances.

**Senator SIEWERT:** What happens if that particular type of service is not available in that particular trial area? How will they then access treatment?

**Mr Bennett:** The treatment fund had three components. One of the components was, effectively, an additional reserve element that could be used if existing services within the treatment area were not available for that person, so that they could get funding.

**Senator SIEWERT:** What you're saying is that if that particular modality of treatment service that they were recommended for is not available they would access that stream—you were talking about those three streams—that is about individual support? Is that correct?

**Mr Bennett:** Sorry, when you say three streams, was that about how we broke the funding into three elements?

**Senator SIEWERT:** You break the funding up. Yes, that's what I meant, I beg your pardon.

**Mr Bennett:** It would be then that third element of approximately $6 million that they could, yes.

**Senator SIEWERT:** I'm still asking what happens if it's not available in that particular area? And if it is, do they jump the queue, if there is a queue? We've had a lot of evidence around the capacity of services.

**Mr Williamson:** For example: if they need a place in something and at that stage there are no places available, then the expectation is that they would have their name down and be making every effort to get a place. There's no expectation about jumping a queue or anything like that.

**Senator SIEWERT:** So the question then is, 'Am I meeting my requirements while I'm in the queue?'

**Mr Williamson:** Yes, that would be one of your requirements too. But you will have other mutual obligation requirements associated with your payments. I just want to be clear on that; that wouldn't be the only one.

**Senator SIEWERT:** I think there may be a misunderstanding then, because I understood—and I think others do—that you are meeting your mutual obligations if you are then accessing treatment.

**Mr Williamson:** It will depend on the personal circumstances, the treatment required and whether any other mutual obligations might be associated with the payment. Again, it would be on a case-by-case basis. The expectation is that if, for the appropriate treatment, there was
no spot available on that day or at that time, and your name is down, when it becomes available you undertake that treatment.

Senator SIEWERT: But, in waiting on the list, am I meeting part of my mutual obligations?

Mr Williamson: Yes.

Senator SIEWERT: Waiting on the list would count?

Mr Williamson: Yes.

Mr Bennett: As Mr Williamson was saying, there will be a range of options associated with treatment—everything from counselling, as we have previously discussed, all the way up to residential. Sometimes I have seen the conversation where people conclude that residential is the only type of treatment—

Senator SIEWERT: Yes, not all the treatments are residential treatments. No, I understand that.

Mr Bennett: That's right.

Senator SIEWERT: There are also queues for other services. I can tell you that. It's not just queues for residential services.

Mr Bennett: Yes. I just wanted to clarify.

Senator SIEWERT: I have a lot of issues around robo-debt, most of which I will take up through the inquiry. It's here that I ask these, isn't it?

Ms Campbell: With respect to the Department of Social Services and the actual operations, it is Services Australia this evening.

Senator SIEWERT: Okay. So the issue about the release of the pause on those very early debt notices that was reported last Saturday—

Mr Williamson: That's Services Australia.

Senator SIEWERT: I understand that. However, I want to know whether you knew that had happened. Had it been reported to you?

Mr Williamson: Can you take me through exactly what you're asking?

Senator SIEWERT: There was a release of the pause on some of the very early online compliance debt notices. It was reported in the newspaper on Saturday. You're looking at me blankly; you obviously don't know about this issue.

Ms Campbell: We might have missed this one, Senator.

Senator SIEWERT: It obviously has not been reported to you.

Ms Campbell: Someone may have reported to us. I think I'm confused by 'media last Saturday', which I must have missed, so I'm just going to have a quick look.

Senator SIEWERT: Let me take you through the scenario. As I understand it from the reporting, a group of identified potential debts that were put on hold through what was then DHS accidentally got reactivated earlier this year.

Mr Bennett: Senator, I'm aware of what you're asking but I will need to take it on notice because it's going back to a point in time before I had responsibility for the activity. I would need to do the investigations around that.
Senator SIEWERT: Could you take on notice whether you were informed, when you were informed and what action you took when you heard about them?

Ms Campbell: We'll take that on notice.

Senator SIEWERT: Thank you.

Senator DODSON: These questions relate to the payment integrity bill and the pension cuts and liquidation assets waiting period, fundamentally. Information has been provided in relation to the previous iteration of the payment integrity bill. I'm after some further updated figures. How many people will be impacted by the increased residency period for the pension and for DSP for each of the forward estimate years and for the medium term?

Mr Williamson: We won't have the medium term, but I'll ask Ms McGuirk to take you through the figures.

Senator DODSON: In relation to the enhanced residency requirements, approximately 720 age pension and DSP claimants will be affected each year. Can you break that down by state and territory? You may have to take that on notice.

Ms McGuirk: We may not be able to do that, but I'll see what we can do.

Senator DODSON: How many people will be impacted by increasing the liquid assets waiting period for Newstart for each of the forward estimate years and for the medium term?

Mr Bennett: I can't answer for the medium term, but I can say that over the four-year period from 2019-20 to 2022-23 it would impact around 10,000 claimants each year.

Senator DODSON: Can you break that down by states and territories?

Mr Bennett: I can't.

Senator DODSON: What's the age and gender profile of the people impacted by the increased liquid assets waiting period?

Mr Williamson: We wouldn't have that information, Senator.

Senator DODSON: Would you take it on notice?

Mr Williamson: Generally when we're modelling those sorts of measures we wouldn't model down to that level of detail. But I'll take it on notice to see if it's possible.

Senator DODSON: It may be a useful exercise—not that I want to create more work for you. How many of these people who will be impacted over the forward estimates will be over 55?

Mr Williamson: Again that's something we would have to see if it's possible to get.

Senator DODSON: And over 50?

Mr Williamson: We'll look into it for you.

Senator DODSON: What proportion of people over 50 will be men and what proportion will be women?

Mr Williamson: We'll take that on notice.

Senator DODSON: With the extension of the liquid assets waiting period, what's the period that's involved now?

Mr Bennett: At the moment, depending on a person's circumstances it's a period of between no weeks up to 13 weeks. The measure extends that 13 weeks out to 26 weeks.
Senator DODSON: What proportion of people get a job while serving the liquid assets waiting period?

Mr Bennett: I don't know that.

Senator DODSON: If a person gets a redundancy payment and puts the money into their home loan, would they still have to serve a liquid assets waiting period?

Mr Bennett: If someone gets a redundancy and rolls it over to superannuation it's not counted for the liquid assets test waiting period, but for the scenario you're pointing out I would prefer to take that one on notice.

Senator DODSON: These are particular circumstances, I understand. How many exemptions have been given to the existing liquid assets waiting period because of hardships in the last year?

Ms Campbell: That might best be a question for Services Australia because they do those exemptions.

Mr Williamson: We don't have that data.

Senator DODSON: To whom should I ask the question?

Ms Campbell: Services Australia—the old DHS, Department of Human Services.

Senator Ruston: They're on tonight.

Senator DODSON: Thank you. In relation to the proposed non-payment of the pensioners' supplement after six weeks overseas, how many pensioners will be impacted over each year of the forward estimates and the medium term?

Ms McGuirk: Senator, 88,000 recipients who currently reside overseas will be impacted. On top of that, 41,000 new departures in the first year, because that's a half-year effect if we look at a 1 January start date, and then 84,000 new departures every year after that.

Senator DODSON: Can they be broken down by states and territories?

Ms McGuirk: I don't believe so, but we will see what we can provide.

Ms Campbell: We can, but the people who are living overseas now won't have a home state or territory; we won't be able to identify that.

Senator DODSON: If you can do that, can you do that by country of birth as well?

Ms McGuirk: I'll see what can be provided to you on notice.

Senator DODSON: Thank you.

Senator McCarthy: Senator Siewert asked a few questions on the drug testing trial bill, but I'd like to go through some comprehensive questions on it as well.

Mr Williamson: The officials are coming.

Ms Campbell: We have the drug testers.

Senator McCarthy: We have the people at the table?

Mr Williamson: Yes.

Ms Campbell: Experts.

Senator McCarthy: In relation to the drug-testing-trial bill, how many medical experts have supported this policy?
Mr Bennett: There are a wide range of views associated with the drug-testing policy.

Senator McCARTHY: How many medical experts? Do you have the numbers?

Mr Bennett: Not with me.

Senator McCARTHY: Will it take you long to get them?

Mr Williamson: We don't necessarily go out there and canvas medical experts, in that sense, to say whether they support or not.

Senator McCARTHY: You haven't had any correspondence?

Mr Williamson: Yes, we've had extensive consultations.

Senator McCARTHY: Medical experts in those consultations?

Mr Williamson: In some cases, yes, but those consultations don't go to 'Do you support or not support the drug testing trial?'

Senator McCARTHY: You must at least identify some of the concerns or support—

Mr Williamson: We hear their views, yes.

Senator McCARTHY: How many medical experts support the policy?

Mr Williamson: I don't think we can give an answer on that.

Senator McCARTHY: Could you take that question on notice? Clearly you do have the answer.

Mr Williamson: No, I don't have that answer.

Senator McCARTHY: I'm sure you can go back through the consultations you said you've had and let us know how many medical experts support that policy.

Mr Williamson: In those consultations we were not asking medical experts the specific question 'Do you support or not support the drug testing?'

Senator McCARTHY: If you get a letter from the AMA and the AMA raises concerns about the drug-testing policy, what do you do with that? Do you park that? Do you throw that in the bin? Do you make a note, 'Concern is being raised over here; let's have a look at the issues they're raising'?

Mr Williamson: We take it seriously. We respond and we provide advice to government.

Senator McCARTHY: Therefore, you would give advice to the minister, I assume: 'Minister, are you aware that the AMA is not happy?' I'm just using that as an example. Is that what you would do?

Mr Williamson: We would not provide individual advice. We provide advice to government on the consultations we have undertaken.

Senator McCARTHY: You would consider that as medical expert opinion.

Mr Williamson: Experts—the AMA? Yes.

Senator McCARTHY: Thank you for taking that question on notice. I look forward to your response. How many addiction experts have supported this policy?

Mr Williamson: I think it's the same answer.

Senator McCARTHY: Okay—if you can take that question on notice. How many councils and mayors of the impacted communities have supported this policy?
Mr Williamson: I'll take that on notice.

Senator McCarthy: Will this trial be a randomised control trial in terms of its design?

Mr Williamson: Not strictly in the sense of a full randomised control trial, but participants will be randomly selected.

Senator McCarthy: Will you assess the effectiveness of different interventions in people getting a job?

Mr Williamson: Yes.

Senator McCarthy: How will you do that?

Mr Williamson: As part of the testing measure it will be evaluated. It's been announced by the government that an evaluation will be undertaken. Money has been put aside for that. The evaluation will look at the effectiveness of the drug-testing trial, including different interventions.

Senator McCarthy: Will one group be neither tested nor offered information about addiction services?

Mr Williamson: We have not yet conducted the procurement for the evaluation. We will take the advice through the procurement process when we undertake that procurement.

Senator McCarthy: When will that occur, if it is successful? What is your time line?

Mr Williamson: As we have previously said in evidence to hearings, the procurement will be undertaken if the legislation passes the parliament. It will be undertaken between that period and the trial commencing.

Senator McCarthy: Just on the testing of certain groups, will another group be tested in terms of this trial?

Mr Williamson: Sorry, what do you mean by 'another group'?

Senator McCarthy: I've just asked you will one group be neither tested nor offered information about addiction services and you've given your response to that. I'm just trying to understand which groups you're offering information and access to addiction services to.

Mr Williamson: The trial is for 5,000 new recipients of Newstart across the three locations.

Senator McCarthy: When DSS presented evidence to the committee inquiry into the drug-testing bill, the department indicated 420 to 450 people might return a first positive test and 90 to 120 people might return a second positive test. What percentage of people are you estimating will fail the two tests?

Mr Williamson: You're asking for the 90 to 120 on 5,000?

Senator McCarthy: These are the figures you've provided. I'm just trying to understand what estimate you've given to those who will fail the two tests.

Mr Williamson: We'll get that for you.

Senator McCarthy: You can take this question on notice too: why is there such a big difference between the estimated number of people who failed the first and second tests?

Mr Williamson: We'll take that on notice.

Senator McCarthy: What method did you use to estimate these numbers?
Mr Williamson: I think we may have previously given that evidence. I'll see if I can find that for you now. It's about two per cent who would fail both tests.

Mr Bennett: The expected number of positive tests was modelled using data from the 2013 National Drug Strategy Household Survey and Services Australia administrative data. In relation to modelling the number of positive initial drug tests, the 2013 National Drug Strategy Household Survey report showed that 5.3 per cent of Australians had used illicit drugs within the last week. This figure was adjusted to take into account the higher rate of drug use among unemployed Australians compared to all Australians in the previous 12-month period, as reported in that survey, which was effectively 24.5 per cent compared to 15 per cent. Effectively, the formula was used to arrive at the 8.5 per cent assumption—that is, 24.5 divided by 15 times 5.3 equals approximately 8.5.

Senator McCARTHY: That's your methodology in estimating the numbers; is that correct?

Mr Bennett: As we've previously discussed in other inquiries, this was an estimate associated with what would be the positive results from the drug testing—taking into account that this type of trial hasn't been completed elsewhere, so we had to come up with a methodology. It is an estimate.

Senator McCARTHY: So 24.5 divided by 15 times 5.3 equals 8.5?

Mr Bennett: Effectively.

Mr Williamson: They're the numbers, but, as Mr Bennett said, they were based on those—

Senator McCARTHY: Those reports—the data.

Mr Williamson: It wasn't just those four numbers that we randomly selected.

Senator McCARTHY: Is the reduction in numbers because you assume people withdraw from social security or get a job or because they don't use drugs as a result of the first test?

Mr Bennett: The result between the first test and the second test was that there is evidence that some people are occasional users of illicit substances and some people have more frequent use. That was taken into account. That's how you get a difference. Some people might get one positive test but then they might not, when they are subject to further testing, test positive again.

Senator McCARTHY: How many people do you expect to suspend from payments for not complying with their job plan?

Senator Ruston: Can I be clear: you are asking how many people do you imagine will refuse the test? Is that the question?

Senator McCARTHY: Expect to suspend, yes.

Senator Ruston: I think they're two different questions.

Senator McCARTHY: We can ask the two questions, sure. How many do you expect to suspend and how many do you expect will refuse?

Senator Ruston: One of them we wouldn't necessarily know, apart from the existing data on how many people potentially don't meet their mutual obligations as opposed to how many
people do you believe are likely to refuse to take the test when they're required to, and, as a result, will be suspended. Are they the questions you're asking?

Senator McCARTHY: Sure. What would the—

Mr Williamson: We don't have assumptions for either of those.

Senator McCARTHY: Would you like to take those on notice?

Mr Williamson: We haven't made assumptions for either of those.

Senator Ruston: We haven't made assumptions. The other point that could be made here is that this is a trial, and, as part of that trial, we're seeking to gather a body of evidence. Certainly, one of the pieces of evidence that we would be collecting would be exactly the question that you're asking in relation to people refusing the test.

Senator McCARTHY: Around one in four people on Newstart are over 55. Given people in the trial will be randomly selected, can you confirm that around 1,250 people who will be tested will be over 55?

Mr Williamson: No—

Senator McCARTHY: No, you can't confirm or no, that's not the case?

Mr Williamson: I'm trying to complete my answer. There are three trial areas selected. The number that you're referring to is looking at the whole Newstart population, so they won't necessarily align those demographics perfectly across the three trial sites. So you can't draw that conclusion of a number at a population level for Newstart and then a population at the three trial site levels.

Senator McCARTHY: Of the three trial sites, how many would be over 55?

Mr Williamson: It's a random selection and—

Senator McCARTHY: No. I'm just asking about the trial sites. How many on Newstart would be over 55?

Mr Williamson: We could take that on notice and tell you how many people are on Newstart in those three trial sites.

Senator Ruston: There are probably two points to make there. Firstly, the people who we are seeking to be part of this trial are new recipients coming onto Newstart—not that that changes the question you're asking, but, just for clarity, it's not existing people who are on Newstart or youth allowance; it's people who are coming onto the payment. The second one is that in the—

Senator McCARTHY: Sorry, Minister, you're saying who will be involved in the trial?

Senator Ruston: Yes. The trial on this will be for new people coming onto Newstart. It is not for existing people who are on Newstart. As I said, that doesn't change the substance of your question, but I wanted to draw some clarity around the fact that that was the case. The other point that is probably worth mentioning is the fact that, in the workplace, 3½ million Australians every year are tested for drugs and alcohol as part of their employment requirements; this is very much about making people work-ready. It's very likely that many of these people, if they seek to get a job, will be tested as a matter of course in their employment anyway.
Senator McCARTHY: Let's go to that, Minister. Let's look at how you do the drug testing then. Some companies claim that hair follicle tests can detect drug use for up to 90 days. In this context, how effective will it be to retest a person within 25 days?

Mr Bennett: One of the things that will occur, subject to the passage of legislation, is that there will be a procurement process associated with the drug-testing provider. As part of that we will get further information associated with the exact specifics of what we've talked about previously—the different methods. We will get further details associated through that process.

Senator McCARTHY: How will you have any idea if a person has used again within the 25-day period?

Mr Bennett: Sorry, could you—

Senator SIEWERT: If you are using hair, how will you know that they've used again in the 25 days when it can hang around for 90 days on your hair?

Mr Bennett: Again, that will come back to post the procurement of the drug-testing provider, working with them, associated with the different methods that will be used between first and second testing.

Senator McCARTHY: In relation to hair samples, will they be plucked or cut?

Mr Bennett: If the legislation is passed through parliament, then there will be a process associated with procuring a drug-testing provider, and, as part of that process, these details will be clarified.

Senator McCARTHY: Where would they be plucked from? The head?

Mr Bennett: I just said that these details—

Senator McCARTHY: You must have some idea if you're looking at introducing a trial to 5,000 Australians. Consideration must have been given to this. Will hair be plucked from the head? What if the person is bald?

Mr Williamson: As Mr Bennett said, we'll take these things into consideration through the procurement process, which is being undertaken by Services Australia.

Senator McCARTHY: With the testing of hair follicles, you are considering if someone has hair or doesn't have hair? Where would they get it from if it's not from their head? Is that the sort of consideration that's being done?

Ms Campbell: The experts would take that into account.

Senator McCARTHY: They must discuss that with you. This is a serious piece of legislation that the government wants to take to the parliament. Surely this kind of consideration about the testing—

Senator Ruston: Senator McCarthy, as I was mentioning before, the processes by which these tests will occur are very much in line with the practice that exists currently in the workplace for the 3½ million Australians that are currently tested.

Senator McCARTHY: So you're able to then tell me, Minister: if you don't take hair follicle from the head, where else you would take it? What if someone is a Muslim and they wear a headband? Have you thought of those things? Are these sorts of cultural sensitivities being taken into account?
Senator Ruston: Of course, the design of anything that we do will need to be culturally sensitive. It will need to be appropriate for the individual. One of the things that we will immediately seek to do, should we get the passage of legislation through the Senate, which of course is still yet to happen—this will be the next process—will be to undertake more detailed consultation across a whole lot of areas to make sure that what is eventually rolled out is appropriate.

Senator McCarthy: But, Minister, the department are not giving any confidence around the consideration that should be given to this even before the piece of legislation goes through the Senate or is debated in the Senate. I think it's important to hear from the department as to what kind of preparation or evidence they've received in relation to those areas of testing.

Ms Campbell: This procurement, we expect, would be Services Australia procurement. We can take it on notice and provide you with the information that we have from them.

CHAIR: I was looking at the time. It is approaching four o'clock, and we are scheduled for a break. Are we ready to move onto outcome 2 after the break?

Senator McCarthy: No, not yet.

CHAIR: That was the original intention. We will resume at 4.15 pm with the continuation of outcome 1.

Proceedings suspended from 15:58 to 16:15

CHAIR: We will resume now and continue with Senator McCarthy, remaining on outcome 1 for a short time only.

Senator McCarthy: I had tried to finish before the 4 o'clock break. There are only one or two questions. On the issue of hair samples, will you pluck hair from a Sikh person? These are the sorts of questions that we need to understand in terms of the cultural concerns that are being raised.

Ms Campbell: I can assure you that the way we in Services Australia operate is to be very conscious of cultural sensitivities and the like. I'm not sure if any officers at the table have been aware of that question before but it would be my expectation cultural sensitivities would be taken into consideration during this process.

Senator McCarthy: How would you do that? Is there unexpected awareness of that prior to requesting the testing?

Senator Ruston: As there are in the workplace.

Mr Williamson: I think we mentioned it before but the procurement of the drug testing provider is actually being undertaken by Services Australia, not by the Department of Social Services. We obviously work closely on these things together, and we would talk to them about those sorts of issues as well to understand the sensitivities of anybody who may be going through this process. I'm happy to say to you today that, based on the discussion we've had, if the legislation was to pass and the procurement took place, we would reiterate that with Services Australia.

Senator McCarthy: The same for someone who is wearing a headscarf?

Mr Williamson: Yes.
Senator SIEWERT: Can I ask one question on drug testing?

CHAIR: One question.

Senator SIEWERT: That is: if somebody tests positive in both tests and goes through treatment and then gets work and then loses that job, how do they stand in terms of income? Or for some reason the job finishes—just say it is casual work—do they go back onto the system of income management?

Mr Williamson: I don't think they would go back on because they'd actually come off payment, but I would like to confirm that for you.

Senator SIEWERT: Could you take that on notice?

Ms Campbell: How long they were off payment for and whether they were a new claimant or whether they were in the three-month period where they are relying on the previous nil rate-type of thing. It is the nil rate piece versus the new claimant. We might take that on notice.

Mr Williamson: For Senator Siewert, we do have some of those numbers for the partial capacity to work and their earnings broken down, if you would like. We were able to get that.

Senator SIEWERT: That's fantastic. Have you got it in a table you could table, or do you have to—

Ms Campbell: No. I think we can do it quickly.

Mr Williamson: We could give you a couple quickly and then provide the rest on notice, if that is okay.

Senator SIEWERT: Give me the top ones.

Mr Bennett: For 28 June 2019, we'd previously discussed the partial capacity to work cohort was 289,489. Of that cohort, those with earnings were 41,907. In terms of those with partial capacity to work earnings for 28 June 2019 were: $0 to 100, 1,625; $100 to $143, 1,631; $143 to less than $250, 3,914; $250-plus, 34,737.

Senator SIEWERT: Thank you.

Mr Williamson: I think now we've given you all the June 2019 data. We will give you the rest of the information that you requested on notice.

Senator SIEWERT: Thank you.

CHAIR: Thank you very much. That draws us to the end of outcome 1 and we will now move on to outcome 2. We will start with Senator McCarthy.

[16:20]

Senator McCARTHY: I will go to the cashless debit card.

Ms Campbell: We will bring cashless debit card experts to the table.

Senator McCARTHY: I've got quite a lot of questions on the cashless debit card. I'm conscious that we'll be moving around a bit. Can I go straight to the point here. We've heard different things obviously over the past month or so. Can the cashless debit card be used to purchase legal sex services?

Ms Hefren-Webb: Yes.
Senator McCARTHY: Are there any restrictions on the kinds of legal sex services you can purchase with the cashless debit card?

Ms Hefren-Webb: No.

Senator McCARTHY: How many times has the cashless debit card been used at a brothel?

Ms Hefren-Webb: We don't have that data.

Senator McCARTHY: Or by a sole trading sex worker?

Ms Hefren-Webb: We don't have that information.

Senator McCARTHY: Is there a merchant code, though, for a brothel or sex worker?

Ms Hefren-Webb: I will have to take that on notice.

Senator McCARTHY: Is every online gambling site blocked for the cashless debit card?

Ms Pattrick: I believe that they are, yes.

Senator McCARTHY: Can you provide the full list of blocked sites for the committee?

Ms Pattrick: I will take that on notice.

Senator McCARTHY: Can money be transferred between cashless debit cards?

Ms Pattrick: Yes, it can be.

Senator McCARTHY: Is there any limit on the amounts?

Ms Pattrick: No, there isn't.

Senator McCARTHY: Does it count as part of the 80 per cent restricted amount?

Ms Pattrick: It comes from the 80 per cent restricted amount and can be transferred to another participant.

Senator McCARTHY: But if there is already an 80 per cent restriction on and they get an additional amount on it, does that change—

Ms Hefren-Webb: No. It is in addition to that, whatever 80 per cent of their payment is.

Senator McCARTHY: Does DSS have any idea what is being bought and sold when people transfer money from one cashless debit card to another?

Ms Hefren-Webb: Yes, we can analyse the data where people are transferring sums of money from one cashless debit card to another. We can then look at the patterns of purchasing of the person who's been in receipt of those transfers by merchant.

Senator McCARTHY: So you can follow that trail?

Ms Hefren-Webb: Correct. If there appears to be an unusual pattern of transfers, yes, we do.

Senator McCARTHY: Are you aware of the Bundaberg Cashless Debit Card Trading Group?

Ms Hefren-Webb: I believe I saw some media report on it this morning. I don't know if the other officers were aware of it before then.

Ms Pattrick: Not before then.

Senator McCARTHY: What were your thoughts on that when you read those media reports?
Ms Hefren-Webb: Obviously we will have a look what activity is underway and investigate whether there is anything of concern.

Senator McCarthy: People are going to great lengths to purchase second-hand furniture when they move house, according to the trading group. Is that something that you see the cashless debit card being important for?

Ms Hefren-Webb: The purchase of second-hand furniture, I would have thought, was an appropriate item, yes.

Senator McCarthy: I just want to see if I can get some statistics on exits from the card. How many people in each CDC trial site have applied to exit the card?

Ms Hefren-Webb: I'll just ask Ms Patrick to provide that data.

Ms Patrick: For applications that have been received—that is, the new process of completing the application form—from Bundaberg and Hervey Bay, 128 participants have applied from—

Senator McCarthy: 128?

Ms Patrick: Yes. From Ceduna, 11; East Kimberley, 23; Goldfields, 137; and those located outside a CDC area, 58.

Senator McCarthy: They are the applications received; isn't that right?

Ms Patrick: Yes.

Senator McCarthy: One hundred and twenty-eight in Bundaberg have applied but does that mean 128 have exited?

Ms Hefren-Webb: No. We are assessing the applications.

Senator Siewert: Nobody has exited yet through that process?

Ms Hefren-Webb: That's correct.

Senator McCarthy: How many have been approved to exit?

Ms Hefren-Webb: None at this stage.

Senator McCarthy: None at all in all those numbers you have given me?

Ms Hefren-Webb: Going back, you will remember the legislation for the exit process was amended. Following that we contacted all people who had expressed interest and provided them with access to the application form. Once we received the application form, Services Australia undertook an interview process where people provided some more contextual information. Some of those applications have progressed to a fairly advanced stage but there is still some additional information we require. So we are in the process of following up that information.

Senator McCarthy: Obviously you haven't finalised your applications but do you also consider there are people who are not permitted to exit?

Ms Hefren-Webb: No decisions have been made.

Senator McCarthy: Who is making the assessments of whether a person can exit?

Ms Hefren-Webb: The secretary is the delegate. She's delegated that authority to me. So I'm the decision maker.

Senator McCarthy: You've got the full responsibility, Ms Hefren-Webb?
Ms Hefren-Webb: Yes, I do.

Senator McCarthy: That means applications are sent here to Canberra?

Ms Hefren-Webb: Yes. I believe they may be completed online in some cases.

Ms Pattrick: We do have application forms mainly received by email, but participants are able to take those to local partners which are located in trial sites.

Senator McCarthy: If you are in Ceduna, for example, what would the process there be to exit? How would they do that? Would they have to go to someone or go online? Is that what you are saying?

Ms Pattrick: Yes. You can either go online to access the application form or there are hard copies available at the local partners.

Senator Siewert: Whom in Ceduna would you go to?

Ms Pattrick: The local partner.

Senator Siewert: So you would go to the Ceduna Aboriginal Corporation?

Ms Pattrick: Yes, you would.

Senator Siewert: The people that are running this, you would go to them to get a—

Ms Pattrick: To get a hard copy of the application form.

Senator McCarthy: Is translation into Aboriginal language available in the East Kimberley, Ceduna and the Goldfields?

Ms Pattrick: A translated application form? We don't.

Senator McCarthy: Also interpreters?

Ms Hefren-Webb: Access to interpreters is available, yes.

Senator McCarthy: At the hearing into the income management in relation to the cashless debit card bill, you indicated that the minister would only vary the amount of money quarantined for a group of people if there was a community request. I'm just going to the minister's powers in relation to it. I can see a reference to this in the explanatory memorandum, but can you indicate where in the bill or in the legislation this is a requirement? And this is the minister's power to quarantine 100 per cent.

Ms Campbell: We might get someone in the back room to look for that, Senator, and come back to you.

Senator McCarthy: Sure. I have quite a few questions on that.

Ms Hefren-Webb: I'm happy for you to ask further questions about that power.

Senator McCarthy: Thank you. What form would it have to take? What majority support would be needed? Could just one person request it—for example, the mayor of a region?

Ms Hefren-Webb: It's not dissimilar to the process by which communities asked to participate in the cashless debit card in that a number of community leaders might have jointly written or invited the minister to a discussion or a meeting. There's a range of ways in which they might express their perspective about wanting to raise the rate of income.
**Senator McCARTHY:** I get that. Where I'm going with my question is the disparity in terms of what has been said and what's in the explanatory memorandum. I can't see where that is.

**Ms Campbell:** Can you point us to the part in the explanatory memorandum that concerns you, Senator?

**Senator McCARTHY:** It is:

This subsection will enable the Minister to increase the restricted portion for trial participants under 124PGE(1) for specific communities in the NT to reflect community requests. It is appropriate for these variations to be made by determination because the Secretary has a power under subsection 124PJ(3) to determine the restricted and unrestricted portions for an individual which … will prevail over any ministerial determination in accordance with new subsection 124PJ(2C).

**Ms Hefren-Webb:** Essentially that's saying that under current arrangements for income management in the Northern Territory there is a power to raise the percentage that has not been activated.

**Senator McCARTHY:** It's just that there's nothing to prevent the minister from making an increase in the quarantine amount without community consent. It's not a trick question; I am trying to understand.

**Ms Hefren-Webb:** We'll have a look at the legislation and come back to you on that. The explanatory memorandum outlines the intent of that legislation, but we will come back to you on the specifics.

**Senator McCARTHY:** My concern is that when you say the minister could raise it to 100 per cent with community consultation, what exactly does that mean? Is that one council writing to you, or is it a mayor? How do you define that that means and how does the person who's on the cashless debit card have an opportunity to express objection in that instance?

**Ms Hefren-Webb:** I anticipate it would be a consultative process much like the process we've undertaken when cashless debit card s have been introduced to communities. It might be useful if we set out for you what is envisaged by that process of community request. Would that be useful?

**Senator McCARTHY:** Yes. To quarantine someone's income by 100 per cent is pretty scary. I would find that pretty hard. Wouldn't you?

**Ms Hefren-Webb:** Senator, that's not for me to answer.

**Senator Ruston:** Senator, I absolutely assure you that the intention of this is not that there is any arbitrary power by the minister, or the secretary for that matter, to just make that sort of decision. But we need to satisfy you that the legislation reflects an appropriate process that would be undertaken if the amount were requested to be changed. We would be more than happy to do that.

**Senator McCARTHY:** You could have people out there who have a vendetta against someone, or who might have a certain kind of empowerment over certain members of the community. That's where I'm coming from—how do you define this and where does it sit in terms of the legislation and the explanatory memorandum?

**Senator O'SULLIVAN:** Who is the current provider of the cashless debit card system?

**Ms Hefren-Webb:** That's Indue.
Senator O'SULLIVAN: What card scheme are they using—is it EFTPOS, Mastercard, Visa?

Ms Pattrick: It's a dual card, so it operates under the EFTPOS system as well as the credit card system. I'm double-checking which one that is.

Senator O'SULLIVAN:Does the current BasicsCard use one of these ubiquitous card schemes or is it a different platform?

Ms Hefren-Webb: The BasicsCard does operate differently to the cashless debit card. It works on a system whereby a merchant would apply to become an accepted merchant whereby the cashless debit card is automatically switched on, and merchants are switched off by a category code.

Senator O'SULLIVAN: So it is opt-in. The cashless debit card is using Mastercard, which can be used at any merchant, except for those merchants that are coded as being a restricted merchant; is that correct?

Ms Pattrick: Correct.

Senator O'SULLIVAN: In comparing the cashless debit card with the BasicsCard, is the CDC more flexible?

Ms Pattrick: Yes, it is.

Senator O'SULLIVAN: So the users are able to essentially go about their purchases without that undue restriction?

Ms Pattrick: Yes. The BasicsCard is accepted at around 16,400 merchants, and the cashless debit card is accepted at around 900,000.

Senator O'SULLIVAN: The Minderoo Foundation completed a project in 2017 where they brought together the banks, the retailers, the card schemes and DSS. They looked at how the CDC technology could be improved. Are you familiar with the report they created after that?

Ms Pattrick: Yes, I am.

Senator O'SULLIVAN: It's generally accepted that the technology which underpins the CDC will need to evolve to a broader expansion of the program. What steps has the government taken to examine what needs to be done as a basis for further investment in the CDC technology?

Ms Hefren-Webb: We're about to commence a trial of product level blocking of products by the CDC. At the moment we can block at merchant level. We believe the technology will be available soon to block at product level. We are trialling that with a small number of merchants over the next six months to test the usability of that.

Senator O'SULLIVAN: Would it be helpful if the banks, the retailers, the schemes and the technology providers worked together on this?

Ms Hefren-Webb: Yes, we're working with all those parties to bring them on board so we can undertake the trial. We're starting the trial with about six merchants. Because of the nature of their systems we don't need every bank or product developer on board for the trial, but over time we will be looking to partner with all of them.

Senator O'SULLIVAN: What's the time frame there? Is that trial under way?
Ms Hefren-Webb: We've been doing the preliminary work for that trial. We're expecting to undertake that trial over the next six months.

Senator O'SULLIVAN: I guess that would lead to a point where it would become even more flexible than it currently is; is that right?

Ms Hefren-Webb: Should the trial prove successful—and we're very optimistic—then yes, that would indicate that the card has even greater flexibility.

Senator O'SULLIVAN: Apart from a user who would want to maybe purchase alcohol or withdraw cash which could be used for purchasing other items, it would enable the cardholder to transact in a flexible way, as you would expect and want them to be able to do; is that right?

Ms Hefren-Webb: That's correct.

Senator O'SULLIVAN: Great, thank you.

Senator SIEWERT: During the anti-poverty debate on the last day of parliament last week, Thursday, some figures were bandied about regarding how many people had come off income support in Hervey Bay and in Bundaberg. When I subsequently went to check those figures, I couldn't find them. What figures do you have and where can I find them publicly?

Ms Campbell: This is people off income support, so that's outcome 1.

Senator SIEWERT: This is the cashless debit card area. Claims were made that people on the cashless debit card had come off income support. Surely you are managing that. If not, my question is: how did the people making those claims get those figures?

Senator Ruston: I think they're two separate things.

Senator SIEWERT: No, they're not.

Senator Ruston: In my understanding of the situation, the figures to which you are referring are the employment figures in the Wide Bay area.

Senator SIEWERT: No, that's separate.

Senator Ruston: Then there were figures that related to the trial. I think you're trying to make one relate to the other.

Senator SIEWERT: No, I'm not. Claims were made about the success of the cashless debit card. They were not the same figures that have been bandied about in terms of the drop in unemployment being attributed to the card, which are also nonsense. These were different figures being cited.

Senator Ruston: Can you tell us where, by whom?

Senator SIEWERT: By one of your members in the debate, who was talking about how successful it was. When I started—inappropriately, I acknowledge—yelling across the chamber about those figures, I was told they weren't the figures they were talking about, which are the figures you were just citing in terms of the Wide Bay area.

Senator Ruston: Senator, the comments I have made—

Senator SIEWERT: No, it wasn't you.

Senator Ruston: No, but I want to be very clear about the comments I made. I had been asked questions in relation to the unemployment figures in the Wide Bay area. Whilst we
made the comment that it was encouraging to see that there had been a significant drop in the number of people—particularly younger people—who were on working age payments in the Hervey Bay area, without a body of evidence from the evaluation of the trial we could not say that one was a direct result of the other.

Senator SIEWERT: The claims that were made in the chamber used some very specific figures. Is anybody here able to tell me what those figures are?

Senator Ruston: Senator, I am unaware of the claims you're discussing.

Senator SIEWERT: Have you produced for the government any figures or results for employment, the number of people coming off income support or the number of people who have got a job?

Ms Hefren-Webb: We provided figures based on the ABS employment data and figures from data.gov related to the number of people on Newstart and Youth Allowance. Those are the types of figures we have provided.

Senator SIEWERT: Could you provide those to me now?

Ms Hefren-Webb: The ABS data showed—

Senator SIEWERT: I have the data that shows the number of people who have come off Newstart. I have the ABS data on unemployment, which shows that the bulk of the drop in unemployment was before the card started.

Ms Hefren-Webb: I don't have the data.gov figures to hand, but we can get that for you.

Ms Campbell: The data.gov figures are normally outcome 1, so I hope somebody is still next door. That's what we were talking about with capacity to work—those issues. We have the ABS numbers here.

Senator SIEWERT: Which are—

Ms Campbell: Youth unemployment.

Senator SIEWERT: the unemployment figures that were for the whole of the Wide Bay area?

Ms Hefren-Webb: Yes, that's right—27.6 per cent down to 18.4 per cent.

Senator SIEWERT: And back up again.

Ms Campbell: We haven't got that.

Senator SIEWERT: It went down and then back up. But the major drop in the unemployment figures was prior to this trial starting; is that not correct? And it is for the whole of the Wide Bay area.

Ms Hefren-Webb: I don't have the time series with me.

Senator SIEWERT: I do.

Ms Campbell: Senator, I don't think we can help you because we really don't know the issue you're discussing with us. If you could give us more detail—

Senator SIEWERT: I will come back to that. I'll come back to it before you go, and I'll pull out the figures from Hansard. The point is that the only figures that you've supplied are the broader ones that are on data.gov.au, which is where we checked to try to find them and couldn't, and the unemployment ones.
Ms Campbell: We usually use data.gov.au and ABS data. That's where we get our information from.

Senator SIEWERT: If you could check that, that would be great. It is specifically related to Bundaberg and Hervey Bay.

Ms Campbell: Was there a suggestion we'd given the data, Senator?

Senator SIEWERT: No. It was that claims were made about how successful the card has been. I wasn't suggesting that you had given the figures. Since you're the people that are working on these trial sites, I would have thought that you would know.

Ms Campbell: Unfortunately, we don't always hear everything that happens in parliament and—

Senator SIEWERT: Ms Campbell, I'm asking about what data you have pulled out to suggest that there's been a drop in the number of people coming off income support.

Ms Campbell: I think now you're asking us about advice that we've given to government, and we're saying that the advice—

Senator SIEWERT: Well, have you?

Ms Campbell: We give advice to government all the time. Data.gov.au, which we've been discussing quite a lot here today, is a source of a lot of the data that we give to government because that's the source that we publish.

Senator SIEWERT: I'm going to get the exact comment that was made and I'll move on. My office will be listening to this and will pull out the bit of Hansard so I've got the right figures.

Ms Campbell: We'll do the best we can when we have it.

Senator SIEWERT: Thank you.

CHAIR: Even if you haven't got it you can put it on notice once you do get it.

Senator SIEWERT: I want to know this, importantly, fairly soon. I now go to an outage that occurred with the card this morning in the Hinkler region with Indue. I'm sure you've been monitoring what's been going on online. I've had phone calls. What happened?

Ms Hefren-Webb: As I understand it, there was an issue with the loading of the Reserve Bank file onto the Indue payment record. People's social security payments are on a Reserve Bank file that's sent to the financial institutions. Indue had an issue with the loading of the file. I understand that people's payments weren't available until 10 this morning; whereas people are usually paid overnight, effectively. I understand that these payments were actually due. It's the people whose payday is tomorrow, Friday, but they are usually paid overnight—Wednesday night-Thursday morning. Unfortunately, people weren't able to shop if they didn't have any funds left until the funds came in at 10 this morning.

Senator SIEWERT: I understand that online shopping had occurred. I know that because I've heard it from people on the ground.

Ms Hefren-Webb: I might just ask Ms Pattrick.

Ms Pattrick: We have investigated to see if there were any direct debits that were due to be taken out that were affected. We have been advised that there were no payments due.
Senator SIEWERT: Online shopping was occurring; I know that. How often does this occur?

Ms Pattrick: This is the first time that I've been aware of the payment file not loading.

Senator SIEWERT: Was that Indue's end or was it Centrelink?

Ms Hefren-Webb: As I understand it, Indue is the only financial institution that was affected. I assume it was Indue.

Senator SIEWERT: So nothing like this has occurred before. Would you get it reported to you how frequently there are power outages that affect being able to buy things on the card?

Ms Hefren-Webb: We do keep a record. We ask Indue to notify us of all issues. We also, of course, receive advice from clients, customers and people in the media when there is an issue with the card. We follow up all of those issues. We keep documentation on payment issues.

Senator SIEWERT: How many times has it occurred?

Ms Hefren-Webb: I might have to pass to Ms Pattrick on that.

Ms Pattrick: I can advise on the number of Indue-related outages, which may be different to power outages. Indue has experienced 20 outages in total with the typical outage lasting less than one hour.

Senator SIEWERT: So Indue has—

Ms Pattrick: That's since the commencement of the trial.

Senator SIEWERT: Indue has, but what about the towns where the power has gone off?

Ms Hefren-Webb: If the power goes off all cards can't be utilised.

Senator SIEWERT: But if you haven't got cash you can't spend.

Ms Campbell: You often can't get cash out of ATMs either.

Senator SIEWERT: But people may have cash.

Ms Hefren-Webb: I don't!

Senator SIEWERT: I do!

Ms Hefren-Webb: That's right. If the power goes out in a community, you can't use EFTPOS or a credit card; that's correct. In some cases in the Northern Territory, particularly in the early years, I'm aware that we used to organise a store credit for people, particularly if we thought the power outage was going to be a long-term issue. I'm just checking if we still do that.

Ms Pattrick: Yes, we do in the Northern Territory.

Ms Hefren-Webb: We do in the Northern Territory.

Senator SIEWERT: You do?

Ms Hefren-Webb: In the Northern Territory we sometimes organise a store credit for people if the power is down so they can go and buy some items.

Senator SIEWERT: My office has come through with the numbers that I was talking about. The quote is:
The latest data shows that the number of people receiving Newstart or youth allowance in the Bundaberg and Hervey Bay regions has reduced between June 2018—which was, in fact, before the trial started.

Ms Campbell: Senator, are you asking us a fact?

Senator SIEWERT: Yes.

Ms Campbell: When did the trial start in Bundaberg?

Ms Pattrick: January.

Ms Campbell: Can you give us the exact date?


Senator SIEWERT: The figures have been quoted. It says that the number of people coming off Newstart has reduced by 8.7 per cent in Bundaberg and 10.2 per cent in Hervey Bay. It says Bundaberg and Hervey Bay are 'the only parts of regional Queensland that saw this astonishing decrease'. It says that 502 people came off Newstart or youth allowance, and 395 came off Newstart or youth allowance in Hervey Bay.

Ms Campbell: I've asked of the people from outcome 1—once this information came through—to have a look at the analysis and get back to us on that data.

Senator SIEWERT: Is that data publicly available beyond it being quoted in parliament?

Ms Campbell: Can you tell us who is being quoted there? I don't know the validity—

Senator SIEWERT: It is Paul Scarr. I'm reading directly from Hansard.

Ms Campbell: We've now received that data. I've got the people who are looking at data.gov.au to check that data and I will provide you advice when they provide it to me.

Senator SIEWERT: What I would also like is the data from when the trial started to that point in time. Instead of from June 2018 to June 2019, I'd like the actual period of the trial.

Ms Campbell: So 29 January 2019 to today's date?

Senator SIEWERT: No, I want to make a comparison. Today's date would be good, but I also want to June.

Ms Campbell: Do you want to compare 29 January to 30 June 2019?

Senator SIEWERT: I want to look at those figures so I'm making no mistake when I'm comparing them. But it would be handy to know year to date as well. This is a collective figure, but were the people on the trial under 35?

Senator O'SULLIVAN: For the first six months of this year compared to the previous six months or the same period of the year before?

Senator SIEWERT: I'm trying to find out how many of those 502 were actually in the trial period and how old they were. How many were under the age of 35?

Ms Campbell: Can I clarify? You are firstly asking where this data came from?

Senator SIEWERT: Yes.

Ms Campbell: That's what we're trying to work out now.

Senator SIEWERT: Yes. If you find out—

Ms Campbell: If we find out—
Senator SIEWERT: We can't find it. These claims have been made. We've tried and we can't find this data, so that's why I'm asking you. That's why I'm asking. If you can find this data—if you can—where did it come from? Of those 502, for example, how many of those were within the period of the trial? If claims are being made about the success of the trial, how many came off during the trial and how many of those were under the age of 35?

Ms Campbell: We'll do our best between now and when we finish giving evidence today. We might have to take it on notice.

Senator SIEWERT: I realise you may not be able to get it by tonight. That would be very helpful.

CHAIR: Senator Siewert, is it okay if we move to Senator McAllister for some questions? We can come back.

Senator SIEWERT: Okay.

Senator McALLISTER: Can I just confirm that DSS remains the lead agency for the social and community services special account?

Ms Campbell: Yes.

Senator McALLISTER: I wanted to ask some questions about that. I think you took a question on notice about the recipients of funds from that special account, and thank you for your answer. Can I ask whether DSS knows each of the service and grant programs across government for which an ERO top-up is paid?

Ms Campbell: You're asking for each grant recipient for which a SACS payment has been made in the last year?

Senator McALLISTER: I'm not asking for individual organisations—

Ms Campbell: Programs?

Senator McALLISTER: You've provided me with government entities that receive a payment. What I'm trying to understand is which programs each of those entities administer using the payment.

Ms Campbell: So break it down by portfolio which programs they allocate to?

Ms Hefren-Webb: We have a list of our programs. I don't think I would have here a list of programs in other departments.

Senator McALLISTER: I'm personally aware of some of the legal aid grant programs, for example, that use ERO as top-up for salary. You've got no idea about what's going on on the ground in terms of the utilisation of those funds?

Ms Campbell: I don't think we said we had no idea. We are the lead agency for this matter, but generally the programs are administered by the other portfolios; for example, legal aid is administered by the Attorney-General's Department. We can answer on the social services programs which we administer, but I think if you're looking for content information on those other programs in other portfolios, those questions are best directed to those portfolios because we don't administer those programs.

Senator McALLISTER: Who is responsible for administering the policy issue which goes to the payment, the management of programs, consistent with the order?
Ms Campbell: The Department of Social Services has primary responsibility for the legislation, which was the payment of these supplements for a fixed period of time. We have overarching responsibility for that. The actual running of the programs is a responsibility for us, the ones—

Senator McALLISTER: So you don't have any visibility on how those entities that receive ERO funds from you use those within their program streams?

Ms Campbell: For example, the Attorney-General's Department—are you asking if I have detailed knowledge about how they do it within the legal aid programs? Is that the question?

Senator McALLISTER: That would be one thing that I would be interested in.

Ms Hefren-Webb: We talked earlier about the Community Grants Hub. The Community Grants Hub makes the payments. We would be able to obtain a list of programs or activities that currently receive SACS supplementation. I just don't have it here today. I can provide that on notice.

Senator McALLISTER: Terrific. I was trying to understand what information you do have, so I could ask you a sensible question that you could answer on notice. I don't expect you to have it at the table. Could you provide information, on notice, at program level and, if possible, at the level of individual grants, showing the ERO component of each program or grant?

Ms Hefren-Webb: The ERO—

Senator McALLISTER: The SACS supplementation, the equal remuneration amount.

Ms Campbell: We can take that on notice and we can work with colleagues. We have a good understanding within the Social Services portfolio, as you would expect, but more broadly not in as much detail in the other portfolios.

Senator McALLISTER: I understand that the social and community service special account will make its last supplementation payment next year?

Ms Campbell: That's correct.

Senator McALLISTER: What are the government's plans for ERO funding after 2020?

Ms Campbell: That's a matter for the government.

Senator McALLISTER: So there's no public position on that that you're aware of?

Ms Campbell: It's a matter for government.

Senator McALLISTER: I'm trying to confirm the current state of government policy. It is a matter for government. Does the government have a published policy or made any public statement that you're aware of that will guide activities after 2020?

Ms Campbell: The government hasn't made a public statement.

Senator McALLISTER: Minister, are you able to enlighten us about how the government is thinking about the SACS supplementation and the ERO payments?

Senator Ruston: It's currently under consideration.

Senator McALLISTER: Has government commissioned any analysis about the consequences of ERO funding coming to an end without replacement? Because the vision
was, of course, that base funding would increase to meet the terms of the order. Does government have any analysis to assess whether or not that's actually taking place?

**Senator Ruston:** Obviously I'm taking advice as we speak. As I said, the matter is under active consideration.

**Ms Campbell:** We have asked the Community Services Advisory Group to provide information in detail and, of course, over the time of this program a number of grants and arrangements have changed—for example, those disability grants that have now transitioned into the NDIS where the transition was made during that process, so it's a much smaller group than we started with eight or nine years ago in that space. So some programs have been reformed and changed and taken into consideration during that period of time, and Ms Hefren-Webb reminds me that the CSAG has been asked to provide that level of impact data back to the department.

**Senator McALLISTER:** That's useful. That is my concern—that the impact hasn't been properly understood. There's one story which says that all of the salary increases have been rolled into base funding, and there's another which says none of the salary increases have been rolled into base funding. I suspect the answer is somewhere in the middle, but to date I haven't been able to establish whether anyone in government has done analysis to determine the extent to which the end of the ERO funding will result in a reduction in services. Are you saying that this work's being done presently through the Community Service Advisory Group?

**Ms Campbell:** The Community Service Advisory Group has been asked for information on that, and that informs advice that we provide to government.

**Senator McALLISTER:** What's the deadline for them to provide that advice to you?

**Ms Hefren-Webb:** We met with them, I think it was, late September. We asked, and people expressed concern, about this matter. We asked them to send us some analysis, and we gave a date of 11 October. But we've said to people that that was a short turn around so we're happy to continue receiving advice, and we'll probably go back out to clarify and understand better some of the information they've provided.

**Senator McALLISTER:** They may benefit from the material that you're going to dig up from the Community Grants Hub. It might be easier for them to do the work if they had the dataset that you possess.

**Ms Hefren-Webb:** I think the majority of the providers had a clear understanding of which of their funding sources attracted SACS, probably more than we do. But, yes, we're trying to have an open discussion with them and understand how it plays out.

**Senator McALLISTER:** So a full dataset, perhaps by the end of the year?

**Ms Hefren-Webb:** Yes, potentially.

**Senator SIEWERT:** Can I add some questions to the questions you took on notice on that? Senator McAllister has covered a number that I was going to ask. You've answered quite a few questions on notice for me, but in one of them you talk about the programs that have been redesigned already and those that still haven't. Have you got a time line for when they're going to be redesigned?
Ms Campbell: There are a lot of programs here. Some will be redesigned. Some won't be in the appropriate time frame. This is part of the work that's underway at the moment. We know when the SACS funding ceases and that's the time frame we are considering these matters.

Senator SIEWERT: To redesign those programs?

Ms Campbell: No. I'm not saying that they will be redesigned in that time. So we need to consider the implications if they're not redesigned in that time.

Senator SIEWERT: I think you'll have to take this one on notice. How many contracts are there out there from the relevant programs that end, or any existing contracts that end, after the ERO finishes? Can you take that on notice?

Ms Campbell: We'll take that on notice.

Senator SIEWERT: I figured you'd have to. Thanks.

Senator McCARTHY: I'd like to go back and finish off some of the questions around the 100 per cent quarantining. Did you want to say something there, Ms Hefren-Webb?

Ms Hefren-Webb: I'm just advised that the requirement around the form of community consultation is not in the legislation. It's referenced in the explanatory memorandum and it's something we'd work through with each community.

Senator McCARTHY: Then is it enforceable in the communities if the legislation goes through?

Ms Hefren-Webb: As I said, this is built on an existing power that exists under the current income management legislation where there is discretion to raise the rate, so this is not a new provision in that sense.

Senator McCARTHY: No. But the fact that you're saying that the minister can make the decision based on community consultation, is that enshrined there in that piece of legislation that it has to be—

Ms Hefren-Webb: The references to community consultation are not in legislation, no. They're only in the explanatory memorandum.

Senator McCARTHY: Okay. So really the minister doesn't have to. It's not enforceable is it?

Ms Hefren-Webb: No. We've been explaining the intent of the legislation.

Senator McCARTHY: But it's not enforceable—like if the minister decided to just make the decision—

Ms Hefren-Webb: That's not the intent of the legislation.

Senator McCARTHY: I guess the question is: if the minister made a determination to increase the quarantined percentage would it be disallowable by the parliament? Perhaps that's the best way to put it.

Ms Hefren-Webb: It's a notifiable instrument not a disallowable instrument.

Senator McCARTHY: Just explain the difference, sorry.

Ms Hefren-Webb: An instrument that's disallowable, as I understand it, sits before the parliament for a period of time and there can be a motion to disallow it. A notifiable
instrument takes effect once it's signed and it's notified to the parliament. So that's my non-lawyer—

Senator McCARTHY: The minister has total power?

Ms Hefren-Webb: That's my non-legal explanation.

Senator SIEWERT: Yes, that's the best definition.

Senator McCARTHY: That's the best definition perhaps. The minister has total power over it. Does the secretary have the power to increase the quarantine portion of payments to 100 per cent?

Ms Blewitt: I will answer yes to that, but we'll have someone come to the table to provide more detail if you have questions.

Senator McCARTHY: Does the secretary have the power to increase the quarantined portion of payment to 100 per cent?

Mr Peoples: Under the current legislation or in the bill that's before the parliament?

Senator McCARTHY: If this bill passes through parliament.

Mr Peoples: The minister has the power, by notifiable instrument, to increase the proportions placed on to the cashless debit card—

Senator McCARTHY: Can you tell me about the secretary, though. I'm aware of the minister's power.

Ms Campbell: Maybe talking about the current legislation might be useful? The current legislation—would that give some context?

Mr Peoples: Yes, perhaps. The current legislation allows the secretary to vary the proportion of the welfare payment that's placed onto the cashless debit card—

Senator McCARTHY: To how much?

Mr Peoples: I would have to check, but I believe it's between 50 and 80 per cent—in response to a community panel request or a request from an individual, if it's a volunteer.

Senator McCARTHY: So, following that line of thinking, the secretary would get up to 100 per cent as well. Is that what you're saying?

Mr Peoples: Under the bill? No. The notifiable instrument power, from my understanding, is limited to the minister.

Senator McCARTHY: Only the minister in terms of that last 20 per cent?

Mr Peoples: Yes.

Senator McCARTHY: Can it apply to a group or a class of people or only to an individual, in terms of that move to quarantine?

Mr Peoples: Under the bill that's before parliament it's if a community requests it. It would be in whatever form a community request came in.

Senator McCARTHY: What does that mean—a letter from the local mayor of Roper Gulf shire?

Mr Peoples: Yes, it's flexible to be able to meet the needs of whatever that community request comes through as.
Ms Hefren-Webb: The request of one person in the community couldn't constitute a community request.

Senator McCARTHY: But what if it's a representative, like a mayor of a regional shire or a councillor?

Ms Hefren-Webb: We would obviously provide advice to the minister in the context of any such request and whether we felt it expressed a community request. A request by just a mayor, without the support of a council, without the support of other key stakeholders in the community, is unlikely to be considered a community request.

Senator McCARTHY: When you deal with community requests now—just going on what Mr Peoples said, it's occurring now—what are some of the examples you can give us of the request to increase quarantining?

Ms Hefren-Webb: We've got community reference panels in some of the trial sites, which have been formed by interested people who want to participate.

Senator McCARTHY: So you only base it on the reference groups now if they request the increase in quarantining?

Ms Hefren-Webb: I don't know there's been such a request.

Mr Peoples: We haven't had a request.

Senator McCARTHY: You've never had a request. So even though you've got that there now it's not being used. Are there any people on the cashless debit card who are not receiving a social security payment?

Ms Hefren-Webb: Not to my knowledge. I don't believe that would be possible. We wouldn't have any capacity to do it.

Senator McCARTHY: Are you sure about that?

Ms Hefren-Webb: Unless they gave it to us.

Mr Peoples: Not within the legislation.

Ms Campbell: I think there was speculation about it. I'm just trying to work out how we'd do it.

Senator SIEWERT: There was a lot in the media in Kalgoorlie about a certain member being on the card.

Ms Campbell: Okay. I'm being told people can actually direct their money onto it. I'm trying to remember back when income management started a long time ago. I think there was some provision for people who might have wanted to put earnings—their income—into income management, and I think therefore the legislation allowed it. I'm not sure whether it ever happened.

Ms Pattrick: I can provide some more information. Individuals in trial sites are able to volunteer through the card provider, so they can volunteer through Indue itself rather than coming through the department.

Senator McCARTHY: How does that work?

Ms Pattrick: You are able to go onto the Indue website, where there's a form to be completed, and you can ask to be a volunteer.
Senator McCARTHY: Do you know how many might have done that?
Ms Pattrick: I'd have to see if I have that number in my folder.

Senator McCARTHY: That would be great, thank you. I might give you a couple of questions if you'd like to take on notice those queries you're going to make. Are there people on the cashless debit card who are not receiving a social security payment? If so, how many? Why would they be on it? How much does it cost the department? How much does it cost generally? Do any members of parliament or senators have a cashless debit card?

Ms Hefren-Webb: Not to my knowledge, but we'll take that on notice.
Ms Campbell: There may have been some during the trial period. I have a vague recollection of at least one trialling it to make sure they were able to access goods. I remember someone offering me one at one stage.

Senator McCARTHY: You didn't decide to try it?
Ms Campbell: No, I didn't. At that stage, I didn't think that was going to add anything to the trial.

Senator McCARTHY: So why would a member of parliament or a senator have a cashless debit card, and who could approve it if they did?
Ms Campbell: We are now speculating. From recollection, when I was previously the Secretary of the Department of Human Services—and I'm not sure whether it was a cashless debit card or an income management card—it was so that they could assure themselves that the card did provide the services that were expected of it.

Senator McCARTHY: Can any person who is not on social security get a card if they ask? Ms Pattrick, you responded to that saying they go through Indue directly. Is that correct?
Ms Pattrick: And there are nine volunteers to the CDC program.

Senator McCARTHY: Do you know where they are?
Ms Pattrick: No, I don't have that.

Senator McCARTHY: Do you know who they are?
Ms Pattrick: I would have to take that on notice.

Senator Ruston: Senator, can I seek clarification. Are you referring only to those people who have voluntarily gone onto the card that are not on payment? There are a number of people who are on payments who have voluntarily gone on the card who would not otherwise have been caught in that cohort. For example, people on the age pension are not subject to the card in areas where it exists. However, there are more than nine people on other payments who have sought to go on the card.

Senator McCARTHY: Okay. So maybe I need to add an extra question to that: are there people on the cashless debit card who are not on social security? If so, how many, why and who approved it? Also, how many are there on payments that are not caught by the card?
the card and others who had requested to go on it. The legislation currently before the parliament is enabling that flexibility so that people who want to volunteer to go on the card are able to do so.

Senator McCARTHY: Okay. Thank you, Minister. How will consultation be undertaken with each community in the Northern Territory? We have heard about Groote Eylandt, but what are your plans around overall consultation for the whole of the Northern Territory?

Ms Hefren-Webb: I might ask Ms Blewitt to speak to this.

Ms Campbell: Senator, while we are getting that information I can inform you that some of the staff have a card in order to test merchant activity, usually as part of compliance investigations.

Senator McCARTHY: Staff from where?

Ms Campbell: From the Department of Social Services. If we are checking to see that the compliance activity is operating as we would expect, they have a card in order to do that.

Senator McCARTHY: How many DSS staff are there?

Ms Campbell: I don't have the number at hand, but they are not included in the nine that we have just talked about.

Senator McCARTHY: Okay, so this is in addition?

Ms Campbell: Yes.

Senator McCARTHY: Could you get the number for me?

Ms Campbell: We'll find out how many and how long. But it is generally in order to do the business of ensuring compliance.

Senator McCARTHY: And with the merchant side of it—anyway, we'll come to the merchant side of it in a moment.

Senator Ruston: When you're saying that they're on the card, they have a card. That doesn't mean to say they're actually having income quarantining on it. There would be an amount on there—

Senator McCARTHY: Really? I thought that was part of the trial.

Senator Ruston: Certainly, when I visited trial sites—particularly when I went and got a demonstration of the product-level blocking trial that was occurring in Coolgardie in Western Australia—they showed me how using the card worked. That was the purpose. It was a very useful demonstration, to show how it worked.

CHAIR: Senator McCarthy, I'm conscious of time, so we will move on to Senator Siewert.

Senator McCARTHY: All right. I've got quite a lot more, so I'll hand it over for now.

Senator SIEWERT: I want to check a couple of the figures on the information you give us every time about the number of participants. The number of cards seems to have increased considerably from the December figures. I totally appreciate that 5,000 people have come on from Bundaberg and Hervey Bay, and I realise that accounts for some of it. But, for 11½ thousand participants, nearly 33½ thousand cards have been issued. That's three per person.
Ms Pattrick: I can also advise that during a recent period some cards did expire. The original expiration date was reached and participants were issued with a new card.

Senator SIEWERT: How many were there?

Ms Pattrick: I would have to get that number—

Senator SIEWERT: Could you take that on notice?

Ms Pattrick: Yes.

Senator SIEWERT: Besides that, I've also heard of people losing cards fairly regularly. What accounts for that high number?

Ms Pattrick: I would say it is a number of factors. There was the changeover from Visa to the dual card when it became an EFTPOS card, so that accounted for a number of people choosing to replace their cards. As well, some people lose their card and request a new one.

Senator SIEWERT: I appreciate you'll need to take this on notice. On table 1.3, there are the total wellbeing exemptions for the sites. Are you able to break down that data into First Nations and non-First Nations?

Ms Pattrick: I'm just seeing if I've got that information. I don't have that information.

Senator SIEWERT: Could you take that on notice? Perhaps, in future, that table could include that information. You include it elsewhere but not on that particular table.

Ms Pattrick: Yes.

Senator SIEWERT: Thank you. I want to go back to the comment that Ms Hefren-Webb made in terms of being able to track people's purchases. Is that using that process that we talked about a long time ago, where Indue looks for irregular use of the card? Is that what you mean when you say you've got oversight of what people are buying?

Ms Hefren-Webb: Yes. We don't have product-level oversight; we have merchant-level oversight. You would anticipate, of course, the vast majority of transactions are, as expected, for the supermarket, household goods, medicines et cetera. Where there's a pattern of unusual transactions, that's when we might explore further what's driving that.

Senator SIEWERT: Through merchant—

Ms Hefren-Webb: Through merchant codes.

Senator SIEWERT: But there's no limit on what can be transferred from peer to peer?

Ms Hefren-Webb: No. But if, for example, a number of people are transferring cashless debit card funds to an individual—say, person A is receiving funds from 10 people and person A is undertaking an unusually large number of transactions at a single merchant—we might investigate what's sitting behind that.

Senator SIEWERT: But if they're transferring from peer to peer, or card to card, and they're not then spending it at a merchant, you can't track it?

Ms Hefren-Webb: We can see that the transfer has happened. We can see that the person's made that transfer. But, if person A, who's received it, doesn't then shop, obviously there's nothing to track.

Senator SIEWERT: This is what I want to get to. So you can see, when people are transferring, 'That's not a merchant; that's a person'?
Ms Hefren-Webb: Yes.

Senator SIEWERT: So you can track that? So you are tracking when people transfer peer to peer?

Ms Hefren-Webb: Yes.

Senator SIEWERT: How often is that occurring?

Ms Hefren-Webb: I don't have those figures.

Senator SIEWERT: How do you track it?

Ms Hefren-Webb: It's apparent from the Indue data.

Ms Pattrick: Yes.

Ms Hefren-Webb: We can run analytics and work out the extent to which people are transferring funds.

Senator SIEWERT: What data do Indue track?

Ms Hefren-Webb: Indue can track the amount of money coming onto the card—

Ms Pattrick: And the expenditure—

Senator SIEWERT: Dollars on, from anywhere?

Ms Hefren-Webb: That would come on from anywhere, from the social security record or another person.

Senator SIEWERT: Who else's bank account gets tracked this way?

Ms Hefren-Webb: St George can track whether Kathryn gives me funds.

Senator SIEWERT: Do they report to you, though? Do they report to the government that that has happened?

Ms Hefren-Webb: No, they don't.

Senator SIEWERT: No—only if you're on income support.

Ms Hefren-Webb: But that isn't a normal—

Senator SIEWERT: Only if you are on income support do your transactions—

Ms Hefren-Webb: We only ask for reports where there are unusual patterns of behaviour.

Senator SIEWERT: But unless Indue are tracking it—

Ms Hefren-Webb: When I say 'tracking', they're not examining every transaction; they're looking at patterns of transactions. For example, your credit card company might ring you, if you're in Melbourne and you're buying too many pairs of shoes, and say, 'We've noticed you've had a number of unusual transactions'—not that that's happened to me!

Senator SIEWERT: Shoes aren't very good example!

Ms Hefren-Webb: Similarly, they would have analytics and data that allows them to go, 'That's an unusual pattern'—

Senator SIEWERT: But the point is: they would tell me; they wouldn't tell you that I was buying 10 pairs of shoes.

Ms Pattrick: Indue does have over 200 rules to detect suspected fraudulent activity within the software. It's a system that is built with a number of rules around looking for unusual patterns of behaviour or activity, to detect fraud.
Ms Blewitt: Algorithm.
Senator SIEWERT: 'To detect fraud', but transferring money is not fraud.
Ms Pattrick: But it's looking for that pattern to see if there is some sort of unusual activity which could be a case of fraud.
Senator SIEWERT: How many times has unusual activity, of transferring money from card to card, been identified?
Ms Pattrick: I don't have that information.
Senator SIEWERT: Could you take that on notice, please—how many there have been, and, when merchants are flagged, when you assess merchants, how many times that has occurred.
Ms Hefren-Webb: We can take that on notice.
Senator SIEWERT: Yes, sorry; I meant, 'Take it on notice.' I want to go to a specific question about the Northern Territory royal commission. Basically, I know we don't have time to ask a whole lot of questions, but I've ended up with you because that's where they told me to come.
Ms Campbell: This is where it is, Senator. Have we finished with the cashless debit card?
CHAIR: Have you got any more?
Senator SIEWERT: There may be. I just want to make sure I get this specific question in before I get cut off. That's why I've jumped here. She is very strict!
CHAIR: Senator McCarthy is keen to push to six, if necessary, so you've got a bit of flexibility.
Senator SIEWERT: Okay. I did just want to jump to that, because I'm very keen to find out where we're at, and what the process is, more likely. I'll probably put some questions on notice.
Ms Campbell: Ms Hefren-Webb can probably give you some advice on the process, about where we're up to with working with the Northern Territory government.
Ms Hefren-Webb: We've been working with the new—well, it's not so new anymore—Northern Territory Children and Families Tripartite Forum. That was set up, as you know, in the wake of the royal commission.
Senator SIEWERT: Yes.
Ms Hefren-Webb: The forum has met seven times. The forum is due to meet again in November this year. The forum is working on the development of a coordinated funding framework, as recommended by the royal commission, and is also having a number of discussions about other aspects of the royal commission recommendations. The Northern Territory government consults the forum on a range of aspects to do with youth justice and child protection systems. We also use the forum as a vehicle to discuss our funding arrangements and how they might feed into the coordinated funding framework.

The Productivity Commission is also, as you know, undertaking a study on children in the Northern Territory. A draft report of that study is due in November 2019. We look forward to seeing that. We have provided a submission to the issues paper for that piece of work.
My team meet fortnightly with the Northern Territory Reform Management Office to stay in touch. We also run an interdepartmental committee across Commonwealth agencies to ensure that the recommendations from the royal commission are being progressed.

Senator SIEWERT: I'm particularly interested in how the recommendations that affect the Commonwealth are tracking. Could you take on notice to provide an update? I'm not asking you to do it against the whole lot, even though I'm sure that you have them and at some stage you'll get there. At the moment I'm specifically interested in the federal government ones. Could you take that on notice?

Ms Hefren-Webb: Yes, I will do.

Senator SIEWERT: I'll come back for another bite later on about the ones that are joint. I have one more question. I assume that you are aware of the situation with Berry Street and the funding there.

Ms Hefren-Webb: Yes.

Senator SIEWERT: Could you give me a brief update, if you've got one, on where your discussions are at about where that funding is going to go?

Ms Hefren-Webb: We are still in discussion, so I don't have an answer for you. As you know, Berry Street have decided to cease offering the open place service that supports redress applicants and forgotten Australians. Our state office and my team are working to look at alternative providers in Victoria to make sure that there's continuity of service for clients.

Senator SIEWERT: You will be aware that it is causing a great deal of distress.

Ms Hefren-Webb: I do understand that.

Senator SIEWERT: Could I be updated on that—

Ms Campbell: Through the minister.

Senator SIEWERT: through the minister, because it is causing such distress?

Ms Hefren-Webb: Yes, I understand.

Ms Campbell: Yes, indeed.

Senator McCARTHY: After 12 years of income management in the Northern Territory what population level indicators have improved for Indigenous people, particularly children?

Ms Hefren-Webb: I'd have to take that question on notice to provide you with a response on that.

Senator McCARTHY: What analysis of the impacts of 12 years of income management was undertaken or considered before the decision to roll out the cashless debit card across the Northern Territory?

Ms Hefren-Webb: Senator, you'd be aware that an evaluation of income management in the Northern Territory was undertaken. I know the people who undertook that evaluation provided evidence to the hearing into the legislation last week. Obviously that's one source of information. There has also been a lot of community response, community input and commentary on people's views about income management over that 12-year period. We have undertaken some consultations and we are undertaking more to inform the transition process.

Senator McCARTHY: The ANU provided to the Senate inquiry, which was what you referred to, an up-to-date analysis of the impacts of income management since the
intervention in the Northern Territory. The department was in the room at the time when this was discussed. Are you familiar with the report that the ANU talked about in relation to their concerns?

Ms Hefren-Webb: I'm familiar with the evidence that they provided, yes.

Senator McCarthy: In light of that report, I've got some questions for the department about the evidence base that's being relied on to justify the continued rollout of income management across the Northern Territory. Since income management was introduced, what's happened to the following indicators? Has infant mortality for Indigenous children decreased?

Ms Hefren-Webb: As I said earlier, I'd need to come back to you on notice in response to questions about specific indicators.

Senator McCarthy: I'll give you the questions now. Has birth weight for Indigenous children increased? Have child deaths from injury decreased? Has there been an improvement in Indigenous school attendance in the Northern Territory? Has there been a reduction in the number of people admitted to hospital for alcohol related presentations? Have assault victimisations amongst Indigenous people in the Northern Territory decreased? Have rates of domestic violence assault decreased? Has the rate of imprisonment of Indigenous people decreased?

Ms Hefren-Webb: We can certainly have a look at those statistics. Obviously, as you'd be aware, there are a whole range of factors that impinge on all of those measures, but we can certainly look at what we can provide you.

Senator McCarthy: It's important, obviously, for the people of the Northern Territory to know. If this is about an evidence base, which is what you're saying, in terms of the advice that's been given to roll the cashless debit card out, I think it's really critical that those answers are provided. To that list of questions, I'd like to add: what has happened to rates of child removal since the introduction of income management across the Northern Territory?

Ms Hefren-Webb: Certainly.

Senator Siewert: Could I ask a question on notice?

Chair: Yes.

Senator Siewert: We've heard evidence about the different approach in Cape York when we've been having the hearings. Was there any other approach considered of a similar nature for the Northern Territory when you were considering the rollover from the BasicsCard to the CDC?

Ms Hefren-Webb: You're talking, really, about policy advice to government now. I'm not sure we can necessarily come to—

Senator Siewert: I didn't ask for your advice. The simple question was: was it considered?

Ms Hefren-Webb: A range of options were considered.

Senator Siewert: So it was?

Ms Hefren-Webb: As always, when we're providing advice, we consider a range of options and provide advice on those.
Ms Campbell: Of course, Cape York depends very much on the community and the interest of the community to be involved in that process.

Senator SIEWERT: Was the community consulted in the Northern Territory about an alternative approach?

Ms Hefren-Webb: There were discussions held, particularly in Tennant Creek in the Barkly region, during the course of last year.

Senator SIEWERT: About that?

Ms Hefren-Webb: About income management—

Ms Campbell: A wide range.

Ms Hefren-Webb: and about a wide range of community models, community leadership models et cetera.

Senator SIEWERT: Anywhere else besides Tennant Creek?

Ms Hefren-Webb: It was the Barkly region, as I understand.

Senator SIEWERT: The Barkly region.

Ms Hefren-Webb: No, not to my knowledge.

CHAIR: There being no more questions in relation to outcome 2, we will move on. We have a few questions on notice.

Senator LINES: Ms Campbell, we wanted to ask some questions around housing. I'm thinking about community housing, homelessness and community services. When did the department first brief the Assistant Minister for Community Housing, Homelessness and Community Services on those portfolio matters?

Ms Campbell: We'll just see whether we've got the date for when we first briefed the assistant minister.

Mr Williamson: No. We'd have to take on notice the exact date, but it was—

Ms Campbell: Soon after his swearing in.

Mr Williamson: Yes. It was very soon after his swearing in. My recollection is we met with him within that first week.

Senator LINES: Okay. And then you would have given him a portfolio brief?

Mr Williamson: And then we started providing a series of briefs from there.

Senator LINES: How many briefs did the department provide the assistant minister before 9 July?

Ms Campbell: I think we might have how many briefs we've provided to today, but not until the 9 July.

Senator LINES: Is someone here now who—

Mr Williamson: No, sorry, we don't have that number with us. We'd have to take that on notice.

Senator LINES: And no-one here can give you that number?
Mr Williamson: No.
Senator LINES: But you've got the number. How many to date then? Do you have that number?
Ms Campbell: I'm just looking. Maybe that was in cross-portfolio.
Mr Williamson: We're just seeing what we might have.
Senator LINES: Sure.
Ms Campbell: To date, Assistant Minister Howarth has received 32 ministerial briefs and has dealt with 359 pieces of correspondence. We've provided 32 meeting briefs and four event briefs.
Senator LINES: Thank you very much. Did the department provide the assistant minister, or, indeed, the minister's office, with the advice that there should be a positive spin on homelessness?
Ms Campbell: I don't recall that being part of a briefing.
Senator LINES: You don't recall—is that a definite no or not?
Mr Williamson: We have not used that phrase in our briefing.
Senator LINES: So it wasn't in any of the briefings; that's a fair summation?
Mr Williamson: Yes.
Senator LINES: What does the most recent census data tell us about homelessness in Australia?
Mr Williamson: I'll ask Mr Philp to take you through that.
Mr Philp: The most recent census data from 2016 showed there were 116,000 people subject to homelessness in Australia.
Senator LINES: Is it true the number of homeless Australians has increased over the last two census surveys?
Mr Philp: Yes.
Senator LINES: What was the percentage increase in homelessness between the last two census surveys ahead of or behind population growth?
Mr Philp: I think I would have to take that one on notice, because I don't have the population growth comparison with me.
Senator LINES: Is anyone here able to give you that.
Mr Williamson: We'll see if we can get it for you.
Senator LINES: Thank you. Has the department ever provided advice or evidence in the last six months to the assistant minister or his office that the rate of homelessness was behind population growth in Australia in the last two censuses?
Mr Williamson: We generally wouldn't go to the nature of the advice that we provide to the minister.
Senator LINES: Not even when I pick the topic?
Mr Williamson: Yes.
Senator LINES: Looking at your department's website, I note that all ministers and assistant ministers have a speech or transcript page. That's correct, yes?

Ms Campbell: The people who could've answered that would probably have been here under cross-portfolio, but my recollection is that there is a part of our website that has those documents.

Senator LINES: Under Assistant Minister Howarth's transcript page, it's blank. Can you explain to the committee why that is?

Ms Campbell: I would have to take that on notice. The officers who maintain the communications function were here earlier this morning in cross-portfolio.

Senator LINES: I'm not having much luck here! Has the department been directed by the assistant minister not to upload transcripts?

Ms Campbell: Again, because I don't have the officials with me, I'm unable to answer. I would have to take that on notice.

Senator LINES: That is the IT people?

Ms Campbell: We have a communications branch that is responsible for those items. They were here for the cross-portfolio this morning.

Senator LINES: Does the assistant minister correspond directly with the communications branch?

Ms Campbell: I personally am unaware of this information. This is not something I usually engage with. I would need one of those officers to answer the questions, and they're not here. I would have to rely on them.

Senator LINES: I'm just seeking some clarification, because you're the secretary. Does the assistant minister correspond directly with communications staff?

Ms Campbell: The assistant minister's office and communications staff in the office would deal directly with the communications staff. This is not something I generally deal with on a day-to-day basis.

Senator LINES: You don't get any documentation, or anything of that nature, that informs you of what interactions staff have had with the assistant minister?

Ms Campbell: We have two cabinet ministers and two assistant ministers within the portfolio. There is a lot of engagement between them. I don't keep track of every piece of engagement between those ministers and the staff within the department. I couldn't keep up with that.

Senator LINES: So, as secretary, it would come as a surprise to you if an assistant minister was corresponding with a particular staff member, because there's no way for you to be informed of that?

Ms Campbell: It's not that I'm not informed; it's just that if I had to deal with every piece of correspondence, I wouldn't be able to—

Senator LINES: Absolutely, I understand that's not your role, but I would have thought that to be informed of the interactions would be your role.

Ms Campbell: I am informed of the interactions, but that doesn't go to what's uploaded on the website as transcripts; I'm sorry.
Senator LINES: Ms Campbell, do you know if there is anywhere I could find a public record of the assistant minister's transcripts or speeches?

Ms Campbell: I am unaware. I'll ask if any officers at the table are, but we could take that on notice.

Mr Williamson: We're not aware of a central repository, no.

Senator LINES: The reason I ask that question is that, in an interview on ABC Radio National, the assistant minister said that the 14 per cent increase in homelessness between the last two census surveys was not ahead of population growth. Is that correct?

Ms Campbell: I think Mr Philp said that we were going to see if we could get someone to give us some data on population growth, and then we'll see if we're able to answer a factual question along those lines.

Senator LINES: Sure. Am I right in assuming at this point that the department is not able to give the committee any indication on homelessness numbers versus general population growth?

Ms Campbell: We can give you the homelessness numbers.

Mr Williamson: We can give you the homelessness numbers.

Senator LINES: But you can't tell me about that 14 per cent increase?

Mr Williamson: That's the question we've taken on notice, and we're endeavouring to get that information for you now.

Senator LINES: What you have, then, is a figure of those Australians who are experiencing homelessness in isolation of any other figure?

Mr Williamson: Yes.

Ms Campbell: We can probably get the population size and we can then determine it as a percentage.

Senator LINES: But you haven't got that anywhere?

Ms Campbell: No, but we're trying to get it now. We prepare for estimates, but sometimes there'll be sets of figures and combinations that we're not expecting, so that's what we're trying to do at the moment.

Senator LINES: No worries. In that same interview on ABC Radio National, the assistant minister said that he wanted to look at vacant homes, empty homes, and that 'apparently there are a million sitting vacant, so I want to look at why there are so many vacant houses as a first point of priority as well.' Has the department been directed by the assistant minister or his office to conduct any work on vacant houses?

Mr Williamson: The assistant minister has raised that particular topic with us.

Senator LINES: He's asked you to do work on it?

Mr Williamson: He's raised it with us, and we will look at it.

Senator LINES: When did he raise it with you?

Ms Campbell: I'd have to take that on notice, sorry.

Senator LINES: Was it a month ago, two months ago, last week?
Mr Williamson: My recollection is it was relatively early on, after he was sworn in, but I don't have the exact date. We've had many conversations with the assistant minister.

Senator LINES: What sort of work is the department undertaking?

Mr Williamson: I can ask Mr Philp.

Mr Philp: As part of the assistant minister understanding the extent of the homelessness problem, he wants to understand what the extent of the cohort looks like, what the available property—

Senator LINES: He wants to understand?

Mr Philp: The size of the cohort and how it is broken down, the size of the available stock that might be available to treat that, including—

Senator LINES: This is housing stock?

Mr Philp: Housing stock, so what proportion of the 10 million properties that we have in Australia is unoccupied at any one time, broken down by what proportion of the public housing stock is underoccupied and overoccupied, and what opportunities there are to alleviate homelessness by accessing those.

Senator LINES: How many public servants are currently working on that project or policy to address the vacant houses?

Mr Williamson: There isn't a dedicated number of public servants only looking at that particular issue. Mr Philp's group looks after housing and homelessness, and this is one of their issues.

Senator LINES: How many people are in your group?

Mr Philp: There are 50 people in my group. I stress, though, that 30 of those are dedicated as managing and administering the National Rental Affordability Scheme.

Senator LINES: So those 30 are not doing this work?

Mr Philp: Correct.

Senator LINES: So the other 20 would be doing this.

Mr Philp: That's right.

Mr Williamson: They would be policy officers, but that is not their sole purpose.

Senator LINES: I appreciate they are doing other work. When did they begin this work?

Mr Williamson: We would have commenced doing work following discussions with the assistant minister.

Senator LINES: If you're looking at public housing, presumably you're talking to states. Do you have that data?

Mr Williamson: No, we need to have discussions with states and territories.

Senator LINES: You need to?

Mr Williamson: Yes.

Senator LINES: Has the department, at this point, provided any research or briefings to the assistant minister or his office about the problem of vacant houses in Australia?
Mr Williamson: That would go to the nature of the advice that we've provided to the minister.

Senator LINES: Have you given any briefings to the assistant minister or his office about this subject matter?

Mr Williamson: All we can say is that the secretary mentioned before the numbers of briefings that have been provided to the assistant minister—

Senator LINES: The 32-odd.

Mr Williamson: whether they be briefs, meeting briefs, et cetera. We canvass a wide variety of housing and homelessness issues in those briefs.

Senator LINES: What percentage of those briefings would go to this concept of vacant houses?

Mr Williamson: That would go to the nature of the advice.

Senator LINES: It's just a number. I've asked you what percentage. You've told me that you are doing work on this, requested by the assistant minister. So of the 32-odd briefings, what percentage have been about vacant houses?

Mr Williamson: There are two things I would say. It wouldn't just be in those 32 briefings. The secretary mentioned different forms of briefings—

Senator LINES: Sure. So what percentage of those briefings—

Mr Williamson: We would have to take that on notice.

Senator LINES: So you can't tell me what percentage of those briefings would have mentioned vacant houses?

Mr Williamson: No, not here today.

Senator LINES: Do you think it's half of those?

Mr Williamson: I wouldn't want to speculate.

Senator LINES: Is it five of them?

Mr Williamson: I couldn't tell you.

Senator LINES: Is there someone in the room that can tell us?

Ms Campbell: Senator, we'll take it on notice. The nature of policy advice in this area—my recollection is that this would be one component of many other components in a brief. This would be one item. When we're briefing on the issue of homelessness, it would broadly range across all of the factors that are relevant. So I would be very surprised to see a standalone briefing on this topic.

Senator LINES: I wasn't necessarily asking that, because the other gentleman at the table explained that the briefings would be more full than that. I was just trying to get a sense of how many times you'd given that information. Does the department have any advice or research to suggest that vacant houses are a key issue when tackling homelessness?

Mr Williamson: I would say they are a factor.

Senator LINES: But are they a key issue?

Mr Williamson: Well, I would say they are a factor—that's probably the best I can give you, Senator.
Senator LINES: Are they a key factor?
Mr Williamson: I think you're asking for a view there. I'm saying they are a factor.
Senator LINES: No, I'm asking whether the work that you've done—your advice or research—suggests that vacant houses are a key factor. I'm not asking for advice. I'm asking whether your research suggests that, and you said it's a factor. I'm asking: is it a key factor or a key issue?
Ms Campbell: We think it's a factor—
Senator LINES: So it's not a key issue?
Ms Campbell: There are many factors that go into housing and homelessness. I don't think it's that useful for us to say which one is key and which one is not key. This is a complex problem space, a complex policy area, and it is a factor.
Senator LINES: But not a key issue?
Ms Campbell: I didn't say that. I'm not saying any of them are key, I'm saying there are a number of factors.
Senator DODSON: How many Australians do you estimate are homeless?
Ms Campbell: We previously gave advice from the last census. We can reiterate that advice.
Senator DODSON: Sorry, I might have missed that.
Mr Philp: As at the last census in 2016, it was 116,427 Australians.
Senator DODSON: How many are sleeping rough?
Mr Philp: There are 8,200 who are in improvised homes, tents or sleeping out.
Senator DODSON: I just get the impression that there is no urgency coming across the table here about doing something on this.
Ms Campbell: I don't understand that.
Senator DODSON: These are Australians doing it tough and we seem to be just cruising along as if they are of no account. Surely to goodness, with so many vacant properties there should be a strategy in place to start to do something.
Ms Campbell: I'm disappointed that you have come from the view that there is nothing happening, because the officers have been talking about the fact that we are providing advice to ministers and this has been a priority.
Senator DODSON: Advice is one thing, but where's the action to do something about it?
Ms Campbell: The National Housing and Homelessness Agreements with the states—
Senator DODSON: How many of the 116,000 are they housing?
Ms Campbell: The government has signed agreements with the states and territories—
Senator DODSON: More words.
Ms Campbell: No, there was money attached. There is $1.5 billion every year as part of those agreements with the states and territories.
Senator DODSON: How many of the 116,000 are being rehoused?
Ms Campbell: We can go through some of the factors. In particular, we can focus on the contribution that the Commonwealth government is making to this important policy area.

Senator DODSON: I'm not asking that question. I'm asking: what's the outcome from all the discussion, from all the commitments and finances, for these 116,000 people who are homeless?

Ms Campbell: I think we acknowledge that this remains a very difficult problem—

Senator DODSON: So do I. But what are you people doing about it?

Ms Campbell: We are working with the state and territory governments—

Senator DODSON: This is why my concern—

CHAIR: Senator Dodson, please let the secretary answer the question.

Senator DODSON: But they are not giving me an answer. They are giving me more gobbledygook.

Ms Campbell: I don't think it is gobbledygook. Maybe I could ask Mr Philp talk about the National Housing and Homelessness Agreement, which is an agreement between the Commonwealth and the states and territories.

Mr Philp: Thank you, Secretary. The National Housing and Homelessness Agreement is a national partnership agreement with the states and territories. It involves $1.5 billion each year that the Commonwealth pays to the states for them to enact bilateral plans to solve housing and homelessness. There are priority housing groups and homelessness groups in that. The homelessness cohort includes Indigenous Australians, those leaving incarceration or other institutions, and women and children leaving domestic violence. Of that $1.5 billion, there is $125 million specifically for homelessness funding, which the states have agreed to match, for the treatment of homelessness within the states specifically. And that is within the NHHA.

Senator DODSON: I'm asking a very simple question. You are telling us there are 116,000 people who are homeless and you can't tell me the outcome for that bilateral agreement you've got in terms of rehousing people or putting people into homes or shelters.

Senator Birmingham: What are the metrics that the states report against and what is the progress there?

Mr Philp: There is a range of national performance indicators within the agreement. The agreement was signed last year. The states are required to report by 31 October to provide an assurance to the Commonwealth about how they are spending that money and, in particular, to show where the Commonwealth funds are going to treat homelessness. So we will know that with greater certainty next week.

Senator URQUHART: When will the last NRAS property be removed from the scheme?

Mr Philp: The NRAS concludes in 2026.

Senator URQUHART: Is that when the last property will be removed?

Mr Philp: That's when the last incentive will be paid for a property, yes.

Ms Campbell: Many of these properties of course were provided by social housing providers. What those providers do with those houses is a matter for them, and for the private investors as well.
Senator URQUHART: How many properties will be removed in each calendar year?

Mr Williamson: We can take you through the incentives that will cease in each year.

Senator URQUHART: Thank you.

Mr Philp: NRAS incentives ceasing, by calendar year: by the end of this calendar year, 816 incentives between July and December this year; 1,368 in 2020; 3,059 in 2021; 6,362 in 2022; 6,619 in 2023; 9,178 in 2024; 3,997 in 2025; and 4,590 in 2026.

Senator URQUHART: Thank you very much. Are properties removed each year on 1 January? Or are they removed individually, depending on when they were signed on to the scheme? What's the date?

Ms Campbell: As we've said, what actually happens with the property—we can talk about when the incentives are no longer paid.

Senator URQUHART: When I talk about removal, you're answering that in terms of when the incentives are no longer paid?

Mr Philp: That's right, and it comes from the date that they entered the scheme. So, it's not 1 January; it's the latter.

Senator URQUHART: So it's the date of entry to the scheme.

Mr Philp: Correct—or the anniversary of that date, is more accurate.

Senator URQUHART: Does the department have data as to where NRAS properties are currently located?

Mr Philp: Yes.

Senator URQUHART: Do you have data that shows when NRAS properties are to be removed, based on geographical location?

Mr Philp: We do have that. We have it by state, in front of us, or we can—

Senator URQUHART: Are you able to provide that or table it? What's easiest?

Mr Philp: As part of the public record, we issue a quarterly report on the NRAS, which is available from the DSS website. That has it split by state and calendar year of the exit of the incentive.

Senator URQUHART: So, the last quarterly report would have gone up at the end of September?

Mr Philp: No, 30 June is the last one that's available.

Senator URQUHART: Do you have any further figures from 30 June?

Mr Schafer: The 30 June quarterly report is on the website. The 30 September report will be on there in the next week or two.

Senator URQUHART: Can you tell me, then: what's the data for the properties that have been removed, by geographical location?

Mr Schafer: For the rest of this calendar year: New South Wales, 318; Victoria, 161; Queensland, 138; Western Australia, 18; South Australia, 121; Tasmania, 36; ACT, 24; and none in the Northern Territory.
Senator URQUHART: Can you provide the data that you have, based on the most accurate geographical descriptor—state, suburb, electorate—of NRAS properties and when they will expire from the scheme?

Mr Schafer: We'll have to take that level of detail on notice. We've got state, which we publish—

Senator URQUHART: But you do break it down to that level, do you?

Mr Schafer: Yes, we can do that.

Mr Philp: We do have that data available.

Senator URQUHART: Okay, so you'll take that on notice.

Mr Schafer: The public quarterly report covers how many allocations in each suburb around Australia, and we can break it down further.

Senator URQUHART: That would be great, if you could take that on notice. Thank you. I know that the department records NRAS allocations down to suburb level in the quarterly reports. Do you know, based on the suburb, when NRAS properties will be removed from the scheme? And is that what you're going to provide me with?

Mr Schafer: That's what we've taken on notice.

Senator URQUHART: And you'll provide me with the dates of that as well?

Mr Schafer: The calendar year—yes.

Senator URQUHART: Thank you. Can you tell me what information is given to a tenant whose house is to be removed from the NRAS?

Mr Philp: The approved participant is required to provide at least 90 days notice to the tenant if the property is to exit the NRAS scheme.

Senator URQUHART: The department does that?

Mr Philp: No, the approved participate is required to do that.

Senator URQUHART: Sorry—I missed that. Can you tell me what support is then available to them—obviously to find other housing and any other support they may require?

Mr Philp: The support and the outcome will be dependent upon the circumstances of the tenant. To explain the scheme in part, over half of the approved participants within the scheme—and the approved participants are effectively those who property manage, for lack of a better phrase, the properties within the scheme; they receive the incentives from the Commonwealth and pass those on to investors—are community housing providers and/or registered charities. That becomes important because to maintain their charitable status they need to ensure that the rent remains at 74.9 per cent, or below 75 per cent, of the market rate. That charitable status would be maintained and the rents will be maintained at that level. For the others, it becomes a matter for the states and territories as to whether a person moves into the community housing sector at large and the terms of their lease agreement. Even though the property leaves the NRAS, the lease agreement that the person's got is a normal residential lease and will be maintained at whatever the rent level is.

Senator URQUHART: I'm still not quite sure of what support is available to the tenant.
Ms Campbell: The tenant, depending on their circumstances, may be able to apply for Commonwealth rental assistance, which is the program provided by the Commonwealth to support people on lower incomes with rent.

Senator URQUHART: Just the rent assistance, but that depends on their circumstances.

Ms Campbell: It depends on their circumstances, Senator.

Senator URQUHART: So there's no assistance in terms of, say, moving fees or anything like that?

Ms Campbell: No.

Senator URQUHART: I think you said there were 90 days notice. Is that correct?

Mr Philp: That's right.

Senator URQUHART: What government scheme can an NRAS tenant immediately access so they don't encounter an immediate 20 per cent increase in their rent?

Mr Williamson: I think as Mr Philp mentioned before, the cessation of the incentive doesn't necessarily mean that rent then increases from that period of time. A number of the approved participants in the scheme are charitable organisations and the like, so it's just as likely that a tenant will see no change in the rent that they're charged.

Ms Campbell: We also know that there were a number of universities that took advantage of the NRAS to build accommodation, so that would be a different set of circumstances to the one that you are probably thinking of.

Senator URQUHART: Of course. But there's nothing actually stopping a landowner from putting up rent for a tenant.

Mr Philp: The lease agreement would be one of the strong things that dictates against that, as well as the residential tenancy laws of the state or territory of the property.

Senator URQUHART: Thank you. Has the department provided advice to government as to whether a new scheme will need to be implemented to replace the current NRAS?

Ms Campbell: Senator, that would go quite specifically to advice to government. We provide advice to government around the issues of housing and homelessness, but we wouldn't go into that level of detail.

Senator URQUHART: I guess this scheme's going to finish in 2026, so is there something to replace this scheme?

Ms Campbell: I think that, during the election campaign, the government indicated that it wasn't planning on a NRAS 2.0.

Senator URQUHART: Sorry—not planning on what?

Ms Campbell: On a second scheme in the form of NRAS.

Senator URQUHART: Is the department currently developing something that might look like replacing NRAS? Is that part of your brief?

Ms Campbell: We're providing advice to government about the ongoing issue of housing and homelessness.

Senator URQUHART: But are you actually developing anything that looks like it's going to replace—
Senator Birmingham: That would probably go to the nature of that advice.

Senator URQUHART: So you're not going to tell me, are you, Minister?

Senator Birmingham: I'm certainly not, for more reasons than one.

Senator URQUHART: That's all I have on NRAS, but I have some on the National Housing and Homelessness Agreement. Would you like me to keep going?

CHAIR: I'm happy for you to continue, yes.

Senator URQUHART: When was the National Housing and Homelessness Agreement signed?

Mr Philp: It was signed in 2018.

Senator URQUHART: And how many additional social and affordable homes will be built in the next five years as a result of the agreement?

Mr Philp: The way the National Housing and Homelessness Agreement works is that there are bilateral agreements with each of the states and territories. They each have commitments within those to meet the national performance indicators which are within the agreement, and they've made various commitments as part of those. They include, though, functions in which the states are going to bring their own funds to bear with the Commonwealth funding to ensure that there's an increase in housing stock. So it varies between the states.

Senator URQUHART: Do those commitments that the states provide have any numbers attached to them?

Mr Philp: They do. There are examples that I can give you now, Senator. New South Wales immediately is looking at 23,000 new and replacement social housing dwellings—

Senator URQUHART: And do you know what period that's over, Mr Philp?

Mr Philp: I don't have that in front of me.

Senator URQUHART: Can you provide a little bit more about that on notice?

Mr Philp: Yes. As well, they're transferring 40,000 properties to the community housing sector and increasing social housing options for older women in four to five locations throughout New South Wales. In Western Australia, 35,000 homes for people on low to moderate incomes by 2019-20—

Senator URQUHART: So that would nearly be done then, would it not?

Mr Philp: Sorry?

Senator URQUHART: Is that nearly completed? Is that financial year or calendar year?

Mr Philp: No, that is in the financial year 2019-20. And then there are 534 new homes to assist 1,000 people in urgent need between 2018-19 and 2019-20—again, the end of this calendar year. WA would also transfer 122 public houses to CHPs and there is an extra $20 million for new and refurbished crisis accommodation by the end of 2018-19. Again, these are the things we'd expect to see in the assurance statements that the government will be receiving at the end of next week.

Senator URQUHART: That's what you talked about in the previous—

Mr Philp: Correct.
Senator URQUHART: So these are quarterly reports that you—

Mr Philp: Annual reports?

Mr Williamson: No, those quarterly reports were in regard to the NRAS scheme. Previously we talked about states and territories having to report on an annual basis their progress, and they're the reports we're expecting by the end of next week.

Senator URQUHART: Thank you for that clarification.

Mr Philp: For the Northern Territory, I don't have housing numbers specifically in front of me, but that's part of the $1.1 billion remote housing program that the Northern Territory government is engaged in—Our Community. Our Future. Our Homes—for supply between 2017 and 2027. And the Commonwealth, through the national Indigenous Australians partnership, is contributing $550 million over five years as part of that program. In the ACT, there's renewal of social houses and the construction of more public houses by 2018-19; the delivery of an affordable housing innovation fund; and funding for women and children affected by domestic violence again through 2018-19. In Tasmania, there's a redevelopment of 1,050 public houses and then a commitment to build 15 social houses per annum. I stress this is under the National Housing and Homelessness Agreement. There are other things the Commonwealth is doing in the context of the Hobart City Deal, and that's the $30 million over the next two years to bring an extra hundred dwellings into Hobart.

Senator URQUHART: Sorry, can I just clarify: is the 15 social houses per annum over the next five years? What's the period of time?

Mr Williamson: I think we'll have to confirm for you, Senator, the period of time on some of these. We've got the numbers, but we don't have the exact time for all of them.

Mr Philp: And some of these commitments vary. The length of commitment varies between the states and which bilateral commitment they've given us. Tasmania has also committed to three new youth foyers in 2018-19; home ownership initiatives through a shared equity scheme, and new aged-care facilities supporting homeless people by June 2021. South Australia is looking at the transfer of 5,000 housing assets to community housing providers; and three new crisis accommodation centres for women and children affected by family and domestic violence.

Senator URQUHART: Do you know how many they will hold?

Mr Philp: Not on the materials I have. And there is a new homelessness approach for the City of Adelaide, the Adelaide Zero Project, which is ongoing at the moment.

In Queensland, there are 2,972 new social housing dwellings over five years from 2018-19; 10,000 new affordable dwellings by 2031; four new shelters for women and children affected by family and domestic violence; and two new youth foyers.

In Victoria, there is $120 million to increase social housing supply and $185 million to redevelop public houses as part of the Homes for Victorians program, which in total will be about $2.7 billion; $8.2 million to build long-term housing for vulnerable client groups; and $10.9 million to support young people leaving out-of-home care. As part of the Victorian commitments, there is also a commitment to assist 103,000 clients who present for specialist homelessness services and provide accommodation to 25,000 of those as they present. And I think I've mentioned New South Wales.
Senator URQUHART: Yes, you did, thank you very much. Are there any performance indicators that you use for the scheme to see how they're measuring?

Mr Philp: We have the national performance indicators within the National Housing and Homelessness Agreement.

Senator URQUHART: And so they're the same for all of the states too?

Mr Philp: The indicators within the agreement are the same across all of them.

Mr Williamson: I think it's important to recognise, as Mr Philp said, that each state and territory is using this funding to focus initiatives in their areas, and their annual reporting will also be a mechanism to hold to account the numbers they're talking about and whether they're achieving them or not. So the National Housing Homelessness Agreement provides the overall framework and then the bilateral agreements and the annual reporting will provide the granular—

Senator URQUHART: Who do the states report to, Mr Williamson—back to the department?

Mr Williamson: They'll provide those reports back to the Commonwealth, yes.

Mr Philp: So the priority areas under the Housing and Homelessness Agreement are social housing; encouraging growth and support; the community housing sector; affordable housing; tenancy reform; homeownership; and planning and zoning reform. I mentioned earlier in my evidence that there are homeless priority cohorts which include women and children affected by family and domestic violence; children and young people; Indigenous Australians; people experiencing repeat homelessness; people exiting institutions and care into homelessness; and older people.

Senator URQUHART: Thank you. Has the assistant minister, or his office, directed the department to create any performance indicators other than what you've mentioned?

Mr Williamson: No. Those priority areas have been agreed between the Commonwealth, states and territories, and they've been signed off.

Senator URQUHART: But you haven't received a request from, or been directed by, the assistant minister or his office to create any others?

Mr Williamson: No, not that I'm aware of because, once a national partnership is entered into, we work through the priorities and the indicators that are in there. As I said, we would expect to see that each state and territory has structured their bilateral agreements around those priority areas and we're looking on an annual basis to see how they're tracking against those.

Senator URQUHART: My final one is: will this agreement be subject to any independent review?

Mr Philp: After five years, the Productivity Commission is required to do an assessment of the progress of the National Housing and Homelessness Agreement.

Senator URQUHART: Obviously, I suggest that the Productivity Commission's review would be made public.

Mr Williamson: So the Productivity Commission's work is typically—
Senator URQUHART: Always public, yes. Is there anyone else that would be conducting a review?

Mr Naikar: We will also have a report done at the end of each reporting period which will give a dashboard overview of the current housing and homelessness sector.

Senator URQUHART: And that's each year?

Mr Naikar: That will be each year and it will also include a broad overview of the economic conditions and climate.

Senator URQUHART: And will the outcomes of those reviews be made public?

Mr Naikar: Yes.

Senator URQUHART: Great. That's all I've got, thank you very much.

CHAIR: I understand there are no further questions in the room. There will be questions on notice from Senator Siewert—she's had to be an apology and left. We will now conclude outcome 4 and suspend until 7.30 when we meet with the Digital Transformation Agency.

Proceedings suspended from 18:21 to 19:30

CHAIR: We will recommence, and the committee will begin consideration of Services Australia, part of the Social Services portfolio, with questions for the Digital Transformation Agency. I welcome Mr Brugeaud, Chief Executive Officer of the DTA. Do you wish to make an opening statement?

Mr Brugeaud: Yes.

CHAIR: Okay, feel free to start.

Mr Brugeaud: The DTA leads digital transformation in government to make services simple, smart and personalised. We support agencies to make more effective use of digital, to improve services and ensure they are accessible. We work collaboratively across all levels of government on national digital priorities. These include cross-jurisdictional data and digital platforms, services and protocols, building and maintaining public trust, transforming services around life-event journeys and delivering a seamless digital identity experience for citizens. We engage with the private sector to keep up with new approaches and technologies; we help businesses of all sizes better support the needs of government and the community. We also engage internationally to share our experience and learn from the experiences of others. We've continued to deliver in many important areas, including digital identity, common platforms, capability development, sourcing reforms, and advice on digital and ICT-enabled proposals. We are making a difference.

Our corporate plan for 2019-20 sets out four key priorities: (1) to deliver whole-of-government strategies, policies and advice to support the government's digital and ICT agenda; (2) to design, deliver and support common government-wide platforms and services that enable digital transformation; (3) to deliver a program of digital and ICT capability improvement, including sourcing, to enhance capability and skills across the APS; and (4) to drive collaboration and partnerships to enable and accelerate the digital transformation of government services.

After the May election, the DTA moved as an executive agency into the Social Services portfolio. This allows us to work more closely with Services Australia to drive digital transformation across government. While digital provides an enormous opportunity to
improve service delivery, it is more than just technology. Digital is about applying cultures, business processes and technologies to respond to the needs and expectations of all Australians. Doing this well is the DTA's reason for being.

Senators, I thank you for the opportunity to provide an opening statement and we look forward to taking your questions.

CHAIR: Thank you very much. We will go to Senator Brown.

Senator CAROL BROWN: Thank you for your opening statement. Exactly what are the key functions of the agency?

Mr Brugeaud: The DTA has four key functions. One is to provide investment advice and assurance for ICT and digital-enabled programs. The second is to build capability across the Public Service, drawing on industry through sourcing capability from the market. The third is to deliver digital platforms and services in a common way across government. Examples of platforms include digital identity, payments, notifications and so on. And we also lead digital and ICT policy and strategy for all of government.

Senator CAROL BROWN: Right. So you're involved in all the digital aspects of government?

Mr Brugeaud: We have visibility of a range of digital and ICT-enabled programs across government, yes.

Senator CAROL BROWN: For example, have you been asked to provide advice for the NDIA?

Mr Brugeaud: We have moved into the Social Services portfolio. We have not been specifically asked to provide advice on the National Disability Insurance Scheme or the agency more broadly.

Senator CAROL BROWN: What does that mean—you've 'moved into'?

Mr Brugeaud: We were previously situated within the Prime Minister and Cabinet portfolio.

Senator CAROL BROWN: I understood that from what you said earlier, but I suppose I'm asking: how are you engaging—in terms of your key functions that you outlined—into other departments, agencies and so on?

Mr Brugeaud: We're tasked with leading those engagements. For example, with strategy, we developed late last year a Digital Transformation Strategy for the Australian government. We engaged with agencies across the Commonwealth in building that Digital Transformation Strategy. We have responsibility for reaching out to agencies and, in some cases, we have responsibility for administering policy, which requires agencies to comply with a set of standards that we might define—in sourcing, for example, where we develop whole-of-government deals. So we reach out into agencies, and they understand what the DTA's role is in supporting them in delivering ICT and digital programs.

Senator CAROL BROWN: Does that include when you see an agency or department's digital platforms not being optimal, not performing as they should?

Mr Brugeaud: Are you asking if we notice that the delivery performance of an agency, with their ICT and digital, is not working?
Senator CAROL BROWN: Yes.

Mr Brugeaud: We have the capacity to provide advice to agencies, but ultimately it is up to agencies to deliver their programs, and they can choose to take the DTA advice. We have the capacity, though, to set policy that enforces standardisation across government. In sourcing, the example I used earlier, where we see agencies—as we have—with procurement of common services from industry, we can define a whole-of-government arrangement and have that such that agencies are required to adopt that.

Senator CAROL BROWN: Have you provided any advice to departments or agencies without invitation?

Mr Brugeaud: We have provided general advice to agencies. We have, though, been invited to provide advice to agencies in a number of specific programs.

Senator CAROL BROWN: What agencies would they be?

Mr Brugeaud: I'll hand over to Ms Hutchinson to list the funded programs for which we provide oversight.

Ms Hutchinson: I lead Digital Investment Division. Part of our role is we actively engage with all agencies across the Public Service. We engage with them in two dimensions: (1) when they are developing new business proposals and (2) where they have an in-flight or active project. They may have existing systems that may not be fully operationalised or fully perfect. We don't necessarily engage with them on those. We engage with them on what are active and in-flight projects. The nature of the advice we might give varies from helping them to understand how to comply with government rules or processes to looking at ways to enhance the user experience.

Senator CAROL BROWN: How many departments and agencies have you given advice to without—

Ms Hutchinson: Without solicitation?

Senator CAROL BROWN: Yes.

Ms Hutchinson: Probably I'd have to take that question on notice. We are engaged with all of the in-flight projects. We will give advice to them when we might see that they are having particular challenges with their projects, but we also invite them into things like communities of practice and a number of events where they will be part of a general audience as well.

Senator CAROL BROWN: Yes, but I'm assuming that the invites are more for information rather than if they're struggling to provide the outcome that they're wanting in terms of their digital presence.

Ms Hutchinson: That's right. We're not a regulator and we don't go in and do remediation of projects. We engage and advise in general terms to support agencies with the delivery of their ICT or digital projects.

Senator CAROL BROWN: Do you at least know whether you've provided advice without being asked?

Ms Hutchinson: Certainly we have invited ourselves to go and discuss things with agencies; yes.
Senator CAROL BROWN: This is not a question, but I do wonder how that was received, but, anyway, I'll move on.

Ms Hutchinson: Actually—

Senator CAROL BROWN: No; you can answer.

Ms Hutchinson: By and large, agencies are responsive.

Senator CAROL BROWN: If you also take on notice to provide us with information as to which departments and agencies have invited you to provide your expertise, that'd be great.

Ms Hutchinson: Yes.

Senator CAROL BROWN: How much has been invested in the digital identity front door project?

Mr Brugeaud: I'll hand to Mr Alexander to talk about digital identity, the investments that we've made to this point and the outcomes that we're delivering.

Senator CAROL BROWN: And this will just relate to digital identity of front door?

Mr Brugeaud: Correct.

Mr Alexander: Yes, we have a digital identity program, GovPass. GovPass is a working program title, but the outcome is digital identity. I might ask our COO, GP de Wet, to give me a little bit of information he might have. I have the 2019-20 numbers in front of me. We were funded $67.14 million, and that was spread across five agencies, the DTA, the ATO, DHS, DFAT and Home Affairs, who are all part of that program and are all doing—

Senator CAROL BROWN: Does that mean the funds came from those departments?

Mr Alexander: That means the funds came from those departments broadly; yes. They were offset from those departments. That's the program funding for this year. There was previous year funding which was—GP, do you have that?

Mr de Wet: The quantum of funding over the whole life of the GovPass program I'll need to take on notice because I don't have that level of information in front of me, but I'll attempt to answer it before we close out.

Mr Alexander: The total quantum of funding over the whole life of the program is $116 million.

Senator CAROL BROWN: You'll provide further information if it's needed on notice?

Mr Alexander: Yes. But spread across those five agencies.

Senator CAROL BROWN: This myGov project has been going for, what, two years?

Mr Alexander: Six years. MyGov?


Mr Alexander: GovPass has been going for three years.

Senator CAROL BROWN: If I could get the investment over three years, that would be good.

Mr Alexander: Yes.

Senator CAROL BROWN: What outcomes have we seen?
Mr Alexander: There are two streams of outcomes. The first stream is: we've developed a policy and standard called the Trusted Digital Identity Framework, which is a set of guidance and rules for how a national digital identity framework will operate—the technical standards, the identity proofing standards, how digital identity ecosystem will work, how people with documents will get a digital identity and how people without documents or low documents will be able to get a digital identity to make it an accessible program. So we've got the policy framework. We're continually evolving that and working with the federal government, states and territories, local government and the private sector in that framework.

The second stream of work is then in building the system. In terms of outputs for the system, we've established an exchange, which is a hub where we broker passing information between the various parties in the system, which the Department of Human Services, Services Australia now, has built and operates. We've built a government digital identity provider called myGovID, which the tax office have built and operate. We've had DFAT, through the Passports Office, do biometric work with us on passport photo matching, one-on-one matching, as part of identity. And Home Affairs have established a face verification service—which works alongside the document verification service, which is part of the proofing—where an individual getting a digital identity uses documents to establish that. So, in terms of delivery, the myGovID is live, you can use that for some tax services today, and you can use it to get a unique student identifier. During this financial year, we're adding more services and we'll continue to build that out over the coming couple of years.

Senator CAROL BROWN: I'm familiar with myGov, of course. But I'm trying to understand what GovPass is about. What's the difference between those two? You talked about some of the things myGov does.

Mr Alexander: So myGov is fundamentally a website where you can go; you would log on to myGov with a relatively low level of authentication. To establish a myGov account, you put your email in and your name. It's not proofed against anything. So you establish that, and fundamentally you could be anyone.

Senator CAROL BROWN: Do you have to put your tax file number in?

Mr Alexander: No. But, when you use myGov, you can link your myGov account to 12 services, including the Taxation Office to do your myTax. When you do that linking, you have to do a proof of record ownership to Tax—which is your tax file number, previous tax returns—and there is a bunch of data you would do to establish that link. So you would do that for each service. Then, if you open a Centrelink service—

Senator CAROL BROWN: So, as you pursue a service, you do have to prove—

Mr Alexander: You have to link that and prove who you are. That is the foundation of why we're doing GovPass. Today, people have to establish a number of proof of record ownerships and identities across government. There are about 30 across the federal government, where you would have to prove who you are through myGov which, as I say, has about 12 services—10 federal government and two Victorian government. You prove who you are, you re-establish that identity, you have to do the identity proofing and you have to do that for services across various agencies at various levels of proofing, right from your passport, where you have to do a really strong proof of identity—

Senator CAROL BROWN: So what will GovPass do?
Mr Alexander: GovPass will basically allow you to choose an identity provider and do that identity proofing once. So you establish your identity, you prove who you are with your documents and a biometric, so a passport photo or a photo of yourself on your phone that's linked to your passport photo—or a drivers licence photo eventually. And you will be able to not go into a shopfront, establish a strong identity and do that once, and then use that proofing multiple times to link to the various accounts you have, through myGov, again, but not having to repeat that proof of record ownership and that identity establishment over and over.

Senator CAROL BROWN: So it is a digital identity card?

Mr Alexander: It is a digital identity. 'Card' is potentially a pejorative term that you might use.

Senator CAROL BROWN: But it is, though?

Mr Alexander: It is a digital identity that you can use to connect to federated services across government. It is not one number. It is not, 'Here's one number that rules them all.'

Senator CAROL BROWN: How many services did you say?

Mr Alexander: Today we have a number of tax services. You can use it to access the tax portal and a number of services through the ATO and the unique student identifier through the Department of Education. We're intending to add six more services this financial year. We're planning to add a number next financial year. The really important service we will be adding this year is myGov. So you use your myGovID—

Senator CAROL BROWN: So GovPass will sort of replace myGov?

Mr Alexander: It will replace what you do at the moment. The additional information on GovPass that is really important is where we're giving customers of government the choice of identity provider. So we're working with, say, Australia Post, and other providers—state governments, private sector providers—where a person will be able to choose an identity they've established with a non-government provider, or government provider, and reuse that identity. For example—

Senator CAROL BROWN: But eventually, the idea, obviously, is that GovPass would essentially take over the role that myGov is currently serving?

Mr Alexander: So myGov does three things today. Thing 1 is authentication. You can log on. MyGov provides you an inbox and myGov provides you the ability to link to a bunch of services. Services Australia, who are coming up next, are doing a bunch of work on a new version of myGov with us. The authentication identity part is what GovPass will address. There is additional work around digital experience and new services, which will eventually replace the other two components of myGov and upgrade that to a more contemporary platform.

Senator CAROL BROWN: SoGovPass, which is essentially your digital identity card, will overtake myGov?

Mr Alexander: MyGov authentication. Yes.

Senator CAROL BROWN: So what legislation actually regulates GovPass? In fact, what—

Mr Alexander: There are a number of pieces of legislation that guide GovPass itself. There is privacy, security and secrecy legislation that government agencies need to comply
with. But, in itself, in operation in the federal government, there's not a particular piece of legislation. There are a number of things around identity that are run by the Department of Home Affairs, which it complies with, but there's no one piece of legislation that governs digital identity.

Senator CAROL BROWN: There's not one piece of legislation that myGov is—

Mr Alexander: No. There's not one piece of legislation. But, of course, the services that operate under myGov—myTax, the Taxation Office and the revenue arrangements around tax have a number of pieces of legislation. Medicare has legislation in terms of how it operates. The various services—for example, the Victorian government services—would have legislation around how those services operate.

Senator CAROL BROWN: In terms of the work that is continuing with GovPass, do you think there will need to be any plans to introduce legislation to regulate in this area?

Mr Alexander: Absolutely. The main reason for that legislation requirement is, as this system becomes national, for state and territory governments to operate within it, but more particularly the private sector, there is a requirement for some legislation to govern the trusted digital identity framework. We can apply a policy framework which government agencies—without legislation—need to use. But, for states and territories and the private sector, a policy isn't enough. We need legislation which would mandate nationally the operation of that framework.

Senator CAROL BROWN: Could you just explain that a little bit?

Mr Alexander: For example, for the federal government, if we considered an identity-proofing standard—for a particular service we would say the identity proofing we need is for you to submit a bunch of documents, a 100-point identity check, plus a biometric check, which is either a physical presentation at a shopfront or a digital presentation through a device, where we say, 'Yes, it matches your passport photo or your drivers licence photo'. We would say that's identity proofing level 3. So we could say to federal government agencies: 'For services of this type, that is an identity proofing standard 3. That's consistent. Everyone can trust that. That's standard.' But, for us then to apply that to, say, banks, or to a state government—they don't operate under the same legislation as the federal government, they don't operate under the same acts that we operate under, so we would need a particular piece of legislation that would be very specific and say, 'These are the standards that this would operate under and they are legislated."

Senator CAROL BROWN: If GovPass was operating as you envisage and I was fully compliant, and I'd provided all this information—photo ID and all that—are you suggesting that, if I go into a bank and say I want to open an account, they could just get verification of who I am from GovPass? Is that what you are suggesting?

Mr Alexander: Yes. Your digital identity—a national ecosystem—you could choose your identity provider—this is eventually—which would allow you to use either a government identity to access those banking services, to prove fundamentally prove who you are. But vice versa—

Senator CAROL BROWN: I've only really heard about GovPass recently.

Mr Alexander: Yes.
Senator CAROL BROWN: So I would have some sort of unique identifier, maybe a number, or whatever?

Mr Alexander: So you would have an app on your phone, or you would have established an identity without a unique identifier. It is basically—

Senator CAROL BROWN: I'd had the unique app.

Mr Alexander: You'd have an app and a service. Probably the best way to describe it is that the identity provider knows who you are and they vouch for you to that service. That service trusts the identity provider to vouch for you because they're part of a trusted ecosystem.

Senator CAROL BROWN: Is the identity provider the government.

Mr Alexander: The identity provider is an ecosystem of providers who have met the standards and have been accredited. Today it's myGovID, which is the service provided by the federal government, but we've also accredited Australia Post. So it could be Australia Post. We're working with the banks. One of the obvious things we're trying to deliver here is—the Commonwealth Bank has 11 million customers, and a vast majority of them log on to the Commonwealth Bank and provide services and have established a trusted identity with the bank. It would be a really nice customer experience for people to be able to use that, which they log on to really regularly. If they could use that to access government services, it would make their life easier. Instead of having to remember another number or another way to identify themselves they could use that. They could say, 'We trust Commonwealth Bank because they're part of our trust system.' Equally, if someone went to open an account with the Commonwealth Bank and said, 'I want to use my government ID to do this,' that trust would flow.

Senator CAROL BROWN: You've got Australia Post and banks. Who else are you talking to?

Mr Alexander: We're talking to state and territory governments. Some of those have expressed an interest in being identity providers. Some of them have put bids in.

Senator CAROL BROWN: Are there any private, other than the banks of course?

Mr Alexander: Outside banks, we've got some interesting providers. Credit cards, MasterCard is an interesting player in the identity space. Beyond that, there hasn't been a lot of action, but I'm sure there'll be some identity providers who will come up.

Senator CAROL BROWN: I think you or your CEO mentioned the international sector. I'm very interested in this.

Mr Alexander: The Australian government has recently signed bilateral arrangements with Singapore and New Zealand to do a bunch of work around digital, particularly to enable trade. We're working with those jurisdictions on mutual recognition of digital identity, particularly for businesses. The other part of identity which is important is that it's not just for individuals and customers of government services who are individuals. It's also around business identity.

Senator CAROL BROWN: You mentioned earlier, Mr Alexander, the need to be in line with privacy issues. Have you in the work that you've done so far identified any privacy risks?
Mr Alexander: Yes, absolutely, we've identified privacy risks. We've done four versions of the trusted digital identity framework—four iterations of it—and for each of those—

Senator CAROL BROWN: On notice, can we get some information about when they were conducted?

Mr Alexander: Absolutely. We've had thousands and thousands of pieces of feedback. We've engaged with privacy lobby and privacy groups. We had privacy impact assessments. We've been through a really thorough process, and we've designed this system in such a way that it is not only privacy friendly but privacy enhancing. It will be more private than the current physical processes that exist today.

Senator CAROL BROWN: If, on notice, you could provide the information about the privacy issues that were raised and the outcomes in terms of how you resolved them it would be good. I think you said four—

Mr Alexander: Iterations, yes.

Senator CAROL BROWN: Is that like trials?

Mr Alexander: No. This is the policy framework.

Senator CAROL BROWN: And who you consulted in those areas, that would be great.

Mr Alexander: Happy to, yes.

Senator CAROL BROWN: I have to say that as soon as you started talking about this I started thinking about the Australia Card comparison. Obviously you did too, because you indicated that it was a digital presence, not a digital card presence. What do you think about the Australia Card comparison with the work that you're doing?

Mr Alexander: The fundamental difference is that the Australia Card was about giving each Australian a unique number, in the same way that many overseas jurisdictions have given people a national identity. They use that number for a whole range of services. The real distinction in what we're talking about is that people would still have a tax file number, they would still have a Medicare number, they would still have a Centrelink number, they would still have a number for Service NSW, they would still have a bank number—

Senator CAROL BROWN: But you yourself said that we would have to have a unique app.

Mr Alexander: We would build a federation of those numbers. For a person to get a service and go through a user journey or have an experience where they access multiple services that each have different numbers, we can build a federation. We build that federation, as I said, in a really privacy-enhancing way where there isn't storage of that thing in a central system that says, 'Peter Alexander is number 123 and his tax file number is,' and all those numbers sit there linked. It's drawn together for that particular service experience and then destroyed. The identity provider has a set of algorithms that then have the ability to pull those numbers together again for the next service experience of that person. We're not storing a central thing and we're not passing a unique identifier for those individuals. The tax office will still always get the tax file number or the ABN to represent the business or individual they're dealing with. Centrelink will still get a Centrelink number. There will not be a unique identifier that is passed, and databases in government won't have a unique identifier. The Australia Card would have had a unique number that replaced all of those.
Mr Brugeaud: One other point that's really an important distinction is that this is an optional identity that people can choose to create with government. In contrast to the Australian Card access card, which was being conceived as a mandatory identity token, this is something that people can choose to opt into or not. Government intends to continue to provide services to those who don't create a digital identity, in exactly the way it does now.

Senator CAROL BROWN: I accept what you're saying to me, but the reality, if you have a look at myGov, is that when you want services you have to create a myGov identity. But I'm much more interested to know, Mr Alexander—or whoever needs to answer—what the status of the new system is. Where are we at and when do we expect this to be out there?

Mr Alexander: It is already out there. You can go to the Apple App Store or Google Play and download myGovID today. There have been—

Senator CAROL BROWN: Yes, but what about the GovPass?

Mr Alexander: GovPass is the program now, and myGovID is the identity. You can get an Australia Post digital identity today. And you can use myGovID at the moment for a number of services in tax. We expect to add, as I said, six more services this financial year, including the ability to log on to myGov. We have 16.7 million myGov accounts today, so it will be a fairly broad rollout.

Senator CAROL BROWN: Have you spent any money on branding or marketing?

Mr Alexander: We haven't to date. But that will come with the broader Services Australia activity and rollout, where that will be communicated much more broadly. We expect a communication program to get customers of government businesses and individuals to be more aware of these services.

Senator CAROL BROWN: Right. I think you said it was $116 million to date for the opt-in service.

Mr Alexander: Yes.

Senator CAROL BROWN: So what's the total budget? Was that the original budget?

Mr Alexander: This program has been run in a very agile way where we've gone back for money each year. We've delivered benefits the previous year to then follow up with the next year's funding. We're running this in a program like that. We have a budget comeback but, post the end of this financial year, it terminates.

Senator CAROL BROWN: Yes. So what's the total budget for GovPass?

Mr Alexander: $116 million.

Senator CAROL BROWN: So that's the whole budget?

Mr Alexander: That's for the three years.

Senator CAROL BROWN: For three years? You said that completes when?

Mr Alexander: At the end of this financial year.

Senator CAROL BROWN: What happens after that?

CHAIR: Mr de Wet would like to add to that response, I think.

Mr de Wet: The thing I'd ask the committee for is the ability to come back on notice. Understanding the different stages of the digital identity program have been in place over a
number of years, starting in 2015-16, and across a number of partner agencies, rather than correct the record in here we will, if the committee's comfortable, take it on notice to provide you what that figure is. We don't have it to hand at the moment.

Senator CAROL BROWN: Mr Alexander, your funding finishes at the end of the next financial year. So what happens after—

Mr Alexander: This financial year.

Senator CAROL BROWN: Sorry, this financial year.

Mr Alexander: We have a submission to budget and we would anticipate that it would continue, but that's up to the government.

Senator CAROL BROWN: But you're in a position now that the system that you've built, the GovPass system—

Mr Alexander: So we will have built the GovPass system and it will be operational at the end of this financial year.

Senator CAROL BROWN: All right, but not many people actually know about it.

Mr Alexander: Lots of people know about it.

Senator CAROL BROWN: I've never heard anyone mention it.

Mr Alexander: It's had a reasonable amount of press. We've had lots of downloads on the App Store and on Google. Lots of organisations are using it to access tax services. We're replacing AUSkey with it. People will be using it a lot over the next year, and that's with no communications or advertising. It's a relatively simple process to set up a digital identity.

Senator CAROL BROWN: Look, my memory of myGov was that there was lots of advertising and people knew about it. I'm just wondering why it is that GovPass is more low key.

Mr Alexander: MyGov didn't have a lot of advertising, and it has particularly accelerated its use over the last couple of years, from around nine million users a couple of years ago to 16.7 million now, without advertising. It's just the services that are associated with it are excellent.

Senator CAROL BROWN: Sorry, Mr Alexander, but I have to say that nearly everyone I come into contact with talks to me about myGov and their experiences with it, good or bad, but I have never had anyone talk to me about GovPass. Can you clarify the number of the myGovID accounts registered? Do you have that number with you?

CHAIR: That's a good question; I like that.

Mr Brugeaud: We do have that with us, yes. For the app, it's been downloaded 81,000 times from the App Store and Google Play. Around 46,000 digital identities have been created.

CHAIR: And what's the time frame for that, since it started?

Senator CAROL BROWN: Three years.

Mr Brugeaud: That is since June 2019.

CHAIR: June 2019, so this year?
Mr Brughaud: That's correct. The other thing to point out is that we are being very deliberate in releasing this in a controlled way, testing it with users and refining it as we go. So we are progressively building what is the foundation for the digital identity environment in a way that is being incrementally built, and our intention is to progressively add more and more services. Really the value associated with having a digital identity comes when you can do something useful with it. Having the capacity to be able to create a digital identity once for government and then reuse it multiple times is where the real benefit will lie. There are clear integrity and security benefits associated with having a digital identity rather than needing to have the physical tokens that you currently are required to use as well.

Senator CAROL BROWN: So you're adding more services to what's currently there?

Mr Brughaud: Correct.

Senator CAROL BROWN: Do you trial those? How does that work?

Mr Brughaud: We go through what is an agile delivery process, so we go through alpha, beta and live. We're currently in public beta for a number of those services. What that allows us to do amongst a select group is test the service and then progressively expand it once we've proven it is reliable, has integrity and so on. There are plans, as Mr Alexander said, to add the capacity to use your digital identity to access myGov, and there are currently 16.7 million myGov accounts —

Senator CAROL BROWN: Sorry; how many myGov accounts did you say?

Mr Brughaud: 16.7 million — and once you allow people to start using their digital identity to access Jobstart, Newstart, tax file number creation processes and so on, the value really starts to come through. And I would fully expect that there would be a broader —

Senator CAROL BROWN: But why do we need a GovPass? So myGov is to do business with government—that's what it is, isn't it?

Mr Brughaud: So myGov is an application that allows you to access a range of government services and, as Mr Alexander said, there are 12 in there, two of which are state government of Victoria. But what myGovID will allow you to do is to create a digital identity that you use to authenticate yourself to access myGov, but you'll also be able to use your digital identity to access, ultimately, Jobstart, Newstart, youth allowance and so on.

Senator CAROL BROWN: Yes, so GovPass is the digital Australia Card.

Mr Brughaud: It's very different to the Australia Card because it is not a number; it is optional.

Senator CAROL BROWN: I'm sorry; yes, it's an opt-in situation.

Mr Brughaud: And it is also something that each individual owns. You own your facial biometric; it's not owned by the government. This is a very different paradigm. In fact, you made a point about the international experience. Many countries around the world are considering how they manage digital interactions with government, and many have embarked on a process of creating digital identities that are owned by the community versus digital identity cards, which are prevalent in many countries around the world. Our option is a digital identity that is owned by the user.

Senator CAROL BROWN: Thank you. I might leave it there. I'll put some questions on notice if that's okay.
Mr Brugeaud: Yes.

CHAIR: As there are no other questions for the Digital Transformation Agency, that will conclude your evidence. Thank you very much for coming along and for your patience tonight, and we look forward to seeing you next time. I forgot to welcome Minister Seselja. Thank you for stepping in at short notice.

Services Australia

[20:13]

CHAIR: I now welcome the secretary of Services Australia, Ms Renee Leon, and officers from the department, who are streaming into the room. Ms Leon, did you want to make an opening statement this evening?

Ms Leon: Thank you, Chair; I will make a short statement if that's acceptable to the committee.

CHAIR: Thank you.

Ms Leon: This is the first time the department has appeared at Senate estimates as Services Australia, and so I wanted to take the opportunity to say a little about what this transition means for our organisation and our staff. The government's vision for Services Australia is to make government services simpler, to improve the customer experience and to ensure the department has an innovative and customer focused culture. This will build on the work the department is already doing to improve the experience of dealing with government across all our channels: digital, telephony and face to face.

To update the committee on some of these priorities, let me begin with telephony. If we compare the current financial year to the end of August to the same period last year, we see a 53 per cent decrease in busy signals. We have also introduced customer service indicators that give our staff and managers real-time visibility of how they are tracking against our performance metrics, including customer service time, quality of service and transfers. We want to minimise transfers in particular, because that means we are resolving all of the customer's needs at that first point of contact. As a result, we have seen a nearly 40 per cent reduction in the number of calls being transferred, equating to 1.3 million fewer calls in the last financial year. Continuing this improvement is a priority for Services Australia for the year ahead.

In the digital space, our investments in welfare payment infrastructure transformation and health modernisation are enhancing our digital channel and cutting the time and effort involved in lodging a claim. In the year ahead, we will roll out IT capability that will enable the automatic transfer of data that customers would otherwise have had to provide manually themselves, such as wage data from employers and course enrolment information from universities and TAFEs. In addition to this work, we are working with the DTA on simplifying the life of the journey for customers during significant life events when they may need multiple services and support, including from different levels of government, such as the birth of a child or the death of a family member. More broadly, in our face-to-face service team, there are many examples of exceptional service in extremely challenging situations, including the recent bushfires.

I also want to acknowledge the support of senators in alerting their constituents to the services available through our two mobile service centres, Golden Wattle and Desert Rose. In
the last year they have visited more than 400 towns. Senators will be all too aware how many of those communities are deeply affected by drought. We look forward to working with Australians, our customers, as well as our staff as we implement the government's plans for Services Australia in the months and years ahead.

CHAIR: Thank you very much.

Senator SIEWERT: Thank you for that overview. I think through the night we'll learn more about what's going on. You touched on one of our favourite topics, of course, which is call-waiting time. I'm wondering if you have for us that document that you usually have, and whether you can table that.

Ms Leon: Yes.

Senator SIEWERT: Thank you. While that's coming up, I'll go to this issue you raised around transfers and to the reference to 1.3 million fewer calls; is that correct?

Ms Leon: Yes.

Senator SIEWERT: Is that because you're transferring the calls more efficiently?

Ms Leon: In the past, each call, including where a call was transferred to another operator, counted as a separate call. If you were to ring our telephony service and the first operator dealt with part of your question but then could not deal with another part of your question and transferred you to somebody else, that transfer would have counted as another call. Because we have now simplified our telephony queues and ensured that more staff are trained to deal with the whole of your matter, there are 1.3 million fewer of those transferred calls for customers who weren't able to get their matter dealt with at first contact with an agent.

Senator SIEWERT: Thank you. So we haven't necessarily had 1.3 million fewer transfers?

Ms Leon: Yes, we have. That's what it means—1.3 million fewer calls that were transferred, which is also 1.3 million fewer calls because we count each transfer—

Senator SIEWERT: Each transfer.

Ms Leon: as a call.

Senator SIEWERT: So how many transfers are you now making? If it's not counting as a call, how do you account for the transfers? Does that make sense?

Ms Leon: Each transfer is counted as a call.

Senator SIEWERT: It's still counted?

Ms Leon: That's right.

Senator SIEWERT: Sorry. I interpreted what you said as being that the transfer is no longer counted as a call.

Ms Leon: Each transfer will still count as a call, but there are now 1.3 million fewer of them.

Senator SIEWERT: Thank you. Can you just take us through this. We've literally just been handed it. The second sheet is the telephony report 2019-20 as of 31 August, so that's just for those first two months. Is that correct?

Ms Cattermole: Senator, maybe I'll walk you through the three sheets.
Senator SIEWERT: I think that would be useful. Thank you.

Ms Cattermole: Certainly. There are two sheets that are a point-in-time comparison with each other and one sheet which provides you with the full 2018-19 financial year results on our key metrics.

Senator SIEWERT: Which is the last one?

Ms Cattermole: That's correct.

Senator SIEWERT: So we can compare like with like and get an overall picture.

Ms Cattermole: That's right.

Senator SIEWERT: Thank you. I appreciate the waiting time has come down, but the average waiting time still seems to be 15 minutes and 38 seconds. Is that a correct interpretation?

Ms Cattermole: Yes.

Senator SIEWERT: Thank you. The point in time for this year is 17 minutes and 16 seconds?

Ms Cattermole: That's correct. Perhaps there are a couple of things to reflect on there. If you look at point in time between the two, yes, you'll see a slight difference—bearing in mind that, if you have a look at the whole of the 2018-19 year, you'll see that our average speed to answer was 15 minutes and 32 seconds, which is within the KPI.

Senator SIEWERT: Yes.

Ms Cattermole: But also, of course, August is a time when we've just come off some of our peak. For example, our families line goes into a peak during that time as people do their reconciliations post tax time.

Senator SIEWERT: Yes, but it was last year at peak time.

Ms Cattermole: That's correct. Perhaps there are a couple of things to reflect on there. If you look at point in time between the two, yes, you'll see a slight difference—bearing in mind that, if you have a look at the whole of the 2018-19 year, you'll see that our average speed to answer was 15 minutes and 32 seconds, which is within the KPI.

Senator SIEWERT: Yes.

Ms Leon: But last year we didn't have, as we do this year, a whole new payment coming through the families line, which is childcare subsidy.

Ms Cattermole: That's right.

Senator SIEWERT: That's through the families line, so you'd see an increase. So I presume that's why that's 24 minutes for this year.

Ms Cattermole: That's exactly right—one of the reasons. You obviously have to look at them as a bundle but, yes, that's right. You'll see that one in there, and you'll still see, if you have a look, that there are obviously a few ons and offs, but our average speed is just a bit over what it was at the same time last year, bearing in mind the fact that it's point in time and the idea is still, of course, to be looking across an entire year.

Senator SIEWERT: Yes.

Ms Cattermole: We're only at this point of the year, which often has a whole lot of peak associated with it.

Senator SIEWERT: Just going to the 2018-19 report, you've still got nearly 26½ million busy signals. I appreciate that's a reduction, but it's not—

Ms Leon: We don't think we're there yet.
Senator SIEWERT: Okay. So what is the aim?
Ms Leon: We are aiming to continue to drive down call demand and therefore reduce busy signals.
Senator SIEWERT: Okay. I took that for granted. Have you got a target?
Ms Leon: I'm very proud of the agency that we have halved busy signals in a year. I think that is a really impressive achievement, and it's one that we intend to continue to build upon.
Senator SIEWERT: Thank you. And what is the target?
Ms Leon: I have been asked sometimes: should we have a target of zero busy signals? While we would say we want to keep busy signals as low as possible, I don't think it's possible to commit to a target of zero busy signals, because the demand on our lines differs throughout the day and throughout the year, and, in order to achieve never having a busy signal, we would have to have a lot of unused capacity for those times of the day when there isn't a peak in demand or for those months where there is less demand. But our intention is to continue to drive down busy signals to as low a point as is possible while still operating the network efficiently.
Senator SIEWERT: The calls to the income management line still remain high; they haven't tapered off significantly, which I think means—well, I'll ask you what it means, and then I'll do my speculation! In the last year there were still nearly four million calls associated with income management queries. In terms of the Indue process, do you know how many calls they get? I'm wondering if they have the same number of—
Ms Leon: I don't think we would know.
Senator SIEWERT: That's not something that you—
Ms Leon: You'd probably need to ask the Department of Social Services, because they manage the relationship with Indue.
Senator SIEWERT: You don't have line of sight of what they actually—
Ms Leon: No.
Senator SIEWERT: Do you know the nature of the calls?
Ms Rufati: For income management?
Senator SIEWERT: For income management.
Ms Rufati: The calls that do come through on our income management line—and the Basics line, because sometimes they can come together—are often from customers wanting to know balances, working on lost or stolen cards, wanting to check the balances that have come through, or working on their account around what they need to do to income-manage for us, and we will work with them to go—
Senator SIEWERT: You can't give us a breakdown on: 'What's the balance?' inquiries, because that's actually a separate line, isn't it?
Ms Rufati: It is, but people on income management will still often want to ring us to understand the balance that they have in their account, and the balance that they've got, and what they—
Senator SIEWERT: In other words, they'll ring asking for general advice and still asking about the balance?
Ms Rufati: Correct.

Senator SIEWERT: Right. Point taken. That remains a significantly high number of calls.

Ms Rufati: Are you talking about the—

Senator SIEWERT: Still the income management—

Ms Rufati: The 676,000?

Senator SIEWERT: Yes.

Ms Rufati: I just want to make sure. However, you will notice that in August this year, to date, 2019, we actually answered a lot of those through our IVR. The average speed of answer is 32 seconds. So we've made a vast improvement on last year, as we improve and upskill our customers in terms of self-serving through our IVR—which, sorry, is our integrated voice response unit.

Senator SIEWERT: So that's also handling these income management things now?

Ms Rufati: Correct

Senator SIEWERT: And those calls are included there?

Ms Rufati: Yes.

Ms Leon: Successful calls include calls that are answered by the IVR and calls that go through the IVR and are answered by an operator, but, as Ms Rufati said, you can see that by now the reduction in time for dealing with those has gone down from 11 minutes 40—the average speed of answer at this time last year—to 32 seconds, because people are much more self-serving through the IVR.

Senator SIEWERT: Yes. I take your point. That is interesting. Did people want to keep going on this?

CHAIR: Does anyone have further questions in the corporate area?

Senator SIEWERT: But I'm asking: do you want to continue on the calls?

CHAIR: Has anyone else got any questions in relation to the calls?

Senator SIEWERT: That's what I'm asking.

CHAIR: No? We'll move off it then.

Senator SIEWERT: I know that people have lots of questions about robo-debt, but the issue that I raised with DSS and they said to come here was the issue about the letters that were paused, as I understand it, sometime in 2016, and then, it was reported over the weekend, were activated, by accident, again.

Ms Leon: I'm just getting the relevant officers to the table.

Senator SIEWERT: Is that in fact what happened? Was there a group of potential notices—they weren't called discrepancy notices then. See how you've taught me the language? What are now called discrepancy letters or notices, was there a group that was inadvertently unpaused earlier this year?

Ms Musolino: There was an incident that occurred where a group of debts had been paused. It was activity that was generated as a result of the first iteration of the income compliance process, the OCI. The department had paused them to consider whether they
could take steps to reach out to customers and assist them with that process. They were paused. There was a manual staff error that occurred and some of those debt letters were released. The issue was identified within a couple of days and remediation action was taken to address that.

Senator SIEWERT: How many were unpaused?

Mr Storen: We had 10,000 debts that we were working on at that stage, on 30 April. As Ms Musolino said, there was a manual staff error and accounts payable notices were issued for those 10,000. Within two days we had identified the error, we had re-paused all the debts and we had established a special team to field the phone calls from customers to explain what had occurred. Of the 10,000 debts that were issued approximately 9,400 related to non-current customers that we had not been able to contact for at least the past 12 months, so we are pretty certain that those letters did not find the customers. With the phone line that we set up, we received 247 phone calls from customers and we were able to deal with their issues as they arose.

Senator SIEWERT: Can I be clear about the nature of the letters? If it was under the OCI process, they were the original form of the letters, is that—

Mr Storen: You probably don't recall, Senator, but we discussed these debts two years ago, potentially. These were a range of OCI reviews that were undertaken. Under the OCI system, and our management information available at the time, we weren't able to convince ourselves that a customer had had an interaction in every instance of these reviews, that's why we placed them on pause. The review had occurred under the OCI process. A debt had been issued under the OCI process. We made the decision that we would like to contact each customer involved. We have been working through these debts. It was an accounts payable notice that was issued. The review had been completed.

Senator SIEWERT: Because they had been through that without any contact with anybody?

Mr Storen: We couldn't convince ourselves that there had been no contact.

Ms Leon: You'll recall, Senator, that we changed the system, so that we sent letters by registered post, or we got receipted myGov messages in the later iteration of it. These were done before we had confirmation that the customer had received the correspondence and that's why they were paused.

Senator SIEWERT: Yes, I do remember the group that were paused. This is that group?

Mr Storen: Correct, Senator.

Senator SIEWERT: If I understood you correctly, you said you were slowly starting to go through them?

Mr Storen: We have been working through them since we talked about them here.

Senator SIEWERT: A while ago, yes.

Mr Storen: There were 10,000. As of the report last week, I think we're down to 400.

Senator SIEWERT: Four hundred left?

Mr Storen: Four hundred left.
Senator SIEWERT: Sorry, again, I may have misinterpreted what you said about how many went out on 30 April—10,000?

Mr Storen: Ten thousand.

Senator SIEWERT: Ten thousand did go out.

Mr Storen: Correct.

Senator SIEWERT: Right. So, when you say you're now working through 400, how do we go from 10,000 to 400?

Mr Storen: It means we have individually managed 9,600 review outcomes with a debt, investigated the review, looked at the data where we've needed to, contacted the customer, worked with the customer, and reissued the debt with the explanation, or we have cancelled the review, depending on where we got to with each individual case.

Senator SIEWERT: So the 10,000 went out by accident?

Mr Storen: Correct.

Senator SIEWERT: How many did you contact?

Mr Storen: We set up a phone line to receive phone calls, and we received 247 phone calls.

Senator SIEWERT: Sorry, it's late, and maybe I'm not quite following this, but, 10,000 went out?

Mr Storen: Yes.

Senator SIEWERT: You then put a phone number in place and you got 247 phone calls?

Mr Storen: Not a phone number, but a process by which a customer—if they had received one of those letters—was directly linked up with an officer who completely understood the process and was able to work it through with them.

Senator SIEWERT: So, in fact, they haven't been recalled. They went out by accident, and over the last six months you've now reviewed them and treated them as debt letters?

Mr Storen: As soon as the pause went off, the letter was triggered. They went out. We immediately re-paused the debt, so that no recovery action would occur.

Senator SIEWERT: They still had the letter, but you weren't going to debt collectors or sending them off for garnishing or whatever?

Mr Storen: Correct.

Senator SIEWERT: So when you say 'paused', it's actually a different version of paused than I interpreted it to be.

Mr Storen: It means pausing debt recovery action.

Senator SIEWERT: Okay. I think we need to be—

Mr Storen: We continue our service recovery approach and continue working with customers to finalise the review.

Senator SIEWERT: We're using two different versions of 'paused', because they were paused with no action when the OCI process was still working. As I understand it, they were inactive, waiting to be dealt with. They were accidentally triggered, and the 10,000 went out.
When you say 'paused', I assumed it was back to the first pause, but it's not. It's actually a pause from active debt recovery.

Mr Storen: Yes.

Ms Musolino: Just to clarify, we were continuing to work on this group during that period. They were paused in the sense that there was no debt recovery action underway and we were trying to contact people.

Senator SIEWERT: And people hadn't had a letter.

Ms Leon: There are not two different meanings of 'paused'. Debt recovery had been paused on those, both prior to 30 April and two days after 30 April.

Senator SIEWERT: But you didn't—

Ms Leon: But the whole group has still been a group that we are working through. It has required trying to contact them—

Senator SIEWERT: But nobody—

Ms Leon: prior to 30 April.

Senator SIEWERT: So they hadn't been contacted—

Ms Leon: Prior to 30 April, we had still been seeking to contact each of those people.

Senator SIEWERT: But you hadn't. So how were you seeking to contact each of those people, when all of a sudden the letters went out by accident?

Mr Storen: We use outbound telephony to the phone numbers that we have. We use SMS technology to text. Customers often don't like to answer a phone number that's not ID'd, and our phone numbers aren't ID'd. We text customers advising them that we are going to call them shortly, and could they please answer the phone. We try a whole lot of methodologies to get in contact with customers.

Senator SIEWERT: So they hadn't actually been contacted. They got the letter and now they're all actually live through the process. They weren't live to the customer at the time, or the previous customer before; now they are.

Ms Musolino: They're only enlivened once we've contacted the customer. The process that we had just continued. We continued to try and contact customers, and that's why we're down to 400.

Senator SIEWERT: I understood you just said that you'd dealt with nearly all of them.

Ms Leon: 9,600.

Senator SIEWERT: Yes.

Mr Storen: On 30 April there were 10,000. Ten thousand were un-paused, and then re-paused within two days. We continued our service recovery work on those, and have been continuing since then. As of last week we are down to 400, which haven't been through a service recovery process, which involves outbound phone calls, SMSs, looking for updated addresses for customers, manually interrogating the review that occurred under OCI, checking the data and then coming to a conclusion on the outcome of the review with the customer.

Senator SIEWERT: And you've got—

Senator CAROL BROWN: How many of those 9,600 have you proceeded with?
Ms Leon: I beg your pardon?

Senator CAROL BROWN: You sent 9,600 letters out, and now you've gone through a process of interrogating that information. How many have you proceeded with?

Ms Musolino: Just to clarify, I think we said we sent out 10,000.

Senator CAROL BROWN: Yes, but you've got 400 you're still working on, from what I just heard.

Senator SIEWERT: In other words, how many of the 9,600 was the debt confirmed for the full amount?

Ms Musolino: I think we'll have to take that on notice. We don't have those figures here.

Senator SIEWERT: What was the total value of the 9,600 that have now been processed?

Mr Storen: We'd have to take that on notice.

Senator SIEWERT: Can you take on notice for that group how many? These were the original, with the original approach. We've been through it: there are three systems now, so they still had to be dealt with under the OCI process, didn't they?

Ms Musolino: Yes. They were in that system, but we were dealing with them differently. We'd put in place the service recovery process to make sure we could contact them, and the 10,000 was the tail end of that.

Senator SIEWERT: Of that original group?

Ms Musolino: Yes.

Senator SIEWERT: Can you take on notice how much was the value of the debt for all those, originally? How much was the debt, subsequent to the review process? How many were the same? How many were increased through the process, because I've heard you tell me that before? How many went to zero? How many were reduced? How many were appealed?

Ms Musolino: Can I just clarify: when you talk about the original, are you talking about the 10,000?

Senator SIEWERT: The 10,000. How many had their debt reduced? Also how many were reviewed and reassessed? How many went through the full process? You know how you can go for a reassessment and then you can go for an RO—sorry, I'll use the proper words—

Mr Storen: You want to know what the current outcome of the 10,000 are, in particular the 9,600 that we've resolved up to last week?

Senator SIEWERT: Yes. Does 'resolve' include those you couldn't end up contacting?

Mr Storen: If we've come to an impasse and we are unable to get in contact, we will make a number of calls. One call could be to waive the debt, because it's just not efficient for us to continue to try to find somebody who, after 12 months, we can't find.

Ms Leon: We'll take it on notice, but I don't know whether we separately keep a track of that 10,000. We will take it on notice to see what we can find, but they were just the tail end of a whole lot of people under the original OCI regime. It's not as though we have a separate database that we manage. There only happened to be 10,000 at a particular point, because there happened to be 10,000 at that point.

Senator SIEWERT: That was what was left.
Ms Leon: We'll take on notice what we can get for you, but I am not certain that we have a discrete package of numbers for that 10,000. We'll see what we can do.

Senator SIEWERT: I do recognise what you've just said, and I'll take it on board. Does that then end the backlog of OCI debts?

Mr Storen: To the extent that the review has been finalised and the final debt has been issued, as we have covered in other arrangements, if a customer has a debt from that process and has some more evidence that would help us. To the extent that the process, from our view, has reached a conclusion, yes. But if a customer has some more evidence and would like us to have another look, we will open it again.

Senator SIEWERT: I take your point, but we've had the discussion about the three different streams and we knew there were still old ones there. But, bar what you've just said, that group, other than the 400, has now been addressed?

Mr Storen: That's correct.

Senator SIEWERT: You know how we had all the discussion around Townsville, were any of the letters related to Townsville, and that's how people potentially got a letter?

Ms Musolino: I think we can take that on notice as part of the review we're going to do.

Senator SIEWERT: Can you take that on notice, because it occurred to me that that—

Mr Storen: And if there are 10,000 letters across the country, there is a chance that there would be some in Townsville.

Senator SIEWERT: That may have explained that issue around people getting letters when you actively had Townsville on pause?

Mr Storen: It may explain some of the challenge we had in identifying the source of the interest, yes.

Senator McCARTHY: What was unique about these debts or compliance cases that they had been placed on long-term hold in the first instance?

Mr Storen: The first iteration of the online digital compliance platform, OCI—

Senator McCARTHY: We were looking up the acronym, as well!

Mr Storen: Online Compliance Initiative.

Senator KITCHING: So there's OCI, EIC and CUPI.

Mr Storen: Correct.

Ms Leon: OCI is the Online Compliance Initiative, EIC is employment income confirmation, and CUPI is check and update past income.

Senator McCARTHY: I have the CUPI. What level of human oversight was involved in the accident that you made reference to.

Mr Storen: You initially had a question about human involvement in the OCI process.

Ms Leon: I think the senator's question was: what was special about this group that they were on hold?

Mr Storen: This goes back to the original conversations around the implementation of online compliance. The OCI system and the business process, as built, had a number of
automated decision processes in it, whereby if a customer never contacted the department the business process would finalise a review and finalise a debt. After the initial implementation of that system, we identified a number of debts where we did not have sufficient management information or operational information in the department to assure ourselves that a customer had been involved in reaching the debt outcome from that original OCI intervention. So we placed on pause any debts where we weren't convinced of a customer's involvement, and subjected them to the service recovery process that I've just been talking about, where we worked through each individual case with our staff to find evidence of a customer's involvement, and, if there was no evidence of a customer's involvement, reach out and contact the customer and work through the debt outcome. That's why these debts were on pause, and in the pool of work that they were on 30 April, because it was the last elements of the work we had been doing.

Senator McCARTHY: Thank you.

Senator KITCHING: Were they the only pool of cases where there was a level of human oversight? What level of human oversight was in the accident, I guess, or the mistakes that were made?

Mr Storen: If we move to the generation of the 10,000 letters, the system had a debt pause built into it to 30 April 2019. A number of officers had written themselves manual instructions to ensure that that debt pause was extended if we hadn't got to the end of the work.

Senator KITCHING: So, what they would do was that the operators would type into a case that was up on a screen—walk me through this—and they would put in, 'We're not sure about this. Go back to check.' What does the system do?

Senator HUGHES: Around the other cohort there was a pause area, so it was an area that was paused and it was paused for six months.

Mr Storen: We identified a number of records that were paused for a period.

Senator KITCHING: So they were paused en masse?

Ms Leon: Yes.

Senator KITCHING: But then people put notes into the system. Is that what you are saying—the operators did?

Mr Storen: No, at an en masse level, my officers had identified that by 30 April they needed to manually make a decision on extending the pause or finalising the work.

Senator KITCHING: What does finalising the work mean to you?

Mr Storen: Making a call that a customer has been contacted, the debt has been worked through and therefore the debt stands and the customer needs to enter into the recovery processes, or we waive it, or deal with it however we need to.

Senator KITCHING: Of the 10,000, for how many was it decided at that point that the debt would stand?

Mr Storen: That is not the point at which that decision is made. There are two business processes. One is the unpausing, which shouldn't have happened. And it shouldn't have happened if the manual process that staff had put in place to extend the pause, if they hadn't been processed, had have happened—
Senator KITCHING: Sorry, if the manual process did happen—but it didn't?
Mr Storen: Correct. What should have happened on 30 April, on 29 April, is that my staff should have identified that we had 10,000 left, and then en masse extended the pause.
Senator KITCHING: But instead what you did—
Mr Storen: They failed to do that.
Senator KITCHING: And you said the debt stands—
Ms Leon: It was an error. It was staff error that they didn't extend the en masse pausing of the remainder of the debt. They didn't go in individually to each of the 10,000 on April and unpause them. It's just that the pause would lift, because that was the date that was in the system, unless the staff intervened and extended it, and by accident they did not.
Senator KITCHING: Yes. So because the pause was not extended—
Ms Leon: All that happened at that date was that they received a letter.
Senator KITCHING: Right. And that letter said, 'You owe us X dollars'?
Mr Storen: Correct.
Senator KITCHING: But it was your mistake that the letter went?
Mr Storen: Yes.
Senator KITCHING: But what does somebody do when they see the letter. Aren't they entitled, though, at that point to say that they've got a letter that is obviously from a government department and maybe it's official. It's not up to them to work out whether or not you've made a mistake?
Ms Leon: We hadn't made a mistake with the issuing of the debt.
Senator KITCHING: You had, because you were supposed to keep the pause in place.
Ms Leon: We had decided to pause the issuing of the letters, as Senator Siewert said, some time ago to give us time to work through the effort of contacting all of those customers.
Senator KITCHING: And you sent them a letter saying, 'You owe us X dollars.'
Ms Leon: Yes. If any of them had gotten that letter, which, as you can possibly tell by the fact that they were customers who we hadn't been able to contact—and as Mr Storen said, it's quite likely that the vast majority of them never received that letter, because our efforts to contact them at the address that the letter went to had not hitherto been successful, and only 247 of them contacted us—but any of them who were—
Senator KITCHING: How many contacted you?
Ms Leon: 247. Any of them who received that letter and had any concerns then, absolutely, they should have contacted us and then we would work through it.
Senator KITCHING: But isn't the problem with the not-pausing and the sending of the letter, not the good luck that people weren't at the addresses you had. Effectively, it's not that—that only 247 people contacted you and said, 'I've got this letter.' The fact is that you put it in place in a system. You should have paused it—or whatever you had decided at that point, on 30 April—yet you didn't, and then you sent out the letters. You can't say: 'These addresses don't exist,' or 'They're not there, and therefore it's—
Ms Leon: I thought you were expressing concern about the feeling that the customers would have had when they got that letter. I thought you were expressing concern about how those customers would feel, and it was in response to that that I was recognising that most of the them are not at that address.

Senator KITCHING: So the letters are in the ether somewhere?

Ms Leon: We would love all 10,000 of those customers to contact us, because that would then enable us to resolve their debt. That is exactly how all of the debts ought to be managed—by the customers responding to the letter and us having an opportunity to work through with them what their income's been.

Senator McCARTHY: Were Ministers Robert and Ruston unaware of the unpause, which may have led to flood ravaged Townsville receiving—

Ms Leon: It was during the caretaker period, so neither Minister Robert nor Minister Ruston were the minister at the time.

Senator SIEWERT: But, then, when they were answering questions in the chamber—

Ms Leon: Minister Keenan was still the minister during caretaker.

Senator SIEWERT: But when Minister Ruston was answering questions in the chamber about this after the election, would she have known?

Ms Leon: I don't know. I'd have to take on notice whether it was something that she'd been briefed about.

Senator KITCHING: Did you provide a briefing to the incoming minister?

Ms Leon: Not to Minister Ruston, no. We provided an incoming minister briefing to the Minister for Human Services, Minister Robert. But, of course, it doesn't cover, ordinarily, every single issue that's on foot in the department at that time. In a department of our size and scale, that would be an encyclopedic brief.

Senator CAROL BROWN: But do you provide question time briefings?

Ms Leon: We do.

Senator CAROL BROWN: You do; that's right. That's when she was asked the questions.

Ms Leon: Yes.

Senator HUGHES: In all likelihood she hadn't been briefed on that at that point in time.

Ms Leon: I'd have to take on notice whether she had been.

Senator CAROL BROWN: That could have been possible because she was asked three of four times—

Senator HUGHES: I agree. As you say, there's an encyclopedic amount of information. The fact that we've been here for two days going through this and we haven't—

CHAIR: Through the Chair, please. We could take that on notice by the sound of it.

Ms Leon: We would have briefed incoming ministers on the general issues to do with income compliance. I doubt we would have briefed on every single instance of issues.

Senator CAROL BROWN: So you're taking on notice what advice was provided?
Ms Leon: We're taking on notice whether there was a relevant briefing provided to
Minister Ruston or Minister Robert.

Senator CAROL BROWN: Subsequent—

Ms Leon: It couldn't have been provided in caretaker, but it—

Senator SIEWERT: There were several times this came up in the chamber, so there was
opportunity. Fair enough, you don't brief them on everything; I understand that. But there was
a bit of a fuss about this in the chamber.

Senator CAROL BROWN: This was a major issue.

Senator SIEWERT: Yes, exactly. People were pretty stressed about it in Townsville. The
point is: there was a chance to go back.

Senator KITCHING: I think the Townsville question is a different question.

Senator HUGHES: Townsville is separate to this 10,000 though, isn't it?

CHAIR: It's definite. It's not part of it.

Ms Leon: Townsville is definitely a different issue. I think Mr Storen said that yes, it's
possible. Given there were 10,000 letters, it could have been that some of those were in
Townsville. But the issue that arose in the chamber about the pause on debt recovery in
Townsville was an entirely separate issue.

Mr Storen: The debt recovery pause in Townsville was a debt recovery pause on the basis
of a disaster declared area—

Senator SIEWERT: Yes.

Senator KITCHING: That's not to do with the OCI.

Mr Storen: and the issue arose in July. It wasn't connected to this accidental release of
letters. That is my recollection.

CHAIR: So they're two separate things.

Ms Leon: That's right.

Senator HUGHES: Just so that we can get clarity on this, this has been there since 1 July;
there have been questions on Townsville, but there have not been questions on this at all.

Ms Leon: That's right.

Senator HUGHES: They are actually two separate issues.

Ms Leon: Yes.

Senator HUGHES: So, potentially, whilst you may have briefed on the Townsville issue,
you may not have briefed on this different issue during the caretaker period—just so I'm clear.

CHAIR: Senator Kitching has got some questions to put on notice.

Senator KITCHING: In fact, I'm talking about the Townsville notices, and then I'm
going back to the other ones. Firstly, Minister Stuart Robert did deny it as well. What I want
to know is how many of the recipients have entered into payment plans or have paid the
notices and how much money has been recouped so far. I want this data for Townsville.

Ms Musolino: Just for Townsville?
Senator KITCHING: Oh, no, no, no. Then I would like to know on notice: for the unpaused, or the notices that should have been paused or had the pause extended, could I have the financial year breakdown of historical entitlement periods affected, how many of these debts related to current versus former customers, and how many of these debts were previously recalled from private debt collectors in early 2017?

Ms Leon: I can tell you they were all non-current customers.

Mr Storen: Sorry, Secretary; 9,400 were non-current customers. But we'll answer the question more fully. We'll look at it.

Senator KITCHING: Good.

Mr Storen: My recollection is that the vast majority, as the secretary said, were non-current and a significant number were recalled from debt collectors.

Senator KITCHING: Sorry, did you say the majority—

Mr Storen: The majority of the 10,000.

Senator KITCHING: 'Majority' does not indicate to me 100 per cent; 'majority' indicates to me something more than 50.

Mr Storen: It means it would be a high number but we would need to look at the data to confirm the precise number.

Senator KITCHING: So some actually weren't recalled?

Mr Storen: If there were any not recalled from an external collection agent, they would have been subject to collection activity by our own officers in the department.

Senator KITCHING: With those people where there was internal debt collection activated, how many of those people paid you money where they shouldn't have had to?

Ms Leon: There's not any reason to think, once we've contacted the customer or they've contacted us, that they shouldn't pay. The pausing was a pausing on recovery action; it doesn't mean that there isn't still a review afoot.

Senator KITCHING: I understand, but—

Ms Leon: If the customer contacts us, then absolutely we'll continue with the review.

Senator KITCHING: Now I'm going back to the Townsville cases. In those cases, where there had been a natural disaster, perhaps having debt recovery at that point wasn't good for those people.

Ms Leon: Our practice for natural disasters, and the practice in previous disasters, has been to pause debt recovery for six months. That's the normal practice, and that's what we did in relation to Townsville as well.

Senator KITCHING: You're going to provide me with that information? You're going to provide me with the data for Townsville?

Ms Leon: About?

Senator KITCHING: This will all be on Hansard, and we'll all be able to read it.
CHAIR: You have to clarify, because you've blended—

Senator KITCHING: No, I didn't blend. In fact, I was very careful to say I was discussing Townsville and then I was discussing the other lot that had been previously referred to. I was very clear to keep them separate.

CHAIR: I get you, but the question was a bit confused.

Senator KITCHING: No, I wasn't confused, and I'm sure that once the Hansard is available for people—possibly tomorrow at some point—they will take it with a cup of coffee. I would advise a strong one. Firstly, on Townsville—I'm discussing just Townsville—how many have entered into payment plans or have paid the notices? How much money has been recouped so far? I would like this data for Townsville, and I've got some form of response from Mr Storen, but I would like some information about those notices as well. I would like a financial year breakdown of historical entitlement periods that were affected and how many of these debts related to current versus former customers. I think, Mr Storen, that's where you said they were all current—is that correct?

Ms Leon: That was talking about the pause—

Senator KITCHING: No, I'm back on that. That's what I said. I said now I am discussing the other ones. So there was Townsville—the beginning part. When you see the Hansard, I'm sure it will make sense.

CHAIR: Well, I'm getting a bit lost—

Senator KITCHING: How many of these debts were previously recalled from private debt collectors in early 2017? I've had a partial answer but I would like more detail.

Ms Musolino: Senator, you talked about 'financial historical years'. Could I get a bit of clarity there?

Senator KITCHING: Maybe I could have 2017-18, 2018-19, 2019-20. Oh, you won't have done 2019-20 yet.

Ms Musolino: No.

Ms Leon: Do you mean the debt was issued in those years or the debt related to a recipient's benefit in those years? If it's the latter, we may not be able to do that.

Senator KITCHING: And is that because you have given confused messages about—

Ms Leon: No. It's because when the debt is calculated we don't necessarily break it down into the year the debt arose.

Senator KITCHING: Are you able to break it down like that? I would imagine that you have excellent datasets.

Mr Storen: You are more optimistic about some of our data than I am, Senator! We can have a look at what's available but we need to get guidance from you. Are you more interested in the earnings year that the review related to than the financial year in which the debt activity occurred? That makes a significant difference to how we try and look at the data.

Senator KITCHING: Are you using an accruals method in this? Is that how your working is done?

Mr Storen: No.

Senator KITCHING: So what's the first option you gave me?
Mr Storen: I'm talking about the 30 April paused reviews. If the review was undertaken in the OCI system at the end of 2016, the customer's record may have had data discrepancies relating to the 2012-13 earnings year—

Senator KITCHING: I don't want to go back that far. I'll take the first option.

Ms Leon: The year in which the review was undertaken?

Senator KITCHING: Yes. I might come back to ask you about the 2012-13 one though, but I will put that on notice. As you know, I put some QONs to you. I'm going to refer to Nos 475, 476, 477 and 478. I will give you a synopsis of those. No. 475 was effectively: on how many occasions between January and July 2019 did the department pursue an automated data-matching system notice recipient to later discover that the recipient was deceased? No. 476 was: on how many occasions in 2018 did the department pursue a notice recipient to later discover the recipient was deceased? No 477 was about where you pursued someone in 2017 and they were dead and No. 478 was about where you pursued someone in 2016 and they were dead. They are the ones I am referring to—and your responses. What was the total value of the 169 robo-debts over the three years?

Ms Musolino: We'll have to take that on notice. We don't have that information with us.

Ms Leon: Senator, do you mean in relation to these cases or the total value of debts under the income-matching system in those years?

Senator KITCHING: I mean where you pursue people—and I thought the QON was pretty well set out—

Ms Leon: But you haven't asked that question, have you?

Senator KITCHING: So where you pursued people, where there was an automated data-matching system notice recipient, you then discovered that they were dead and you had pursued them. I want to know the value of the debt that you were pursuing. For example—

Ms Leon: Is this in—

Senator KITCHING: No, let me—let's go to QON 475. That's between January and July 2019, so only a few months ago. In part (a) of your response you said:

The Department has identified 28 customers who were already deceased …

In the last paragraph of part (b) you said:

Of the 515 instances, 442 were permanently written off due to insufficient funds in the estates and 73 were recovered.

Ms Leon: So it's the 73 that you want?

Senator KITCHING: I would like you to tell me what the total value of the robo-debts over the three years was.

Ms Leon: In relation to that number of cases in each of the QONs?

Senator KITCHING: Yes. Where you pursued them. Obviously, if they were permanently written off, Ms Leon, you didn't get any money. Where you recovered money from deceased estates, I would like that figure for each year.

Mr Storen: If I could try to clarify a little bit. The number in part (a) relates to a review that has been initiated. There is—

Senator KITCHING: When did you initiate the review?
Mr Storen: But there is no debt. The number in part (a) relates to a review that has been initiated where a customer has passed away. A review doesn't have a debt amount. I can't tell you what the debt was, because we hadn't finished the review, and because of customer circumstances we don't finish the review, so I can't tell you what the debt was for those numbers in part (a).

Senator KITCHING: Help me out here. Let's say it's Joe Smith. Joe Smith dies, but you have him in your system. You then discover that he's dead. You're doing a review. You must have a figure at that point—do you? You know that he owes you, I don't know, $3,000.

Mr Storen: No, sorry, what we do know is that this person earned some income support in a financial year. We know they declared, let's say, $1,000 to us of earnings and we know that the tax office has told us that that person actually earned $15,000.

Senator KITCHING: What was your first figure?

Ms Leon: It doesn't really matter what the amount is, because, as we say in part (b), if we have initiated a review but we then discover that the person is deceased before we've completed the review, we don't complete the review, so we never arrive at a figure that's going to be a debt.

Senator KITCHING: But you must have, at some point—

Ms Leon: That is the 73. The 73 are in a different category, because they are people for whom a debt had already been determined. In relation to those, where there's already a debt, under social security law that can be pursued against the estate.

Senator KITCHING: Yes, I understand that. Of the 73, you're going to give me a dollar figure?

Mr Storen: Correct.

Senator HUGHES: On the back of Senator Kitching's question: in 2009 and 2008 there were a number of cheques for $900 sent to people who were also deceased. I think they were sent to about 16,000 people. Perhaps we could get a comparative figure of the 73 people who were deceased but had a debt that was brought up versus the number of the 16,000 cheques for $900 that were sent to people that were ultimately cashed.

Ms Leon: We'll see what we can find.

Senator HUGHES: That would be great. It would be nice to compare and contrast.

Senator KITCHING: Chair, I do not want Senator Hughes's questions interfering. What Senator Hughes is seeking to take on notice, I don't want that—

CHAIR: We've been very lenient—

Senator KITCHING: Ms Leon, I want you to answer about the 73, if you could do that. I'm not sure what Senator Hughes was asking about. If you could tell me the 73 from the first half of this year—

Ms Leon: And comparable numbers in each of the other QONs?

Senator KITCHING: Yes. You'll see the numbers in your responses to your QONs.

Ms Leon: Senator, I should also say, just to be clear, that the process for recovering debts from deceased estates is not any different for the income compliance debts than for any other debt under social welfare law.
Senator KITCHING: I understand. Let's go to QON 478—
CHAIR: This will be the final question before the break.
Senator KITCHING: Because we are running out of time: how many of these debts went through their ARO process?
Ms Musolino: We'll take that on notice.
Senator KITCHING: Can you take into account that they are reduced by 75 per cent?
Ms Musolino: I missed that last bit.
Senator KITCHING: Debts that go through the ARO process are reduced by 75 per cent.
Ms Leon: No, there's no such rule.
Senator KITCHING: You don't reduce by 75 per cent?
Ms Leon: An ARO is a review process. A review process may lead to the original outcome being affirmed or changed. It could be increased or could be decreased. There is no automatic discounting applied to debts that have gone through a review process.
Senator KITCHING: Maybe what you can do is tell me how many of those debts went through the ARO process?
Ms Leon: We'll see what we can do.
Mr J McNamara: I can answer that right now. In our submission to the Senate inquiry on page 23 we actually have these figures. Of the number of debts raised, 7,421 went to a formal internal review, and 3,645, or 0.5 per cent of all debts, were varied.
Senator KITCHING: Can you give me that figure again?
Mr J McNamara: 3,645 of the 686,901 debts were varied. 0.5 per cent were varied on formal review.
Senator KITCHING: Is there a protocol not to pursue debts where you know the debtor is dead? I think this is in one of your QON answers.
Ms Musolino: Our process is that, if a debt has already arisen and subsequently we become aware that the person is deceased, there is a period where we won't contact the executor, the next of kin or anyone. There's a period where we don't make any contact.
Senator KITCHING: What is that period?
Ms Musolino: Four weeks.
CHAIR: Senator Kitching, I am conscious of the time, so we will wind this up.
Senator KITCHING: You are going to take that on notice and come back to me? If you've got a policy document about the pursuit of debts that are now in deceased estates, that would be good as well.
Ms Leon: Senator, I should just say it's not a policy of the department; it's the law. It's the law of the parliament that we're operating under. We haven't got a policy of pursuing debts against deceased estates; we are complying with the law.
Senator KITCHING: I am asking about your policy of waiting for four weeks. Is that your policy, to wait for four weeks? That is not a law of the parliament, Ms Leon.
Ms Leon: I thought you meant the policy of pursuing—
Senator KITCHING: No, I don't. I understand that.

CHAIR: We will break now.

Proceedings suspended from 21:18 to 21:33

Senator SIEWERT: In terms of expansion of the robo-debt scheme, up until now, as I understand it, the more-sensitive cohorts haven't been receiving debt notices—or they've probably been assessed but are not receiving them. Is there a proposal to start targeting other groups—say, those on the aged pension, those over the age of 65 and other more-vulnerable groups?

Ms Leon: No.

Senator SIEWERT: None at all?

Ms Leon: Those cohorts haven't been prioritised since February 2017, and we don't have a current plan to prioritise them.

Senator SIEWERT: Which cohorts are now—for want of a better word—off limits, who aren't being assessed for debts?

Ms Musolino: Older Australians aged 65 and above, customers with a vulnerability indicator and people living in remote areas.

Senator SIEWERT: Is that under the classification of remote?

Ms Musolino: Yes.

Ms Leon: Remote and very remote.

Senator SIEWERT: I'm aware of people over the age of 65 who have had a debt. Would that have been under the OCI process?

Mr Storen: It could arise in a number of circumstances. The most likely scenario would be a review that was initiated prior to February 2017. We just talked about a range of those reviews that we're working through finalising.

Senator SIEWERT: Yes.

Mr Storen: That's the most likely circumstance. It could occur that the customer was aged 64 and an EIC review was triggered 18 months ago, so they're now moved, or, as we see in a number of cases where we are told it's a robo-debt, it could be a different type of compliance activity or a different type of circumstance update the customer is undertaking as part of normal business where a debt may arise.

Senator SIEWERT: In regard to the debts that were issued prior to the decision that was made to not proceed for over-65s, for example, what has happened to those people who were over 65 who did get one prior to the decision to not send notices to those over the age of 65?

Mr Storen: We are finalising the review consistent with how I talked about the service recovery approach before.

Senator SIEWERT: So they're still going to get a notice.

Mr Storen: They've already received a review discrepancy and they've already received a debt.

Senator SIEWERT: Yes.
Mr Storen: What we are doing is actually working with them person to person, if you like, and working through what led to the review and coming to an outcome, which may be a debt, or we may remove the debt, depending on what evidence we are provided.

Senator SIEWERT: Could you take on notice how many people on the age pension are under agreement to repay out of their pension or are repaying?

Mr Storen: We may already have that in an answer to a question. I think we've done a demographic breakdown of reviews under this initiative by payment type, and I suspect the age pension is there, but we'll take the question on notice. We'll either draw your attention to where we've already provided it or provide it.

Senator SIEWERT: For this instance, I'm after the number of people over the age of 65 who have repaid the debt—and tell me where I did see that, because I can't remember the number off the top of my head, if, in fact, I did see it—and those who are still repaying a debt through deductions from their age pension.

Mr Storen: It's online compliance intervention, the customer is over the age of 65—you would like to know how many have fully paid debts and how many have a payment plan.

Senator SIEWERT: Yes, a payment plan. Thank you. I want to go to this issue about vulnerability. It's an area that's been causing me some angst. Firstly, when you say a vulnerability indicator, at what point is that vulnerability indicator flagged? What's become obvious over a period of time is that those vulnerability indicators aren't happening up-front. I want to come back to the more general conversation, but on what basis are you using a vulnerability indicator for the intent of this process over the three: OIC, EIC and CUPI?

Mr J McNamara: For EIC and CUPI we are using the vulnerability indicator as a filter. As we explained in terms of our flowcharts and in terms of our case selection, we are filtering out people who have a vulnerability indicator.

Senator SIEWERT: What process are you using to determine that vulnerability indicator?

Mr J McNamara: Essentially, for us, the vulnerability indicator is associated with that person in our system.

Senator SIEWERT: How does it get there?

Mr J McNamara: Generally it's placed there because the person has interacted with us while they're on, normally, Newstart. They're on that program, and normally that would be the reason the indicator would be put on. It relates to their ability to actually be involved in participation requirements. So, for that reason, we would normally record that, and so that would remain.

CHAIR: Mr McNamara, I'm sorry to interrupt. Just for clarification, can I just confirm if that indicator was formalised in any way? Can you just clarify the scope of the indicator?

Mr J McNamara: Yes.

Ms Rule: Vulnerability indicators are used much more broadly than just as it relates to compliance or debt, and it's part of our system of the mutual obligations that apply to jobseekers. Vulnerability indicators can be recorded in a couple of different ways. One of the ways is where they're recommended as part of an employment services assessment, an ESA, or a job capacity assessment, and vulnerability indicators are automatically recorded as part of...
that ESA or JCA process. So it's part of the much broader regime of assessing the needs of jobseekers, rather than just as it relates to compliance or debt.

CHAIR: Thank you for that clarification.

Senator SIEWERT: I want to come back to that, because it has been identified that the process under the TCF isn't necessarily working, so I want to come back to that, but that's the process that you're using to date for vulnerability indicators. For people who, for example, have a partial capacity to work—the 289,000, for example, that are currently listed—do you mean those people are also classed as vulnerable?

Mr J McNamara: No, I don't think we'd class people who have a partial capacity—

Senator SIEWERT: Okay. How do we, then—they're people with a disability.

Mr J McNamara: A disability doesn't necessarily mean they're vulnerable, though.

Senator SIEWERT: Okay, so what does get you that indicator of vulnerability if partial capacity to work doesn't and vulnerability doesn't?

Mr J McNamara: I think we've provided these in response to a question on notice before, but there's a list of factors that we take into account, homelessness being one that comes to mind. If that's your status on our system then, while we may see that there's an income discrepancy, we wouldn't initiate a review if, when we looked at your particular circumstance, you had one of those indicators.

Senator SIEWERT: Thank you. Again, I'll come back to some of those in a minute. But, for those that are no longer in the system—so they're working enough to have left the system or, as TCF shows, there are people dropping out of the system—do the vulnerability flags that were previously on their files hold?

Ms Rule: The decision to apply or remove a vulnerability indicator from a customer record sits outside of the debt and compliance regime.

Senator SIEWERT: I understand that. That wasn't the question. The question was: for those that are no longer in the system—in other words, they've left the system—do the vulnerability flags that were previously on their files hold?

Mr J McNamara: I'd have to take that on notice.

Ms Rule: A vulnerability indicator is an assessment at a point in time, and it will stay on a customer record until such time as our staff make a judgement to remove it.

Senator SIEWERT: Even if you're no longer receiving income support, for example?

Ms Rule: Yes. You'd be in our system historically, but we would reassess your circumstances when you came back into our system, and staff would make a decision then about whether a vulnerability indicator should be applied.

Senator SIEWERT: Okay. I'm still focused on the debt side of it. I want to do the other vulnerability stuff a bit later.

Mr J McNamara: I'd have to take that on notice. But my understanding of what we're doing is, if the vulnerability indicator is still there, even though it's historical, we don't send you a review.

Senator SIEWERT: Right. If it's on your file.
Mr J McNamara: But I think it's right that you could have a vulnerability indicator that has been subsequently removed as part of another process; therefore, we would initiate a review. You could have been homeless and now you're not. We would initiate a review.

Ms Leon: If someone doesn't have a vulnerability indicator—because they weren't homeless at the point in time when they were originally assessed on our system—but after engaging with the person in the process of a compliance review we discover they are homeless, we'll suspend debt recovery against them. We aren't applying a technical approach to say, 'Oh, well, you haven't got a vulnerability indicator so we're going to ignore your vulnerability.' If information is provided to us by a customer, during an income review process, that indicates they are homeless or undergoing one of the other kinds of life events that would have led to them being assessed as vulnerable during an ESAt, we will suspend debt recovery for them as well.

Senator HUGHES: Can I just ask a question, sorry, Senator Siewert, through the chair? My understanding is that this vulnerability indicator is really a bit of a blunt instrument, that it's going to take a deliberate and conscious decision to remove the vulnerability indicator once it's there as opposed to it being automatically removed at any time or expiring out.

Senator SIEWERT: Yes. And I didn't ask that question. My concern is people getting them in the first place—

Ms Leon: Not getting them, you mean?

Senator SIEWERT: Not getting them in the first place.

Senator HUGHES: But was I incorrect?

Ms Leon: We don't have coercive powers to find out everyone's life circumstances. Of course, someone might have a psychiatric problem that they don't disclose to us, so it's possible that we don't know about everything in a person's life.

Senator HENDERSON: Ms Leon, just to clarify, under those circumstances, for people who are listening or also reading the Hansard, is it best for them simply to contact the department, to talk through their particular challenges or circumstances? Then they can be assessed accordingly.

Ms Leon: Yes, Senator.

Senator KITCHING: But no-one wants to assume that people are reading the Hansard.

Senator HENDERSON: I'm just trying to make sure we understand—

CHAIR: You did certainly assume that before, Senator Kitching. You kept on telling people to read the Hansard.

Senator KITCHING: But not the people receiving the debt notice, probably, or general, normal people.

Senator HENDERSON: I think it's important to clarify, and that's what I did, Senator Kitching, thank you.

Ms Leon: Also, even if people haven't read the Hansard but do have contact with us and—

Senator KITCHING: Much more likely!
Ms Leon: are concerned about their life circumstances and their ability to respond effectively to a debt notice, of course we deal with people compassionately. And if they say that they are homeless or they are subject to illness or—

Senator SIEWERT: What sort of proof do you require?

Ms Leon: escaping domestic violence, then, of course, we take an appropriate approach to that.

Senator SIEWERT: What sort of proof do you require? Now you've really pushed my buttons. When people are applying for DSP, the system is ignoring their psychiatric reports. It's sending them to government doctors. It's denying them. The process is doing that. And the figures show that the number of people accessing DSP has dropped—significantly. There are nearly 300,000 people with a partial capacity to work who are on programs of support. Anybody listening to this would think this system is perfect and they'll automatically get a vulnerability indicator. Ms Rule, when you say they don't self-declare, many people are trying to and they are being ignored.

Ms Leon: Getting a vulnerability indicator doesn't mean they're eligible for DSP.

Senator SIEWERT: I know that. What I'm saying is, when they're trying to get DSP, their certificates are being ignored. They're being sent to government doctors who are providing poor advice. Yet you're saying that people just have to ring up if they've got a concern about their health.

Ms Leon: But we aren't assessing them for DSP when they contact us about debt, Senator.

Senator SIEWERT: No.

Ms Leon: I'm not sure what question you're asking.

Senator SIEWERT: The point is that you're acting as if it's really easy to get a vulnerability indicator on your record and it's not. You said yourself that a lot of people can't get it because the department's capacity—

Ms Leon: No, it's because we don't assume that people with disability are all vulnerable. And, of course, the policy of the NDIA is to try to enable people with disability, as much as possible, to participate in society in the same way as everyone else.

Senator SIEWERT: And there are many people who are being denied DSP who have vulnerabilities and who aren't being acknowledged.

Ms Leon: I don't know if you're questioning the policy about the DSP. If it's a policy question about the application of DSP that's really a matter for social services. We assess people's eligibility—

Senator SIEWERT: No, the application of it is with your department.

Ms Leon: for DSP in line with the policy requirements of the legislation.

Senator SIEWERT: You are—

CHAIR: Do you have a question, Senator Siewert?

Senator SIEWERT: Yes, I do. I just want to clarify if there has been any advice provided to government about those cohorts?

Ms Leon: No—do you mean if we are providing advice to government to recommence the application to—

COMMUNITY AFFAIRS LEGISLATION COMMITTEE
Senator SIEWERT: Have you provided any advice to government during this process to recommence those—

Ms Leon: The government has no plans to recommence those.

Senator SIEWERT: That doesn't answer my question. Have you provided advice to government about—

Ms Leon: We discuss the operation of the program with government from time to time, and in the course of that the government has indicated there's no intention to recommence the reviews of those cohorts.

Senator HUGHES: I actually want to turn our attention, if I could, to departure prohibition orders. Perhaps you can give us a little more information around those—particularly whether or not a DPO is a first call or an initial tactic used when trying to recoup a debt, and what protections are in place around that?

Ms Rule: DPOs are a feature of the child support system. They are used when there have been lots of attempts by the child support program to get parents to pay the amount they owe in child support. We use them when there are debts owing that we haven't been able to recover, and in certain circumstances they will be applied to stop people from leaving the country until they have settled that amount of child support owing.

Ms Leon: We also use them for Centrelink debts. Mr Seebach might be able to give you some more information about those.

Senator HUGHES: That's great; you're pre-empting my next question, about what types of debts these apply to.

Mr Anthony Seebach: I might just preface this by going into a little bit of detail about the criteria and just to provide some context. The secretary, or delegate, in the organisation can make a DPO preventing a person with social security debts from leaving Australia. Anyone who has a social security debt receives a debt letter that informs them of the ways the department may take action to recover money should they fail to pay their debt. This includes advice that the department could stop them from travelling overseas through a departure prohibition order.

Similar to child support, the purpose of the departure prohibition order is to secure payment of a person's social welfare debts. The order made against the person will prevent them from leaving Australia before either discharging their debts or making satisfactory arrangements to do so. The DPO places significant restrictions on the freedom of movement of citizens and others; accordingly, the department uses them sparingly and not without careful consideration of all the relevant circumstances.

Just in terms of numbers to demonstrate that: since 1 January 2018, the department sought to contact about 2,168 people with social welfare debts, totalling about $54.8 million, to discuss the possibility of the department issuing them with a departure prohibition order. Of those people that the department has contacted, 673, with social welfare debts totalling $13.69 million, have agreed to commence paying their debts, and 268 of that 673 have repaid their debts in full, totalling $4.63 million. In that context where we've not been able to secure a suitable payment arrangement, the department has issued only 138 department prohibition orders to 114 people, in the context of social welfare debts.
To provide just a little bit of information about the robustness of the regime, the decision-maker has the discretion to make a DPO in a case where the person is satisfied of the following three primary conditions: that the relevant person has one or more outstanding social security debts, that they have not made satisfactory arrangements to wholly discharge their debts, and that the decision-maker believes it is desirable to make such an order to ensure that they do not leave Australia without wholly repaying their debts or making satisfactory arrangements to do so. Before making the order, the decision-maker must also take into account the following matters: the person's capacity to pay debts, whether any debt recovery action has been taken and the outcome of the recovery action, the length of time the debt has remained unpaid, and any other matters the decision-maker considers appropriate in the circumstances.

Senator HUGHES: Do you find that perhaps even just the mention of a DPO is enough to trigger payment of an outstanding debt? If so, what sort of data do you have behind that?

Mr Anthony Seebach: Certainly, our experience has been that where we've flagged the possibility of a departure prohibition order with those that have an outstanding debt, quite a number of them have been encouraged to pay that debt before the issuance of the departure prohibition order. It probably goes to those statistics that I provided a little bit earlier in the answer to your questions.

Ms Leon: We have had the same experience in relation to the child support debts, as well. They've been a very effective method for encouraging parents who haven't paid their child support to do so.

Senator HUGHES: Yes, I'm very interested in the encouragement of child support payment, because obviously it's much better for those children to be supported by the parent that should be supporting them.

Ms Rule: This financial year to date, DPOs in child support have collected $5.4 million in outstanding child support debt.

Senator HUGHES: Thank you so much.

Senator CAROL BROWN: I have a couple of questions following up Senator Siewert's questions around sensitive groups. You have indicated that there is no proposal to extend robo-debt action on age pensioners? That's correct?

Ms Leon: Yes.

Senator CAROL BROWN: If they are under 65 at the date of review and then later go on to the age pension, the aged pension, would they be still be pursued?

Ms Musolino: There could be circumstances where a debt arises prior to a person moving on to age pension, because they've got income and so they're earning income and therefore they're subject to the income data matching—

Senator CAROL BROWN: Will they go from one Centrelink payment to another?

Ms Musolino: But the debt in that circumstance would arise as a result of them earning income.

Senator CAROL BROWN: So what's the answer? Yes?

Ms Musolino: If the debt arose while the person was earning income, then they could be subject to the online compliance process.
Senator CAROL BROWN: So if they're not on an age pension at the date of review and then they subsequently go on to the age pension, then you could still pursue the debt?

Ms Musolino: Yes.

Senator CAROL BROWN: They'll be part of that cohort where you will pursue that debt?

Ms Musolino: Yes.

Mr Storen: We would still initiate a review that may arise with the debt and then, yes, we would pursue a debt if there was a debt there.

Senator CAROL BROWN: Regardless of if they are age pensioners at that time?

Ms Leon: If they later become age pensioners.

Senator CAROL BROWN: How much has been budgeted in terms of savings coming out of the robo-debt?

Mr J McNamara: If I refer to our submission that we've just made to the relevant Senate inquiry, on page 22 we actually have a table that outlines in full the forward estimates for the measure in terms of fiscal savings, underlying cash, DHS costs and number of reviews.

Senator CAROL BROWN: What is the answer?

Mr J McNamara: So fiscal saving over the forward estimates is $2.1 billion. Underlying cash is $1.1 billion, and DHS costs are $572 million.

Senator CAROL BROWN: To what year is that $2.1 billion expected?

Mr J McNamara: That's 2019-20 to 2021-22.

Senator CAROL BROWN: You're on target to meet that figure?

Mr J McNamara: Yes, at the moment.

Senator CAROL BROWN: You're on target to meet that figure without that going to any of these sensitive groups that Senator Siewert was talking about?

Mr J McNamara: The way our system works at the moment, as we said, we're not prioritising those. And so the nature of the—

Senator CAROL BROWN: Sorry, I thought you ruled out going into those cohorts.

Ms Leon: We aren't doing them at the moment, no, and whether we will need to do them will depend—upon how we proceed with the whole program. There's no immediate need to make a decision about that.

Senator CAROL BROWN: You'll to explain that a bit more to me, Ms Leon, because I thought from the answers to questions Senator Siewert asked that that had been ruled out. So you're now saying—

Ms Leon: I think I said that they are not at present prioritised for review. So we filter them out while we are undertaking reviews, and whether we will need to go to government and seek their views about putting them back in is a matter that we'll come to further down the track, depending on the progress of the program.

Senator CAROL BROWN: Back in? Does that mean that they were in consideration?

Ms Leon: They were in, initially.

Senator CAROL BROWN: They were?
Ms Leon: Yes. I might say all compliance activity prior to February 2017 and all compliance activity other than the income-matching measures do apply to people over 65 and with vulnerability indicators—and have for years.

Senator CAROL BROWN: So they're still on the list, but they're not at the moment a priority. That's what you're saying.

Ms Leon: That's right. They are not being reviewed at present and there's no current proposal either in the department or before government to revisit that, and no immediate fiscal need to do so.

Senator CAROL BROWN: So what circumstances would see them prioritised?

Ms Leon: That's a hypothetical question. We haven't got any live proposal to revisit that before the department or before government at present.

Senator SIEWERT: You said they're not being reviewed. Are they being identified?

Mr J McNamara: Yes.

Senator SIEWERT: They're being identified and just put to the side.

Mr J McNamara: Yes. So as we went through our flow chart of our case selection, we essentially are finding somebody who we think has a significant income discrepancy and we think that income discrepancy is most likely to lead to a debt. Then, before we actually initiate the review, we filter out a number of people, and that's what we've talked about—who we are filtering out at the moment and not prioritising those people.

Senator CAROL BROWN: So that identification process is ongoing?

Ms Leon: Well, you don't know that you're going to filter them out until you've identified them.

Senator CAROL BROWN: Well, if they're age pensioners, if they're not being prioritised, why would you be looking to identify whether they had a debt, if they're not part of the robo-debt prioritised list.

CHAIR: Senator Brown, can we just clarify that there is no such thing as a robo-debt program. It actually is a Centrelink compliance program. It's a media term. Just to use the correct terminology—at this hour of the night, we just like to get it right.

Senator CAROL BROWN: I know, but we've been using the word robo-debt all evening.

CHAIR: Not all night, we haven't. But I'd just like to clarify that.

Senator CAROL BROWN: We'll call it whatever you ask, but can someone answer my question.

Ms Leon: We don't call it robo-debt. As our submission to the Senate inquiry detailed, there's human involvement at every step of the process. So these debts are not raised by robots, and that is why we do not call it robo-debt.

Senator KITCHING: Do you run a 24-hour centre?

Ms Leon: I'm sorry?

Senator KITCHING: If a notice is issued in the early hours of the morning, is there human involvement at that time of the day?
Ms Leon: All of our letters about everything are issued by a computer. No-one sits and types them. But the decisions—

Senator KITCHING: I'm so pleased to hear that, Ms Leon.

Ms Leon: The decisions that lead to a letter are taken by humans.

Senator KITCHING: But I think your evidence was that at every step of the process there is human involvement.

Ms Leon: Of identifying a debt, yes.

Senator KITCHING: So you've narrowed that down; good. Just to be clear—

Ms Leon: If you read our submission—

CHAIR: Senator Kitching, could we let the Secretary answer the question.

Senator KITCHING: As the chair has said, we want to be very clear about all of this. So, for example, robo-debt—what are we calling robo-debts, Chair?

Ms Leon: Income compliance.

Senator KITCHING: Income compliance! Sorry, what was it? Income compliance—

Ms Leon: It's an income compliance program.

Senator KITCHING: program.

Senator HUGHES: Can you outline for us every stage of the process where human intervention is involved?

CHAIR: Can we just let the secretary answer the question.

Senator HUGHES: So Senator Kitching and everyone can understand, where are humans actually involved in the process?

Senator CAROL BROWN: No, Chair, I had a question.

CHAIR: That's the question I'm trying to get the secretary to answer.

Senator CAROL BROWN: My income compliance program question.

Senator KITCHING: Aka robo-debt.

Senator Seselja: You might have to repeat the question.

Senator KITCHING: Thank you, minister.

Senator Seselja: Perhaps using the correct language.

Senator CAROL BROWN: My question was: if the age pensioners are not part of the prioritised list, why are they being identified?

Mr J McNamara: I think it's more the nature of the data-matching process. Predominantly, we're getting a file from the tax office—generally, the tax office—for this program, and we're looking for anomalies between what people have told us and what the tax office data is telling us. Once we identify those people that aren't data matched, for want of a better term—they've declared correctly through that process—we're deleting that data from the tax office, and then we are essentially filtering that data.

Senator CAROL BROWN: But people who are not on your prioritised list but who you identify as perhaps having a debt—you're parking that somewhere.

Mr J McNamara: We're not prioritising those people at the moment.
Senator CAROL BROWN: But they're not lost. You're parking them somewhere in case you're going to move them up the priority list. You've already given that evidence.

Mr J McNamara: Yes.

Senator CAROL BROWN: Yes, exactly.

Mr J McNamara: Yes, we're parking them. We are not prioritising them.

Senator CAROL BROWN: You told me that, by 2021-22, $2.1 billion was the figure that you were looking to recoup. I'm hoping this is the right word.

Mr J McNamara: That's right—$2.1 billion in fiscal terms.

Senator CAROL BROWN: What are we up to now?

Mr J McNamara: In terms of outcomes, to the end of 2018-19, we'd saved about $1.9 billion in fiscal and $713 million in underlying cash.

Senator SIEWERT: Sorry?

Mr J McNamara: It was $713 million in underlying cash.

Senator SIEWERT: In underlying cash.

Mr J McNamara: Again, this is in the table in our submission.

Senator KITCHING: Have you got a table that you are able to table? Have you got a physical copy of that?

Mr J McNamara: It's in our submission. Someone may have a copy of our submission.

Mr Storen: It's page 22 of the department's submission.

Senator KITCHING: I got the page number before from your submission to the Senate inquiry. I'm wondering if someone has an actual hard copy of it so that it's not just Mr McNamara who's looking at it but also the committee members.

Mr Storen: I have here my copy of the submission.

Senator CAROL BROWN: We'll have a look at your submission.

CHAIR: Can I just clarify something. Obviously, with the robo-debt comment before, I did start something off. I want to ask the secretary to explain her answer, which she half answered, in regard to the human intervention. Can we get the process on how that actually does happen?

Senator HUGHES: The CPSU might be up in arms!

CHAIR: We will just ask Mr McNamara to go through that.

Mr J McNamara: In terms of what we do, as we said, we are looking through human involvement as the first stage of looking at the data that comes from the third party. Predominantly, that is tax office data but not exclusively so. So we have human involvement when looking at the quality and the accuracy of that data before we start to use it. Once we've got to that stage, we then have people actually running these filters—first of all, running our debt predictor to understand whether people's discrepancies are likely to lead to a debt. It's a fairly manual process to then filter people out. It is actually someone looking at a whole heap of customer reference numbers, being able to see them and then being able to match those customer reference numbers, for instance, with vulnerability indicators and going, 'These are the ones I have to take out.' What is then left is a batch of customers that we would initiate a
review on, and someone would do a batch file to generate letters. As the secretary said, the computer generates the letter, but someone's putting it into the computer to say, 'I want these CRNs to receive this initiation letter.'

Once someone's received an initiation letter, they can obviously go online and complete their review by themselves. But, even if they do go end to end online, we will still have one of our compliance officers look at the outcome before we finalise the debt outcome—if it was a debt outcome, for instance. So we still have human involvement even when people go online end to end. Some people will come offline because that's their choice and, if they come offline, they will work with a compliance officer on the phone to actually complete their review. So, at all stages, they're talking to somebody, and someone is actually working on their review.

We have a number of reviews of the process: some of our reviews are completed within our mainframe system but some of them are completed outside our mainframe system. For the ones completed outside our mainframe system, our staff not only have to do the assessment; they have to do a lot of data entry as well. So there's quite a bit of involvement in more complex arrangements with a higher level of staff involvement is how I'd describe it.

In terms of the outcome itself, we have staff who are able to explain it. So, if you've completed it on the phone, staff will be explaining the debt outcome. You also get a letter that gives you detail about the debt outcome and how that's been arrived at, but staff are there to do that. If you want a reassessment at any stage, you will call because that is a staff process; it is not an online process for a reassessment. But the key thing here is: the decision to initiate a review is made by one of our compliance team in Mr Storen's area, and the decision to generate a debt, to raise a debt, is a decision taken by a compliance officer in every case.

CHAIR: Thank you for that clarification.

Senator KITCHING: I think, Ms Leon, before the evening tea break you were discussing very briefly the legislative basis of the scheme, aka—

Ms Leon: Which scheme?

Senator KITCHING: The income compliance program aka robo-debt. What's the exact section of the Social Services Act that provides for that?

Ms Leon: I think the legislation I referred to was the obligation to recover debts; it wasn't specific to the income compliance program.

Senator KITCHING: What is the exact section of the Social Services Act that provides for the income compliance program that is colloquially known as robo-debt?

Ms Musolino: I don't have the section numbers, but broadly how it works under—

Senator KITCHING: Have you got the act?

Ms Musolino: No, I don't have the act with me, but broadly how it works is—

Senator KITCHING: Mr McNamara has a computer there. He might let you use it to find the legislation so that you can tell me which section it's in.

Ms Leon: It's not a legislative scheme.

Senator KITCHING: Give me the legislation that governs it. If it's not legislation, what is the supplementary or regulatory regime?
Ms Musolino: Broadly speaking, under the Social Services Act—and I'm going to get the exact references because I don't have them in front of me—a debt arises at the point at which a person is overpaid, so when a person receives—

Senator KITCHING: I'm not asking you that. I'm asking you where is the basis for the income compliance program? What section of the act is it based on? If you can't give me a section, there must be something you're referring to in order to have the program that is also known as robo-debt. I want to know what the basis for it is.

Ms Musolino: We'll take that on notice and provide those sections.

Senator KITCHING: You are honestly going to take that on notice?

Ms Leon: It's because it does not require specific legislation, because the social security legislation requires the department to make sure that people are paid accurately and, if information comes to us—

Senator KITCHING: So what are those sections?

Ms Leon: We don't have the act with us.

Senator KITCHING: What is the section, Ms Leon? I suggest to you—

CHAIR: Senator Kitching, please let the secretary answer.

Ms Leon: I'm happy to take the sections on notice. The legislative scheme is that the department pays people. We are required to pay people based on the information they provided. If other information comes to us, which can come to us from third-party data sources, from our tip-off line and from employers, we have to take that into account to make sure that the person is paid accurately. That may cause us to reassess their payment.

Senator KITCHING: I'm not asking you about that.

Ms Leon: But that's the legislative scheme.

Senator KITCHING: I would like you to take this on notice. For everything that Ms Leon has just outlined I would like you to come back to me with a section of the act—

Ms Leon: Certainly.

Senator KITCHING: I would also like you to give to me any subsidiary legislation.

Ms Leon: Certainly.

Senator KITCHING: I would expect that you would be able to provide that quite quickly.

Ms Leon: Of course.

Senator KITCHING: Further, given the concerns of legal experts, tribunal members and the UN, and given the current class action, does the department have any concerns about the lack of legal foundation for this scheme, particularly its reverse onus of proof?

Ms Leon: We don't accept that there's a reverse onus of proof.

Senator KITCHING: So what do you call it? Given that robo-debt is something that you have, what do you call the reverse onus of proof?

Ms Leon: The questions that you are raising about the legal basis for the scheme are all ones that are before the courts, so I don't intend to engage in a legal discussion about them.

Senator KITCHING: Really?
CHAIR: And we can accept that for now.

Senator KITCHING: How do you describe the reverse onus of proof?

Ms Leon: Customers are expected to keep their income information with us up to date, so at all times we expect customers to inform us of their income and earnings. That is an onus that is always on the customers who are seeking to receive a social welfare payment.

Ms Musolino: I do have the relevant section to hand on that point, if it assists the committee.

Senator SIEWERT: They don't have to tell you when they're not on income support, so if they've come off income support during that year, they don't have to tell you, and that's where some of these fundamental problems are occurring.

CHAIR: Do you have a question, Senator Siewert?

Senator KITCHING: I think that is a question.

Senator SIEWERT: That is a question. That is correct, isn't it? That's a fundamental flaw. So it is a reverse onus of proof because you're averaging and then you're sending out the note and saying, 'You prove that you told us properly,' when they didn't have to tell you in the first place, because they weren't getting income support.

Ms Leon: The customer at that point can tell us that that income was earned at a time when they weren't on income support.

Senator SIEWERT: What do you call that if you don't call it reversing the onus of proof? They're having to prove to you that they were working and not receiving when they were not receiving income support. So you technically have no—there's no onus on them to tell you anything when they're not getting income support.

Ms Musolino: Under section 66A of the Social Security (Administration) Act, I do have this one to hand. Sorry, section 66A of the Social Security (Administration) Act 1999, the responsibility to explain any differences between the income identified from data matching and the information held by the department is and always has been an obligation on the customer in the first instance.

Senator SIEWERT: But they weren't getting income support then.

Ms Musolino: The process that Mr McNamara outlined is at the first step that we identify a discrepancy. We haven't identified a debt; we've identified a discrepancy between what the customer has told the department and what the customer has told the tax office. At that point we write to the customer and ask them to help us explain that discrepancy.

Senator SIEWERT: If I have gone for income support there's always going to be a discrepancy. There's always going to be one between what I tell you and what I've told the ATO.

Ms Musolino: That's why we ask people to make contact with us.

Member of the committee interjecting—

Senator SIEWERT: If I've gone off income support and I'm earning, of course there's going to be a difference. I don't have to tell you.

Ms Musolino: The way the scheme operates is that we ask people to make contact with us, and if we can explain the discrepancy that's the end of the matter. It doesn't go any further.
What we're asking people to do is help us reconcile a discrepancy that has been identified through the data matching.

Senator CAROL BROWN: But you indicate an amount owing, don't you?

Mr Storen: No, we don't.

Ms Musolino: No.

Senator SIEWERT: It's still reversing the onus of proof, though. The onus is then back on those people to prove how much they were earning when it's none of your business at that time because they're not claiming income support.

Mr Storen: I'm not sure about the word 'proof'. If we think about the CUPI system, if a customer logs on to the system when we have raised the discrepancy, we ask one or two simple questions to clarify the earnings period. If they can clarify that period in those one or two questions, the review is finalised. Those questions are designed to filter out the cases that you're talking about where there's an awkward earning period and awkward income period, so that the review can be closed out very quickly. I'm not sure we're asking for proof; we're asking for the customer to explain in a couple of easy steps. There is no allocation of income by fortnights, there is no detailed evidence in these steps to filter out the cases that I think you're talking about.

Senator KITCHING: Thank you, Ms Musolino, for actually giving me an answer. I really appreciate it. Could I ask now for the section which provides for the reverse onus component where the customer must find the relevant information to dispute a debt.

Ms Musolino: I don't accept that characterisation. That is not what we're doing here, Senator. We are asking people to assist us to explain a discrepancy.

Senator KITCHING: So where's that section?

Ms Musolino: That is what we have always done—

Senator KITCHING: Where's that section?

Ms Musolino: That is what we've always done in terms of compliance. We have always asked customers to report their income—

Senator KITCHING: I understand you want to call it something else.

Ms Musolino: and help us to explain a discrepancy.

Senator KITCHING: I understand you want to call it something else. Where's the section in the act that provides the basis for what you're describing.

Ms Musolino: I'm happy to take that on—we had taken it on notice. We'll come back to you with the relevant legislative provisions.

CHAIR: You did take it on notice.

Senator KITCHING: There are many steps. I don't want that to be understood to be the only part of that.

CHAIR: You asked quite a considerable list before.

Senator KITCHING: What happened, Chair, is that Ms Leon gave a very considerable list, and she has taken on notice to give us a legislative basis for every one of the components of that list. Ms Musolino has quite helpfully given us section 66A. What I'm now asking, and
I don't really mind the words you use, I'm using the words: what is the section that provides for the reverse onus component where the customer must find the relevant information to dispute the debt. However you like to frame it in your words, that's what I would like.

Senator Seselja: They can't answer a question when you're putting an assumption which they don't accept. How would they possibly answer that question.

Senator KITCHING: Senator Seselja, in fact, Ms Musolino gave her own version of what I have asked—

Senator Seselja: No, no, no, no. No, she didn't.

Senator KITCHING: so she's translated.

CHAIR: Senator Kitching, let the minister respond.

Senator SESELJA: That's not right. You can't ask a question saying where's the reverse onus ability?

Senator KITCHING: We're not talking about the reverse—

Senator SESELJA: We're dealing with reverse onus.

Senator Seselja: You used that language, so perhaps you might want to rephrase the question.

Senator KITCHING: Ms Musolino, how did you describe that? You started a sentence by saying, 'I don't accept that characterisation,' and then you went on to use some words which actually described, as you would see it, what I'm asking.

Ms Musolino: I was explaining to you that, under that section—because I did have that section to hand and I wanted to assist the committee—it has always been the responsibility of the customer to accurately report their income to the department. It's nothing to do with this particular scheme. It has always been the obligation of the customer to accurately report their income to the department.

Senator KITCHING: What I'm asking you actually is: what is the section where the customer wishes to dispute the finding that you have made of the monetary amount?

Ms Musolino: Do you mean the right to seek review of the decision?

Senator KITCHING: Yes. You're the one with the act, so can you—

Ms Musolino: I have that section to hand; I don't have the act.

Senator KITCHING: Thank you, Mr McNamara, for handing your laptop over. Do you understand what I'm asking? If you call it a review, where's the section where the customer has to supply to you the relevant information that would go to that customer disputing the monetary amount?

Ms Leon: We'll take that on notice.

Senator SIEWERT: While you're taking something on notice: you know how you said you've taken off to the side those cohorts that you're not sending debts to at the moment?

Ms Leon: We're not initiating reviews.

Senator SIEWERT: Sorry; you're not initiating reviews—

Ms Leon: or sending debts.

Senator SIEWERT: Anyway, do you have a value for how much those are?
Ms Leon: No, because we haven't initiated a review. We wouldn't arrive at a value until we have initiated a review.

Senator SIEWERT: You've just discovered a discrepancy—

Ms Leon: That's right.

Senator SIEWERT: I'll rephrase it. I take your point. How many have you got? How many of those are sitting there that you've identified but for which you have not initiated a review?

Ms Leon: We'll have to take that on notice.

Senator SIEWERT: That's what I meant: can you take it on notice?

Ms Leon: Yes.

Senator HUGHES: I've got a quote here that I'd like to read out. It might help clarify for everyone if you can tell me if you think this is a correct statement on the system:

I think most people would expect that we have a rigorous checking system, and covert surveillance is one of our, as I say, one of the weapons in our armoury. We have data matching, where we check our records against the Tax Office's records to make sure that is all adds up and there's not people who are paying tax on a job who are also claiming welfare.

Do you think that would be a reasonably fair and accurate statement? It might help Senator Kitching here to know whether or not that's a fair assessment and whether or not you agree with that, considering that was stated by Chris Bowen on 7 April 2010. It might help here for Senator Brown and Senator Kitching to understand that data matching and checking records for the tax office—and, in fact, as Senator Bowen says, looking at a checking system that involves covert surveillance—is ensuring that the welfare system is truly reflective—

Senator KITCHING: Chair, a point of order. I think the standing orders would say that Senator Hughes had to refer to the member with his proper title. I'm sure he wouldn't mind the promotion!

Senator HUGHES: The minister also known as Chris Bowen. That might make it better for you!

Senator KITCHING: Thank you.

Ms Leon: We certainly have been undertaking data matching between income support data and tax office data for many years, including at the time that Senator Hughes's statement refers to.

Senator KITCHING: Thank you.

Senator HUGHES: So it's not a new phenomenon and not one just undertaken by this government.

Ms Leon: No.

Senator HUGHES: Thank you.

Senator SIEWERT: And I was giving them the hassles about it, so that's fine!

Senator HENDERSON: There's obviously been a fair bit of discussion on this issue. Senator Kitching put to you this proposition about a reversal of the onus of proof. Can you please just clarify, very clearly, to all of us here why there is no reversal of onus of proof and
why the administration of the collection of debts is part of your fundamental obligation to make sure that people receive what they're entitled to and nothing more?

Ms Leon: I'll make a start, and other officers may want to intervene.

Senator HENDERSON: Yes, because this has a particular legal meaning, so I'm very keen for you to properly explain why you say there's no reversal of onus of proof.

Ms Leon: Yes. The onus of proof, as I'm sure senators are aware, is a term that is usually used in legal proceedings. For example, where a person is taking a case to court and seeking to make a claim against another, they will bear the onus of proving whatever the facts are. The Crown, for instance, bears the onus of proof in criminal proceedings, and in those cases the Crown has to prove beyond reasonable doubt the elements of the crime. Some crimes, for instance, have an element where the defence can claim the defence and then the elements of claiming that defence will rest with the defence. That would then be a reverse onus of proof. It has quite a specific legal meaning.

Of course, the cases that we're talking about are not in court; they are administrative proceedings in which we are working with customers to seek to have them provide us with the information that would enable us to determine that they either are being paid or have been paid the correct amount of social welfare. There are many circumstances where we do seek information from customers, about their income or about their assets or about their relationship status, for example, to make sure that if they are in a relationship they're not receiving a 'single' rate of payment, which is often more generous than is a partnered rate of payment. On each occasion where we seek that information from customers, they are under an obligation to provide it. They're not under a reverse onus of proof—

Senator HENDERSON: That is their fundamental obligation under the act.

Ms Leon: It's their obligation to provide that, such that they then are entitled to receive social welfare payments. It's fundamental to the social security law that the elements of being eligible for a payment have to be satisfied by the customer. They are questions that customers are asked to inform us of and where necessary to demonstrate to us.

Senator HENDERSON: And it's an ongoing obligation.

Ms Leon: That's right.

Senator HENDERSON: It's not an obligation that's exercised on just one occasion.

Ms Leon: That's right. Otherwise, a person could fraudulently or incorrectly receive payment while they're on payment and then, immediately after withdrawing from payment, be under no obligation to ever repay an overpayment, and that would significantly undermine the integrity and the affordability of the social welfare system.

Senator HENDERSON: And let me clarify also that when you do ask questions as to a discrepancy, it is quite often the case that the discrepancy has occurred legitimately because of a person's change in circumstances—

Ms Leon: That's right

Senator HENDERSON: throughout a financial year. And you are simply assessing why that might have occurred and then asking for the amounts that have been received to be reconciled, perhaps by reason of the change of circumstances.
Ms Leon: That's right. As officers have said, if the person then explains that they were employed for the six months of the year that they weren't receiving income support, as Mr Storen said, the review can easily be brought to an end.

Senator HENDERSON: My final point, just to clarify this with you: if anyone is receiving any sort of payment, then it is important to keep your records—

Ms Leon: Up to date, yes.

Senator HENDERSON: That is a fundamental obligation of any Australian receiving a social security payment—that they are required to keep their income records. That is an ongoing obligation, and if they do that properly then explaining to the department any discrepancy should be fairly straightforward.

Ms Leon: Yes—as it is with the expectation that we retain our tax records.

Senator HENDERSON: Thank you.

Senator CAROL BROWN: Just to follow on from Senator Henderson's question around record keeping, what is the department's policy on record keeping in relation to employment records and payment information that people may need to use to rebut a robo-debt?

Ms Musolino: What we ask people to do is to provide whatever information they can. So it's—

Senator CAROL BROWN: But what is your policy? How long are people supposed to be keeping these records? What is it? What's your policy? You must have a policy. You're getting to hundreds of thousands of people being—

Ms Musolino: Our current position is we only go back seven years from initiation. The records that we require are things that generally people can readily obtain. It's either payslips, and if they can't obtain them it's bank statements. If they can't obtain either what we ask is that they contact us so that we can provide assistance.

Senator CAROL BROWN: Has that always been the case, that you've required seven years, or has that changed?

Ms Leon: It is not that they are required to keep records. There isn't a legislative obligation to keep records. It's that we only go back seven years for the reviews.

Mr Storen: There was a recent legislative change within the last few years. My understanding is that it provided us the legislative authority to go back as far as we wanted to. We can take on notice the reference to that legislation. But, as the Secretary and Ms Musolino has said, for the purposes of the compliance reviews our approach has been seven years.

Senator CAROL BROWN: So you are going back to customers that have been on the books in the last seven years?

Mr Storen: When we trigger a review, we will trigger a review up to seven years in the past of earnings and income support years.

Senator CAROL BROWN: But the department's policy—let me get this clear—is people should keep their employment records, or bank statements, for seven years? That's what you are saying?

Ms Leon: The policy is that we can undertake a review in relation to the previous seven years. Of course, if a customer has kept their records it will be easier for them to respond to
the review. But we don't put a positive obligation on people that they must keep records for seven years—

Senator CAROL BROWN: So the department—

Ms Leon: I think the point that was being made in Senator Henderson's remarks and question was that if people want to make it straightforward for any further either income support or other reviews like tax then having kept your records will certainly make that easier. It's not that we have an obligation to keep records; it's that we've got a capacity—

Senator CAROL BROWN: Ms Leon, I just want to get through what I need to ask. Does the department have a policy on record keeping with regard to robo-debts? I've forgotten what you call them.

Ms Leon: I think that's what I just answered.

Senator CAROL BROWN: I think it might be better if you take on notice to give me a copy of the department's policy on record keeping in relation to—

Ms Leon: I think what I said was we don't have an obligation on people to keep records. But we undertake reviews going back to seven years, and if people have kept records it will be easier for them to respond to that review. But if they haven't, as Ms Musolino said, then they may be able to get payslips or bank statements online, and if they're not able to we invite them to contact us so that we can see whether we can assist them.

Senator CAROL BROWN: Has the obligation around the seven years changed?

Senator Seselja: I think that's already been asked.

CHAIR: It has been asked and answered.

Senator CAROL BROWN: I'm asking because I think we were talking about that before. What was the change?

Ms Musolino: Under legislation there's no limitation period in terms of how far back we can go, but we only go back seven.

Ms Leon: That's a choice we have made.

Mr J McNamara: We've taken that question and that policy on notice as part of a Senate inquiry; it's one of the questions we took on notice.

Senator CAROL BROWN: Okay.

Senator KITCHING: I can't remember how you referred to the onus of proof, but I'll just refer to it as that. Mr McNamara, in the previous Senate inquiry report which looked into the welfare initiative, and there was this statement:

1.8 What has changed in the OCI program, is that the process of checking the ATO lump sum income records against the department's fortnightly income records, a time-consuming process previously undertaken by departmental personnel, has been outsourced to the individual income payment support recipients.

There was a discussion in that report around how the onus of proof was an efficiency dividend that the department was then putting on the recipient. Then you, Mr McNamara, said, on 23 March this year, at a Finance and Public Administration References Committee hearing, outlining the efficiency dividend as the defining feature of this government's compliance program: 'What the government has talked about before with that is that it's not the
department who has that burden; it's the employers who have that burden. It is an important aspect of red tape. If we don't ask for that information from the person, we have to ask for it from their employer, so there is a burden on the employer if we go to them and say, "Can your payroll section please provide all the information on this customer over a period of time?" as opposed to the customer, who actually has that information already in some cases, providing that information to us. So I think it's important that any cost shift is between employer and employee and between business and the employee; it isn't between us and the employee.

CHAIR: Is there a question in that?

Senator KITCHING: The question is: is the process of having the recipient provide that information essentially an efficiency dividend for the department?

Mr J McNamara: In terms of my answer on that occasion I was really talking about the economic burden of the red tape involved in the process.

Senator KITCHING: The economic burden to who?

Mr J McNamara: That's the point I was making.

Senator KITCHING: But not to the department.

Mr J McNamara: To the employer or to the employee: those are your choices. It's not to the department. It's are you putting the burden on the employer and saying, 'They must provide information,' or are you putting the burden on the employee, who is a customer of the department?

Senator KITCHING: Essentially, the department isn't doing that, so the department is able to operate more efficiently.

Ms Leon: It's not a departmental efficiency because we don't have the information.

Senator KITCHING: But in the past—

Ms Leon: We would have had to seek it from either the employer or the employee. Either of those would be the same for us.

Senator KITCHING: You heard the Senate inquiry report extract I read out to you.

Ms Leon: Yes. I haven't got it in front of me, but I heard the general gist of it.

Senator KITCHING: It's been outsourced to the individual income payment support recipients. It was previously undertaken—

CHAIR: Senator Kitching, we don't need to repeat it.

Senator KITCHING: I'm not, trust me! But I do want to clarify this. It's a time-consuming process previously undertaken by departmental personnel. This has been outsourced to the individual income payment support recipient.

Ms Leon: As we've outlined, there are a lot of departmental personnel doing this. There are more people doing this than we've had doing compliance in the past. There are nearly 1,500 staff of the department engaged in this activity.

Senator KITCHING: Is that the total FTE?

Ms Leon: I think it's about a thousand labour hire and about 450—

Senator KITCHING: You've got a thousand labour hire?

Ms Leon: I think that information has been—
Senator SIEWERT: Just in compliance.

Senator KITCHING: Just in compliance?

Ms Leon: That information has been before this committee on numerous occasions.

Senator KITCHING: No, it's just new to me. I'm not saying it hasn't been before the committee before. That's quite a lot.

Ms Leon: It's a human process.

CHAIR: Senator Kitching, we're getting very close to the end.

Senator KITCHING: We've got 16 minutes yet. Ms Leon, I take your point. Well, I don't really, but—

Senator SIEWERT: She hears it!

Senator KITCHING: I hear it! Thank you, Senator Siewert. Minister Robert said, on the ABC's 7.30, that it wasn't reasonable to keep records for more than seven years. So why are there people receiving income compliance program notices, AKA robo-debt, dating back to the 1990s? Why are they getting them from the 1990s when Minister Robert said that?

Ms Leon: We don't initiate reviews that go back past seven years.

Senator KITCHING: But there are people receiving those.

Mr J McNamara: No, there are not, Senator.

Ms Leon: I'm happy for you to provide those to us.

Senator KITCHING: We will send those to you in the form of a QON, and then you can tell us—as there has been with other QONs that you've answered and told us something, and then we've got the notices that discredit what you are saying.

Ms Leon: We're happy to have a look at it if you've seen such a one, but our policy—

Senator KITCHING: We'll send those to you.

Ms Leon: is not to commence reviews that go back more than seven years.

Senator KITCHING: Maybe there was another computer failure or another human error.

Mr Storen: Any of the ones that have been brought to our attention—

CHAIR: The secretary has agreed to take that on notice. If you can provide those documents, Senator Kitching, that would be great.

Senator SIEWERT: Can I ask a few questions. Under CUPI, you're now using registered mail or the myGov email where you can see if it's been opened. What we haven't got to is what happens when they don't open it? Or that's the bit I haven't got. We've been through what happens now with CUPI. What happens when they don't open it?

Mr Storen: That goes into a pool of work that we call our return-to-sender work, which, if it's Australia Post registered mail, we understand it's returned back to us unopened—

Senator SIEWERT: Yes.

Mr Storen: If it's myGov email and not opened—

Senator SIEWERT: It's still a return, yes.

Mr Storen: We have a process in place, and have been working on a process, where we undertake a variety of investigations to try and locate the most up to date address for the
customer so that we can re-trigger the review and send the review to an address where we will find somebody. That could include finding the customer's address through an ATO address which may be more up to date than ours, or other processes. So it goes into a pool of work where we undertake processes to get a better address, a better location, and then we re-trigger to try and get the review to a customer before we take action.

**Senator SIEWERT:** Okay.

**Senator CAROL BROWN:** I just need some clarification with regard to the seven years. My understanding is that that means that the payment period for which a debt is sought can be further back than seven years, provided the department didn't first initiate the debt before 2012. Is that not correct—is that correct?

**Mr Storen:** I don't quite follow the question.

**Senator CAROL BROWN:** It's about the—

**Ms Musolino:** Can I have a go. When we initiate—

**Senator CAROL BROWN:** Yes.

**Ms Musolino:** we only initiate going back seven years.

**Senator CAROL BROWN:** Yes, but—

**Ms Musolino:** If we've initiated and a debt's arisen and we've continued to try and pursue recovery of that debt, that may take us beyond the seven years, if that makes sense.

**Senator CAROL BROWN:** Yes. You initiate recovery, but can that debt actually have occurred beyond the seven years? It's pretty simple.

**Ms Musolino:** No.

**Mr J McNamara:** No, not as part of our program. As I think we explained in the Senate inquiry, as we've outlined, the legislation allows us to go back further than seven years. So in some cases, in an integrity compliance sense, we might go back further than seven years; that's possible. But as part of this program we don't go further back.

**Senator CAROL BROWN:** There was that case in August where the Department of Human Services apologised over a letter chasing a pensioner for a 25-year-old debt. Do you remember that?

**Senator KITCHING:** But it was a debt compliance.

**Senator CAROL BROWN:** It was debt compliance.

**Mr Storen:** It was debt, but it wasn't part of the income compliance program that we're talking about.

**Senator KITCHING:** It was another compliance—

**Mr Storen:** I can't quite remember the details of that one.

**CHAIR:** You might need to take it on notice.

**Ms Leon:** We'll take it on notice.

**Senator KITCHING:** The article was written by Sally Whyte and it's entitled, 'Department of Human Services apologises over letter chasing pensioner for 25-year-old debt'.
Ms Leon: We'll take that on notice and will provide you with the circumstances of that, Senator, but it wasn't, as Mr Storen said, in the income compliance program.

Senator SIEWERT: Can I go back to where I left off? If I have opened the letter—I've got it and I've opened it but I've taken no action—just clarify for me: you can proceed with a non-response? You know they've opened it and you will proceed with other means to potentially raise a debt?

Mr Storen: Correct, Senator. Do you want me to work through how that happens? It's possibly in the submission.

Senator SIEWERT: Yes. I just wanted to clarify that. Could you take it on notice? We've got the three processes. We're getting to the end of the process of OCI, but you've also got the EIC and the CUPI process. You gave us the most recent copies of the letters for the CUPI process. Are the letters the same if the debt was raised under EIC or OCI?

Mr J McNamara: If it were raised under—

Senator SIEWERT: The letters that you write now.

Mr J McNamara: Now, under EIC, the letters are the same as the CUPI letters.

Senator SIEWERT: I've seen examples of letters that aren't like the letters that you have shown us—recent letters.

Mr J McNamara: Well, then they may not relate to our program. You could be getting a debt. You could go into one of our service centres and say, 'Oh, by the way, here's some information—a change of circumstances. It happened three months ago.' You will generate a debt, most likely, if the circumstances changed, and it wouldn't be a part of our program, but you would get letters saying, 'You owe $3,000,' et cetera.

Senator SIEWERT: That is not the type of letter.

Mr J McNamara: Okay. The only exception to that rule is that there's a very small group of people who we would send the old-style letter of one line to. We run a logic check over the table that we've got in our submission.

Senator SIEWERT: Which table?

Mr J McNamara: The table that says, 'Here's how much—

Senator SIEWERT: The one that says, 'Here's how much you owe. This is—

Ms Leon: Yes. The table that says, 'Here's how much employment income you reported to us. Here's how much it should have been.' In some very rare cases, because of date issues, if we fill that table with the variables, it wouldn't make sense to the customer. We could actually have a situation where you'd say, 'You reported $8,000 to us. You actually earnt $7,000, but you've got a debt. Mr Storen can explain why that happens, but essentially it has to do with working credits and how much you—

Senator SIEWERT: Right.

Mr J McNamara: In that case, we don't want to send that letter because we think that anyone who would get that would say, 'It's wrong,' and they'd probably end up in your office or someone else's office up here, and people would say, 'We've made a mistake.' So, when it doesn't meet the logic, we don't put it forward and we say, 'You should call us.'
Mr Storen: We would send a letter that is possibly more old-fashioned and cruder and basically says, 'Call us.'

Senator SIEWERT: That sounds like one I've seen.

Senator HUGHES: I'm very conscious of time. Obviously Senator Siewert, Senator Askew and I spend a great deal of time together as we travel around looking at income compliance, Centrelink compliance, or what Senator Kitching would like to chime in with here, but I'm actually also very concerned about what's happening out west in New South Wales and in the bush at the moment with the drought. Could you give us a bit of insight, after we've spent significant hours talking about other programs, and finish with, perhaps, if we're allowed to, the farm assistance package, or the farm household allowance—what that actually looks like, the difference and the impact that's making? I'm looking forward to launching a program tomorrow supporting our small businesses. How is that actually helping the farmers through the drought? And how are we going to keep our country towns alive and thriving when the drought does break? Being married to a former harvesting contractor, we are the eternal optimists in that we are one day closer to rain. Perhaps you could give us a bit of an update on that.

Ms Rule: Thank you for your question. You'll be aware that the Department of Human Services delivers the farm household allowance payment on behalf of the Department of Agriculture. We're responsible for assessing eligibility for that payment and then making the payments to eligible farm families. We also provide a number of other services to help support drought affected families and communities, including work with our social workers and our financial information service and our mobile service centres. We've had some initiatives over the course of the drought to keep some of our rural service centres open for longer periods of time. We've been working hard on simplifying the process to make it easier for people to get the farm household allowance. We've made considerable improvements to the forms that people are required to fill out and to the way in which we assess that information. We've staffed up considerably our phone lines and service centres to deal with call wait times on the farm assistance line. They're less than two minutes at the moment, so there have been some really good outcomes.

Senator HUGHES: Two minutes?

Ms Rule: Less than two minutes.

Senator HUGHES: That's outstanding. Thank you. Going to what you were talking about with regard to the further service centres and keeping those open, obviously the properties can have high values, but obviously there's no income coming from them and there's not necessarily the ability to utilise them in any sort of positive cash flow way. Can you give us a bit of an outline as to what the criteria is around that and how we're acknowledging the unique situation that particularly family owned farms tend to find themselves in?

Ms Rule: There is an income and assets test applied to farm household allowance, as it does to many social security payments, but we're currently working with the Department of Agriculture on a simplified assets test which will introduce a single assets test and simplify the application and assessment process for those assets. We're aware that sometimes it's very difficult to put a value on some of the assets that farm families have on their properties and to assess those for the purposes of social security.
Senator HUGHES: A combine doesn't have much worth if there's nothing in the paddock.

Ms Rule: That's right. They're a different kind of asset in terms of what we deal with in other income support and pension payments—things like farm equipment, which can have a high book value but may not be a great source of income for a farmer. We are working hard with farm families and the Department of Agriculture to try and simplify that assets test process as much as possible. There are a number of possible policy improvements in the pipeline around the income test—what kind of income we assess and how we assess that. Again, we're working closely with the Department of Agriculture on what some options could be in that regard.

Senator HUGHES: That includes looking at stock as well, because obviously a lot of farmers at the moment are being forced to destock but want to keep some of their breeding stock for when it does rain?

Ms Rule: Yes. We implemented some changes that the government announced from 1 July 2019 to change the way we treat the income from the forced disposal of livestock. A relatively small number of customers so far have reported income from the forced disposal of livestock and we exempt that income from the income test.

Senator HUGHES: Excellent. Thank you.

CHAIR: It's now 11 pm.

Senator KITCHING: On notice, could the department provide how many Queenslanders' payments under the farm household allowance have been cut off and the full dataset for the national figure, and a further state and territory breakdown for the financial years of 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19.

Ms Leon: Senator, could I clarify: did you mean they were cut off because they reached the expiry period or they were cut off because they became no longer eligible?

Senator KITCHING: Both of those instances. Can the department explain how and when it communicated the discontinuation of the payments?

CHAIR: Those questions are taken on notice, as are any other questions you have. There being no further questions, the committee's consideration of the 2019-20 supplementary budget estimates will conclude. I thank Ministers Ruston, Birmingham and Seselja, as well as officers from the Department of Social Services and Services Australia, who gave evidence to the committee today. I also thank Hansard, Broadcasting and the secretariat.

Committee adjourned at 23:00