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SENATE

EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE

Estimates

WEDNESDAY, 10 APRIL 2019

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SENATE
EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE

Wednesday, 10 April 2019

JOBS AND SMALL BUSINESS PORTFOLIO

In Attendance

Senator Payne, Minister for Foreign Affairs

Department of Jobs and Small Business Executive
Ms Kerri Hartland, Secretary, Department of Jobs and Small Business
Dr Jill Charker, Deputy Secretary, Corporate
Mr Martin Hehir, Deputy Secretary, Workplaces and Small Business
Mr Nathan Smyth, Deputy Secretary, Employment

Cross Portfolio
Mr Glen Casson, Group Manager and Chief Financial Officer, Finance, Legal and Governance Group
Mr Luke de Jong, General Counsel, Finance, Legal and Governance Group
Mr Shayne Howard, Branch Manager, Finance, Legal and Governance Group
Ms Moya Drayton, Group Manager, People, Communication and Assurance Group
Ms Meredith Fairweather, Branch Manager, People, Communication and Assurance Group
Ms Heike Phillips, Director, People, Communication and Assurance Group
Mr Kraig Lowes, Branch Manager, People, Communication and Assurance Group
Mr Tim Matthews, Branch Manager, People, Communication and Assurance Group
Mr Scott Wallace, Group Manager and Chief Technology Officer, Technology and Services Group
Mr Danny Jones, Branch Manager, Technology and Services Group

Outcome 1 – Employment
Ms Janine Pitt, Group Manager, Activation and Work for the Dole Group
Ms Stephanie Bennett, Branch Manager, Activation and Work for the Dole Group
Mr Ty Emerson, Branch Manager, Activation and Work for the Dole Group
Mr Stuart Watson, Branch Manager, Activation and Work for the Dole Group
Ms Helen Boyle, Director, Activation and Work for the Dole Group
Mr Daniel Clement, Director, Activation and Work for the Dole Group
Mr Alex Harvey, Director, Activation and Work for the Dole Group
Mr Carl Heinrich, Director, Activation and Work for the Dole Group
Ms Melissa Ryan, Group Manager, Delivery and Engagement Group
Ms Benedikte Jensen, Group Manager, Employment Services 2020
Mr Nicholas Dowie, Branch Manager, Employment Services 2020
Ms Kellie Hippit, Branch Manager, Employment Services 2020
Ms Katrina Chatham, Director, Employment Services 2020
Ms Kerryn Kovacevic, Group Manager, Employment Systems Group
Ms Nicolle Johnston, Acting Branch Manager, Employment Systems Group

EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE
Mr Malcolm Greening, Acting Group Manager, Labour Market Strategy Group
Ms Katharine Blackwell, Acting Branch Manager, Labour Market Strategy Group
Mr Ivan Neville, Branch Manager, Labour Market Strategy Group
Ms Carmel O'Regan, Acting Branch Manager, Labour Market Strategy Group
Ms Marsha Milliken, Group Manager, Quality, Integrity and Evidence Group
Ms Jodie Chamberlain, Branch Manager, Quality, Integrity and Evidence Group
Mr Malcolm Cook, Acting Branch Manager, Quality, Integrity and Evidence Group
Ms Fiona MacDonald, Branch Manager, Quality, Integrity and Evidence Group
Ms Robyn Shannon, Branch Manager, Quality, Integrity and Evidence Group
Mr Sean Mullins, Director, Quality, Integrity and Evidence Group
Mr Greg Manning, Group Manager, Youth and Programs Group
Ms Angela Hope, Branch Manager, Youth and Programs Group
Mr Ali Jalayer, Branch Manager, Youth and Programs Group
Mr Derek Stiller, Branch Manager, Youth and Programs Group
Ms Jodie Wearne, Branch Manager, Youth and Programs Group

Outcome 2 – Workplaces and Small Business

Mr Peter Cully, Group Manager, Small Business and Economic Strategy Group
Mr Alistair Beasley, Branch Manager, Small Business and Economic Strategy Group
Mr Bruce Cunningham, Branch Manager, Small Business and Economic Strategy Group
Ms Rose Verspaandonk, Branch Manager, Small Business and Economic Strategy Group
Ms Jody Anderson, Group Manager, Work Health and Safety Policy Group
Mr Adrian Breen, Branch Manager, Work Health and Safety Policy Group
Mr David Cains, Branch Manager, Work Health and Safety Policy Group
Mr Grant Lovelock, Branch Manager and Federal Safety Commissioner, Work Health and Safety Policy Group
Ms Janey Kuzma, Group Manager and Chief Counsel, Workplace Relations Legal Group
Mr Matthew Graham, Acting Senior Executive Lawyer, Workplace Relations Legal Group
Mr Ben Mason, Acting Senior Executive Lawyer, Workplace Relations Legal Group
Mr David Rushton, Acting Senior Executive Lawyer, Workplace Relations Legal Group
Ms Rachel Volzke, Senior Executive Lawyer, Workplace Relations Legal Group
Ms Alison Durbin, Group Manager, Workplace Relations Policy Group
Mr David Denney, Branch Manager, Workplace Relations Policy Group
Ms Sharon Huender, Branch Manager, Workplace Relations Policy Group
Ms Lace Wang, Branch Manager, Workplace Relations Policy Group
Ms Sue Saunders, Acting Group Manager, Workplace Relations Programs Group
Mr Henry Carr, Branch Manager, Workplace Relations Programs Group
Mr Peter Krizmanits, Acting Branch Manager, Workplace Relations Programs Group
Ms Helen McCormack, Branch Manager, Workplace Relations Programs Group

**Asbestos Safety and Eradication Agency**
- Ms Justine Ross, Chief Executive Officer
- Mr Nick Miller, Director

**Australian Building and Construction Commission**
- Mr Stephen McBurney, Commissioner
- Mr Cliff Pettit, Deputy Commissioner, Operations
- Ms Janine Drennan, National Manager, Building Code
- Ms Jill Jepson, Deputy Commissioner, Corporate and Code
- Mr Matt Kelleher, Deputy Commissioner, Legal

**Australian Small Business and Family Enterprise Ombudsman**
- Ms Kate Carnell, Ombudsman
- Dr Craig Latham, Deputy Ombudsman
- Ms Anne Scott, Principal Adviser

**Comcare**
- Ms Sue Weston, Chief Executive Officer
- Ms Lynette MacLean, General Manager, Corporate Management
- Mr Aaron Hughes, General Manager, Scheme Management
- Mr Justin Napier, General Manager, Regulatory Operations

**Fair Work Commission**
- Ms Bernadette O’Neill, General Manager
- Mrs Jennifer Anderson, Acting Executive Director, Client Services
- Ms Ailsa Carruthers, Executive Director, Corporate Services
- Mr Murray Furlong, Executive Director, Tribunal Services

**Fair Work Ombudsman**
- Ms Sandra Parker, Fair Work Ombudsman
- Mr Michael Campbell, Deputy Fair Work Ombudsman, Operations
- Ms Naomi Blesser, Acting Deputy Fair Work Ombudsman, Corporate
- Mr Mark Scully, Deputy Fair Work Ombudsman, Corporate
- Ms Michelle Carey, Executive Director, Finance, Assurance and Business
- Ms Janine Dennis, Special Counsel
- Ms Kristen Hannah, Deputy Fair Work Ombudsman, Strategic Engagement and Communications
- Mr Anthony Fogarty, Executive Director, Policy, Analysis and Reporting
- Ms Lynda McAlary-Smith, Executive Director, Compliance and Enforcement
- Mr Tom O'Shea, Executive Director, Strategic Engagement and Stakeholder Relations
- Mr Jeremy O'Sullivan, Chief Counsel

EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE
CHAIR (Senator Brockman): I declare open this meeting of the Senate Education and Employment Legislation Committee on Wednesday, 10 April 2019. The Senate has referred to the committee the particulars of proposed expenditure for 2019-20 and certain other documents for the jobs and small business portfolio and the Education and Training portfolio. The committee may also examine the annual reports of departments and agencies appearing before it.

The committee has decided that answers to questions on notice will be required to be returned by close of business on Thursday, 23 May. The committee has resolved that written questions on notice should be received from senators by close of business on Thursday, 18 April. Officers should be aware that these dates have effect notwithstanding the prorogation of parliament. Under standing order 26 the committee must take all evidence in public session. This includes answers to questions on notice.

I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: any question going to the operations or financial position of the departments and agencies which are seeking funds in the estimates are relevant questions for the purposes of estimates hearings.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth should not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and
does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. I particularly draw the attention of witnesses of an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, which will be incorporated 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 to the committee 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)

CHAIR: 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 the document. Witnesses are asked to keep opening statements brief, or to incorporate statements into the Hansard.

Department of Jobs and Small Business

[09:05]

CHAIR: I welcome the Minister Representing the Minister for Jobs and Industrial Relations, Senator the Hon. Marise Payne, and officers from the Department of Jobs and Small Business. Minister Payne, did you wish to make an opening statement?

Senator Payne: No, thank you.

CHAIR: Welcome, Ms Hartland. Did you wish to make an opening statement?

Ms Hartland: No, thank you, Chair.

CHAIR: In that case we'll get straight on to questions. Senator Marshall.

Senator MARSHALL: Thank you. Did we do a cross-portfolio with you last week?

Ms Hartland: We did talk about advertising.

Senator MARSHALL: How's it going this week?

Ms Hartland: We had two campaigns that had been running; both of those have now ceased. There was a jobs campaign and a small business campaign; phase 1 of the jobs campaign went from 27 May to 1 September 2018, and phase 2 went from 11 November to 15 December, then again from 3 February to 16 March this year. The small business campaign was launched on 24 February this year and ceased on 6 April. We have no other campaigns at the moment.

Senator MARSHALL: So there's nothing presently—

Ms Hartland: No. The only thing I would say in terms of the small business campaign—and my colleagues can add to this—is that I think there's still a little bit of activity that would be running through the website, though the actual public ad campaign has ceased. So it's really the residual of that, which doesn't really have a lot of resources attached to it. It's just what's on the website.
Senator MARSHALL: What might be the residual on the website?

Dr Charker: I can provide advice on that. As the Secretary noted, the advertising piece of the jobs campaign has finished, as has the small business campaign. For the jobs campaign there is residual internet search activity currently occurring which is planned to continue, at this point, for the remainder of the financial year.

The search activity that the Secretary alluded to just aims to capture people who are actively searching on Google and Bing for employment-related terms. It then aims to help direct those people through to the jobs.gov.au website for information about Australian government programs, financial incentives and assistance to hire staff or find a job. It's just a search redirection task, if you like. The cost of that activity is about $262,685 for the next three months. At this stage it would end at the end of June 2019.

The small business campaign will cease, of course, as my colleague has reminded me, in the event that a caretaker period is commenced. That is, it would cease at that time rather than at the end of the June.

Senator MARSHALL: This may not be in my own self-interest in the point of asking these questions, but that doesn't seem like advertising to me.

Ms Drayton: It isn't advertising; it's in the internet search capacity, and it comes up when people search particular items and they're directed to it. So it's not formally advertising, and it's not there in the public domain unless somebody searches for something in particular.

Ms Hartland: We're just wanting to capture it. It forms part of that overall budget, so I didn't want it to be seen that we were not being thorough in terms of telling you all the components. But it isn't advertising in the way that you're talking about campaign advertising; it really is sort of back-end stuff, as Dr Charker has said. It's about being able to sort of forward information from the website, getting people into the right spots and that sort of thing.

Senator MARSHALL: That ends when?

Dr Charker: At this point it's planned to go to the end of June. But, in the event that caretaker was to commence, it would cease immediately.

Senator MARSHALL: I'm sure there's an official time exactly when the caretaker conventions begin. But will you take it off as soon as the Prime Minister announces the election?

Dr Charker: Immediately.

Ms Hartland: That's right, yes.

Senator MARSHALL: And is that when the caretaker period actually starts or is it at the issuing of the writs?

Dr Charker: Technically it's when the writs are issued. But effectively it's immediate.

Senator MARSHALL: But you will take it down as soon as the election is announced?

Dr Charker: We will act as physically quickly as we can to cease those activities.

Senator MARSHALL: That's mass media type advertising we've been talking about and that back-end stuff. Are you still doing job fairs? What sort of advertising takes place during job fairs?
Ms Fairweather: We're not responsible for running the jobs fairs, but my understanding—

Ms Hartland: We'll just get colleagues to come to the table on that. It's an outcome 1 issue but we're happy—

Senator MARSHALL: I'm probably happy to go to outcome 1. Or we can simply morph there now. I think advertising was probably about it for cross portfolio.

CHAIR: Unless there's people we can release from cross portfolio.

Senator MARSHALL: You've all got to stay anyway until outcome 2, don't you?

Ms Hartland: It depends on the questions.

CHAIR: I'm happy to bleed into outcome 1.

Senator BILYK: Can I just check where some of my questions might come up. I want to ask about some of the budget measures.

Ms Hartland: That would be now, in cross portfolio.

Senator BILYK: There are a number of different areas there, including, employment fund and pathways and things like that.

Ms Hartland: Yes. If they're the budget measures, then we would pick them up.

Senator BILYK: I want to ask about the new employment services model—the savings.

Ms Hartland: Yes.

Senator BILYK: How will the efficiencies of $59.4 million over five years be reinvested in the employment services system?

Ms Hartland: There's an overall investment in the new employment services model of $249.8 million that impacts on a large number of programs. It primarily includes the pilot of the new employment services model and the extension of jobactive programs.

Senator BILYK: Okay, sorry, if I can just pull you up there. 'The new employment services model in the budget is set to provide net efficiencies of $59.4 million over five years'?

Ms Hartland: Yes.

Senator BILYK: Due to the reduction in expenditure for face-to-face servicing arrangements that would have been paid under jobactive. That's what I'm asking about there.

Ms Hartland: Yes, that's right. Sorry, I was getting to that.

Senator BILYK: Sorry.

Ms Hartland: That's okay. There's an overall investment of that $249.8 million but there are those efficiencies—as you say, 59.4 over five years, from 2018-19. It's largely due to a reduction in expenditure for face-to-face servicing arrangements that would have been paid under jobactive. The majority of the savings from digital servicing, which is the delta—if it's the right way to say it, which are that 249.8 that I mentioned. So it's ons and offs. Savings are being made because of using digital servicing as distinct from face-to-face servicing. That's the main answer to your question. But there is—

Senator BILYK: No. My question was: how will the efficiencies be reinvested in the employment services system?
Ms Hartland: Okay. The majority will be reinvested in that employment services system to provide more intensive, targeted and tailored service for those who may need extra help in addressing barriers to getting a job. So it's about those people that are able to use digital servicing—the different services that are available online—to be able to invest that money in more face-to-face servicing.

Senator BILYK: But I thought you were reducing face-to-face servicing.

Ms Hartland: We might get some of the outcome 1 people to come to the table to explain the model in detail. At the moment the trial has about 9,000 people. Then we're going to some other pilots—which will see what we call 'stream A people', which are those most able to use digital servicing—to not have face-to-face servicing, unless they need it. Then that allows a reinvestment into people that need more face-to-face servicing. It's about those who can most help themselves by digital—to be able to, if you like—take those people off the books, although providing a safety net if they do need that. Then it's about being able to provide more intensive services for those who need it. That's basically it. The $59.4 million is a saving from that, that will go back to consolidated revenue. But there's $249.8 million that is being reinvested. Have I confused you totally? Does that make sense?

Senator BILYK: Yes, sort of.

Ms Hartland: Okay.

Senator BILYK: Will the reinvestment be in people or training for consumers, for clients?

Ms Hartland: The investment in the new model—that has those characteristics that I've spoken about—involves pilots of the new employment services model that—

Senator BILYK: That's the 9,000 people, is it?

Ms Hartland: No. I'll pass to my colleagues with the numbers so I don't confuse you.

Senator BILYK: I should have said at the beginning I have a hearing impediment. You've been fine, Ms Hartland. But overall I just ask people to speak right into their microphones.

Mr Smyth: The pilots that the secretary is referring to are two pilots that will be running in South Adelaide and in the mid-North Coast of New South Wales. We're having discussions with existing providers; there are eight providers in those two regions. That's where we will be trialling the new employment services model, which will look at different elements in terms of digital self-servicing but will also be a much more intensive, enhanced servicing arrangement for those people with barriers to employment that need intensive face-to-face case-load management as well. We have had over 9,000 people referred into the current online trial, and that trial will continue to be expanded over time. The platform for that digital trial will form the basis of our online servicing trial in those two pilot regions.

Senator BILYK: Okay. How do you choose who the target clients are? Not the providers but the—

Mr Smyth: I just want to get it clear what you're referring to here. Do you mean in the two pilot regions?

Senator BILYK: Yes.

Mr Smyth: Those regions were selected because their case load was representative of what was happening nationally; there was a good mix of people in the different streams. Also,
there was a mix of providers—smaller providers, larger providers and the like. We wanted to test a metro region, and that's South Adelaide. We also wanted to test a regional area, and that is the mid-North Coast of New South Wales. So they're kind of pigeon paired—one regional and one metro. That was pretty much the basis of the selection of those two pilot regions.

**Senator BILYK:** What's the timing for all of this?

**Mr Smyth:** The current time line is to commence the trials in those two pilot regions at the beginning of next financial year. There'll be a progressive rollout over the months following that, in terms of when people are transitioning to the enhanced services model and the like. But generally, on the current time lines, by early next year we would be fully functioning in the new employment services model in those two pilot regions. We've gone out for expressions of interest to the current providers in those two regions, and we're awaiting responses to that expression of interest before we then move into more of a deed arrangement or a select tender arrangement with those providers.

**Senator BILYK:** Okay.

**Ms Hartland:** At the hearing last week we tabled that demographic breakdown that Mr Smyth referred to that shows that we tried to mimic the population we have in jobactive.

**Senator BILYK:** Will the efficiencies be paid to the employment service provider via outcome payments?

**Mr Smyth:** The new model envisages higher up-front payments for people when they go onto the case load in the enhanced services model. Those are people you would characterise, in general terms, as being in stream B and stream C on our current case load. And then there would be higher outcome payments for job placements in that area as well—four-, 12- and 26-week payments. We are looking at increasing the level of payment to providers to ensure that the people in that case load are given more intense servicing, are made more employment-ready and there is more face-to-face contact to give them better opportunities and every chance to gain employment.

**Senator BILYK:** So there's no chance that providers might just keep recycling the same people through to keep getting the higher payments?

**Mr Smyth:** The way that we envisage the payment arrangements will work would disincentivise that kind of behaviour on the part of providers.

**Senator MARSHALL:** You are doing the pilot. Do you have some predetermined outcomes that you are testing? In particular, does your plan envisage a 100 per cent move to online servicing? Or do you acknowledge that there will always be a face-to-face component?

**Ms Hartland:** The latter. I would love to be able to say that people won't need that face-to-face service. But people are people, and they will absolutely need that. We are dealing with some very vulnerable people in society, so I can't envisage a time when it will be 100 per cent online. The advisory group that did the independent work leading into this, and all the work that we have done, says that you need to provide that more intensive service. We are dealing with a broad range of people—from people with disabilities to the long-term unemployed. So the short answer is: no, I can't envisage a time when it will be 100 per cent online.

**Senator MARSHALL:** I suppose there are two elements to that. There is individual capacity, but there is also access to the internet. It is probably difficult for anyone in this room.
to think that everyone is not connected—they have wi-fi at home and everywhere else—but there are a lot of people out there who, for financial or other reasons, cannot access that.

Ms Hartland: Mr Smyth and others can comment further on this. You are right, and these are some of the things we have been testing out in that early trial to look at the ubiquity of people being able to use digital services. We were quite selective in that first group to look at that. Yes, there are people who either need extra assistance or actually don't have the ability to log on. We need to be able to provide the services. It is all of the above, really.

Mr Smyth: We anticipate that around 65 per cent of the existing case loads within Adelaide South and the Mid North Coast will still be dealt with on a face-to-face basis.

Senator MARSHALL: Is that where you are expecting to land as well? I know that the purpose of the pilot is to test some of these assumptions, but—

Mr Smyth: We think that will decrease for new entrants into the system. We are still working through some of those arrangements. We have a lot of people in the system now, and a lot of very long-term unemployed people who have significant barriers. We would anticipate that the people who are moving into the system are more likely to be able to be serviced digitally. There will still be around 50 per cent of those people who will need face-to-face servicing, at least. Because of the nature of the cohort, as the secretary talked about, being people with barriers, people with drug and alcohol problems, people with disabilities, people who have some access issues or are challenged by digital technology and the like, they will still be serviced on a face-to-face basis.

Ms Hartland: Senator, that's the whole idea of the model: to be able to provide more help and more face-to-face servicing for those who need it but not for those who don't need it.

Senator MARSHALL: But you do expect ultimately this to be an efficiency measure?

Mr Smyth: Ultimately, we see it as being an employment outcome measure, and we're really trying to get people into employment and job ready.

Senator MARSHALL: That's a given; I accept that. But the new model is designed to actually take cost pressures off. It's meant to be cheaper to deliver, isn't it?

Mr Smyth: The new model is designed in many respects to achieve efficiencies through the digital servicing, and for that money then to be reinvested, as the secretary talked about, back into those people who require that enhanced service arrangement—the face-to-face services.

Ms Hartland: And this is a part of the testing and the work that's been done already in the trial to look at how much you can do that. It is testing what efficiencies can be made and how much you need to actually reinvest in that face-to-face servicing, so we'll know the answer to that over time. But, we are seeing some pretty good results in terms of the trial to date. We'll be able to report that back as we go.

Senator MARSHALL: I think you mentioned last time that there's a cohort that actually see this as simplifying the process for them and it works and it should actually stop some breaching and noncompliance issues. Can you elaborate on that?

Ms Jensen: I think what you're referring to is some of the early evaluation results from the online trial which commenced in July of last year. We've got some time to look at, but I would stress that these are early results. As part of that evaluation, which was feedback from
focus groups and interviews, it indicated that jobseekers who participated in the trial had generally positive views and experiences. Most trial jobseekers who participated in discussions were satisfied with the information provided to them about online employment servicing, reporting that it was clear, self-explanatory and sufficient to understand what was required of them. They went on to say that many jobseekers who provided feedback indicated that online servicing was more convenient than face-to-face servicing, resulted in a greater sense of empowerment and reduced the burden and costs associated with travelling to provider sites. That's probably what you were reflecting on in terms of some of the benefits. Clearly, the point of the trial is that we're continually looking at how to improve the experience for jobseekers on the trial. Some jobseekers with limited digital literacy and/or low English proficiency indicated that they had difficulties using the servicing—noting, however, that, as soon as jobseekers have any difficulty, they can opt out of the trial and transfer to a Jobactive provider by contacting the national customer service line. That will be one of the areas for focus, in looking at how we can enhance that experience and provide more options for translation and other assistance going forward.

Ms Hartland: Going back to your earlier question, the figure that I've got here is that, in that trial, less than 0.5 per cent opted out due to internet access issues. So it's a very, very low number, as Ms Jensen has said. And it's a pretty low percentage—I've got 7.7 per cent here—that have opted out of the trial overall, and, with those, the two most common reasons were that they prefer face to face—so, they want that interaction—or they don't feel confident using computers. That's that area of digital support that Mr Smyth referred to before that we're testing out further what support we need to give. That's where I say the trial has actually had some pretty good results and it's giving us some good information, and that internet access issue is pretty low. But we've got to be mindful of that; we've got to provide mechanisms.

Senator MARSHALL: But those results don't quite gel with the assumption you were making earlier, Mr Smyth, that we'll probably still end up with about 65 per cent face to face.

Ms Hartland: We should be clear, though, that we've only taken people in stream A.

Mr Smyth: These are people who are new into the system and they are stream A, so they would be classified as more job ready. They're not the cohort that are in what we would currently call stream B and stream C that have a higher jobseeker classification index score and more barriers to entry.

Senator MARSHALL: If we go to the other streams, that could potentially affect the internet access area, too. It may be a very different picture.

Ms Hartland: Yes. We've been—

Senator MARSHALL: Do we have any information on that? Do we look at the different streams and see what access issues there are, on average, for each stream?

Ms Jensen: One thing I would note is the online trial has a very representative spread of jobseekers across streams and other cohorts, as you would have seen from the handout we provided on Friday. Yet, with the trial, only around half of one per cent of the jobseekers opted out due to internet access issues. It's interesting to note because we've had other data showing that there's a surprisingly high level of take-up particularly of mobile telephony across the jobseeker cohort, even amongst homeless jobseekers. In fact, my colleague Nicholas Dowie could provide some of those data, if you've got them at hand? But the issue
that Mr Smyth alluded to, in terms of our assumptions around 65 per cent still needing face-to-face services, is noting that there are a whole range of barriers for the more disadvantaged jobseekers, and the intent of the reforms is actually to allow us to provide an even greater intensity of face-to-face servicing and careful referral to all the services that they need and particularly to continue to reduce long-term unemployment. It's not so much an issue of digital access that leads to those figures. It's more about recognition of the complex needs of that more disadvantaged cohort and the opportunities that the reforms provide to do even greater intensity of servicing for them in a face-to-face and case management way.

Mr Smyth: It's also worth pointing out that we're in discussions with the department of communications and we are mapping, on the information that they have available, where access is available in Australia among certain populations and the like, particularly where we're going to be doing our two pilots, to ensure that we've got a better understanding of what participants in those regions might face in terms of digital access. Those discussions are going on at the moment.

Senator MARSHALL: Good. Mr Dowie?

Mr Dowie: To add to the answers that Mr Smyth and Ms Jensen have given on the digital access issue, the data we have suggests that 99.4 per cent of the population are covered by mobile phone access and, in relation to the stat that Ms Jensen mentioned about those who are homeless and their mobile phone usage, the data we have is that that figure's around 94 to 95 per cent of that cohort.

Senator MARSHALL: I'm finished on that, then.

Senator BILYK: That's all I had in that area, but I do have questions on the Youth Jobs PaTH program.

Ms Hartland: That might be outcome 1.

Senator MARSHALL: But it is in the budget, too.

Senator BILYK: And it's about where the money's being redirected to.

Senator MARSHALL: I'm not sure we want to say that everything that's a budget measure has to be in cross-portfolio, because nearly everything—

Ms Hartland: Yes, I take your point. It just depends on what the question is.

CHAIR: Effectively, we'll move to outcome 1. We'll ask the cross-portfolio people to stay until the morning tea-break, at which point, if there are no direct cross-portfolio questions, I'm planning to release them, and then we'll continue after the morning tea-break in outcome 1.

Senator BILYK: There's been a significant underspend for the Youth Jobs PaTH program. Where's the underspend for the Youth Jobs PaTH program being redirected to?

Mr Smyth: There's no redirection of funding at this point out of the Youth Jobs PaTH program, and the funding in there is effectively a cap at this point for the number of participants. We've had nearly 67,000 people participate through one or more elements of the Youth Jobs PaTH program, and there have been around 42,000 participants that have achieved a job outcome through that as well—a job placement.

Senator BILYK: But there has been an underspend, hasn't there? According to previous estimates, there's been an underspend?
Mr Smyth: Yes.

Ms Hartland: Yes. But, as Mr Smyth said, the money has not been taken out of PaTH.

Senator BILYK: It's just going to stay?

Ms Hartland: It's a demand-driven program.

Senator BILYK: Who delivers the employability skills training component of the program?

Mr Manning: Employability skills training is delivered through providers who were sourced through an open tender.

Senator BILYK: What sorts of checks are done on them? How do you know that they're able to do that? Can you explain to me how that process of choosing them works.

Mr Manning: Certainly. At the time, it was put out to tender with a number of criteria which went to their suitability to provide the training. As I said, providers were selected on the basis of tender assessment. Since that time—it’s been operating since 2017—those providers have been subject to contract management in the usual way so that we can verify the suitability of their training, and we have in place a range of potential feedback mechanisms by which we can get information from participants or people connected with participants about it. Indeed, another tool that's used to verify how they're going is that we also get jobactive providers, in the sense that people are mandatory after five months in jobactive if they're in the right age group. So the jobactive people refer them into employability skills training and then, upon their return to their jobactive servicing, assess whether or not they have improved their employability skills. So there are a range of mechanisms to choose them but also in relation to ongoing monitoring of them.

Senator BILYK: You said that there's the ability to have feedback. How do people feed back?

Mr Manning: There are a range of mechanisms. I've already touched on what the jobactive provider does in terms of assessment, of course.

Senator BILYK: Yes, but how does the client feed back?

Mr Manning: We have a customer service line, so the client can give us feedback through that or make a complaint.

Senator BILYK: They're all informed of that on registration?

Mr Manning: Yes, when they go into jobactive my understanding is that people are made aware of their ability to provide feedback through various ways. There are confidential tip-off lines for staff from providers. Of course, because you've got people going from a jobactive provider—

Senator BILYK: Sorry, did you say it's a confidential tip-off line?

Mr Manning: No, in addition to the customer service line there is a confidential tip-off line that the department runs to get—

Senator BILYK: From the clients?

Mr Manning: From staff of providers, as I understand it.

Senator BILYK: To tip off—
Mr Manning: Any alleged problems that they think the department should be aware of.

Senator BILYK: Between staff? Sorry, I'm a bit unsure about what you're telling me.

Mr Manning: These are mechanisms that apply across our programs generally. We have in place a mechanism where somebody can come and seek information or make a complaint. We also have mechanisms where people, including provider staff, can come and provide a tip-off.

Senator BILYK: I'm interested in what the clients can do.

Mr Manning: Okay, I'll go back to that, then.

Senator BILYK: I notice we've called someone else to the table too.

Ms Hartland: Yes, just for the compliance issue.

Senator BILYK: That's fine. The more information I can get, the better.

Mr Manning: Of course, a feature of employability skills training is that, as people are going from their jobactive provider into employability skills and back, there's also the potential for feedback to be given to the jobactive provider about how they found the employability skills training as well.

Senator BILYK: That's the confidential tip-off, is it?

Mr Manning: No. If I leave aside the confidential tip-off line for provider staff for a moment—

Senator BILYK: You've piqued my interest.

Mr Manning: As I said, it's something that's available across all employment services programs, so it equally applies to employability skills training. Coming back to the question of how people can give feedback about how they found employability skills training, they of course can give feedback to their jobactive provider. One of the features of the program is that it's not a monopoly provider from an employability skills training perspective. The jobactive provider, in consultation with the jobseeker, can decide which of the providers of employability skills training in their region they want to send people to. In a way that should be an effective mechanism in terms of getting feedback on employability skills training and the quality of that training as well.

Senator BILYK: Ms Milliken, did you want to add some information?

Ms Milliken: I'll just add some more information about the National Customer Service Line and the information provided to jobseekers about it. The National Customer Service Line is a publicised phone number that jobseekers can contact if they wish to ask for additional information for making a complaint about provider services or to discuss the services that are being provided to them. The details of the phone line are required by jobactive providers to be published in their offices and information about it provided to all jobseekers when they commence in jobactive services. That is monitored periodically by the department through site visits that we undertake and through our quality assurance framework obligations.

Mr Manning: If I could add to my previous answer on information sources, we also conduct post-program monitoring, whereby we will go to a sample of both participants, and I think we also do it in relation to employers who ended up employing people who had done
employability skills training. We also have from that feedback on how it's going, and from confidence, that it's going well for the majority of participants.

**Senator BILYK:** Is the department on track to release the interim report on Youth Jobs PaTH, which I think was due in the first quarter of 2019?

**Ms Milliken:** The report is going through its final stages of clearances before it is ready to be published.

**Senator BILYK:** What's the timeline for it?

**Ms Milliken:** At the moment we don't have a specific date for the release of the interim evaluation but I would anticipate in the relative near future.

**Senator BILYK:** Relative near future means nothing to me?

**Ms Milliken:** I don't have a specific date.

**Senator BILYK:** When was it supposed to be released?

**Ms Milliken:** I think we responded to a question on notice late last year indicating that we'd anticipated that it would be available in the first quarter of this year.

**Senator BILYK:** Can you tell me what the hold-up has been?

**Ms Milliken:** Just going through our clearance processes.

**Ms Shannon:** We're just in the final stages of consulting stakeholders. The report is very close to finalisation. We've fallen just short of the goal to get the report ready by the end of the quarter.

**Senator BILYK:** Is it likely to be here before the end of April—before the end of this week?

**Ms Shannon:** I would expect so, but obviously then there's a process that we need to go through for publication of the report. Typically, we wouldn't publish a report during the caretaker period, so the timing is somewhat dependent on that.

**Senator BILYK:** At previous estimates, the department advised the program was expected to cost $815.4 million over the 2018-19 forward estimates. Are you able to tell me how much each component of the PaTH program has cost so far?

**Mr Manning:** Yes. I just have to refer to some notes in a number of different places, so please bear with me. In relation to the internships, $15.92 million has been expended since April 2017. In relation to Employability Skills Training, it is $44.5 million.

**Senator BILYK:** Sorry, what was that for?

**Mr Manning:** It is $44.5 million in relation to Employability Skills Training. Then the final aspect—sorry, I've got a misbehaving folder, Senator.

**Senator BILYK:** We've all dealt with those, Mr Manning.

**Mr Manning:** I think I'm about to lose my paperwork. I'm just looking for the detail in relation to Youth Bonus wage subsidies. There has been just under 37,000 agreements, and that has cost $297,390,000.

**Senator BILYK:** Can you tell me how much each component of the program is expected to cost over the 2019-20 forward estimates?
Mr Manning: If I turn to the funding that has been allocated for each of the components—I will just check with my colleague Mr Stiller if he has the figures. I will get Mr Stiller to do it, because I've got it by year. It might be easier to get the totals from Mr Stiller.

Mr Stiller: For the internship component for the 2019-20 forward estimates, total funding is $294.1 million. For the Employability Skills Training component, total funding for the 2019-20 forward estimates is $176 million.

Mr Manning: I'm just looking for the wage subsidy figures.

Senator BILYK: Can you give me the internship figures again.

Mr Stiller: It's $294.1 million over the forwards, Senator.

Senator BILYK: Thank you. And the Youth Bonus?

Mr Manning: The Youth Bonus wage subsidies, which is uncapped, is $388,970,000. I was trying to get it in the right period and not adding a year.

Senator BILYK: In those three areas again, what are the component costs for 2019-20?

Mr Manning: The cost in 2019-20—to go through the three areas again, I might have to get Mr Stiller back. I'll get Mr Stiller back in relation to internships. In relation to Employability Skills Training, I just seem to have a gap in my briefing for that. I might have to come back to you on that. We can come back to you on that very shortly.

Senator BILYK: Which one was that?

Mr Manning: For both internships and Employability Skills Training. Ms Wearne might have Youth Bonus wage subsidies.

Ms Wearne: The Youth Bonus wage subsidy for the 2019-20 financial year is $79,844,000.

Mr Manning: No. It's how much has actually been spent.

Ms Wearne: For the 2018-19 financial year, it is $94,245,000.

Senator BILYK: How much?

Mr Manning: $94,245,000.

Senator BILYK: That's how much it's expected to cost?

Mr Manning: No, that's how much has been spent in the financial year to date.

Senator BILYK: The question was: how much is it expected to cost for 2019-20?

Ms Wearne: The 2019-20 Youth Bonus wage subsidy?

Senator BILYK: Yes.

Ms Wearne: $79,844,000.

Mr Manning: Sorry, Senator, I misunderstood your question. I do have those figures. I didn't have the actual expenditure. I have the forecast in front of me and we can come back to the expenditure, if you like. So for 2019-20—and I'm talking internships—it's $73,409,000 and for employability skills training it's $43,840,000.

Senator BILYK: In the 2018-19 MYEFO it was announced that people would no longer have to wait six months before participating in the Youth Jobs PaTH. This would appear to be an attempt to address low take-up from young people. Has there been any increase in participation since this measure was introduced?
Mr Manning: To clarify, that announcement was in relation to the internships aspect of it. Currently, people become eligible after six months in employment services, and what that did was remove the six-month waiting period for people in streams B and C of jobactive. Also, in relation to people in stream A—those who face fewer barriers to work—it removed the waiting period where they had already done employability skills training. Those measures come into effect on 1 July this year.

Senator BILYK: So nothing's happened yet?

Mr Manning: There's no change as a result of the measures yet. We're in the process of implementing them still.

Senator BILYK: So nothing's happened since 1 April?

Mr Manning: No. There's no effect, because the measures haven't started yet. As I say, we're still planning the implementation and getting that underway.

Senator BILYK: Are you able to tell me how many participants have completed the Youth Jobs PaTH program since it began?

Mr Manning: Yes.

Senator BILYK: When did it begin?

Mr Manning: It was 1 April 2017 for internships and employability skills training and 1 January 2017 for the youth bonus wage subsidy. I have figures as at 28 February 2019. In relation to PaTH internships, there have been 9,216 internship placements between 1 April 2017 and 28 February 2019. That was for 8,495 individuals, so some did more than one.

Senator BILYK: More than one internship?

Mr Manning: That's right, yes. That's possible.

Senator BILYK: Sorry, for how many people?

Mr Manning: A total of 8,495 were placed into 9,216 internship placements. In relation to employability skills training, there were 36,007 people who did the training between 1 April 2017 and 28 February 2019. That's unique jobseekers, but of course there are two blocks. There were 51,710 commencements in employability skills training courses.

Senator BILYK: What happened to the difference, between 51,000 and 36,000?

Mr Manning: There are two training blocks in employability skills training. Some people might do one of the two blocks; some people might do two blocks. It's even possible that someone might do one of the blocks twice, if they felt they needed to do it again. There are 36,007 individuals, amounting to those 51,710 commencements in the training. For the youth bonus wage subsidy, which, as we said, commenced on 1 January 2017, as at 28 February 2019 there had been 35,979 wage subsidies, which assisted 32,770 people.

Senator BILYK: So some people got it twice?

Mr Manning: Some people would have had more than one job placement with the youth bonus wage subsidy attaching to that job placement, yes.

Senator BILYK: How does that work? Is there any requirement for how long they have to be in the job to get the subsidy?

Mr Manning: There are requirements in terms of the payments and the eligibility for the wage subsidy, yes. Generally speaking, the subsidy can't amount to more than the person has
been paid for, and subsidies are only available where someone is in a position that is expected
to be for an average of 20 hours a week over six months.

Senator BILYK: So some of these people—

Mr Manning: But it's not the jobseeker who receives the subsidy; it's the employer who
receives the subsidy.

Senator BILYK: Sure. Correct me if I'm wrong, but you told me that there have been
35,000 subsidies and 32,000—

Mr Manning: Just under 33,000—32,700 people. What that may indicate is that a person
has started a position that attracts a wage subsidy and has then either finished it or not
finished it and sometime later gone into another position that attracts a wage subsidy. It may
not necessarily be with the same employer, and the employer will not necessarily receive all
of the wage subsidy. It will only be if, as I say, the person works the required hours over the
required period of time.

Senator BILYK: Obviously some employers get the subsidy, and then, when the
requirements are up, the person is out of the job and has to start looking for another job.

Mr Manning: Our evidence suggests that there's actually very little churn in subsidies.
But you're right: people leave positions for a whole range of reasons. The numbers I gave you
were just bald numbers of agreements entered into for people, rather than indicating anything
else.

Senator BILYK: If someone does the required time, so the subsidy applies, and then the
employer puts them off, is the employer then allowed to take somebody else on straightaway
and, once again, get a subsidy? How does that all work?

Mr Manning: There certainly are checks and program assurance. We touched earlier on
those feedback mechanisms. They apply equally in relation to wage subsidies. So if
somebody felt that that was occurring then we would want to get that feedback. We also
would do what's called data analytics—that is, analyse data around wage subsidies. If we see
that an employer is taking on a number of people, we would then see how long they are
lasting. Of course providers have an important role in relation to this. Providers get their main
outcome payment when somebody is fully off income support at 26 weeks, so they have a
vested interest in that not occurring. So we would be expecting them to provide us with
feedback as well.

Through a combination of our monitoring through data analytics, getting feedback from
participants and providers—we also run assurance activities across all of our programs and
we might inquire into particular aspects of how the programs are going—through a variety of
mechanisms, we'll try and work out whether that's happening. They could of course be
excluded from receiving subsidies if we thought that was occurring.

Senator BILYK: Great. Can participants who haven't completed any other aspects of the
Youth Jobs PaTH program take up the youth bonus wage subsidy?

Mr Manning: Yes. A person who is otherwise eligible for internships or employability
skills training doesn't have to do employability skills training before they're put into a job.
The end aim for all of this is to get young people into the labour market, and there's no need
to wait to do training. If they were able to be placed in a job and that job was eligible for a
youth bonus wages subsidy then that can occur without them doing an internship or employability skills training.

Senator BILYK: That would probably be more likely to be people from stream A. Is that correct or not?

Mr Manning: Logically, you'd think so. I don't know off the top of my head if that is the case. I think there would be a mixture across streams. But, as Mr Smyth touched on earlier, stream A jobseekers are the ones with fewer barriers to employment and more job ready, so you would think that it would make sense. But, as you say, the aim of the PaTH program is to get people into employment, so there's no obstacle to doing that as soon as you are able to.

Senator BILYK: Thank you.

CHAIR: Senator Paterson, do you want the call?

Senator PATERSON: No.

Senator SIEWERT: I have a range of questions that I'll try and get through. Firstly, do you have an up-to-date table of the compliance figures with the TCF that you can table?

Ms Hartland: I might bring some more people to the table.

Senator SIEWERT: I'm wondering if you're able to table that—say, the figures up to the end of March? Brilliant, thank you.

Mr Smyth: 6.1 font again, Senator.

Senator SIEWERT: Thank you. I'll probably have some questions about that a bit later, but I'll go on to some of the other questions that I have for the time being. Going to the issues on the partial capacity to work, I've been concerned over a long period of time, as I'm sure you're aware, of the number of people that are not getting disability and are now on Newstart with a partial capacity to work. There are some figures in The Guardian today, that specifically, came from the ABS figures, which are the increasing number of people who are on Newstart with a partial capacity to work. I'd like to know if you're able to break those down, or do I go next door? I've got the overall figures, but I'm wondering if you're able to give me the number of people who are currently on Newstart who have identified with a partial capacity to work against age groups. I'm trying to identify if there's a large number of people in specific age groups with a partial capacity to work; and also against gender and against long-term and very long-term Newstart recipients.

Ms Pitt: Those figures would be available from DSS.

Senator SIEWERT: So you don't have them?

Ms Pitt: I certainly don't have them here.

Senator SIEWERT: But, primarily, DSS are responsible? I didn't want to get there tomorrow and be told, 'You should have asked that yesterday here.'

Ms Pitt: No.

Senator SIEWERT: So it's definitely DSS?

Ms Pitt: Yes.

Senator SIEWERT: Do you monitor that process? Do you monitor the number of people who are in partial capacity to work, and the increasing proportion of people who are on Newstart with a partial capacity to work? Have you been monitoring that?
Ms Pitt: We wouldn't normally be monitoring those Newstart figures in that way.

Senator SIEWERT: In terms of offering employment services?

Ms Pitt: We certainly would look at how many were in jobactive, or where they fit, and if they're participating in programs and support.

Senator SIEWERT: Are you able to tell me: of those who are currently on Newstart with a partial capacity to work, how many are in jobactive and how many are in DES?

Ms Pitt: I probably just need to get those figures, but we'll try and get back to you as soon as we can.

Senator SIEWERT: Are you able to do that today?

Ms Pitt: As soon as we can—yes.

Senator SIEWERT: It would be useful if we could have that today. Are you clear—

Mr Smyth: I've got some figures here, Senator. I've got—in terms of suspensions of people that have—

Senator SIEWERT: No, no.

Mr Smyth: I know it's reduced work capacity and that, but I don't have those figures you're actually asking for.

Ms Hartland: You want the raw figures, don't you?

Senator SIEWERT: I want the raw figures of—

Ms Pitt: The number of people with a partial capacity to work who are in jobactive.

Senator SIEWERT: And are in DES. I'm trying to look at who's getting support from DES and who's in jobactive. Obviously, then I'm trying to look at where they are in terms of the age groupings, which I'll have to get from DSS.

Mr Smyth: A figure has just been handed to me. I've got an aggregate number out of our jobactive caseload—this is as of 31 January—the total jobactive caseload was 643,606. The number for partial capacity to work was 19.5 per cent, so the raw number was 125,254.

Senator SIEWERT: That's in—?

Mr Smyth: In jobactive. I don't have the figures for DES, which would be, yes, DSS.

Senator SIEWERT: DSS. Do you talk to DSS about this map? There's the number of people that are in the income support system, on Newstart, who have a partial capacity to work. There is an increasing number. There are some in jobactive, and no-one has an overview of the whole system, because DSS does DES.

Ms Pitt: Certainly, DSS do manage DES.

Senator SIEWERT: Yes. So do you have any process where you talk to them about the overall case load across both jobactive and DES to look at how those with a partial capacity to work are being supported through the system, successfully or not?

Ms Pitt: We meet with DSS on a range of issues, but I'd have to look if we have conversations about partial work capacity per se.

Senator SIEWERT: Okay. Can you take that on notice, then, please.

Mr Smyth: We'll take it on notice and see whether staff are having those discussions.
Senator SIEWERT: Okay. I'm just double checking if there are any other questions I need to ask here. Length of time on Newstart is DSS, isn't it?

Mr Smyth: Yes.

Senator SIEWERT: Can I ask about ParentsNext, going back to where I left off last week. We were talking last week about the privacy issues. I've since understood from participants that issues around privacy are still being pursued; privacy waivers are still being followed up by providers. Have you taken any further action with providers to ensure that they are not requiring people to sign privacy waivers?

Mr Jalayer: There have been a number of communications and directions provided to all providers, CEOs and frontline staff, reminding them that signing the privacy forms is not compulsory. They cannot coerce someone to sign them. You cannot have your payment suspended. You cannot be threatened. It is a consent form for getting access to sensitive, private information.

Mr Manning: And we're continuing to look at other measures to promote that—for example, by slightly changing the form to make it even more obvious to anyone who is asked to sign it that it is voluntary. So we're still doing those things as well.

Senator SIEWERT: You could print across the top 'This is voluntary'.

Mr Manning: Something like that.

Senator SIEWERT: But you haven't yet.

Mr Manning: As I said in the hearings last week, and as Mr Jalayer has outlined, we've gone out generally to people. But I think it would help in terms of the smooth administration of the program if we could get people to give us specific examples, because, certainly, the message is very clear—but if it is still occurring then we need to be able to target our response to those people who may or may not still be doing it.

Senator SIEWERT: When did you last have a complaint about privacy?

Mr Manning: I've got some complaint stats, but I don't have dates for them. I would have to take that on notice.

Senator SIEWERT: Could you take that on notice? Thank you.

Mr Manning: Mr Jalayer is just going to add to it.

Mr Jalayer: As far as our records show, there have been only four complaints on privacy.

Senator SIEWERT: I think we got more than that through the Senate inquiry.

Mr Jalayer: Again, if we had details, we would pursue them.

Senator SIEWERT: In terms of the number of activities, are providers reporting to you the activities that are being undertaken? Are you monitoring that?

Mr Manning: Yes.

Mr Jalayer: Yes, that's correct.

Senator SIEWERT: What are the top activities that are being undertaken?

Mr Manning: Mr Jalayer would be able to describe the category a little more, but I've got figures as at 31 January in relation to this. The top three are ParentsNext-specific activity,
which we'll come back to—it's a catch-all, if you like; non-vocational assistance; and accredited education and training. I could run down the list, but—

Senator SIEWERT: I'd like to know the top activities in each of those three. They're very broad categories. I'd like to know the details on those.

Mr Jalayer: I can provide some information on ParentsNext-specific activity. Approximately 60 per cent are activities categorised under playgroups.

Senator SIEWERT: What, taking your child to a playgroup?

Mr Jalayer: That's correct.

Senator SIEWERT: What else? It's 60 per cent playgroups, is it?

Mr Manning: No. Mr Jalayer means that, of that category, 60 per cent are at the moment, or were as at 31 January.

Senator SIEWERT: Yes. Sorry, that's what I thought I said, so I apologise.

Ms Hartland: I thought you meant 60 per cent of playgroups.

Mr Manning: No, 60 per cent of all activities are playgroups, in that category.

Mr Smyth: Which is 33 per cent of overall activities.

Senator SIEWERT: So that's 33 per cent of activities, and 60 per cent of that 33 per cent are playgroups.

Mr Manning: Yes, that's it.

Mr Jalayer: A further 20 per cent are other child related services, and then it falls away to smaller numbers after that.

Senator SIEWERT: What are 'other child related services'?

Mr Manning: The HIPPY, the Home Interaction Program for Parents and Youngsters.

Mr Jalayer: Library story times.

Mr Manning: Those sorts of community services, yes.

Senator SIEWERT: That reminds me. Have you had a chance to look at the letter that I provided, in terms of the library association?

Mr Manning: I have. It had been received in that department that day or the day before but hadn't made its way to us. I think Mr Jalayer's area has scheduled a meeting with the association this Friday.

Senator SIEWERT: Okay. I'm glad you're meeting with the association, but have you also been in contact with providers, or are you waiting until you meet with the association?

Mr Manning: I think that letter had a number of examples—I think it was five, from memory—of continuing behaviour which the association didn't like. But again there's no detail provided, so it gets back to that point: at one level we can send out general information, but it would also be good to at least be able to target it in some way. Even if we didn't have the specific person but it was a specific place, we can target all the providers in that place, for example. So we will hopefully have more details later on in the week.

Ms Hartland: But the short answer is that we're meeting with the CEO of the association on Friday, so that will help us to be able to work on that.

Senator SIEWERT: Thank you. Other activities?
Mr Jalayer: Under non-vocational assistance, this includes work related soft skills, career counselling, financial counselling and personal development. Any of those types of activities fall under that category.

Senator SIEWERT: And accredited training. What percentage is that? Thirty-three per cent of activities are specific.

Mr Manning: Twenty-one per cent are non-vocational assistance, and 18 per cent are accredited training. The next major activity category is vocational training, so non-accredited training, which is 11 per cent. Then there's a category which in our system is called interventions, but it covers things like medical and health related services. That's six per cent.

Senator SIEWERT: What is that?

Mr Jalayer: It's simply referral to a medical assessment or medical interventions.

Senator SIEWERT: So providers are making directions to participants to go to medical appointments?

Mr Manning: No, ongoing medical treatment could only be a voluntary activity.

Senator SIEWERT: Well, that's not the examples. As you're aware, we got two examples during the inquiry of appointments being made for children without the participants' knowledge.

Mr Jalayer: Again, if we had details of these, we could investigate. There is no way we would consider that.

Senator SIEWERT: But it's happening.

Mr Jalayer: Well, if we had details, we would pursue it.

Senator SIEWERT: Is this health related activities for the parent or the child?

Mr Jalayer: The parent.

Mr Manning: The parent. All ParentsNext activities should be directed towards assisting the parent to achieve their employment and educational goals.

Senator SIEWERT: How's playgroup helping a parent achieve their educational goals?

Mr Manning: The availability of the option of doing playgroup is there to help parents who might need to take small steps in overcoming isolation and developing a peer group or a support network as a step towards their employment goals. Looking at that figure for playgroups, our expectation has always been that it would probably decrease over time. I suspect some of those more informed mechanisms are being used as first steps towards engaging people in the program, and, as I say, as a step towards their longer goals. We think it has a role, but—

Senator MARSHALL: You know, I sort of get it, if someone's got a problem such as isolation, but just simply sending them to a playgroup isn't going to fix that problem. That's obviously a deeper problem than can be resolved simply by that. So what other support goes along with that?

Mr Manning: I'd just come back to the description of 'just sending them' because the intention of the program—the guidelines are quite clear—is that people are meant to set out their aims, which are their aims, and then agree activities that they are able to undertake towards those aims. So, if someone has agreed that that is a step they would like to do, they
can do it. But then there is no limitation put on whatever else could happen. As Mr Jalayer said, one of the other main categories is of things like career counselling and personal development. So they could again be linked with services available in the community that could help with those issues more specifically as well—for example, it could be confidence-building activities.

**Senator MARSHALL:** Wouldn't you assume that the playgroup comes as a result of that sort of counselling?

**Mr Manning:** I beg your pardon?

**Senator MARSHALL:** Well, participating in playgroup might come out of that sort of counselling and be a recommendation of that counselling: 'You need to participate in these things,' rather than this. I have nowhere near the expertise that Senator Siewert has in these areas, but it just occurs to me that it's the wrong way around.

**Ms Hartland:** I was just going to say, it's a two-way process of, first of all, getting a plan. In some cases, it's just about getting people to the table to have a discussion. It is, as Mr Manning has said, sometimes about very, very small steps, where there is social isolation, so where it's confidence-building about being able to talk with others and have some support and things. So I think you're right in terms of there being sort of a staged approach, but it has also got to be sometimes at the speed at which the individual is willing to do that and have those discussions. It's meant to be a mutual plan. Clearly, it's not always perfect, and we're dealing with some people who actually won't want to be doing anything at all, and it's that balancing act.

**Mr Manning:** The program is designed with flexibility in mind, and so there's no expectation that you'd go into any sort of activity before you did other activities. There are no limitations or expectations around that. So people are able to undertake whatever activity they think will most help them towards their employment goals and which they're able to do. So I'm just coming back to that point around: 'Do they go into playgroup but then on to counselling?' There's no track through it.

**Senator SIEWERT:** So six per cent medical or health-related; any other major groups?

**Mr Jalayer:** There's five per cent for—again it's poorly named—

**Senator SIEWERT:** For what?

**Mr Jalayer:** informal activity, but that could include resume writing, interview skills—

**Senator SIEWERT:** But this isn't an employment program.

**Mr Jalayer:** Sorry?

**Senator SIEWERT:** This gets to whether it's a parenting program, a pre-employment program or an employment program.

**Mr Jalayer:** No, it's a pre-employment program.

**Mr Manning:** As to the program's design, it's clear that it's not a program that requires people to be looking for work. It's a program about readying people to look for work at a time when their youngest child reaches a certain age—

**Senator SIEWERT:** Just six months old.
Mr Manning: That's when it commences, not when they exit the program. We've had over 80,000 people referred to the program, and they will have different experiences and skills and be at different stages in terms of their readiness for that. I think we've said previously—I can't recall whether at previous estimates or at the inquiry—that there are quite a few people who've already exited due to stable employment. So, coming back to my earlier answer, it's designed to be flexible, not to rule anything in or out. So if somebody says, 'Well, actually, the thing I would like to do to prepare me for work is to write my resume, to think about how to do an interview or even to do some career counselling,' that's an optional activity.

Ms Hartland: I think we'd be criticised if someone came and said, 'The thing that would be most helpful to me is to help me with that resume'—and noting that it isn't an employment program, but if they came and said that—and we said no, I think we'd be equally criticised for not actually helping.

Mr Manning: And then the only other ones we have details on—we're talking one per cent voluntary work; the activity for two per cent is part-time or casual employment, and two per cent of the activities are participation in other government programs.

Senator SIEWERT: If they've already got casual—

CHAIR: Senator Siewert, unless you can finish your outcome 1 questions by the break, I'm going to offer the call back to Senator Marshall.

Senator SIEWERT: I've got quite a lot more. Can I finish ParentsNext? I've got a lot more in other areas, but can I just finish that?

CHAIR: Okay. How long?

Senator SIEWERT: It depends—probably about five minutes.

Senator MARSHALL: I do have some issues that go directly to the budget, around better targeting of support for refugees, but I can do that in an outcome, or is that still cross-portfolio?

Senator SIEWERT: And I've got some there as well, because I understood that was this outcome.

Ms Hartland: It's up to the chair, but we're happy to do it either way.

CHAIR: I'm just always keen to release people if they can be released. Is there anyone we can release, like the advertising area?

Ms Hartland: It just depends. If it goes to specifics around dollars, I might need the CFO's support in cross-portfolio, but if it's more about the content of the program then that fits within the outcome.

Senator MARSHALL: It's both.

Ms Hartland: If it's just around budget measures, we can probably release the rest of the cross-portfolio people and I can just keep the CFO here.

CHAIR: Okay. That's a good compromise.

Senator SIEWERT: In terms of ParentsNext, have any penalties against the deed been applied to any providers?
Mr Jalayer: There have been no penalties. There has been one letter of direction and one breach of confidentiality. But, as far as I'm aware, that's all that has occurred.

Senator SIEWERT: What's the matter of direction about? I'm not asking—I presume you can’t name the provider.

Mr Jalayer: No. It was simply that, at the beginning, when the program was being implemented, the number of appointments that were required in the deed were not available.

Mr Manning: Timeslots available so appointments could occur in a timely manner.

Senator SIEWERT: And the matter of confidentiality?

Mr Jalayer: That was confidential material that was accidentally released to the wrong person. Again, that's been dealt with under the confidentiality under the deed.

Senator SIEWERT: Are any matters under investigation?

Mr Manning: There are some complaints that are still being investigated or that are unresolved, as at the figures we’ve got, so technically they're still being looked into.

Senator SIEWERT: How many of those are there?

Mr Manning: Again, I've got figures as at 31 January. There were 10 unresolved complaints at that time.

Senator SIEWERT: Are you able to get me up-to-date figures?

Mr Manning: On notice we'll be able to do that.

Senator SIEWERT: You can't today?

Mr Manning: I don't have them and I don't run that area, so I don't know what's involved in it. I wouldn't be able to.

Senator SIEWERT: Because that's three months ago.

Senator BILYK: Does anyone behind you have that information, Mr Manning?

Mr Manning: I'm not sure.

Ms Hartland: We'll bring someone to the table.

Ms Milliken: Unfortunately I don't have that information with me at that level of detail. I'd need to take it on notice, and I'm not sure if I can get it during the morning.

Senator SIEWERT: Okay. If you could try, that would be appreciated.

Ms Hartland: We'll see what we can do.

Senator SIEWERT: Thank you. How closely are you monitoring the use of the Participation Fund?

Mr Manning: Would you like me to give you figures in relation to that?

Senator SIEWERT: Yes, please.

Mr Manning: As at 31 January, again, Senator, $670,000 had been spent or committed from the Participation Fund. I have the four top categories of expenditure, which is most of it.

Senator SIEWERT: That would be appreciated, yes.

Mr Manning: So, $266,043 or 40 per cent of it had been spent on participant support, which covers things like driving lessons, transport, participation in training or education or even costs of medical expenses; $129,983 had been spent on accredited training—so about 19
per cent of the expenditure; a similar amount of $129,373 on non-vocational training—so, again, about 19 per cent of expenditure; and then 11 per cent of expenditure or $71,704 on work-related expenses.

**Senator SIEWERT:** Can you remind me of how much in total is in the fund.

**Mr Manning:** People in the Intensive Stream attract a one-off credit of $1,200 to their provider's participation fund balance when they commence. I don't have the figure of how much has been committed so far. I'd have to take that on notice. But clearly—

**Senator SIEWERT:** But clearly there's enough for each of the participants in the Intensive Stream.

**Mr Manning:** As at 31 January, the case load of the Intensive Stream was 31,933 people. All of those 31,933 people would have attracted a credit of $1,200, which is a lot more than the $0.67 million that had been spent.

**Senator SIEWERT:** Yes. Thank you. Has there been any reconsideration of enabling access for the targeted group to the Participation Fund?

**Mr Manning:** That's a decision of government; no.

**Senator SIEWERT:** So there's been no further consideration?

**Mr Manning:** Not at this point. I wasn't involved when the initial decision was made, so presumably it was considered at that time. Since that time, I'm not aware of there being, for example, advice put to government about that.

**Senator SIEWERT:** You've been giving me the figures to the end of January, and you've said that 80,000 have been referred. Last time when we were talking at the inquiry it was about 75,000. Is that the end-of-January figure, or is that an up-to-date figure?

**Mr Manning:** I think it's end of January. I'll just get the exact figure. As at 31 January, 85,780 unique individuals had been referred and the case load was 74,934.

**Senator SIEWERT:** So the figure that I've got in my head is the 74,934?

**Mr Manning:** They're on the case load. That's right.

**CHAIR:** We will leave it there.

**Senator SIEWERT:** Can I put a question on notice then I'm finished on ParentsNext?

**CHAIR:** Yes.

**Senator SIEWERT:** Could you take on notice to provide the up-to-date figures until the end of August—sorry, end of March? August you can't predict!

**Mr Manning:** End of March for each of those categories we discussed this morning?

**Senator SIEWERT:** Yes, for each of those categories.

**Mr Smyth:** We're happy to provide those in September, Senator!

**Senator SIEWERT:** I mean the end of March!

**CHAIR:** We will now suspend for a short break.

**Proceedings suspended from 10:28 to 10:47**

**CHAIR:** We will resume. We are in continuation on outcome 1. Senator Marshall.
Senator MARSHALL: We were going to talk about job fairs but we got distracted. We will come back to that later. Senator Siewert said she was also interested in this, and I think she is on her way here. We might go on to better targeting of support for refugees. The budget measures paper on page 148 says:

Newly arrived refugees would only be required to enter into jobactive services once they have been receiving income support for 12 months, rather than the current requirement of six months.

This measure will improve the sequencing of services available to refugees through programs such as the Humanitarian Settlement Program, the Adult Migrant English Program and jobactive, assisting refugees to focus on settlement and language assistance during their first 12 months after arrival.

This measure also extends full jobactive access to refugees who seek to use its services on a voluntary basis anytime from their arrival, provided they are otherwise eligible for jobactive.

Those changes are going to save $77.9 million. My first statement is: pull the other one. The question is: how could that possibly be?

Ms Hartland: I'll get the officers to take you through it. Basically, it's a sequencing issue. We know through research—and officers can talk about this more fully—that refugees get their language skills up to a point of maximising their employability. What we have had in place is a bit of a mixture of things that are happening through jobactive without some of this cohort actually having the language skills available to them. This is really a sequencing to get language skills up to a good level to maximise employability and then move into jobactive. However, they can voluntarily—

Senator MARSHALL: I'm not opposed to the measures. Without knowing a lot of the detail, I actually think they're quite sensible, really. I'm happy to have more explanation in detail. But I just can't for the life of me see how a change in the sequencing like that—and in fact delaying the access to jobactive but also making it available effectively from day one—can save $77.9 million.

Ms Hartland: I think it's about streaming into the activities sequentially rather than a duplication of those dollars. But I'll let Ms O'Regan talk to it.

Ms O'Regan: The saving arises because we expect there will be fewer refugees that commence in jobactive because of the delay in the compulsory referral from six to 12 months. We expect 3,200 fewer refugees to enter into jobactive. Offsetting that is around 520 refugees who we expect will volunteer in, but you can see that there are still fewer commencements.

With the financial model that we use to estimate jobactive costs, fewer commencements translates into a saving.

Senator MARSHALL: But why do you make that assumption that there'll be fewer moving into it?

Ms O'Regan: Just because of the length of time. The chances of a refugee moving into employment over time—from the time that they arrive in Australia, it increases over that 12-month period. Some of them will find a job off their own bat or through other programs.

Senator MARSHALL: Sorry, but that still doesn't make sense to me. You're suggesting to me that refugees who want a job won't go into jobactive because it's voluntary for an extra six months. Sure, if they were going to find a job anyway—that's the case now; people will still find jobs. But they're going to deliberately not get assistance to find work for another six
months because they don't have to? To me, that makes the assumption that they don't want a job.

Ms O'Regan: Not at all. What naturally happens over time—and so the purpose of the measure is to allow refugees more time to settle into Australia and acquire the English language skills that they need. During that 12 months that they're doing that, they'll also be expanding their networks and getting to know people in the local community. There are state funded programs that assist refugees as well. Some of those refugees will find a job without jobactive. They won't need—

Senator MARSHALL: But that's the case now.

Ms O'Regan: Yes. That's right. But they're compulsory referred at six months now. That compulsory referral is delayed by six months and it's that intervening six months where some of those people will find a job and never commence in jobactive.

Senator MARSHALL: No. But, again, that's the case now if people find a job without that. I'm just not understanding the logic. If we make the assumption that refugees want a job and want to work and that they may need assistance to get work and that's the purpose of jobactive. But, because it's not compulsory after six months, they will not seek help to get work when they want a job, and you're saying over 3,500 people will make that conscious decision?

Ms O'Regan: 3,200. Not necessarily a conscious decision, but just, naturally, as time passes, some of them will find a job through other means. So the way the model works is that it makes assumptions about attrition rates and the number of people who would be eligible for jobactive and then what happens to them once they commence. Given that there's a six-month lag, those assumptions are reduced.

Senator MARSHALL: All right. Don't most people find work through other means? They do. In fact it's a small proportion of people that are placed in work by jobactive.

Ms Hartland: Correct.

Senator MARSHALL: Again, I'm just not getting the logic and how this naturally adds up. It's the same cohort that are going to need some help to get work through jobactive, so those people that were going to go on and get work by their own means were going to do that, regardless. The only change here is that, instead of everyone who hasn't got a job by then going into jobactive after six months, you're making it voluntary for 12 months. I'm making the assumption, and I'm only hearing you agree with me, that refugees want to work anyway.

Ms O'Regan: Yes.

Senator MARSHALL: If you can't get a job by other means, you want some assistance from jobactive. Why would you remain unemployed for an extra six months simply because it's now no longer compulsory after six months if you're trying to find work, you're not able to find work through your own means and you want jobactive to help you? I can't see the logic of you saying that 3,200 people are simply going to say, 'Oh well, I won't bother getting a job for another six months because it's not compulsory to go—'

Ms O'Regan: No, it's quite the reverse. We expect those 3,200 people do want a job, and remember that over that six-month period they're improving their English language ability through the Adult Migrant English Program. So they will be making progress during that

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time—therefore, we would expect that their chances of getting a job would increase, and if they get a job they don't need the assistance of jobactive. We're basically saying we expect that 3,200 fewer refugees will need jobactive assistance.

Ms Hartland: So 3,200 fewer are on the books, if you like, so the modelling is based on how much—

Senator MARSHALL: Because those 3,200 are going to get a job through other means anyway.

Ms O'Regan: They may well do.

Senator MARSHALL: But that's the case now. We're talking about people who aren't going to be able to get jobs through other means, who need the assistance of jobactive to do it. I can't see how you can just transfer 3,200 from one category to another when the only thing that changes is the sequencing, and you're saying, 'In that six months they're going to have such improved English language skills and maybe some other skills that it's going to make them—

Mr Smyth: It potentially improves their outcome. For people with poor English language skills, the unemployment rate is around three times what the national average is.

Ms Hartland: It's prioritising that language component. By prioritising that, the assumptions are that they're not going to need jobactive—or less people are going to to then need jobactive, because we've prioritised the language skills piece.

Senator MARSHALL: Let's extend that logic, then, to the overall community. Why are we forcing anyone into jobactive as a compulsory level, and not simply concentrating on the skills that they need to get in?

Ms Hartland: Some of the employability skills programs and internshipping things are absolutely about that—and the pre-employment programs, as well. I do think that's quite a feature that has changed over time in the program. I know we all get out and about a lot talking to employers, and certainly the feedback that I constantly get is, 'We can do the skills piece on the job,'—and these are at base level, particularly with youth—‘but what we need you to do is to be getting people up to the employability—doing the employability skills pieces'. A lot of those are fairly basic things around turning up at work, about not being on your mobile phone all day, about seeking permission if you're not going to be in the work—sorry, Chair—those sorts of things, and that's where a lot of the programs are increasingly aimed at. I think that is a real feature.

Ms O'Regan: That's right, and to build on what the Secretary has said, there is quite a body of evidence around active labour market programs; jobactive is, obviously, the key one in Australia. Evidence is that requiring people to do JobSearch and to participate in activities that will help improve their labour market prospects does increase the chances of employment.

Senator MARSHALL: It sounds to me like you're having both arguments. You can't say that delaying the compulsory thing by six months will lead to a better outcome for people on one hand, but not doing it somewhere else won't.

Ms O'Regan: It might be helpful to talk a little bit about the dynamics of the labour market. People would be moving on and off payment, potentially, as well, so the flows onto
unemployment benefit and the changes between payment types would also be a factor. But our model makes certain assumptions about the chances of someone finding employment or achieving an employment outcome over time, so—

**Senator MARSHALL:** Let's talk about the modelling. How did we arrive at 3,200? First, before we get there: is that the $77.9 million—just the 3,200 people who won't be on jobactive?

**Ms O'Regan:** That's correct. There's a small amount of funding for the Department of Human Services to make some IT changes, so from our department's perspective, there is a save of $78.3 million. And then, there's around $400,000 for DHS, so the net impact is a save of $77.9 million over the five years.

**Senator MARSHALL:** And that's not being redirected? That's simply going back into consolidated revenue?

**Ms O'Regan:** That save has gone to fund other budget priorities.

**Senator MARSHALL:** I thought it said: The savings from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

**Ms O'Regan:** Yes.

**Ms Hartland:** Yes.

**Senator MARSHALL:** All right; I suppose that's the same thing.

**Ms Hartland:** It goes into a bucket.

**Senator MARSHALL:** It's pretty broad.

**Ms Hartland:** It goes to other priorities.

**Senator MARSHALL:** Talk to me about the modelling. How did we get to—

**Ms O'Regan:** I think it would be better if I took on notice the detail of how we came up with the 3,200 figure. That might help elucidate some of the issues you're raising about the delay and how that results in those 3,200 fewer commencements—

**Senator MARSHALL:** When you went through that process, did you have a figure in mind you needed to save?

**Ms O'Regan:** No.

**Ms Hartland:** It doesn't work like that. In budget processes, we'll often be looking for efficiencies, but you don't go in with a set number that way. What you do is you do the modelling. It will come out with a number and you will see whether that allows you to reprioritise. It's done the opposite way to what you're suggesting.

**Senator MARSHALL:** What's your level of confidence that these figures will be right? Do you do that?

**Ms O'Regan:** Do we go back and check that the savings are realised?

**Senator MARSHALL:** No, we'll be doing that. But do you go through a process and say—

**Mr Smyth:** We go through a very detailed costing process with the Department of Finance who verify all of the models and the assumptions to ensure that those figures—
Senator MARSHALL: I bet you they're happy with that number, from those changes.

Ms Hartland: It's always a robust discussion around the modelling and what the assumptions are and how we made those assumptions to reach an agreement about whether they are a robust set of figures. It's a very detailed process that we go through. I can say that we've had, in the department, approaching four years of experience in terms of the behaviours around jobactive and longer than that, in terms of how individuals react to changes in programs, and that's all factored in as to what might happen. There's a science and an art to it, I would say.

Senator MARSHALL: All right; you have a high level of confidence, Ms O'Regan. We'll see—maybe not me, but someone will see. That's all I had on that, Chair.

Senator BILYK: I still have some questions on outcome 1. Are we still doing outcome 1? What's the timing on that?

CHAIR: We should aim to knock it off in about 15 minutes.

Senator BILYK: Who's able to tell me how much is currently in the Employment Fund?

Ms Hartland: I've got some figures here that I could start on. From 1 July 2015 to 31 January this year, there's $904.8 million credited to the Employment Fund, and $605.5 million, or 66.9 per cent of that $904.8 million, has been used to assist 677,594 people towards work. So 677,594 people have been assisted through the Employment Fund.

Senator BILYK: That's answered two of my next questions. How much was credited to the Employment Fund in 2018-19, and how much was spent from the Employment Fund in 2018-19?

Mr Manning: In 2018-19, as at 31 January, there'd been $113,801,000 credited and there had been $148,972,000 spent. So clearly the expenditure is more than was credited in that time, and that reflects the fact that there was money unspent from previous financial years still in the fund.

Senator BILYK: That you could carry over?

Mr Manning: That's right.

Senator BILYK: How much has been spent on wage subsidies from the Employment Fund in 2019?

Ms Wearne: Since 2 January 2019 there have been no funds from the Employment Fund spent on wage subsidies at this stage, but there have been funds committed due to providers negotiating wage subsidies.

Senator BILYK: How much are the committed funds?

Ms Wearne: There's $12.1 million committed as at 31 January.

Senator BILYK: That's for this calendar year or this financial year?

Ms Wearne: Just since the beginning of this year.

Mr Manning: That's right—since the beginning of this year. Of course, that commitment will turn to expenditure as the wage subsidy amounts become owing, for want of a better term.

Senator BILYK: But you've told me that no wage subsidies have actually been funded through the Employment Fund?
Mr Manning: There's been $12.1 million committed, so that's how much has been set aside within the fund to fund wage subsidies. That reflects that there had been that number of wage subsidy agreements entered into that add up to that amount, but the money hasn't actually been paid out yet.

Ms Hartland: It's just about when it hits the books to be paid out, but we're budgeting on that.

Mr Manning: It has been accrued, if you like, in that first month, but the money is not paid out yet, because subsidies run up to six months.

Senator BILYK: Sure. Has underutilisation been accounted for in terms of predicted expenditure on the Employment Fund over the forward estimates?

Mr Manning: Yes. There are certainly, as the secretary outlined in her answer, funds remaining in the Employment Fund, but, as my subsequent answer indicated, expenditure has increased to the point where over the current financial year there's been more spent than credited. The fund is also used to pay for a number of newer categories of expenditure as well. So, whilst there should be sufficient funds, we believe that by the end of the contract that unspent amount will decrease.

Senator BILYK: When's the end of the contract?

Mr Manning: The jobactive contracts, it was recently announced, would be rolled over for two more years, to 30 June 2022.

Senator BILYK: Just for my clarification, really, are you able to tell me how much has been allocated to be spent on the Employment Fund over the 2019-20 forward estimates?

Mr Manning: Yes, we'll be able to do that.

Ms Wearne: The credits forecast for the Employment Fund in 2019-20 is $158,887,000.

Ms Hartland: Do you want those forward years as well?

Senator BILYK: If I could.

Ms Hartland: For 2020-21, it's $204,551,000. For 2021-22, it's $161,588,000.

Senator BILYK: Great. Now, the Transition to Work program—I have a couple of quick ones there.

Mr Manning: That's me, too.

Senator BILYK: I can see movement, that's all!

Mr Manning: [inaudible]

Senator BILYK: I have a better view of behind you. Are you able to tell me how many participants are currently enrolled in the Transition to Work program?

Mr Manning: Yes.

Mr Stiller: It would be just over 17,000. I'm just looking for the exact figure.

Mr Manning: It's actually just under that.

Senator BILYK: Just under?

Mr Manning: Yes. Current commenced case load is 16,047 as at 31 January.

Senator BILYK: 16,047.
Mr Manning: At 31 January this year.

Senator BILYK: Okay. And what's being spent on the program over the 2019-20 forward estimates?

Mr Stiller: In the 2019-20 forward estimates, the budget for Transition to Work is $572.7 million.

Mr Manning: The budget.

Mr Manning: Expenditure so far this financial year, as at 31 January, was $84.37 million.

Senator BILYK: Okay. And what line in the budget relates to spending on wage subsidies?

Ms Hartland: It's under jobactive.

Senator BILYK: Has the take-up of wage subsidies decreased since being funded from the employment fund?

Mr Manning: It appears they have, but it's too early to tell for certain, for a number of reasons. One is that there's a period of 84 days after the placement commences within which the provider has to finalise the wage subsidy agreement. We're nearing the end of that period, but, as you can imagine, it's still too early to tell exactly how much has happened. That amount, though, that we spoke about earlier, the amount being committed, is less than the value of wage subsidy agreements that would have been entered into for the same time last year, but we can't be precise about that at the moment.

Senator BILYK: Sorry, it's less than the?

Mr Manning: January 2019 appears at this stage to be less than January 2018, but, because of that lag—the period within which providers have to actually enter the details—we don't know for certain the difference yet.

Senator BILYK: And what did you say—they had 84 days?

Mr Manning: That's right.

Ms Wearne: Yes.

Ms Hartland: And January is a quiet period, so we just need a bit more time to be able to do those comparisons. It's a question we look at actively.

Senator BILYK: Yes, sure. Can you tell me how much wage subsidies are going to cost over the 2019-20 forward estimates?

Mr Manning: In total, over 2018-19 to 2022-23 it's $582,498,000 in the budget. That's broken down into the youth bonus wage subsidy at $388,970,000, and the capped wage subsidies, $193,528,000.

Senator BILYK: Great. The next couple of questions are about work for the dole.
Ms Hartland: We just need to get the right people.

Senator BILYK: Don't go too far, Mr Manning. I might need you back.

Senator MARSHALL: I have a question on subsidies, if I can. What vetting goes on to ensure employers who are recipients of wage subsidies are aware of their obligations in terms of wages and other conditions of employment?

Mr Manning: The provider would have the role of ensuring that the employer understands the terms and conditions in relation to the wage subsidy—and be satisfied that it's an appropriate agreement to enter into.

Senator MARSHALL: Sure. Will they vet to ensure that the employer is aware of their obligations around wages and payslips and other terms and conditions, like superannuation, workers compensation payments? Or is an assumption made?

Mr Manning: In addition, there are requirements in relation to wage subsidies that, generally speaking, don't exceed the amount of pay, so they will need to understand that. Also, there is documentary evidence required which is normally wage slips, and they'll need to understand that as well. We don't prescribe, that I'm aware of, other verification roles.

Ms Wearne: But the employer and the provider do have to enter into an agreement whereby the employer has to declare that the job will be ongoing and that there's a certain number of hours and that sort of thing.

Senator MARSHALL: But what about the rate of pay?

Mr Manning: The employers all have legal obligations in relation to rates of pay.

Senator MARSHALL: Indeed they do. But we know, because we're also spending tens of millions of dollars extra in compliance and auditing because we know we have a serious problem with underpayment of wages, especially in vulnerable areas where a lot of these wage subsidies are going. So the question really is: are we subsidising employers that don't pay their legal obligations? You don't know, do you?

Mr Manning: Certainly not. We know in the sense that providers need to satisfy themselves that it's an appropriate agreement to enter into. But the department doesn't make further inquiries in relation to individual employees.

Senator MARSHALL: So what are the requirements of the provider? Because there's an effort by government—in fact to the tune of hundreds of millions dollars now—to try to get compliance with legal minimums across many vulnerable sectors. Why aren't we enforcing at this level, when people are actually accessing government subsidies, to ensure that compliance is happening there? It's just part of the effort.

Mr Manning: Ms Wearne can give you some detail about what's in the relevant guidelines.

Ms Wearne: One of the eligibility criteria in the guidelines that employers have to sign off on is that the position complies with the employment standards as established under the relevant Commonwealth, state or territory law, and that includes the minimum award wage.

Senator MARSHALL: Sure. That's their legal obligation in any case.

Ms Wearne: That's right.

Senator MARSHALL: How do you verify that?
Mr Manning: We rely on providers to satisfy themselves that they're an appropriate business to deal with it.

Senator MARSHALL: Are they required to verify it?

Ms Wearne: That's what they sign in the agreement. They sign the agreement with the employer who commits to that, yes.

Ms Hartland: We might take it on notice. I know what you're asking, and it's just about what the provider is then doing to actually ensure that the contractor signs.

Senator MARSHALL: Yes. Because the question really then needs to be asked: 'Are you complying with your legal obligation?' 'Of course.' 'We'll tick that box.' Well, what is it? What is the rate of pay you're actually paying this person? It's a pretty easy check. In fact, you can even get one of the other government departments to do it. The Ombudsman will do it. Just ring and say, 'Is that the right wage for this job?' and they'll tell you. But no-one's doing that, and we know there is lots of underpayment.

Mr Manning: As I said earlier, there are requirements in relation to the payment of wages, and that compares to the wage subsidy, and so you'd expect a provider to be aware of those things and to be comparing it for that—

Senator MARSHALL: Well, we'd expect all employers to be aware of their legal obligations—

Mr Manning: Of course—

Senator MARSHALL: but they're not.

Ms Hartland: We might just see if Ms Milliken can add anything to this; otherwise, we understand your point, Senator.

Senator MARSHALL: You would expect anyone we're providing a subsidy to, to be a model employer—wouldn't you?

Mr Manning: Yes, you'd expect—

Senator MARSHALL: That's right.

Mr Manning: But, as we said, the agreement requires them to meet their obligations—that's right.

Senator MARSHALL: All right then.

Ms Milliken: In addition to the information which my colleagues have provided, the department publishes for providers on the provider portal—so, on the advice that we give to providers—a fact sheet which we ask them to give to all jobseekers when they commence in jobactive. It's continually available. It includes information on the latest minimum wage and also information which we ask for them to give to jobseekers about where they can access information about the relevant wage for the work they're undertaking, whether they are going into employment without a wage subsidy or with a wage subsidy.

Senator MARSHALL: Okay, but you're really putting the onus back on the employee to check that they're getting their proper wages and conditions, where really I would've thought, if we're forking out up to $10,000 to an employer as a way of subsidising—

Ms Milliken: We do expect, as my colleague has said, that providers will explore this with the employer, but we also want to make sure that the jobseeker has information that they
can use if they have a concern, to know whether or not what is proposed for them falls within the right information, and so they're referred to the relevant Fair Work website et cetera.

Senator MARSHALL: The incentive for the job provider is that they get the bum on the seat, and that's why they get paid; putting other obstacles in their way of getting that bum on the seat is not an incentive for them. So why would they ask the question if it just might become a problem for them and deprive them of getting their payment?

Mr Manning: I think, though, the incentive, in terms of a monetary incentive, is to achieve a six-month outcome, and that requires the position to be sustainable, which is less likely to occur if someone is not being paid their legal entitlements.

Senator MARSHALL: I accept that. Thank you.

Senator BILYK: Just before we go to Work for the Dole, I've just got a couple of questions in regard to the Time to Work program. In previous estimates we heard that there were one or two participants who had completed the transition to work program. Are you able to tell me how many people have completed the program now, and how many have been linked to employment service providers once they've left prison?

Mr Manning: Yes. The figures I have are as at the end of February, and there had been an increase to 331 people who had elected to volunteer, and, of those 331, in that time, 45 had completed, with an approved transition plan. Of those 45, nine had commenced with a jobactive. There had been another 82 participants in addition to the 45 who had exited the service—so still within those 331—and 23 of those 82 had commenced with a relevant jobactive as at 28 February as well.

Senator BILYK: Sorry—just run me through the last couple of figures.

Mr Manning: As I said, 331 had elected to volunteer. There were 249 receiving services, 82 who had exited and 45 who had got to the point of completing with a transition plan. Of the 45 with an approved transition plan, nine had commenced with their relevant jobactive as at 28 February, and, of the other 82 who had exited the service for other reasons, 23 had commenced with a jobactive.

Senator BILYK: Okay—but they didn't complete with the jobactive?

Mr Manning: That can happen for a range of reasons—for example, they might get released early; they might get moved to a different prison; they might decide not to continue on with the service. There's a range of reasons.

Senator BILYK: Is the Time to Work program likely to cease after 2021?

Mr Manning: It was funded for four years from the 2017-18 financial year. The proposal is to evaluate it towards the end of that four-year period, and the government at the time will make a decision about its future then.

Senator BILYK: So that would be why there's no funding allocated beyond 2021?

Mr Manning: Yes, it's currently a terminating program. That's right.

Senator BILYK: Has there been any evaluation of the program to date?

Mr Manning: No. That's scheduled for towards the end of that four-year period.

Senator BILYK: So in 2021,—

Mr Manning: That's right.
Senator BILYK: when the funding is due to cease?
Mr Manning: Obviously, the proposal is to complete the evaluation in time for government to make its decisions about whether or not to continue it. The program came out of a COAG agreement, so it would clearly require discussions with states and territories as well, so that would have to be built into that timing as well to decide whether it's going to continue.

Senator BILYK: You might need to start early on the evaluation.
Mr Manning: Yes. I think an external body has already been engaged to start planning for the evaluation, but the evaluation hasn't happened yet.

Senator BILYK: Have you got any information on that external body, or whether they have actually been—
Mr Manning: I don't have any, but my colleagues might.
Ms Shannon: You might be aware that the Time to Work Employment Service covers both jobactive services as well as employment services operating in Community Development Program locations. We're working with the Department of the Prime Minister and Cabinet to do a whole of Time to Work Employment Service evaluation. We have established a working group, and we're working with PM&C. They're managing the contract with the external research firm, so I think that questions that go to that contract are probably best directed to PM&C.

We're trying to do it in a collaborative way; to look at how the program is operating across those different employment service settings.

Senator BILYK: But they're basically in charge of the evaluation.
Ms Shannon: They're in charge of the money.

Senator BILYK: Program, yes.
Mr Manning: Which reflects the program coming out of COAG, Senator.

Senator BILYK: Yes, no worries. That's all for that. Can I just ask two quick questions in one other area?
CHAIR: Okay.
Senator BILYK: Then I will still need to come back for other areas.
CHAIR: Yes.

Senator BILYK: Very quickly, the free digital marketing accelerated course in the Hunter region. It's a program for people in the Hunter region to—just let me find my link to it again.

Senator Payne: I'm not sure it relates to this part of the Department, but we'll check.

Senator BILYK: Just let me find it.
Ms Hartland: Unless it's a specific sort of grant or something.

Senator BILYK: It was a program for people in the Hunter region, and I think there was going to be about 10 participants. It was to get some work in the digital area.

Ms Hartland: It's not ringing a bell with us, Senator.

Senator BILYK: It's not? Alright. I'll keep looking. If you want to go to someone else and we'll come back to that when I find the actual link.
CHAIR: Senator Siewert.

Senator SIEWERT: I know you were talking about the employment fund previously, so if I ask a question that has already been asked, tell me to go and read Hansard.

Ms Hartland: We'll let you know.

Senator SIEWERT: In terms of the additional $35.5 million I think it is, that's going in, is that new money? That's my understanding. Is that money just for the trials—for topping up the employment fund for the trial sites?

Mr Manning: No, it's increasing the credits—the amount that's credited by stream across the fund.

Senator SIEWERT: For everybody?

Mr Manning: That's right.

Senator SIEWERT: I saw that in Hansard from last time, because this was asked when I was next door, last time. I wanted to clarify whether that was additional payments per stream; I realise the payments are different per stream, but I wanted to know whether that was just for the trial site or it's across the board.

Mr Manning: It applies to everyone who attracts the credits. Stream A credits will increase from $300 to $375; Stream B from $850 to $1,100; and Stream C from $1,200 to $1,600.

Senator SIEWERT: How is that calculated?

Mr Manning: How are those figures determined?

Senator SIEWERT: How were the increases determined?

Mr Manning: Some other officers will assist with that query.

Ms Jensen: We might have to take that on notice until the precise calculations—

Ms Hartland: You want to understand the assumptions underneath it, is that right?

Senator SIEWERT: Yes, I want to understand the assumptions as to how you calculated what the increase is.

Ms Jensen: What the top-up was?

Senator SIEWERT: Yes.

Ms Hartland: I'm getting blank looks around—it's a detailed question where we'd need the specific officers that are probably at a more junior level that have been dealing with the specifics. Can we take it on notice and let you know?

Senator SIEWERT: Yes, if you could take it on notice to let me know how those were calculated.

Ms Hartland: Yes.

Senator SIEWERT: I want to go to an answer that you gave me on notice from estimates from February. I think it was from February. Were you provided a table on the jobseekers cancelled off payments for not re-engaging from July to 31 December—

Ms Hartland: We might just get some other people at the table.

Mr Smyth: Senator, can I just ask the number you have for that question?
Senator SIEWERT: EMSQ19-000013. I think that's the right question. There is a number—hang on—yes that is the right question.

Mr Smyth: Average time of re-engagement, I think, was the title of the question.

Senator SIEWERT: This one is job seekers cancelled off payment after not re-engaging within 28 days. There is another question that is the average time, which I understand is 000012 and this is 000013. I'm particularly interested in the—in DES, there seems to me to be a significant number of people with disability on the DES program who have not re-engaged after being suspended in the warning zone in particular. It seems to be a very significant number compared to the others in that category. In the green zone there's a large number of people that seem to have not re-engaged, and I'm wondering why that is, but then in the warning zone there are 824.

Mr Smyth: 824, yes.

Senator SIEWERT: That seems very high, to me, for people with disability. Has anybody looked at that? Have they all not engaged because they've got work, or is there—you're all looking at me with concern.

Ms Pitt: The DES program's managed by DSS—

Senator SIEWERT: Next door.

Mr Smyth: Yes.

Mr Emerson: The Department of Social Services will be able to answer that, and they'll be able to talk to you about their servicing strategies as well that providers put in place to support people to, obviously, comply with their job plan. They'll be able to talk in quite a lot of detail about that.

Senator SIEWERT: I'll ask that tomorrow. If you go up to jobactive there are still quite a large number there of people with disability who also have not re-engaged. There are 2,782 in the warning zone, 32 in the penalty zone and a number in the green zone. Why would the people be in the green zone and not re-engaged?

Ms Pitt: There are a number of reasons. Most usually the reason people who are in the green zone don't re-engage is usually because they find work.

Senator SIEWERT: Usually: do we know that?

Mr Emerson: That would be the primary reason but we could—

Ms Pitt: The other reasons why they might not come back might be that they get a medical exemption or something else or might be suspended from the case load for some other reason.

Senator SIEWERT: This is specifically people who are cancelled off payment after not re-engaging. I understand the issue that, of course, people going through these programs will find work, but this is specifically where they've been cancelled off for not re-engaging. Could you perhaps take that on notice to give me an answer—

Mr Smyth: We'll dig into that for you.

Senator SIEWERT: a more specific answer to that one?

Ms Pitt: Yes.
Senator SIEWERT: In terms then of those that are in jobactive and the high numbers there, particularly, again homeless, 2,271. Have you looked into any of those figures, particularly for those specific cohorts?

Ms Pitt: We're constantly looking at the figures, but in relation to evaluation, we're looking at doing a whole evaluation of TCF after the first 12 months. Some of these issues are the issues that we'll be looking specifically at.

Senator SIEWERT: I appreciate you're doing an evaluation, but it worries me that there's a high number of people who are not re-engaging, particularly those who have disabilities or other vulnerabilities, who right now are not re-engaging. Do you track those to see if they have re-engaged after the 28 days?

Mr Emerson: If they come back in, yes, we'd know that. But re-engagement, as Ms Pitt has said, would be one of the key elements of the evaluation.

Senator SIEWERT: Unless you have it in your book, but I'm guessing that you don't, can you take on notice then, subsequently, how many of these who have not re-engaged, what the figures are now for those that have re-engaged?

Ms Pitt: Those that have and those that have not re-engaged following going through the process?

Mr Emerson: Yes, we can take that on notice.

Senator SIEWERT: Across all of these payment types?

Mr Emerson: Yes.

Ms Pitt: Yes.

Senator SIEWERT: Thank you for the updated table. It's much appreciated. Because I've been next-door asking aged-care questions I haven't looked at this in a great deal of detail yet. In relation to the question that I asked earlier about those with partial work capacity, are you able to break down the streams to give us a better understanding of those who have a partial capacity to work who have demerit points or, in fact, penalty zone?

Ms Pitt: We don't have that breakdown with us but we can look at that for you.

Senator SIEWERT: But you do have that information?

Ms Pitt: We can see if we can pull that out for you.

Senator SIEWERT: That would be you, not next-door, wouldn't it?

Mr Emerson: We could do that. We'd have to take it on notice.

Senator SIEWERT: Could you take that for us, again, for streams A, B and C?

Mr Emerson: Yes.

Ms Pitt: So partial capacity work by stream.

Senator SIEWERT: Yes. There are issues about vulnerabilities and there are issues around partial capacity to work with a disability. Could you break down any of those categories that have listed under partial capacity to work, or registered as partial capacity to work, for each of those categories?

Mr Emerson: Yes. The demographics that are on your A3 there, we can break that down into partial capacity to work, but we'd have to take that on notice, unfortunately.
Senator SIEWERT: Thank you. I didn't think you'd be able to rattle them off right now. That would be appreciated. I'm going to get pinged shortly, so I'm racing through. I'm going back to the discussion that was held last week. I won't re-ask the questions that are in *Hansard* but I do want to go to this issue of the savings, because I must admit I'm not quite following the *Hansard*. This is the $59.4 million in savings from the program. Ms Pitt you're looking at me as if I'm—

Ms Pitt: No, it's all right, I'm just thinking—

Ms Hartland: Happy to answer the question.

Senator SIEWERT: There's money that's gone in and, now that it seems there are efficiencies, there's money that's coming out?

Ms Hartland: Correct.

Senator SIEWERT: And that total is $59.4 million?

Ms Hartland: Correct. There's $59.4 million in savings that have come out, and there's $249.8 million that is being invested in the new employment services model.

Senator SIEWERT: So that would mean there's really—new money?

Mr Smyth: It's taking from the existing program, reinvesting in the new employment services model, and the net result is a saving of $59.4 million.

Senator SIEWERT: Is that then being measured against the surplus?

Mr Smyth: It goes back into consolidated revenue.

Ms Hartland: It goes into consolidated revenue.

Senator SIEWERT: So the government can claim that as a surplus?

Ms Hartland: The Department of Finance would probably be better placed to talk about underlying cash balance.

Senator SIEWERT: Every place we go, we keep getting told, 'Ask the Department of Finance.' Okay.

During the Senate inquiry into jobactive, and I'm sure you've seen the details from that, a lot of the witnesses said, 'We're on about half the OECD average.' Why was that money not reinvested in, for example, providing even more funding for the employment fund or looking at how we're supporting, outside the trial, a specific cohort—such as more intensive youth support programs?

Ms Hartland: It's not really a question for us, Minister, about how the government—

Senator SIEWERT: I wish I was the minister! I can never resist saying that whenever I'm called 'minister'!

Ms Hartland: Did I say 'minister'?

Senator SIEWERT: Yes.

Ms Hartland: So, Senator, it's really a question of priorities for the government as to where that money goes. There's $176.8 million that is being reinvested into the new employment services model, and I think—

Senator SIEWERT: For which model, sorry?

Ms Hartland: For the new employment services—
Senator SIEWERT: Yes, okay. For the trials.

Ms Hartland: For the trials. And I have actually gone through, in quite a lot of detail, in Hansard—you asked me to say if we'd covered that—

Senator SIEWERT: Yes, I know. I looked at where the spending is, yes.

Ms Hartland: But, in terms of how the government uses the money and prioritises that, we can't really answer. We've got the pack of money that we've got, and that's how it's being used.

Senator SIEWERT: Were you asked to find savings in the portfolio?

Ms Hartland: We're always asked to. The government rules, the guidelines, are always around finding offsets for anything that's done. So that's a natural part of the process.

Senator SIEWERT: So the $249.8 million was actually reallocated from the portfolio, I think you just said, Mr Smyth, didn't you?

Mr Smyth: That's right. It comes from the arrangements in terms of the digital, and what we derive from that as well as the refugee measure as well. The $59.4 million, together with the $249.8 million, was the efficiency. Then there was the reinvestment, though, of the $249.8 million, leaving you the net amount.

Senator SIEWERT: Of $59.4 million?

Mr Smyth: That's correct.

Senator SIEWERT: Okay. I'm aware there were questions asked on the refugee resettlement. I don't think this question was asked, and, if it was, again, tell me to go to the Hansard. In terms of the change to the program, my understanding is that refugees will still be able to volunteer—

Mr Smyth: They can volunteer into the job.

Senator SIEWERT: What are you doing about letting people know that they can do that? Has there been money committed to ensuring that people know that? How are you advertising that so that people are aware they can?

Ms O'Regan: No money has been specifically allocated to it, but we'll be liaising with DSS in terms of their Humanitarian Settlement Program, and with the department of education around their Adult Migrant English Program to make sure that, through those channels, refugees are advised that they are able to volunteer in and receive assistance commensurate with their labour market disadvantage.

Senator SIEWERT: I understand what you've just said about those two programs. Will information go out, for example, through DHS?

Ms O'Regan: Well, I'd have to take exactly on notice; I imagine so. So through DSS as the policy agency and DHS as the delivery agency—yes, I imagine so.

Senator SIEWERT: You imagine so, but you're not sure?

Ms O'Regan: I'm not sure, sorry, about the detail—I'll take it on notice.

Senator SIEWERT: I'll ask DHS tomorrow, because it seems the most logical point—

Ms Hartland: Yes.

Senator SIEWERT: because they all have to have contact with DHS.
Mr Smyth: Yes.

Ms Hartland: I agree. It needs to be, given the sequencing of those programs, and they would be updating the information to say all this, so it should be naturally occurring, but we just need to have a look at how that's being done. I think it's probably best asked of DHS specifically, but we'll also follow up.

Senator SIEWERT: Will the usual rules apply around volunteering into jobactive?

Ms O'Regan: This is a bit of a different rule from the usual volunteer stream A service offer. For the first 12 months on income support, refugees will be able to volunteer in, but when they do they'll be streamed as they normally would when they're compulsorily referred. So that's a change from the current arrangements. In the current arrangements, they're compulsorily referred at the six-month mark, and, if they volunteer in before that point, they're only eligible for the stream A volunteer. This gives refugees more choice. So, if they do elect to participate in jobactive before the 12-month mark, they're eligible for the full suite of jobactive assistance.

Senator SIEWERT: Can I ask just this clarifying one?

CHAIR: Your final clarifying one.

Senator SIEWERT: Jeez, he's tough! That specifically, though—that's for the refugee program?

Ms O'Regan: That's right.

CHAIR: Senator Bilyk.

Senator BILYK: I found the stuff about the Hunter—the information I was after. It's a story in the Newcastle Star, that says:

AS MANY as 10 Hunter young people will have the opportunity to gain job readiness skills to thrive in the digital world through the region's first of its kind Digital Marketing Accelerator program.

The free, eight-week, pilot program is an initiative of the Australian government funded Hunter Futurepreneurs program.

Does that come under you guys?

Ms Hartland: It might be department of industry—

Mr Smyth: It's not us.

Senator Payne: It's not this department.

Senator BILYK: It's not this department?

Mr Manning: No. We have a huge focus on entrepreneurship facilitators in the Hunter region, which we wondered about, but we don't have this program.

Senator BILYK: So it is most likely to be communications or something is it?

Ms Hartland: It might be department of industry. We're happy to try and explore where it might be, but it's not sounding like one from us.

Senator BILYK: Apparently:

Participants will be together two days per week in a shared work space and also undertake one day of independent study each week.

Mr Manning: No, we're not aware of the program.
Senator BILYK: We'll skip those couple of questions then and find where they should go; they'll go to someone on notice. Let's go to Work for the Dole. Are you able to tell me how much Work for the Dole will cost over the 2019-20 forward estimates?

Ms Pitt: Yes. I have the Work for the Dole allocation for 2019 through to 2023. For 2019-20, the total allocation is $54.5 million; for 2020-21, it's $54.8 million; for 2021-22, it's $55.4 million; and for 2022-23, it's $56 million.

Senator BILYK: Are you able to tell me how many people participated in Work for the Dole activity over the 2018-19 financial year?

Ms Pitt: Yes. So to date, on the number of Work for the Dole participants we have—

Mr Smyth: There were 45,365 unique participants from 1 July 2018 to 31 January 2019.

Senator BILYK: You said unique participants?

Mr Smyth: Yes.

Senator BILYK: What's that mean?

Ms Hartland: Individuals.

Senator BILYK: Does that mean they have only done it once, or can people do it more than once?

Ms Pitt: We have Work for the Dole places and, in some cases, more than one person might take that Work for the Dole place, so we talk about participants and we talk about places—Work for the Dole places.

Senator BILYK: I'm talking about how many people. Was that the 45,365?

Ms Pitt: That's correct.

Senator BILYK: My question then is: do people do it more than once in a financial year?

Ms Pitt: The answer is yes, they can.

Senator BILYK: So of that 45,365, some of that might include people who have done it more than once in that year, is that right? Or is that the total of all the head-counts—

CHAIR: That's the individuals, but some may have done it more than once.

Senator BILYK: Yes, that's right.

Mr Watson: I've got the places from 1 July to 31 January as 34,013.

Senator BILYK: July to January?

Mr Watson: 34,013 places.

Senator BILYK: But once again, the question is: is that people who have done it once? If I do it in January—

Ms Hartland: You're correct in what you said.

Ms Pitt: You may do it more than once but, in terms of people's mutual obligation, they have a mutual obligation to participate in an activity at 12 months. So some of those people will do Work for the Dole as that activity.

Senator BILYK: But if I do it more than once after that 12 months—it's the obligation I do it more than once—do I get head-counted twice?
Ms Hartland: The senator's asking if you can be counted twice in the 45,000 if you've done it twice?

Mr Watson: No, that's individuals.

Ms Pitt: These are unique individuals.

Ms Hartland: You were right the first time. We said there were 45,000, and they're individuals.

Senator BILYK: They are individuals, yes? Okay.

Ms Hartland: There's quite a few questions on notice that we took in the February hearings around the multiple issues that you're going to, but happy to—

Senator BILYK: When are those QONs likely to be answered?

Ms Hartland: They've been answered.

Senator BILYK: Great, thanks. Are you able to tell me how much the Work for the Dole program has cost since 2015?

Mr Watson: Yes. I have program funding from previous years.

Ms Hartland: I've got a total figure from 1 July 2015 to 31 January 2019. Is that what you're after?

Senator BILYK: Yes.

Ms Hartland: I've got $424 million.

Senator BILYK: Can you give me a breakdown of that, Ms Hartland?

Ms Hartland: Yes, I can. $346.8 million was for activities; $71.6 million was for coordinators—and I just note we went to a different model in January 2018, so that coordinator number ceased on 31 December 2017; and $5.2 million was for provider place fees. Then we've got a breakdown—I'm not sure if we've given this already—for the 2018-19 financial year.

Senator BILYK: Which was how much?

Ms Hartland: That was the $34.9 million. That's—

Senator BILYK: What years was that for?

Ms Hartland: That's to 31 January 2019; that's for the 2018-19 year to date. And the breakdown of that is $9.38 million for group-based activities; $22.16 million for individual-based activities; and $3.1 million for provider place fees. So the $31.5 million is made up of that 9 and the 22, if my figures add up.

Senator BILYK: What do the providers have to do to get the provider place fees—literally, just tell you someone needs to do it?

Ms Pitt: Yes. In managing the Work for the Dole program, providers' roles are to find and work with host organisations—community and not-for-profit organisations—who are hosting work for the dole programs. They source the jobseekers for those projects and refer jobseekers and ensure the work health and safety obligations are being managed appropriately, so there's a range of activities for providers.

Senator BILYK: Do you know how do they do that? Do they actually do training with the participants?
Ms Pitt: There are a range of things. Are you talking about work health and safety?

Senator BILYK: Yes.

Ms Pitt: There are a range of things. Obviously, individual providers and individual host organisations are covered by the regular work health and safety obligations that all employers have. In addition to those obligations, in managing the Work for the Dole program there are a range of additional obligations. We require that every activity have a work health and safety assessment completed prior to the activity where risks are identified—

Senator BILYK: Who would do that?

Ms Pitt: We identify that that needs to be completed by an identified competent person. That's somebody who either has the skills, training or experience to allow that assessment to be made. In addition to the assessments of the activity, every individual jobseeker who participates in an activity also has an assessment to see that they are suitable to participate in that particular activity, depending on their personal circumstances.

Senator BILYK: The job can be assessed by someone who's not necessarily a trained occupational health and safety work officer or something?

Ms Pitt: Yes.

Senator BILYK: Do they have to have any qualifications to assess?

Ms Pitt: They may have formal qualifications but they don't have to. In terms of being identified as a competent person to make that assessment, it would be somebody who understands the work that's happening in that activity and who has skills and experience in that.

Senator BILYK: Are you able to tell me what's the maximum number of Work for the Dole placements that one person has participated in?

Ms Hartland: I think this might be one that we've taken on notice—that is a question on notice. We can let you know what the number of that question on notice is.

Senator BILYK: If you could.

Mr Watson: We answered on notice that it was 18.

Senator BILYK: Are you able to tell me what's the average number of work for the dole placements that a person participates in?

Mr Watson: Yes. Across the whole contract it's 1.9.

Senator BILYK: Does the department have any research about the program's impact on increasing employability, having done that work for the dole?

Ms Pitt: There are a few things that we have, noting that the Work for the Dole program is a work experience program, not an employment program per se.

Senator BILYK: Sorry, it's a work experience?

Ms Pitt: It's work experience. It's a program designed to keep people connected to the labour market, to provide people with work-like experiences, including an opportunity to work with a supervisor or work in a team. They might be using skills that they hadn't used before. There are a whole range of soft skills that people use when they're participating in Work for the Dole, things that employers are looking for in terms of communication skills, punctuality, being able to turn up, being able to work with other people successfully. In
addition to that we have a range of post-program monitoring that looks at the impact of Work for the Dole on peoples' desire to find a job.

Senator BILYK: How do you find that information out?
Ms Pitt: Through a survey.
Senator BILYK: Is it a questionnaire?
Ms Pitt: It’s a survey.

Mr Watson: Thirteen weeks after participating in the program we have a—
Senator BILYK: How many weeks?
Mr Watson: Thirteen weeks after participating in the program we run a post-program monitoring survey of jobseekers. As Ms Pitt was highlighting, 75.5 per cent of participants reported an increased desire to find a job, 74.2 per cent of participants reported an improved ability to work with others, 71 per cent of participants reported increased self-confidence and 68.5 per cent of those surveyed reported improved work-related skills as well.

Senator BILYK: Are you able to tell me how many people actually achieved work?
Ms Pitt: Yes. We have that figure.
Senator BILYK: That other process is basically a self-assessment survey.
Mr Watson: Noting it's not an employment-specific program but is related to work experience—
Senator BILYK: The whole idea behind work experience is to get employment, surely.
Ms Pitt: Yes.
Senator BILYK: Otherwise, why are they doing it?
Mr Watson: That's right.
Ms Pitt: Our latest post-program monitoring survey shows 25.9 per cent of participants were in employment around three months after they exited from the Work for the Dole program.

Senator BILYK: Do we know how long they've stayed in employment?
Ms Pitt: I don't have that figure.
Senator BILYK: Do we have any information on that?
Ms Hartland: No, we don't.

Senator BILYK: Did they stay two weeks or two years? You've got no indication, no way of—
Mr Smyth: No. We're actually tracking people that go off benefit, but after they're off benefit and they're in the workforce we don't have details.
Senator BILYK: What about if they come back on?
Mr Smyth: Then we'll know, if they come back on the benefits.

Senator BILYK: Yes, okay. So is there any way of knowing how many people have come back on after, you know—
Ms Hartland: We'll have to take that on notice.
Senator BILYK: Yes, that's all right. But if we could find out that would be a quite interesting picture, I think, for us to have about—you know, years ago, decades ago, I was very involved in the job skills program. So I know that a lot of people got work after, basically, the work experience of job skills. Seeing how many people stayed in those jobs for three months is one picture but six months is a completely different one.

Mr Watson: Sure.

Senator BILYK: If there's any way of filling in that gap for me I'd be really interested—

Mr Watson: It's really difficult to compare job skills—

Senator BILYK: I understand.

Mr Watson: to Work for the Dole. Because they're on a training wage and a very different targeted program.

Ms Pitt: I guess the other point in terms of employment is that there's also people who gain employment whilst they're participating in Work for the Dole so it's not about waiting till the end—

Senator BILYK: Do we have any stats on that?

Ms Pitt: I don't think I've got anything with me, because in our post-program monitoring we talk about people having completed. We certainly are aware that there are a range of people who pick up work once they've started participating often because of the points that my colleague has made in terms of people's increased confidence and increased work-related skills.

Ms Hartland: I might be able to add a little bit to that, though. Certainly I have figures here saying that about 35 per cent of people exit a Work for the Dole activity due to a recorded job placement, so I think that goes to your point. I think Ms Pitt also might have said before that our post-program monitoring survey work says that 75.5 per cent of participants, noting that they're self-reporting, as you say, reported that it had increased their desire to find a job. That's the differentiation I guess we make about whether it's an employment program or a work experience program. So they're the stats.

Senator BILYK: How long is the Work for the Dole program for the participants?

Mr Watson: 26 weeks.

Senator BILYK: Do they get any on-the-job training in that period, like used to happen with the old job skills?

Mr Watson: It really depends on the nature of the program and the participants' needs as they go into the program.

Senator BILYK: But there's nothing compulsory.

Mr Watson: No. Again, it depends on the role that they're undertaking within the program. The providers are expected to provide them with on-the-program supervision and training. If they need particular skills involved, then they're responsible for providing those.

Senator BILYK: How do you monitor that?

Ms Pitt: We do a range of work. We essentially contract our employment service providers to manage the Work for the Dole program for them to be able to work with the Work for the Dole host organisations.
Senator BILYK: So it's their responsibility to ensure that if some skill is required to do the job the employer helps the participant get that skill set.

Ms Pitt: The Work for the Dole host organisation?

Senator BILYK: Yes.

Ms Pitt: Yes. That might include, in terms of things that might be provided, if they need some kind of equipment—for example, if they need gloves or boots or something—then that would be a matter of the provider working with the host organisation.

Senator BILYK: Wouldn't that be part of the occupational health and safety?

Ms Pitt: It can be, yes.

Mr Watson: Absolutely.

Ms Pitt: If that's required those things need to be provided.

Senator BILYK: I was thinking more of other skills as opposed to the work health and safety stuff. They have to supply that.

Ms Pitt: Yes.

Senator BILYK: I was thinking more of other areas—for example, technical skills or things like that.

Mr Watson: It's really dependent, again, on the jobseeker as they enter and their needs and the host organisation's needs in terms of the particular placement. It really just depends on the—

Senator BILYK: Is there any sort of breakdown on what sorts of areas of work people go into for Work for the Dole?

Ms Pitt: We've got a really wide range of Work for the Dole activities. On any given day there's around 15,000 doing work for dole.

Senator BILYK: What sort of areas are they working in?

Ms Pitt: The kinds of projects that we've got is everything from—they might be working supporting animals at an RSPCA, they might be digitising records for a historical society, they might be doing Landcare work, they might be building community gardens or they might be doing office admin work for a community organisation.

Senator BILYK: Do you have stats on those things?

Ms Pitt: Certainly we've got details of all our host organisations.

Senator BILYK: On notice, could you give me a breakdown of the 10 key areas.

Mr Smyth: Sure. We can do that.

Senator BILYK: Thank you. I just want to ask a couple of questions about future of work and the task force.

Mr Smyth: Before we start on that, while people are coming to the table can I talk to you about your question in relation to the Hunter Valley.

Senator BILYK: Yes.

Mr Smyth: We're making some inquiries as to whether or not our entrepreneurship facilitator is actually involved in that. We'll come back to you on notice, if we could, to see if we've got anything on them.
Senator BILYK: Thanks.

Mr Manning: Just to add to that, if you'd like to give us those questions on notice you indicated you have then we can—

Senator BILYK: Sure. Do you want me to just read them out to you? They're short and sweet.

Mr Manning: Sure.

Senator BILYK: How's the program funded? Does the money come from the employment services budget? How much is it expected to cost over the 2019-20 forward estimates? How's the program administered? Who's eligible for the program and what does the program actually involve?.

Mr Manning: Just to clarify, as Mr Smyth said, we're not certain yet, but we have three youth focused entrepreneurship facilitators and one located in that area. So if they were doing it, it would be as a subset of that broader business. We'll confirm that and, if it is, then answer those questions in relation to it as well.

Senator BILYK: Great, thanks. Just quickly in regard to the future of work, how many times has the task force met?

Ms Hartland: It's an ongoing task force within the department. We call it a task force but it has staffing allocated to it.

Senator BILYK: How many people allocated?

Ms Hartland: I'll pass to Ms Hope.

Ms Hope: We have an ASL of 12.5.

Senator BILYK: The question was: how many times has it met as a task force?

Ms Hartland: It's ongoing.

Mr Manning: As the secretary said, it's really a bit of a misnomer to describe it as a task force in the sense that it's a small branch within the department, so people have roles and carry out their business generally. It's not a body that oversees a body of work across government.

Senator BILYK: It's an extra role on people's other roles; is that what you're explaining to me?

Mr Manning: That's right. Some task forces, for example, have responsibilities across agencies and come together and work on that and have formal meetings and minutes. That's not the case with this body.

Ms Hartland: We could equally just call it a branch of the department.

Senator BILYK: All right.

Mr Manning: Or a section.

Senator BILYK: Are you able to tell me what outputs are being produced from the Future of Work Taskforce/branch?

Ms Hope: Yes, I can do that. Basically, the branch focuses a lot of its work on data analytics. That's looking to try and identify how jobs and skills are changing, given the changing labour market, and to develop tools to assist Australians to have smooth job
transitions from one job to another. In terms of what we have achieved, we have developed a new explorer page on the Job Outlook website.

Senator BILYK: Sorry, what's it called, 'explorer'?

Ms Hope: It's called the explorer page on the department's Job Outlook website. It was made available in September 2018. It includes information on the top 10 jobs that are growing and declining at a state, regional and electoral level. It also includes skills that are in demand by employers at this point in time.

Senator BILYK: Sorry, when you say electoral level, you're talking about the electoral boundary level?

Ms Hope: Yes, electorate.

Ms Hartland: Federal electorate boundary, correct.

Ms Hope: Yes. That was because that was the most granular level of information that we could provide, so we're giving people information that's most relevant to them locally. Also on that explorer page, we have identified skills in demand for the growing occupations, and that's at both a regional and electoral level. We have scoped a project to develop a data infrastructure of jobs and education data. That is a project that we are doing in conjunction with a number of government agencies—the Department of Education and Training, the Department of Industry, Innovation and Science and the Department of Infrastructure, Regional Development and Cities. We're all partners to that particular project that we've been scoping. That is to develop real-time information on labour market demand and supply. So we can provide information in one place that can actually help people navigate the changing labour market.

Mr Manning: I might just add to that. A focus of that project as well is providing that data from the perspective of skills in demand. Traditionally we've looked at industries and occupations, but the basis of that project is that it would be useful to look at from the perspective of skill, the perspective of employees, the perspective of employers and the prospective of training providers to work out what's happening in the economy, what's in demand, what he's not in demand and how people can make transitions as well.

Senator BILYK: How do people find this explorer page?

Ms Hope: It's on the department's Job Outlook website. There are a number of tabs, and this is the fourth tab on the opening page of the Job Outlook website, which is called 'explorer' page. So we have actually been doing some work on mapping transition pathways as well—looking at how easy or hard it is for people to transition from one job to the other. That's looking at skills, looking at work activities, looking at education and looking at qualifications to identify basically the skill gap that a person might have from going from one job to another.

Senator BILYK: Great. Are you able to tell me what the cost over the 2019-20 forward estimates would be for the task force or branch or whatever you want to call it?

Mr Manning: The task force is a branch within our group. We get our funding at the start of each financial year, so we couldn't tell you what the next financial year's funds would be. Back to my comment earlier of being a section, I'm happy to have more, to help cast off some of this work!
Ms Hartland: I was waiting for that.

Senator BILYK: Never let a chance go by, Mr Manning!

Mr Smyth: The executive of the department is about to go through budget allocations for next year across the department.

Senator BILYK: That's all I have in that area except, I wanted to quickly ask about the National Work Experience Program. Is that the same people?

Mr Smyth: Back to you, Janine, as it's part of activation.

Senator BILYK: Are you able to tell me how many people have participated in the National Work Experience Program?

Ms Pitt: I can. From 1 October 2015 to 31 January 2019 there were 5,903 commencements in the National Work Experience Program across jobactive, TtW and DES.

Senator BILYK: Can you tell me how many businesses or organisations participated in this program.

Ms Pitt: I'm just looking if I've got that.

Mr Watson: I'm sorry, Senator, I don't think we do.

Mr Smyth: Can we take that on notice and come back to you, please?

Senator BILYK: Sure. How is the program advertised to businesses? How do they know about it?

Ms Pitt: Promoting the benefits of the National Work Experience Program is largely through our jobactive providers. In terms of the department, our account and contract managers work with providers to promote and talk to them about the benefits of participation in the program. We've got information on the program on our provider portal. So that's available for providers to access and to work with. We promote it in terms of letters we send to CEOs of our provider organisations, so there are a range of methods that we use.

Senator BILYK: Okay. So people don't actually have to be participating in jobactive to be able to be part of the National Work Experience Program?

Mr Watson: Yes, they do. Well, they need to be in the broader employment services world, if I can put it like that.

Senator BILYK: Okay. So an employer can't just decide that they would like someone through this program unless they're in that...

Mr Watson: Sorry, I missed that.

Mr Smyth: No, not through our programs.

Senator BILYK: Okay. That's fine. Is the program being evaluated at all?

Ms Milliken: Yes, the program is being evaluated. The evaluation is close to completion, and the report is in the process of being finalised at the moment.

Senator BILYK: Okay. So am I going to get the same answer I got last time about timing?

Ms Milliken: We expect it to be available by the middle of the year.

Senator BILYK: Okay, great. Thanks. That's it for me for that.
**Senator MARSHALL:** So you're finished now with outcome 1? All right. I just want to check. I'll just go through the topics I've still got left. I think some are in outcome 2, so if you could just tell me. I've got some questions about the Australian Small Business Advisory Services' Northern Australia Tourism Initiative.

**Ms Hartland:** Yes, outcome 2.

**Senator MARSHALL:** I think last time I tried to ask questions about protecting vulnerable workers—the labour hire thing—and you've just said Fair Work Ombudsman.

**Ms Hartland:** Fair Work Ombudsman.

**Senator MARSHALL:** So you don't have—

**Ms Hartland:** The Fair Work Ombudsman is the correct person.

**Senator MARSHALL:** So you don't have any policy responsibilities there?

**Ms Hartland:** Well, I think the questions you asked—

**Senator MARSHALL:** I'm particularly interested in how the recovery system's going, but you're not going to be part of that cost recovery?

**Ms Hartland:** No, it will be the Fair Work Ombudsman.

**Senator MARSHALL:** All right. Is the Seasonal Worker Program one or two?

**Ms Hartland:** Outcome 2.

**Senator MARSHALL:** And the seasonal work incentives trial will be two as well?

**Ms Hartland:** It's outcome 1.

**Senator MARSHALL:** Oh is it? Well, that makes no sense.

**Mr Smyth:** I know. We commented last time that that program's winding up at the middle of this year.

**Senator MARSHALL:** All right. I don't have a lot of questions. What about the relocation assistance to take up a job?

**Ms Hartland:** That's outcome 1.

**Senator MARSHALL:** All right. That's the only one I've got left in one. I don't have many questions. I think Senator Siewert is coming back.

**CHAIR:** Senator Siewert is coming back, but you have the call.

**Senator MARSHALL:** I understand that last financial year relocation assistance helped 580 people and their families relocate and take up an employment opportunity. I just want more information. I don't want the 580 individual examples, but where generally did people move to and what sort of jobs were they taking up? Is 580 very much?

**Ms Wearne:** I don't think we have a list of where they've moved to on us.

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**Ms Wearne:** I don't think we have a list of where they've moved to on us.

**Senator MARSHALL:** So are they moving from city to country or are they moving from country to city?

**Mr Manning:** I've got figures from the start of the program. There have been 771 agreements for relocations to a capital city and there have been 1,632 agreements for relocation to a regional area, so most of them are relocating to regional areas.
Senator MARSHALL: All right. All the people are relocating to a job. Are these jobs in-demand jobs, or can you get this benefit for any job?

Mr Manning: The placement must be ongoing for more than six months. The pay must be in accordance with the relevant award, Senator—

Senator MARSHALL: That's nice!

Mr Manning: coming back to your earlier comments—

Senator MARSHALL: You can do it sometimes.

Mr Manning: and be full time or more than 30 hours per week for a participant, and lower where the person has only got partial capacity to work. So there are those locations. As to eligibility requirements for the placement: in relation to location, clearly it must be within Australia, and it must be at least 90 minutes away from the participant's current residence and not be within the same capital city, and, if the relocation is between capital cities, it must be to a capital city with a lower unemployment rate than the one in which the participant is living.

Senator MARSHALL: And initially you have to be unemployed to take the job?

Mr Manning: That's right.

Senator MARSHALL: How does that interact with the seasonal worker incentive trial? They're distinct things, but they're trying to achieve the same purpose, aren't they?

Mr Manning: Well, I suppose—as I say, in the case of the Relocation Assistance to Take Up a Job program, the placement must be ongoing for more than six months. So I would have to get the people responsible for the seasonal worker trial to check how that lines up.

Ms Hartland: Do you want to deal with that one now?

Senator MARSHALL: Yes, if we could, and then I think Senator Siewert is coming back, and that might finish outcome 1, if we're lucky.

Ms Pitt: Could you repeat the question?

Senator MARSHALL: I'm just interested in the interaction between the Relocation Assistance to Take Up a Job and the seasonal worker incentive trial, in terms of the relocation benefits.

Ms Pitt: Certainly. In terms of the Seasonal Work Incentives Trial, there were three elements, and one of the elements was the Seasonal Work Living Away and Travel Allowance. Jobseekers were able to earn up to $300 each year where the work was more than 120 kilometres from their home. So it was only quite a minor allowance, to allow jobseekers to take up that work.

Senator MARSHALL: That wasn't seen to assist in a permanent relocation? That's temporary relocation for seasonal work?

Ms Pitt: That's right—certainly within the Seasonal Work Incentives Trial.

Senator MARSHALL: What were the outcomes of that? It wasn't very successful, was it?

Ms Pitt: Certainly, the take-up has been lower than anticipated.

Senator MARSHALL: Do we know why? There's still that problem where, to actually relocate, there's more involved than just you, if it's about family—it's housing; it's re-enrolling
kids in school. It's not really a viable situation. This sort of money doesn't assist in reality to relocate a family, does it?

Ms Pitt: Those issues certainly go to the reasons why people aren't relocating, certainly for the Seasonal Work Incentives Trial. There are issues, often, about travel to those horticultural areas where they need staff, and then, once they're there, those issues about accommodation, especially temporary accommodation, can be quite a disincentive for people.

Senator MARSHALL: So this trial is ending, or has ended?
Ms Pitt: No. It ends on 30 June.
Senator MARSHALL: So there'll be an evaluation?
Ms Pitt: There will.
Senator MARSHALL: When will we get that?
Ms Pitt: There will be an evaluation.

Senator MARSHALL: I think the intentions of the trial were really good, but the reality is: that sort of incentive isn't really going to make a difference to enable people to move for short periods of time.

Ms Milliken: The evaluation is being undertaken jointly with Department of Social Services because there is both a jobseeker element and an income support element to it, and that evaluation is on foot at the moment.

Ms Hartland: But you're right, Senator—based on the numbers, as Ms Pitt said, there hasn't been the take-up that was expected. So I think your point is valid.

Senator MARSHALL: Well, Chair—

Senator BILYK: I will just ask one thing while we're waiting for Senator Siewert. I've had some information—I'll just wait for the technology—that the Hunter Digital Marketing Accelerator training is funded under the Department of Jobs and Small Business's entrepreneurship facilitators program.

Ms Hartland: Which is what we were just looking—

Mr Manning: That was the one I indicated, Senator.

Senator BILYK: Is there any chance of getting those questions answered by the end of the day, or are you going to take them on notice?

Mr Manning: I think we'll have to take them on notice because I think we will have to follow up with the facilitator to answer some of them.

Senator BILYK: I just wanted to be clear.

Ms Hartland: The facilitators are not public servants.

Mr Manning: They're contracted service providers.

Ms Hartland: They're contracted providers by us, so that's why we wouldn't have the detail at hand.

Senator BILYK: Yes. That's great. As long as you take it on notice.

Mr Manning: It's not like a usual program where there's a standard service offer. In fact, the nature of the program is them, their linkages to community and how they can help people
in lots of different ways. And I think from the discussion so far this is a part of that work, so we'll have to get that detail for you and answer those questions.

Senator BILYK: Okay, thanks.

Senator MARSHALL: In your annual report you give a case study on job fairs. I suspect it's the best one, the one with the best results. I was wondering how many we've done and how much they cost, and initially I was going to link it into any advertising. Have you got any job fairs planned this week?

Ms Hartland: No.

Senator MARSHALL: So the advertising question isn't really relevant, but I'm still interested in job fairs.

Mr Greening: In 2018 we held six jobs fairs under the Stronger Transitions and jobs change measures. Those six jobs fairs were held in Tasmania, Melbourne and Mareeba, North Queensland. We had over 12,000 participants at the fairs, we had over 250 exhibitors participate and we had over 5,000 job offers.

Senator MARSHALL: An exhibitor is someone who's looking to fill vacancies, so they're there, hawking, 'Come and work for us'?

Mr Greening: Yes, they may have a vacancy at that particular moment or they may have vacancies coming up and they're wanting to draw to the attention of the local labour market to themselves.

Senator MARSHALL: How much do they cost to put on?

Mr Greening: It depends on the size of the jobs fair. For example, the jobs fair that was held in Mareeba in North Queensland cost $16,355. The jobs fairs in Melbourne cost $72,117.

Senator MARSHALL: In your case study you gave some very specific examples. Do you keep stats about how many expressions of interest there were, how many led to jobs for each jobs fair?

Mr Greening: We certainly keep some basic statistics.

Senator MARSHALL: On notice, maybe you could provide us the stats you keep for the job fair, with the cost of putting on the job fair. Ms Milliken, have you done an evaluation? No? Is one coming? No, not planned yet. We'll wait and see. Thank you.

Ms Hartland: Can I check: do you just want it for last financial year?

Senator MARSHALL: Yes, I think so.

Ms Hartland: Thank you.

CHAIR: Just to be clear, we're trying to clean up outcome 1.

Senator SIEWERT: Yes, I'm going to make it quick. There are a couple of final questions which I didn't get to before. Can I be clear about who's responsible for doing the assessment of people with a partial capacity to work. Is it through your policy area or is it through DSS?

Ms Pitt: It would be through DSS and through DHS.

Senator SIEWERT: So it's through DHS, and once they've had the assessment—
Ms Pitt: If they're assessed as being able to come into jobactive then they'll come into our case load.

Senator SIEWERT: Thank you. I just wanted to clear that up. Can I just be really clear. I did ask at last estimates about the program for the new employment system trials. Everything else remains the same in terms of jobactive, besides the extra bit of money that's gone into the Employment Fund?

Mr Smyth: That's right.

Ms Pitt: Correct.

Senator SIEWERT: On the 20 jobs process—that's different in the trials, I know—does that remain in the ongoing extension of jobactive?

Ms Hartland: Yes.

Mr Smyth: The current TCF will apply to the providers that are extended, and we will be utilising a new arrangement around a points based system and the like for the trial areas alone.

Senator SIEWERT: TCF will be different in the trial, so that process of compliance will be different?

Mr Smyth: That's right. That will change.

Senator SIEWERT: Not that I'm advocating the TCF, but you can still have the TCF in a different job assessment application requirement.

Ms Pitt: You can.

Senator SIEWERT: You didn't have to have the 20?

Ms Pitt: No, 20 is the maximum.

Mr Smyth: That's the maximum.

Senator SIEWERT: But that process still applies?

Mr Smyth: It still applies to the existing extended areas.

Senator SIEWERT: In the trial areas, I was a bit unclear—and I know Senator O'Neill went through this quite a bit last time—about the providers that you're going to in the trial areas. Are they the existing providers that you have on contract?

Ms Hartland: Yes, that's right. I think maybe when you were out of the room, Mr Smyth said that we put out expressions of interest to those eight providers across those two areas. But, you're right, they are the existing providers.

Ms Jensen: There are a number of practical reasons for that. One was to avoid undue disruption in terms of jobseekers in those areas, particularly for those who were going into enhanced services and already have an existing relationship with their provider. Another is just partly with the timing and starting in July. It's clearly better to work with the providers in that area. One of the factors, going into the choice of the regions, related to the make up of
providers and their performance in those regions. A number of practical considerations went into that.

Senator SIEWERT: Thank you, Chair. I've done my five minutes.

CHAIR: I believe we have finished outcome 1? Last call? Outcome 1 is released with our sincere thanks. We will resume after the break with outcome 2, which is on work place support.

Proceedings suspended from 12:32 to 13:31

CHAIR: We will resume this Senate Education and Employment Legislation Committee budget estimates hearing. We are in Department of Jobs and Small Business outcome 2: Workplace Support. Senator Marshall, you have the call.

Senator MARSHALL: Do you know how many statutory appointments have been made by the minister you're representing over 2019?

Senator Payne: I don't, but I'm happy to take that on notice.

Senator MARSHALL: Australian Small Business Advisory Services: Northern Australia Tourism Initiative—a small program—I only have one real question here. The objective is to continue the provision of an advisory service as the tourism related small businesses in northern Australia, and a lot of those in the tourism industry have been identified by the Fair Work Ombudsman as high risk of noncompliance with wages and conditions. I'm just wondering what component of that advice will go to wages?

Mr Cully: ASBS NAT—Australian Small Business Advisory Services—is a national program. ASBS NAT is a northern Australia tourism initiative. It's a bespoke version of that for tourism in northern Australia. The advice is general business advice. It doesn't go to compliance with laws, whether it be workplace relations laws or others. It's about advice on how to generally operate your business.

Senator MARSHALL: Advice on how to generally operate. What does that advice entail?

Mr Cully: It can vary. It's a range of different types of advice about how to operate a business so it can be funding avenues and financial analysis, how to build your business, making the most of your talent and team, management capabilities, digital engagement, implementation and being tourism-ready. It's also a program where, while it's funded by the government, there is a small contribution from the small businesses to access those services.

Senator MARSHALL: Why doesn't it go to wage information? Again, I made the point earlier, or before lunch, that the government's now spending hundreds of millions of dollars on noncompliance and boosting that in this budget by tens of millions of dollars as well. It's a substantial government effort, and I would have thought, given it's effectively the same department, that all contact with employers, whether it be wage subsidies or giving business advice, should actually be now including compliance advice with their legal obligations.

CHAIR: Just before we go on, is this technically in small business support? Are we in the right—

Ms Hartland: It is small business, yes. We usually do outcome 2 as a whole, but it's up to you.
CHAIR: We've been stepping through it because the responsible minister is Minister Cash, who is only responsible for a subdivision of the—

Ms Hartland: That's correct.

CHAIR: We have been stepping through it all the time I've been chair.

Ms Hartland: Yes.

Senator Payne: I'm just here to help, Chair.

Senator MARSHALL: Minister, you're good enough for me.

CHAIR: It just that we have the outcome separated out for a reason, as you know Senator Marshall.

Senator MARSHALL: But that reason was last week, wasn't it? We're over that now, I think, aren't we?

CHAIR: If the officers are able to answer, I'm happy to keep going here.

Ms Hartland: I was just going to add that it's a grant program and that the broader ASBAS program is very digitally focused. It's about providing small businesses with specific information about setting up websites, use of social media, use of business software, online privacy and security in the digital world. So it has been set up for a very specific purpose.

Senator MARSHALL: I get that—

Ms Hartland: I understand what you're saying.

Senator MARSHALL: The taxpayer is paying for advice to, yes, a section of the industry but a section of the industry that's been identified as a chronic noncomplier with wages conditions, and I'm just wondering why there isn't more of a government effort outside of the areas that is dedicated to doing this.

Ms Hartland: It hasn't been the focus of it, but we can take it on board.

Mr Hehir: Certainly I think it would be fair to say that following our exercise on the Migrant Workers Taskforce we're more aware of just how broad the problem is. This program was designed before that exercise. I think it's something that we'll look at in the future, in terms of what the full range of advice or areas that business need to be focusing on are.

CHAIR: I'd like to step through the program so that we can release officers if they're not required. Do we have any workplace support questions?

Senator MARSHALL: I don't have a lot in outcome 2.

CHAIR: I don't believe there's anyone else in the building who has questions for this outcome. Senator Siewert has indicated she hasn't.

Senator BILYK: Does fair entitlements come under that?

Ms Hartland: Fair Entitlements Guarantee? It does, yes.

Senator BILYK: I've got a couple on fair entitlements.

Senator MARSHALL: We've probably got less than an hour in total on outcome 2, so why don't we do it as a job lot and then let them all go—

CHAIR: I'm comfortable with that.

Senator MARSHALL: That's point I'm making and you've heard it—
Ms Hartland: Yes.

Senator MARSHALL: so that's good. The Seasonal Worker Program—we did talk a little bit about that last time. I want to go on because I think I did miss the overall point. The overall point of this program is actually to get Australian workers to move. That's right?

Mr Hehir: No.

Senator MARSHALL: I'm in the wrong program. Which program's that?

Mr Hehir: That was outcome 1.

Ms Hartland: There are two elements to this. There's the domestic element and then there's the seasonal worker offshore element. Outcome 2 has the offshore component.

Senator MARSHALL: Right.

Ms Hartland: I have let the outcome 1 people go. If there was something—

Senator MARSHALL: No. All right. I did mention that, and we said outcome 2, but I might have been unclear in what I was talking about. The pilot to address regional workforce shortages—I thought you told me that was outcome 2?

Ms Hartland: Yes, that was the one we dealt with—but we dealt with some of that earlier as well?

Senator MARSHALL: Yes, we dealt with it last week. We may have asked some of these questions, but I think we may have skipped through them. Did we ask how the pilot is going to be advertised to potential employers?

Mr Hehir: You did.

Senator MARSHALL: Did we talk before about how you're going to vet them to ensure that they pay proper wages and conditions?

Mr Hehir: We're not advertising it to new employers; we're using existing approved employers who have a good track record.

Senator MARSHALL: Right.

Mr Hehir: Part of the reason we wanted to do is that these approved employers know the regions that they work within. They're ones that we have worked with, in terms of making sure that they understand their obligations around payments et cetera. We've gone with a targeted approach rather than advertising broadly.

Senator MARSHALL: Do you cross-reference those with the workplace ombudsman?

Mr Hehir: We work closely with the Fair Work Ombudsman in relation to any complaints or issues, and we have referred approved employers to the ombudsman for investigation where issues have been identified.

Ms Hartland: I should say that, in this pilot, the Fair Work inspectors will be working on the ground with us—

Mr Hehir: That's right.

Ms Hartland: to ensure that employers observe those workplace relations requirements. We've also employed regional coordinators, so they'll be working hand in hand.

Senator MARSHALL: I'm still not quite clear how you determine a good track record unless you are actually asking the Fair Work Ombudsman whether these people have had
either complaints or even prosecutions made against them. They always say, 'We're aware of our legal obligations,' and then don't pay them.

Ms McCormack: No suspended approved employer will be invited to participate in the program. We don't know the regions as yet, so we don't know the approved employers in those regions.

Ms Hartland: When the regions are announced, we will do those sorts of checks and we'll be working with the Fair Work Ombudsman in the way you're talking about.

Mr Hehir: It might be worthwhile if we talk you through the assurance processes that we currently use.

Senator MARSHALL: All right.

Mr Hehir: With this program, we actively engage with the relevant unions and community based organisations as well as the approved employers to make sure that there's proactive engagement and support for the workers who come from overseas into these regions. We regularly liaise with both the unions and also the community based organisations who are doing the partial care support.

Notwithstanding that, we do occasionally get complaints. If those complaints are about workplace conditions then we refer them to the Fair Work Ombudsman and we suspend the approved employer until the investigation is complete. Then, depending on what the finding is, we make a decision around whether they're allowed to continue in the program or not. It's quite an extensive program, in terms of the engagement. For the pilot, we've increased that. The pilot has, from memory, about 10 additional resources for the Fair Work Ombudsman—I'll just check.

Ms McCormack: Yes. There'll be eight on the ground and two in the national office.

Mr Hehir: Plus we've also got additional resources for us to be there on the ground rather than having to fly teams out from Canberra to various regions. We are very interested in whether this program is going to work and we want to make sure that we're observing all aspects of it, including making sure that workplace obligations are being complied with.

Senator MARSHALL: All right. Thank you. I just make this point: that is a high regulatory overview of a program that is supposedly only using vetted employers who understand and have a track record of doing the right thing. So the only thing I can take away from that is that, even though you've vetted those employers, you're not necessarily expecting compliance? It is a lot of compliance officers actually physically on the ground to—

Ms Hartland: That's true, but if we said that we weren't putting resources into this and we're doing this in a different way then we'd be criticised for that. I think we're trying to get—

Mr Hehir: We'd certainly acknowledge, as you have, that this industry—the horticultural industry—is also an industry which is a higher risk industry for noncompliance. Again, there was a report published relatively recently by the Fair Work Ombudsman about the level of noncompliance when they went back and did follow-up work. We're quite conscious of that. It's not just the approved employers who we're concerned about; it's also the farmers. It depends on the arrangement, so sometimes it's the approved employer who does the pay; sometimes it's the farmer. The compliance isn't just about the approved employer; it's also about what's happening on the farm and whether the farmers are meeting their obligations as
well. Because we're expanding the program in a way that we hope to be able to capture or support more of the smaller farmers in their need for additional workers around harvest time, we're conscious that that's absolutely a risk. If they haven't engaged with the program before, we want to make sure that we've got sufficient resources on the ground to make sure they're doing what they're meant to be doing. It's not necessarily about the employer; there are also the farmers that we are conscious of.

Ms Hartland: As Mr Hehir said, it's got an element that is new in terms of workers moving between small farms, which was some of the feedback about being able to plug the gap in terms of the workforce and have that flexibility. That new component is an aspect that we need to be there and seeing if it's actually working.

Senator MARSHALL: The objectives of the pilot, I think, are good and I hope it works. Are people able to be paid piece rates in this pilot?

Ms McCormack: Yes. The approved employer will have the choice of hourly rate or under the horticultural rule, as is the current Seasonal Worker program.

Senator MARSHALL: Who'll have the choice?

Ms McCormack: The approved employer, subject to the employee agreeing, as a part of the letter of offer.

Senator MARSHALL: What's the default position—if you don't agree to piece rates, you automatically get an hourly rate?

Ms McCormack: I'll have to take that on notice.

Senator MARSHALL: It's an important aspect of the pilot. If you could also take on notice whether you have to make the minimum award hourly rate under the piece rate arrangement under the pilot too? I'm pretty sure you do but—

Ms McCormack: Yes, you do, but we'll take it on notice to clarify it.

Senator MARSHALL: I've got a question about apprentices, which may be tomorrow but may be today. Do you do anything with apprentices?

Mr Hehir: We have peripheral engagement—

Senator MARSHALL: I've got a note here if it's tomorrow, and it probably is. The background note I have is that The Australian reported on 23 March 2018:

One Nation Leader Pauline Hanson has won a $60 million national apprenticeship pilot that will prioritise regional Australia in return for supporting the government’s corporate tax cuts as Malcolm Turnbull edges closer to winning a major Senate victory.

I am really interested to know whether that actually went ahead.

Ms Hartland: It's not us. The only sort of area we touch on apprentices is in some of the campaign work that we talked about earlier that's now ceased.

CHAIR: It's tomorrow. I'm pretty confident it has been asked about before.

Senator MARSHALL: I thought it probably was but you never know where the policy elements sometimes sit. Do you have some outcome 2?

Senator BILYK: Yes. I've got some on fair entitlements, which is here, and small business support. In regards to Fair Entitlements Guarantee, the actual expenses in 2017-18 for the Fair Entitlements Guarantee were $11.76 million. This increased to $19.22 million in
2018-19 but dropped again to $11.8 million in 2019-20 and $11.96 million in 2020-21. Are you able to tell me why the expenditure was significantly larger in 2018-19 compared to the years around it?

Ms Saunders: Can I just confirm you're talking about that first line, the Fair Entitlement Guarantee administered expense, which deals with costs to fund matters under the FEG recovery program as well as legal costs associated with administering AAT matters associated with FEG claim decisions?

Senator BILYK: We'll take that as agreed.

Ms Saunders: Yes. If that's the first line, that's what that line relates to.

Senator BILYK: Sorry, I've only got a snippet.

Ms Saunders: Yes. In 2018-19, which has the $19.2 million estimated actual, that component includes an amount of around $1.7 million for AAT legal costs. The remainder is FEG recovery program and it includes an additional circa of $10 million for specific funding associated with the recovery action associated with the Queensland Nickel case.

Senator BILYK: So that's Clive Palmer's nickel refinery?

Ms Saunders: Yes.

Senator BILYK: What can you tell me about the money that went to the nickel refinery people? Can you tell me how much they got, how many people were involved?

Ms Saunders: Yes.

Senator BILYK: I just want some more information on that.

Ms Saunders: The FEG scheme advanced $66.86 million to 759 employees who were retrenched from Queensland Nickel when it went into liquidation in April 2016.

Senator BILYK: Is that all the information you've got for me?

Ms Saunders: In relation to what FEG paid?

Senator BILYK: Yes.

Ms Saunders: They paid $66.86 million to 759 employees.

Senator BILYK: Was that paid out in a lump sum or did they get it over time? How did that work?

Ms Saunders: It was paid in a lump sum. Under the FEG process, employees lodge individual claims, we make an assessment on a claim-by-claim basis about the entitlements that they're owed and—

Senator BILYK: So the employee makes the claim?

Ms Saunders: Yes, the employee makes the claim.

Senator BILYK: Individually?

Ms Saunders: Yes, having regard to information we get from the appointed liquidator from the payroll records of the company as well as what the claimant is providing and what we understand in terms of what their employment arrangements are—for example, their enterprise agreement or whatever—we calculate what entitlements they're legally owed under FEG, we apply whatever cap exists under the program and then, once we determine an amount that is owed, we pay that in one lump sum to the employee.
**Senator BILYK:** What are the caps under the program?

**Ms Saunders:** There are several caps. An overriding cap that applies to all of the five entitlements that we pay under the scheme is the maximum weekly wage cap, which basically places an upper threshold of $2,451 per week.

**Senator BILYK:** Sorry, how much was that?

**Ms Saunders:** It was $2,451 per week. If a person makes a claim and they're on a higher income than that, we will only pay their entitlements at that maximum weekly wage rate. We also have a cap for the unpaid wages component, where that is capped at 13 weeks—a maximum payment of 13 weeks. We have a cap for the payment in lieu of notice component, which is capped at five weeks, and we have a cap for the redundancy component, which is capped at four weeks for each year of service. We also pay annual leave—

**Senator BILYK:** Four weeks for each year of service unlimited, if someone's been there 30 years?

**Ms Saunders:** Yes, that is correct, assuming that they're entitled to four weeks. It's based on whatever their employee arrangements are. So that's payment in lieu of notice, wages and redundancy; they are three entitlements we pay under FEG. The other two entitlements we pay are annual leave and long service leave. The only cap that applies to them is the maximum weekly wage.

**Senator BILYK:** Is that of $2,451?

**Ms Saunders:** Yes.

**Senator BILYK:** Do you have any statistics on whether people were left out-of-pocket from what they may well have been entitled to what they actually received?

**Ms Saunders:** We do know that not all employees were able to be made their full payments under the Fair Entitlements Guarantee scheme. I think it's circa $6 million to $7 million that they're still out-of-pocket, and they still remain a creditor for those payments in the liquidation.

**Senator MARSHALL:** What do you mean that you—

**Mr Hehir:** Because of the caps that we have—some of the entitlements are more generous.

**Ms Saunders:** Yes.

**Senator BILYK:** So you can't go over the caps, but some people might have had entitlements that were over the caps. You think there's $6 million to $7 million outstanding?

**Ms Saunders:** Yes.

**Senator MARSHALL:** What was the total you paid out?

**Ms Saunders:** It was $66.86 million. Can I also note that the people who were not able to be paid their full entitlements under FEG wouldn't just be the people who were eligible and were impacted by the FEG caps; there would've been some employees who were not eligible for FEG assistance, because they didn't meet all of the eligibility conditions, and the primary ones there are related to permanent citizenship or residency and whether or not they were related to directors.
Senator MARSHALL: What about contractors, labour hire workers and temporary workers?

Ms Saunders: For labour hire, it depends on what the employment relationship is, whether they are in fact an employee—you can still be an employee with a labour hire operator—or a contractor. But contractors are excluded as well.

Senator MARSHALL: What was the company called again?

Ms Saunders: Queensland Nickel.

Senator MARSHALL: So if you were working permanently, full-time, for Queensland Nickel through a labour hire agency but you were effectively paid by the company—they were sourcing labour for you—would you have been covered by the FEG, or did you have to be employed directly by Queensland Nickel?

Ms Saunders: Queensland Nickel wasn't in that circumstance. It employed employees directly.

Senator BILYK: Do you know if the 759 claimants are the whole of the workforce? Do you have any idea on that?

Ms Saunders: It was fairly close to it. I'd have to take the exact figure on notice, but it was probably about 760, maybe 770. It was certainly the large majority of the workforce.

Senator BILYK: So there's still $6 million to $7 million that people are owed?

Ms Saunders: Correct.

Senator MARSHALL: But you say that, depending on how the liquidation is wound up, if there's a surplus of $6 million or $7 million and if they're at the right level in the queue, they might have some ability to capture that.

Ms Saunders: Yes.

Senator MARSHALL: Are you standing in the shoes of all the workers? Are you seeking to recover your—well, our—$66.86 million?

Ms Saunders: Yes, and that's what that additional—

Senator MARSHALL: Are you higher in the queue than the workers for their extra?

Ms Saunders: No. We stand side by side.

Senator MARSHALL: Yes, but the workers who were underpaid their actual entitlements—if there's money left over, do they get paid out that $6 million or $7 million before you start getting your $66.86 million?

Ms Saunders: The way the priority order works under the Corporations Act is that it goes through entitlement by entitlement. The first priority is creditors in relation to wages, in terms of the priority of employee entitlements. So everyone's wages would be paid out before the liquidator would then move on to what's available to pay out annual leave and long service leave. It could well be the case, depending on what assets are recovered, that we would get our wages back and the employees who weren't paid under FEG would get their wages back. We would get our annual leave and long service leave back; employees who were owed annual leave and long service leave would get theirs. There might not be enough left over for us to get our payment in lieu of notice and redundancy back. That's just a matter of how the priority order set down in the Corporations Act operates.
Senator MARSHALL: I heard some reports that Mr Palmer is talking about reopening Queensland Nickel. What would have to take place to enable that to happen? Would he have to find that $66.86 million?

Ms Saunders: Henry might take that, but I don't believe we're in a position to—

Senator MARSHALL: Because the scheme, I know, was not designed in such a way as to allow people to go into liquidation, have the taxpayer foot the bill for unpaid entitlements, let the contractors not be paid and simply be able to reopen it again.

Ms Saunders: Henry Carr can provide some more information. But we have certainly engaged a special purpose liquidator to represent the Commonwealth's interests in seeking recovery of the FEG amounts that have been paid. If Mr Palmer were to reopen the refinery, that would not deter or delay—

Senator MARSHALL: Does he still technically own it?

Ms Saunders: I'm not aware.

Senator MARSHALL: Mr Carr might know.

Mr Carr: Companies that are wholly owned by Mr Palmer own the refinery.

Senator MARSHALL: What does that mean?

Mr Carr: It means that, notwithstanding the claims and the litigation that's on foot, Mr Palmer, through his companies, still owns and controls the asset represented by the refinery. So Queensland Nickel, the company you're discussing, which is the employing entity—this is a question that's going to be agitated in the claims, ultimately, but at least the structure was that they didn't own those assets; they, if you like, traded on behalf of the owners and remitted profits back to the owners. There's a question as to whether the agent for the owners operating on their behalf—the two companies that Mr Palmer owns—ought to comfort the trading entity in respect of the debts that they ran up but couldn't meet. That's one of the key questions that will be heard at trial.

Senator MARSHALL: When's it due to go to trial?

Mr Carr: On 15 July.

Senator STERLE: He could be a senator by then! You never know.

Senator MARSHALL: He could be. I was going to say that could be fun, but 'tragic' is probably a better description. So Queensland Nickel was simply a vehicle to employ labour for the refinery? Or is that too simplistic?

Mr Carr: What I'm saying is that the structure, the presentation, certainly is that it was a trading vehicle, yes. It didn't own the assets. There are a number of claims that—

Senator MARSHALL: Because this isn't an uncommon business structure, is it?

Mr Carr: I'm not sure—

Senator MARSHALL: It's a rhetorical question. It's not.

Senator Payne: It's a statement, I think.

Senator MARSHALL: But it's unfortunate that we allow people to do it that way, where people can avoid—in this case, very substantial—entitlements by simply going into
liquidation and the assets don't necessarily—and hopefully this is what the court case will be about—go to compensate or pay for those liabilities.

Mr Carr: Rather than offering an opinion—the structure was inherited from the former owners, which of course were BHP and the Queensland government. They owned and controlled the two owners to give effect to their partnership model that then traded as Queensland Nickel. When Mr Palmer took over the interest, he inherited that structure and—

Senator MARSHALL: It's unfortunate that our system allows it to happen, regardless of who the owner is.

Mr Hehir: It might be worthwhile if I ask Ms Saunders to talk about the recent reforms that were passed in relation to some of this work.

Ms Saunders: Last week, in fact, there was a piece of legislative reform that was passed, called the Corporations Amendment (Strengthening Protections for Employee Entitlements) Bill 2018. That bill was specifically designed to address ways in which employers improperly rely upon the FEG scheme, such as using the very corporate group structures that you're talking about, where assets are held in one entity but employing liabilities are held in another. One of the amendments that have now become law—in particular, part 2 of the amendments—enables the court to make a contribution order against an entity in a corporate group or in a closely connected economic relationship with the insolvent company, which requires them to contribute to the employee entitlements of the insolvent entity where the insolvent entity has unpaid employee entitlements, where the other entity has unfairly benefited from the work done by the insolvent entity's business and where it would be inequitable for the court to make the order. So there is that new mechanism available for liquidations that occur on and from 6 April, after the bill received royal assent, where liquidators will have a stronger mechanism available to seek contributions for unpaid employee entitlements from other entities within a corporate group structure where they have benefited from the labour of those employees.

Senator BILYK: Thanks. Was expenditure for future years brought forward to the 2018-19 financial year for FEG?

Mr Hehir: Sorry, Senator, I missed the question.

Senator BILYK: Was expenditure for future years brought forward to the 2018-19 financial year?

Ms Saunders: No.

Mr Hehir: That's largely around the Queensland Nickel costs.

Ms Saunders: Are you talking about the $19.2 million in 2018—

Senator BILYK: I'm just asking in general was expenditure brought forward?

Ms Saunders: No. Expenditure is not commonly brought forward from future financial years for FEG because it's demand driven.

Senator BILYK: Was any expenditure shifted to the 2018-19 financial year to change the impact on the bottom line for 2019-20.

Mr Hehir: No.
Ms Hartland: No. It's probably worth noting that it's a demand driven program. If the expenditure is there under an administered item—I'm just looking for my CFO—it will be paid. Is that is correct?

Mr Hehir: I think when Ms Saunders answered earlier she identified that there was a fairly large lump of expenditure in this financial year that related to Queensland Nickel. That's why this year is lumpier than the out years. The out years remain an estimate of our activity going forward.

Senator BILYK: I notice then that you're expecting something to happen in 2021, because the expenditure rises again in 2021 from 2019-20.

Mr Hehir: Those increments are more likely to be indexation rather than anything else. They're quite small.

Senator BILYK: 11.76 in 2017-18, 19.22 in 2018-19. Then it drops again to 11.8 in 2019-20 and then goes up to 11.96 in 20-21. How do you explain all that?

Mr Hehir: Glen might be able to answer it, but it looks to me like it's indexation more than anything else. They're relatively small movements.

Ms Hartland: The CFO has just confirmed it's indexation.

Senator BILYK: That's good. That's all for FEG from me. I'm not sure what comes where at the minute. Small business support is that—

Ms Hartland: Yes. We can answer that.

Senator BILYK: We can do that now. I just have a couple on small business support. The actual expenses in 2017-18 in small business support were $4.29 million. This increased to $23.067 million in 2018-19 but drops again to $10.891 million in 2019-20 and then again it drops to $7.387 million in 2020-21. Are you able to tell me why the expenditure in small business support was significantly larger in 2018-19?

Mr Cully: That reflects a number of programs or projects that have already occurred, or will occur this financial year, but don't have an ongoing basis. The program that does have the ongoing basis is the Australian Small Business Advisory Services that we answered some questions—

Senator BILYK: Sorry, I just missed that. There was some noise out there.

Mr Cully: The Australian Small Business Advisory Services is an ongoing program and that reflects most of the ongoing funding. The particular one-off measure for this financial year is a project that we are doing on payment times to small business.

Senator BILYK: Yes, I've got some questions on that, too.

Mr Cully: Okay. There are also the small business fares that were run through February and March but have now concluded, the digital champions program that was launched two weeks ago I think, or thereabouts, and some advertising.

Senator BILYK: Sorry, what was the one that was launched a couple of weeks ago?

Mr Cully: The Small Business Digital Champions. Advertising that occurred and has now ceased was again this financial year. And then there is a measure that we're doing on promoting mental health for small business owners, most of which is this financial year with $1.586 million into next financial year and then it ceases. The other measure is also an
ongoing measure, which is supporting small business with tax disputes, which is funding for the Australian Small Business and Family Enterprise Ombudsman in relation to disputes with the tax office.

Senator BILYK: Okay. You'll probably have to take this on notice, but can I get a breakdown on the advertising costs for this financial year?

Ms Hartland: I think we answered that earlier under the cross-portfolio.

Senator BILYK: Did you?

Ms Hartland: It was in answer to Senator Marshall's questions.

Senator BILYK: I'll check the Hansard.

Ms Hartland: I think we've covered all of that.

Senator BILYK: Thanks. Once again I presume—no, I won't make any presumptions. Was expenditure shifted to the 2018-19 financial year to change the impact on the bottom line for 2019-20 at all?

Mr Cully: No.

Senator BILYK: Was anything brought forward to the 2018-19 financial year?

Mr Cully: No.

Senator BILYK: You mentioned payment on time. I just want to ask about the survey, really. Regarding the Government Pay On-Time Survey for 2016-17, has there been a more recent survey conducted?

Mr Cully: Yes.

Senator BILYK: Can you talk to me about it?

Mr Cully: Certainly, Senator. I'll just find the most recent report.

Ms Hartland: I think there was a 2017-18 pay on time survey that was released in February this year.

Mr Cully: That's correct, yes.

Senator BILYK: Sorry, Ms Hartland, I missed the last bit of that.

Ms Hartland: Sorry. The 2017-18 Australian Government Pay On-Time Survey was released in February this year. Did you want to talk through what—

Senator BILYK: Yes, please.

Ms Hartland: It found that 97 per cent of invoices covered by the policy were paid on time, which was an increase from 96 per cent in 2016-17. So it went from 96 per cent to 97 per cent. There's also been a large improvement in the number of invoices paid within 20 calendar days. It went from 57.5 per cent to 71.2 per cent. It indicates that payments are going faster to small businesses—that's around providing goods and services to government.

Senator BILYK: Besides the quicker payment, what are the latest trends in on-time payments to small business that you can tell me about? Or is it just the fact that they're actually being paid faster?

Mr Cully: That's certainly the latest reporting in terms of the government payments to small business, but as I mentioned there is some work in a couple of areas looking at improving payment times to small business. One project that we are currently undertaking is
in relation to big businesses, businesses with turnover of more than $100 million, and it's about them reporting on their payment time performance to small business.

**Senator BILYK:** Is there any information on what percentages of payments are being made within the industry norm of 30 days? Ms Hartland, you mentioned two of those before, didn't you?

**Ms Hartland:** Yes, they were the Commonwealth figures. The figures I was quoting were 30 days and then I also gave a 20-day figure.

**Senator BILYK:** Great. Can I get you to tell me those again?

**Ms Hartland:** Yes, sure. The Government Pay On-Time Survey found that 97 per cent of invoices were paid on time. I'm checking that's the 30 days—correct?

**Mr Cully:** Yes.

**Ms Hartland:** And the 20 calendar days has increased from 57.5 per cent to 71.2 per cent, noting that I think that comes into play from 1 July this year. So that's sort of pre-empting that, but there are a lot of government departments, for example, that have already gone to that—trying to get to 20 days.

**Senator BILYK:** And the year before was 57?

**Ms Hartland:** Correct. I think Mr Cully might have mentioned that ASBFEO did a payment times review as well. Did you mention that?

**Mr Cully:** No, I haven't mentioned it, but it might be worth—

**Ms Hartland:** So there has also been work done by ASBFEO, which you might want to talk to them about, or we can talk a bit about that.

**Senator BILYK:** There were some comments a couple of days ago by the Australian Small Business and Family Enterprise Ombudsman about the reluctance of large corporations to reveal their performance in on-time payments to small business. Has the ombudsman provided any data to the department to indicate to what extent, from a small business perspective, this is a problem for them?

**Ms Hartland:** Yes—sorry, I shorthanded the acronym.

**Senator BILYK:** That's what you were talking about?

**Ms Hartland:** ASBFEO is the entity you were just talking about.

**Senator BILYK:** Okay. So can you give us some information?

**Ms Hartland:** That payment times review survey received about 2,400 responses. As part of that review, more than 250 large businesses were asked to provide their current small business payment terms and conditions. That report was released on 8 April and there are a number of recommendations in that. The government's considering its response to that at the moment. It's very new, so the government's still in the process of having a look at that.

**Senator BILYK:** That's good, thanks. That's all for that area. The other area I've got on here is small business support. Just quickly: why was expenditure in small business support significantly larger in 2018-19?

**Ms Hartland:** Sorry, you just missed—

**Senator BILYK:** We did that?
Mr Hehir: We did that.

Senator BILYK: Sorry. It's certainly been a long day. The other one I've got in this area is workers comp. Should I ask that now or later?

Mr Hehir: It depends on whether it's about Comcare or about—

Senator BILYK: Asbestos.

Mr Hehir: That might be a different agency as well.

Senator BILYK: That's what I thought.

Mr Hehir: If it's policy it may be us.

Ms Hartland: Maybe just ask the question and we can let you know whether it's us whether it's the asbestos eradication agency.

Senator BILYK: Why was expenditure in asbestos related claims significantly larger in 2018-19 compared to the years around it? I think in 2018 it was 30.695.

Mr Hehir: We think that might be a question for Comcare.


ACTING CHAIR (Senator Marshall): Are you finished with outcome 2?

Senator BILYK: I think so.

ACTING CHAIR: I don't think anyone else has questions so that concludes the departments, and we'll now move to Comcare.

Comcare

Seafarers Safety, Rehabilitation and Compensation Authority

CHAIR: We now have before us representatives from Comcare and Seafarers Safety, Rehabilitation and Compensation Authority. I welcome Ms Sue Weston. This is your first time at the table in your capacity as CEO. Ms Weston, did you wish to make an opening statement? Feel free to table it if you have one that is a bit long.

Ms Weston: Thanks very much. I do have just a brief opening statement.

CHAIR: Please go ahead.

Ms Weston: As you've noted, I began my appointment with Comcare this week—Monday—and I certainly look forward to working productively with the committee and in terms of building our understanding of Comcare's work and our mission in relation to safe and healthy workplaces. If the committee is interested, I can go further and answer some of the questions that were taken on notice last week if that would be useful.

CHAIR: Absolutely.

Senator MARSHALL: You're setting a new standard of efficiency.

Ms Weston: Maybe not!

CHAIR: It's setting a very high bar for the future.

Ms Weston: The committee asked if Comcare has a gifts and donations policy. I think that was you, Senator Marshall. We do have a gifts and benefits policy, which we are happy to table today. The committee also asked questions about Comcare's targets, including targets
about return-to-work performance. I'm able to confirm that, while Comcare did meet targets for return-to-work performance for the 78-week target, targets for 13 and 26 weeks were not achieved as measured by incapacity payments for injured employees. While Comcare's work results do exceed results achieved in other jurisdictions, as per the Safe Work Australia National return to work survey, it is an area for improvement, and certainly Comcare will be focusing on it.

In terms of how satisfied injured workers are with Comcare claims management services, this is set out in our annual report and is also based on the National return to work survey. For 2017-18, Comcare achieved a 72 per cent satisfaction rate compared to our 82 per cent target. This target was pretty much in line with where we got to in 2016-17. So, while we were achieving some good results, we know that we can do better and are obviously working to improve that performance.

Some examples of early intervention, which will help in this area and are a focus for Comcare, are the early intervention service provider pilot. This is exploring the effectiveness of using external providers to deliver early intervention services to APS agencies. This is trialling a structured nurse triage service at three agencies, offering a referral to a GP, physiotherapist or psychologist; immediate transfer for emergencies; and first aid advice where self-care is more appropriate. We will be keen to analyse the data on what's been found to be useful in that early-stage triaging.

Another initiative is the NewAccess APS implementation trial. This is using beyondblue's NewAccess coaching service within the APS environment. Currently we are trialling that with two agencies. The service provides confidential support to help adults tackle day-to-day pressures. The trial will measure whether NewAccess can improve clinical recovery and return-to-work productivity, reduce stigma around seeking help for mental health issues, and equip participants to manage their response to future challenges. I also notice there are other national initiatives in which Comcare is participating. For instance, the Mentally Healthy Workplace Alliance. There was funding in the recent budget for a national initiative, led by the alliance, to help businesses and others build work environments that promote good mental health and reduce mental illness. Comcare is playing a role there.

Finally, there was a request for an answer to a question on notice from the Department of Finance relating to complaints against parliamentarians that have resulted in Comcare claims. We have reviewed that question on notice and consider that Finance have all the relevant information they need within their agency and they didn't need to consult Comcare in that answer.

Senator MARSHALL: There might be some questions on that later. Sorry, Chair, I was just taking over.

CHAIR: No. Go ahead, Senator Marshall, you have the call.

Senator MARSHALL: Ms Weston, I didn't know you were the new CEO until about 10 minutes ago when the secretary told me. I don't know your background. I'm going to ask about it and why you're qualified to be the CEO of Comcare. I wanted to make that point because there's no trick or maliciousness in asking these questions. I'm just interested in knowing what your background is and how you got to be the new CEO.
Ms Weston: Obviously, there was a selection process. It was a merit based process, which
the secretary and the head of the Public Service Commission might like to speak to.

In terms of my own qualifications, I have been a leader in the Public Service for a long
time and an SES for 18 years or so, so I understand the requirements of the Public
Governance, Performance and Accountability Act. I've been a member of executive boards
and audit committees. Obviously they're important things when you lead an organisation. I
understand issues relating to management of staff in the public sector. Also, having worked
with businesses for many years—I worked in the department of industry in its various forms
for the last 18 years—I understand many of the elements around the operations of the
licensees under the Comcare acts.

I have experience in working with regulatory agencies. I had 18 years before working in
Industry with the tax office. I've also had an oversight role in relation to trade measurement
regulation in recent years. I understand inspection roles, for instance. For a time I managed
the tax office relationship with the Administrative Appeals Tribunal and have appeared before
the AAT. I have also managed objections and appeals processes in the tax office and worked
on the test case litigation program there.

I'm a fellow of CPA Australia and a chartered accountant. I understand financial matters
and I consider I have the qualifications to manage the finance issues around the scheme's
management. I've designed innovative policy solutions in the science and research space. I
consider I have strong skills in designing solutions. I have also been exposed to innovation
and different ways of doing things in my previous roles.

Senator MARSHALL: And you're obviously good at pre-empting questions that are
about to be asked. Thank you.

Ms Weston: I have appeared before the Senate a bit in the past.

Senator MARSHALL: Right. It would be terrible if I have met you before.

Ms Weston: The economics committee.

Senator MARSHALL: I wouldn't have gone there. I want to go to some questions about
your inspectorate policies and procedures. Do your inspectors actually have a guide to work
from?

Mr Napier: The short answer is yes, we do have a series of policies and procedures that
govern how our inspectors undertake their work. It's aligned to a higher level compliance and
enforcement policy. That's a public document. We have a business system that assists the
inspectors as they undertake their work and is aligned to those policies and procedures, and
the compliance and enforcement policy.

Senator MARSHALL: Are you confident that your inspectors have the necessary
training in order to fill their duties?

Mr Napier: Yes. We have a capability framework and our inspectors are required to
undertake training in order to undertake the role of inspectors.

Senator MARSHALL: What's a field travel risk assessment?

Mr Napier: I don't have it in front of me, but I imagine it's when an inspector is required
to go into the field to undertake a piece of work, and prior to doing so there's a risk
assessment undertaken that covers the type of work that they'll be doing, and that needs to be approved before they depart for that work.

Senator MARSHALL: So it's a risk assessment for themselves; it's not a risk assessment of the workplace that they're going to?

Mr Napier: I don't have it in front of me; I might need to take some of this detail on notice, but my recollection is that it does involve an assessment of the workplaces which they will be visiting.

Senator MARSHALL: Before they visit it?

Mr Napier: Yes, I believe so. To be precise, I'd like to take that one on notice.

Senator MARSHALL: That's my information. People start an assessment of the workplace before they've even gone to it, which seems odd to me and to others.

Mr Napier: In order to plan for a visit, I think it's important to understand the nature of the workplace that you'll be visiting.

Senator MARSHALL: Sure, if it's about that— if you need to understand the environment in which you're walking into, but if it's about assessing some of the risks in there before you visit it— anyway, take that on notice; that would be good.

Mr Napier: Yes.

Senator MARSHALL: Do your inspectors have to obtain permission before they carry out any regulatory work, such as issuing an enforcement notice or an improvement notice?

Mr Napier: Do they need to seek permission?

Senator MARSHALL: Yes. Say they're doing an inspection, for instance, and they come across something which they think is either (1) an immediate risk to health and safety of people in the vicinity or (2) a potential risk that could be addressed—and they're two different things; one's an improvement notice and one's a prohibition notice. Comcare might have slightly different terminology, but you understand what I'm saying. Do they need to seek permission before they issue those notices?

Mr Napier: We'd have a procedure that covers that. My recollection—and I'd prefer if I could take this one on notice so that I have the precise information with me—is that, if an inspector comes across a safety issue in a workplace, we would expect them to take action on the spot.

Senator MARSHALL: Good. Do your inspectors ever do random inspections?

Mr Napier: We do a mix of reactive and proactive inspections; that's how we would frame it.

Senator MARSHALL: Is there ever an instance where the employer does not know in advance that an inspector is attending?

Mr Napier: There would be circumstances in which we would visit without the employer knowing, yes.

Senator MARSHALL: What circumstances are they and how often does that happen?

Mr Napier: The detail I'd need to take on notice; I don't have that with me.

Senator MARSHALL: Do you recall it ever happening?
Mr Napier: I don't have a specific example I can give you immediately, but it does happen.

Senator MARSHALL: It would be safe to say it's not a normal feature of the inspection process?

Mr Napier: It's a feature of the inspection process. The term 'normal' is—

Senator BILYK: Would it happen 50 per cent of the time?

Mr Napier: It wouldn't be 50 per cent of the time, no.

Senator MARSHALL: But you can't remember a single instance. All you've been able to say is that it could happen, but you haven't been able to tell me when. I'm not trying to be cute. My advice is that inspectors never do random inspections—never!

Mr Napier: We would dispute that.

Senator MARSHALL: What are the circumstances where you would do a random inspection? Again, how often do you recall it ever happening?

Mr Napier: The detail I will need to take on notice. I just don't have that to hand in terms of volume and circumstance. Inspectors visit regions on a regular basis. We have inspectors in the field that are looking at, for instance, the NBN rollout. They will visit worksites on a randomised basis. If an inspector happens to be in one part of Australia and they see a workplace we have some jurisdiction over, they will, from time to time—again, I'd need to take on notice the detail of that—visit those workplaces.

Senator MARSHALL: Are inspectors encouraged or is there a management policy—I'll use the word 'encouraged'—to resolve every issue within 90 days, regardless of the complexity and the need for more time, simply to ensure that your statistics, which revolve around a 90-day resolution time, appear to give good customer service results?

Mr Napier: We have a 90-day KPI, but it is not unusual for us to exceed that 90-day KPI, and we would exceed that 90-day KPI in circumstances where matters are more complex or we require more information.

Senator MARSHALL: Would management of Comcare insist that inspectors close down an investigation within the 90-day period, whether or not the inspector is satisfied that all the work's been done?

Mr Napier: I'm not familiar with the circumstances where that applies.

Senator MARSHALL: It's been put to me there's a management policy to shut down every investigation within 90 days, whether or not the inspector themselves is happy.

Mr Napier: This is not an allegation that's ever been aired with me. I'm not aware of any circumstances in which that applies. I repeat what I said earlier: we have a 90-day KPI, and it is not unusual for that KPI to be exceeded in circumstances where matters are complex or further information is required.

Senator MARSHALL: All right. What support do Comcare and their inspectors—and it may be different—provide to health and safety representatives?

Mr Napier: Comcare runs training programs for health and safety representatives. From time to time, through our regulatory work, we engage with health and safety representatives, so support is provided through those channels.
Senator MARSHALL: If a health and safety representative asks one of your inspectors to attend a workplace to give them some advice or assistance in dealing with a matter, is an inspector able to do that?

Mr Napier: Within the limitations of the legislation, the answer is yes.

Senator MARSHALL: What about your policy—are they required to get your permission or the supervisor's permission before they do that?

Mr Napier: Sorry, I missed the start of the question.

Senator MARSHALL: I understand they're able to, under the act, and that's right, but what about your internal policy? What would they have to do? Would they have to get permission from a supervisor before they provided assistance?

Mr Napier: Not that I'm aware of, but, again, for precision, I'd like to take that one on notice.

Senator MARSHALL: Would they have to get permission from the employer before they provided such assistance?

Mr Napier: Not to my knowledge. Again, I'd prefer to take that one on notice.

Senator MARSHALL: What do you do when you're confronted with a fatality?

Mr Napier: We would commence what we describe in our procedures as a monitoring compliance inspection. If there is a view at the initial stage that there may have been a breach of the legislation or the regulations, we would commence an investigation.

Senator MARSHALL: Are you aware of the workplace fatality in 2017 involving an Australia Post delivery officer in Diamond Creek?

Mr Napier: I have a recollection of that matter, yes.

Senator MARSHALL: No action was taken by Comcare. Why would that be?

Mr Napier: You're asking me about the specifics of a matter. I don't have that at hand; I'm happy to take that one on notice.

Senator MARSHALL: How many workplace fatalities would Comcare deal with?

Mr Napier: We do a follow-up inspection or investigation of all those that are reported to the regulator.

Senator MARSHALL: How many is that?

Mr Napier: Data for 2017-18 I think—

Senator MARSHALL: To be honest I thought you would have been all over every workplace fatality. I thought you would know the ins and outs.

Mr Napier: I think in the 2017-18 year there were 33 fatalities notified to the regulator—I beg your pardon, I was looking at the wrong column: 24 in the 2017-18 financial year.

Senator MARSHALL: 24 under your jurisdiction.

Mr Napier: 24 notified fatalities to the regulator in our jurisdiction.

Senator MARSHALL: How many AFP suicides involving their own weapons have been investigated with no action being taken?

Mr Napier: All were investigated. A number are still in train as a compliance-monitoring piece of work.
Senator MARSHALL: What about the engineer that was struck in the head by a piling rig? No action was taken against John Holland.

Mr Napier: I'll have to check the details on that one. Is that the matter in Victoria?

Senator MARSHALL: I don't know. I suspect so.

Mr Napier: If we're talking about the same matter, that was not in the Comcare jurisdiction.

Senator MARSHALL: Isn't John Holland a self-insurer under Comcare?

Mr Napier: Yes it is, but the nature of that project, a determination was made—I need to be clear, if we're talking about the same matter.

Senator MARSHALL: I'm not sure. We may be. Take that on notice. How often do you get feedback from your inspectors about their ability to conduct their role?

Mr Napier: We would encourage on an as-needs basis any inspector to bring to the attention of their manager or myself—and I do make it clear: we do regular video conferences, for instance, with the entirety of our regulatory workforce and I encourage anyone who has an issue or a concern to bring it to my attention.

Senator MARSHALL: With respect that wasn't quite my question.

Mr Napier: Can you restate the question.

Senator MARSHALL: It is more of a proactive question. How often would you as a management team engage with your inspectors to gauge their level of satisfaction with their work and their ability to do the job under the constraints of policies and guidelines that they may believe are impeding their ability?

Mr Napier: At least annually if not more often I, for instance, would visit each of our regional offices and have a meeting with all of the team, including the inspectors, and I'm very clear and very open: I encourage, if there are any issues or concerns, that they be raised with me. I have also said through those meetings that, if people aren't comfortable raising any issues or concerns that they might have in an open meeting, they can ring me directly and bring them to my attention.

Senator MARSHALL: In regard to an assessment of a mental health claim where bullying has been alleged, does Comcare take a certain approach if the claimant has by that workplace been performance managed?

Mr Hughes: You mean in terms of determining the claim? The legislation sets out the process and the decision to be made by the Comcare claims manager. The claimant completes the claim form and provides a set of information, which can go to any number of events and circumstances et cetera, but the process also involves the claims decision-maker seeking what we call an employer statement from the employer, then the decision-maker is able to take all of that material into account as part of making their decision in accordance with the SRC Act.

Senator MARSHALL: Does Comcare review any fitness assessment about the claimant and the response provided by the workplace to that fitness assessment as part of assessing the claim?

Mr Hughes: Again it would depend on the material that's provided by both the claimant and the employer.
Senator MARSHALL: Of course—so is the answer you sometimes do and sometimes don't?

Mr Hughes: The answer is we determine claims in accordance with the SRC Act, so an employer is able to produce a range of information that they believe relevant to the claimed circumstances. If that includes a fitness assessment or other material related to the claim then the employer can produce that and the decision-maker will have discretion as to whether or not that's a relevant factor as part of the decision on the claim.

Senator MARSHALL: What guarantee does Comcare seek from the workplace for evidence that a performance management was applied with due diligence and care by that manager or workplace supervisor?

Mr Hughes: I'm not sure we would couch it as a guarantee but the act has some provisions, such as reasonable administrative action, which have been interpreted by the courts in certain ways. The decision-maker would work through a process that seeks information to help them make the decision in accordance with the legislation.

Senator MARSHALL: My worry is this: if it's in the workplace's interest to apply performance management in advance of a potential Comcare claim for a mental health injury, how does Comcare prevent a workplace from doing exactly that, irrespective of the actual merits of the case?

Mr Hughes: Let me make sure I am getting the phrasing of your question right. Who is implementing the performance management?

Senator MARSHALL: A manager expects, because someone's being bullied in the workplace, that they are likely to put in a Comcare claim, so one of the ways to defeat such a claim is to say it's part of a workplace performance management system. You move to that, whether that's justified or not, as a defence of the claim. Last week we talked about how over a six-year period you did just that: you took to court and spent half-a-million dollars establishing those very things.

Mr Hughes: You're referring to the Martin matter?

Senator MARSHALL: Yes, we did spend quite some time on it only less than a week ago.

Mr Hughes: Going back to your original question about what's produced to the Comcare claims manager: if an employer—and employers will—produces material about a performance management process and they consider that relevant to the claimed condition or circumstances of the claimant then that can be produced, but your question is almost about whether there is systemic or systematic adoption of performance management as an excuse for bullying and harassment. I would say all agencies have arrangements around performance management and will have obligations under other pieces of legislation about evidence of performance management processes. If an agency produces evidence, and our decision makers will work on the evidence, then it will be considered.

Senator MARSHALL: My concern is often the person who's doing the bullying is the one who will be performance management. I get the argument about reasonable management actions when they are in fact reasonable, but I also get that that process is abused. You say there are guidelines around that. There are guidelines around bullying as well and it's happening. If that is happening, it's reasonable to expect all the other so-called guidelines and
protections are not being applied properly either. How do you satisfy yourself that, if someone's claiming reasonable management action, that is indeed what it is, not a defence or pre-emptive offence?

Mr Hughes: Today I can offer you that, in our claims management processes, our people have instructions on how to consider those matters and the process by which they would go through it. That's in line with the case law and the interpretation of those provisions et cetera. If you are after more detail of exactly the steps that we would go through then I would seek to take that on notice so that we could produce that for you.

Senator MARSHALL: All right. Just coming back to your self-insurers, my understanding is that self-insurers don't like inspectors attending their workplace for any reason—they've never had a random visit, though—and complaints are made to management about such things, and inspectors are discouraged from carrying out their duties for especially the larger self-funded companies. What do you say to that?

Mr Napier: I would say that I've been in this role nearly four years and not once has that happened.

Senator MARSHALL: They're pretty damn happy though, aren't they?

CHAIR: I don't think the official can answer that question.

Mr Napier: I could name a few who might not be so happy, but, I reiterate, not once has anyone ever requested or pressured or encouraged or in any way spoken to me, telling me and the regulatory arm of Comcare not to do work—not once.

Senator MARSHALL: How often would someone from a company ring and discuss inspections with you or the people in your office?

Mr Napier: Me personally? I can't recall an instance.

Senator MARSHALL: We'll talk about that some more. I think Senator Bilyk has some questions about it.

Senator BILYK: I have. Have you had any asbestos related claims?

Ms Weston: I'll ask my colleague to answer that.

Mr Hughes: Are you talking about a particular time period? We manage asbestos claims for the Commonwealth.

Senator BILYK: From 2017?

Mr Hughes: I don't have that information in front of me, but we can produce an answer about claims by time period on notice.

CHAIR: You would have had at least one in the last year?

Mr Hughes: It's not necessarily within my responsibility, so I don't want to even say there's one. I'd like to take that on notice and make sure we get that information correct.

Senator BILYK: The reason I ask—and I've only got a snippet of information here, so you might have to work with me a bit—is that the actual expenses in 2017-18 under the asbestos related claims act 2005 were $24.67 million. This increases to $30.695 million in 2018-19 but drops to $26.84 million in 2019-20 and rises to $27.9 million in 2020-21. I was wondering why there are those variances and whether there is an increase in claims or a decrease in claims or people are dying before they get to do their claims. What is the story?
Mr Hughes: To make sure that we get the information and the drivers of those numbers exactly right, again we propose to take that on notice for you.

Senator BILYK: That's fine. I did write to Comcare a while ago with concerns about the time it took to complete home and office modifications and I was told it was going to be looked at. Can you give me any progress on that?

Mr Hughes: I'm not across the—

Senator BILYK: It took six months for one of my staff members to get a shower rail put in his house and there have been other concerns. It's an ongoing issue with a staff person of mine who's become a paraplegic. I've had a lot to do with Comcare over the last couple of years. I would like to think that, if I got a letter saying, 'We will look at that,' somebody would actually look at it.

Ms Weston: Yes, certainly, we'll take that on notice.

Senator BILYK: The other issue I have is with regard to rehab providers who have to pay for taxi vouchers for their clients and then be reimbursed. That seems to be a bit of an onerous expense. The taxi vouchers for my staff person were $150 a day, sometimes four days a week, and a rehab provider has to cough up for that. We had that issue resolved, but I'm not sure that it's been resolved for everybody else, so I am wondering where that issue might be up to.

Mr Hughes: I'd like to take that on notice, but I would say that we are active at the moment in looking at the arrangements for workplace rehab providers. By 'arrangements' I mean the approval process, the monitoring process and also the way in which these sorts of things operate. But I would also caveat that by saying that sometimes the legislation drives us to work in certain ways, and the authority to make payments in certain ways can sometimes be an issue. We can take that on notice and I can provide further information.

Senator BILYK: The same seems to be happening in the training area. It's just been brought to my attention in the past day or so. My staff person has actually got trouble accessing the office because of transport issues. He's been organised to work from home. The work he does is fairly specific and I don't have enough work for him to do from home for the number of hours he's actually allowed to work now, so it was suggested that maybe he could do some training. That was beneficial to us both and I was fine with that. But now I'm being told I have to pay for that training up-front? How does that work?

Ms Weston: I don't think that's in our—

Mr Hughes: We'd be happy to take the information on this individual's circumstances—

Senator BILYK: All right. Maybe I could give you a call, Ms Weston, and we could chat about the issues.

Ms Weston: Yes.

Senator BILYK: That might be better than taking time today on it. But if that's happening to me then obviously it's happening to other people and other employers. That's of great concern to me if that's the case.

Ms Weston: We'll see what's happening in that environment.

Senator BILYK: I might see you after and get your direct number, if that's all right?

Ms Weston: Sure.
Senator MARSHALL: Thank you for the gifts and benefits policy attachment A. I'm assuming that that doesn't mean that it's never been filled out. What I was hoping was that you could actually table the actual registrar of what gifts and benefits have been received, not just the pro-forma.

Ms Weston: That's a part of the question on notice that we'll follow through on.

Senator MARSHALL: Okay.

Ms Weston: But, that said, it is a fairly rigorous arrangement.

Senator MARSHALL: Yes, it is.

CHAIR: Would this gifts and benefits policy be uniform or relatively uniform across agencies? I assume you wouldn't have crafted one from whole cloth.

Ms Weston: I can't speak for the organisation but, from my own experience, the quite low level of reporting of gifts is more stringent than other parts I've seen in the public sector.

Senator MARSHALL: It's important because Comcare's a regulator.

Ms Weston: Absolutely.

CHAIR: I meant other regulators.

Senator MARSHALL: Okay, right.

Senator PATTERSON: I'm interested in the publication of statistics by Comcare about claims. I direct this to whoever at the table can be most helpful. I've had a look at your Comcare scheme workers' compensation statistics from the 2016-17 financial year. Thank you for that. That's a useful document. I'm wondering, though, whether there's more granular detail available or whether it's possible to drill down a bit further than that publication. Is there another publication online I missed or other ways to access it?

Mr Hughes: There is another part of our website which has attempted to drill down and break up the sectors a little bit more than the compendium information et cetera. On the web page, if you click on the scheme tab, that will take you to a better representation of that. Comcare obviously participates in the Safe Work Australia comparison work and so we would contribute a much more granular level of detail as part of that work which is then published across all jurisdictions as well. Then, of course, if there are specific questions you have, we'd be more than happy to take them on notice.

Senator PATTERSON: One of the specific areas of interest I have is a breakdown of the incidence of claims being made and accepted and the value of the claims, broken down by Australian government department and agency. Is that something that is published?

Mr Hughes: We do publish some information on agency premium rates.

Senator PATTERSON: Yes. I saw that.

Mr Hughes: That's our comparative data. So there are some elements there. What you just outlined then we would have available to us. There are steps we need to go through, though. Sometimes agencies are so small that there is a statistical as well as an identification issue that we need to address. But certainly if you put that on notice for us we can provide something to the committee.

Senator PATTERSON: Okay. I had a look at the employer premium performance, and there are wildly varying premiums between agencies. Obviously the nature of their work is
very different, so that is not something unusual, but I think it would be of interest to senators to know, for example, if some departments have met much higher rates of claims being made, higher rates of claims being accepted and higher payments being made when they are accepted, and also if some departments have claims of a different nature being made—for example, mental stress compared to body stress compared to falls compared to chemicals. I don't want to ask you to go away and create a huge amount of new work, but is there something that you've already got that you could provide that is similar to that?

Mr Hughes: I'd probably want to take that list that you just provided and look at what we already have in publications. That may solve the problem for you.

Senator Paterson: Why don't we leave that as a kind of open-ended question on notice? I'll be interested to see what you can come back with. I'm sure we can pursue it in subsequent estimates hearings. There is one other thing I want to flag as a possible area of interest. For example, a department like the Department of Finance has its own direct employees but then it's also responsible for MOP(S) Act employees. Would you be able to break it down to that kind of level?

Mr Hughes: Again, we'll take it on notice. Some of our agencies will work in that way. There's a question there about what an agency is working with Comcare on in terms of how they break down their premium, effectively.

Senator Paterson: I'll look forward to seeing what you can come back with. Thank you.

Chair: Are there any further questions for Comcare or the Seafarers Safety, Rehabilitation and Compensation Authority?

Senator Payne: Ms Weston just wants to put something on the record.

Ms Weston: I might ask my office to call Senator Bilyk. That would be the best way forward, I think.

Chair: Fair enough. In that case, you are free to go, with our thanks. That wasn't too painful, Ms Weston.

Ms Weston: Thank you.

Fair Work Ombudsman

[15:04]

Chair: I welcome representatives from the Office of the Fair Work Ombudsman. Ms Parker, do you wish to make an opening statement?

Ms Parker: No, thank you.

Chair: In that case, we'll go straight to questions.

Senator Marshall: In your annual report, on page 11, when you talk about total money recovered, you say there's roughly $29.6 million recovered—$20.8 million in education and dispute resolution and $8.87 million in compliance and enforcement. But over the next page the compliance activities drop down to $2.7 million. There's $5 million missing. Where is it?

Mr Campbell: I'm sorry, you're going to need to take me through it in order. We're on page 11?
**Senator MARSHALL:** We start on page 11 at the bottom left-hand corner.

**Ms Parker:** Yes, the total moneys.

**Senator MARSHALL:** You've got $20.8 million and $8.8 million, roughly. If we go over the page, at top left-hand corner—activities and recoveries—we've got $20.8 million and $2.7 million, even though the total's the same. You wait till I get to page 66.

**Ms Parker:** Don't they add up to the same thing?

**Senator MARSHALL:** $20.8 million and $2.7 million is different from $20.8 million and $8.8 million.

**Ms Parker:** Sorry, I can't find the $2.7 million.

**Senator MARSHALL:** Are you looking at the top of page 13?

**Ms Parker:** Yes.

**Senator MARSHALL:** The first dot point has $20.8 million recovered, the second dot point has $2.7 million recovered—unless they're different things, but that's what I want to know. I don't think they're different things, but they could be.

**Mr Campbell:** Can we have a copy of yours?

**Ms Parker:** We have a different—

**Senator MARSHALL:** No, you can't!

**Mr Campbell:** Sorry, will you table that for us?

**Ms Parker:** We don't have the same—Senator Marshall, what are you working from?

**Senator MARSHALL:** Your annual report.

**Ms Parker:** And what page?

**Senator MARSHALL:** Page 11 and page 13. On page 11, down the bottom left-hand corner, you see total moneys recovered.

**Ms Parker:** We’ve found it!

**Senator MARSHALL:** You've found it—the $5 million, or have you just found the bit of the page?

**Ms Parker:** We've found the $20.8 million.

**Mr Campbell:** Senator, if I can take you to the last paragraph in that top left-hand corner under activities and recoveries, it starts with:

The FWO also conducted 5301 FWO-initiated activities …

Have you got that paragraph?

**Senator MARSHALL:** Yes.

**Mr Campbell:** If you go to the bottom of that, it says:

FWO-initiated activities accounted for more than $6.1 million in recoveries.

So that's the missing $6 million.

**Senator MARSHALL:** I only had $5 million. I won't add it up. I didn't think much turned on it really. I was just interested to know.

**Mr Campbell:** No, it's good. My maths skills have been challenged.
Ms Parker: Hopefully, vindicated, but we'll see.

Senator MARSHALL: All right. Thank you. Based on our conversation last week, you might recall I was asking: does everyone who has a problem that is then accepted as a problem get assistance from you? We had a long discussion but, effectively, the answer was yes. But when we go to small claims assistance—again, in your annual report—on page 16 you say:

Where disputes cannot be resolved through early intervention or mediation, customers may be offered assistance with lodging a matter in the small claims court.

Mr Campbell: Yes.

Senator MARSHALL: Why do you do that? Isn't it you obligation to actually resolve the matter? Or are these nonworkplace matters?

Mr Campbell: It's generally where there is contested evidence about either the employment relationship or the payments that have occurred that we can't satisfy to our own satisfaction have either occurred or haven't occurred. So the small claims jurisdiction, which was established through the fair work amendments, was effectively established to create a low-cost, low-evidence jurisdiction for claimants to bring matters where there's a contest of evidence or fact to get a resolution by a court.

Senator MARSHALL: But isn't it your responsibility to draw your conclusion about the contested evidence and then operate based on that?

Mr Campbell: Where we can—so where there's sufficient evidence for us to draw a conclusion—we will. Where there isn't though, we're bound by our role as an inspector and as an independent person with an interest in a particular dispute or workplace issue. Unless there's evidence that we can rely on to help establish a reasonable belief or, in the case of a court matter, much higher standard then we can't act on it. Any regulator—

Senator MARSHALL: Give me an example. I'm thinking of places where the employer simply says, 'Well, they never worked for me,' but it's quite evident they did—well, the employee has claimed that they did and it doesn't take that much investigation for you to form the balance of probability view, and why wouldn't you do that?

Mr Campbell: Before we refer the matter to small claims—and when I say 'refer a matter to small claims', we assist the party and file the matter within a jurisdiction to bring about their own complaint.

Senator MARSHALL: Let me stop you there again. The people we're most likely—not in every instance, but most usually—talking about are vulnerable people who are not aware of their rights; they aren't people with high capacity to enable them to go through a semi-court system. We're talking about people who—

Mr Campbell: I accept that. I accept that is a representation—

Senator MARSHALL: And that's why I thought you as a regulator were actually given the responsibility of being their voice. It's true that, if you actually come down on the balance of probability and say, 'Well, we do think you never worked there either,' that's fine. But if you come down, in my example, saying, 'Yes, we think you probably did and the employer is just denying it,' I would have thought you were obliged to work on behalf of the claimant.
Mr Campbell: If I take you through that example though, we don't send people who are incapable of representing themselves to a small claims jurisdiction. That doesn't help anyone, because they need to be capable. We would have made an assessment that they're capable of putting an argument to a magistrate to say: 'This is the circumstances of my employment. These are the matters in dispute. The employer has denied that I'm owed that entitlement.' We don't put new migrant workers into the small claims jurisdiction and just wish them all the best. We will make a determination based on what we think is their capability to participate in that jurisdiction.

Senator MARSHALL: All right. I'm glad you have that. What if they don't have the capacity to do it?

Mr Campbell: That would be a matter that we would try to determine ourselves. We'd investigate. We'd look for the facts. We'd try to determine whether or not there was an employment relationship. We'd try to understand the shift patterns of the person who worked there, particularly if there are no records. How do we do that? We might look for any mobile phone records the employee might have about the shifts that have been sent to them by the employer. We might use CCTV footage or point-of-sale references or other sorts of physical evidence to try to paint a picture of the working arrangements of the individual to try to establish what they worked, what their classification was, what their payment might have been and what they were paid. That's the type of investigation we can conduct where we have concerns that a vulnerable worker has been taken advantage of or exploited. But if all those things fail and we can't actually capture a picture of how the person worked, then that interferes with and disrupts our ability to enforce an entitlement for them.

Senator MARSHALL: I'm not saying I have a high level of people who've said, 'I went to the Fair Work Ombudsman and they couldn't help me,' but there are circumstances where that is the case. That's why I put it to you last week.

Mr Campbell: And I don't doubt there are people who are dissatisfied with the outcome. We can't help everyone. That's the reality of the work.

Senator MARSHALL: See, that's what I was getting at last week. I thought you could help everyone. I actually asked whether anyone who comes to you with a problem that you accept is a problem would walk away without being assisted by your office, and you said, 'No-one would.'

Mr Campbell: But they might want us to litigate their employer and we can't, or we choose not to because of any number of reasons. We can't litigate every employer that does the wrong thing; we're not resourced to do that.

Senator MARSHALL: For a penalty or to recover the moneys?

Mr Campbell: For a penalty.

Senator MARSHALL: Generally, they're not interested in that; they want the money they're owed. That's what people want.

Mr Campbell: Yes, and we are in the business of recovering money for people and we do a reasonable job of that. If you've got constituents that are raising issues with you, I would encourage you—and I am sure Ms Parker would as well—if you want to, to direct them to us then we can reassess the model or treatment that we've offered them to make sure that we've given the matter every chance.
Senator MARSHALL: I don't want to make the biggest deal of it but it's not about people that are lucky enough to stumble upon me, really; it is actually about actually the standard that is applied by your organisation. Not to make a big deal of it, but it's slightly different to the impression I had from last week. But, again, on the whole, I think you do a very good job.

On page 21, you've got your penalty orders, which show a steep increase from 2015, 2016 and 2017. I'm just wondering where we're at. Are we still tracking upwards or have we actually levelled out now?

Mr Campbell: As in the penalties achieved or ordered?

Senator MARSHALL: Penalties ordered.

Ms Parker: Do you mean since the annual report?

Senator MARSHALL: Your annual report's only taking us to—

Ms Parker: Yes; that's right.

Senator MARSHALL: Since I guess you collected those figures, not since the annual report came out, which was October. We're nearly through another year, so I'm just wondering how we're tracking. I probably have some more questions about that more specifically too.

Ms Parker: I think we're about the same. When you say 'tracking upwards', I've got some figures here that go to December 2018. If you then extrapolate that across the year it's fairly similar. Is that what you meant, Senator?

Senator MARSHALL: In 2015-16 it looks to me that there was just under $3 million in penalties.

Ms Parker: Yes.

Senator MARSHALL: In 2016-17 it looks like it was about $4.5 million or maybe $5 million. In 2017-18 it looks like we're up to just over $7 million. They're quite substantial increases—and I think that's good. There have been questions asked about the level of prosecutions and seeking compliance, and I am just wondering whether we're still on that trajectory upwards, or have we flattened off or going to flatten offs?

Ms Parker: We are getting some record penalties. Ms Dennis might answer that. She's our Special Counsel.

Senator MARSHALL: What's happened to Phoebe Nicholas?

Ms Dennis: That's correct: last year we did have record accountings of a 42 per cent—

Senator MARSHALL: Sorry; on that same page, Phoebe Nicholas, it's reported, won the Government Lawyer of the Year in 2018, and I wanted to congratulate her. Where is she?

Ms Parker: She's back in the agency working today.

Senator MARSHALL: Have they sent you second best, Ms Dennis?

Ms Dennis: Phoebe is an excellent lawyer and I will pass on your congratulations to her on the award.

CHAIR: I'm going to have to recall the call from you, Senator Marshall.

Senator BILYK: I don't think he meant quite like that.
Senator MARSHALL: Everyone has a sense of humour here. Thank you, Ms Dennis, go on.

Ms Dennis: In terms of penalties, at the end of last month we were at $3.8 million, and the year before—so in the last complete financial year—we got about $7.2 million. So last year we did have record penalties. As I said, it was an increase of about 42 per cent on the year before that, because in 2016-17 we got about $4.8 million. So we're on track for exceeding, I would think, the 2016-17 court-ordered penalties. Whether we exceed the $7.2 million will remain to be seen, because you can't exactly tell what penalties a court will order in the next few months, towards the end of the year. But I think we're on track to exceed certainly the year before, 2016-17, and we'll be close to last year this year as well, I would think.

Senator MARSHALL: How many open investigations do you have at the moment?

Mr Campbell: I don't have the specific number of open investigations, but I'd say it's in the vicinity of 800 active matters.

Senator MARSHALL: There's a difference between 'open' and 'active'?

Mr Campbell: Yes. It depends on where they're at in the investigative stage.

Senator MARSHALL: Just explain the difference to me.

Mr Campbell: One is the matters that are actively being investigated right now, right through to ones that are at an advanced stage and in a compliance outcome, so they might be subject to an enforceable undertaking that hasn't yet concluded, and we're waiting on a payment. There's sort of a spectrum.

Senator MARSHALL: So that last end is what you call 'open'?

Mr Campbell: It's still active—it's not closed yet—but it's still on the books.

Senator MARSHALL: And how many did you say active—

Mr Campbell: About 800.

Senator MARSHALL: What's that, roughly, per inspector? I don't even know if that's useful information actually.

Mr Campbell: That's fine.

Senator MARSHALL: I don't know why I've asked that!

Mr Campbell: It would be about four per inspector, but that wouldn't represent the workload.

Senator BILYK: How many inspectors do you have?

Mr Campbell: Just shy of 200.

Senator MARSHALL: How many investigations involve an actual visit to the employer compared to a desktop audit?

Mr Campbell: We're moving into the audit space now. Part of our role is to conduct campaigns or audits, so we'll audit particular industries. A percentage of all audits are field based and desk based. Say there are 200 audits as part of a campaign, it's usually about fifty-fifty that will be a form of fieldwork or a desk based audit. Then, depending on what they find, we determine whether or not we need to go back in and conduct a more detailed investigation.
Senator MARSHALL: I want to talk briefly about inquiries made. Do you know what proportion of inquiries you get involve the underpayment of wages resulting from the use of your underpayment calculator?

Ms Parker: Is that a question of how many people are using our calculator?

Senator MARSHALL: And then move on to a complaint. You'd know both, wouldn't you?

Ms Parker: They look at the calculator and then say, 'I've got a problem; can you have a look at it?' Is that what you mean?

Senator MARSHALL: They would, and they'd say: 'I've used your calculator. That's why I think I've got a problem.'

CHAIR: But are those two things necessarily linked?

Ms Parker: Yes—well, sometimes.

Mr Campbell: The calculator is very popular. PACT gets used about 80,000 times a week. I think there about six million calculations that PACT can do at any given time, and that might have increased. People go to use it to check a whole range of workplace entitlements. If they then determine that they feel like they've been underpaid, they will then lodge a matter online or a request for assistance online, where they will ask further questions about their arrangements. That will then move them into the system. But the two aren't linked, in that they'd necessarily go from PACT straight into a request for assistance. They can, but there's no line that they follow that we could track.

Ms Parker: They may not say, 'After using your tool, I think I've got a problem.' They may just lodge a request for assistance.

Senator MARSHALL: How many inspectors do you have in each jurisdiction?

Mr Campbell: When you say 'jurisdiction', what are you thinking there?

Senator MARSHALL: States.

Mr Campbell: Oh, states.

Senator MARSHALL: This is the Senate after all.

Mr Campbell: Good point, so start with Victoria then: there are 54 inspectors in Victoria.

Senator MARSHALL: And the others? Keep going.

Mr Campbell: Sure. There are 41 in New South Wales; three in the Northern Territory, 46 in Queensland; 23 in South Australia; 13 in Tasmania; 54 in Victoria; and 12 in Western Australia.

CHAIR: Okay. You just sparked the interest of a Western Australian.

Senator MARSHALL: Go for it right now!

Senator STERLE: I want to talk about industry specifics, if I can.

CHAIR: I just think the number seems low for WA.

Ms Parker: For WA?

Mr Campbell: And the location of inspectors doesn't necessarily mean where they focus their work, so we will move work to wherever it needs to be dealt with. So Western Australia
will generate a certain amount of work that doesn't need to be processed by the inspectors in the field. They will be the ones that deliver the—

CHAIR: So you balance your workforce based on demand and jurisdiction.

Mr Campbell: So inspectors are delivering the bad news as a general rule so they're the ones who will go into the field to issue a compliance or infringement notice or one of our statutory tools. We have more staff in Perth doing different work, so we have a very big and capable dispute resolution and early intervention team based in Perth. We also have a significant representation of our info line operations in Perth and Bunbury. So the numbers only paint part of the picture.

Senator STERLE: So what industries have you targeted?

Ms Parker: Issues?

Senator STERLE: Industries, sorry. I heard Mr Campbell say something about industries, or industry-specific audits or inspections. Have you grabbed the transport industry by the throat and had a look at it? You should.

Ms Parker: Senator, I spoke last week about how we set annual priorities based on intelligence on requests for assistance et cetera. Part of that is we have finite resources so we need to determine what the key areas we will look at are. So some of the areas that we're focused on at the moment are very much around cohorts rather than industries, although we do have some industries.

Senator STERLE: What's a cohort, Ms Parker?

Ms Parker: A cohort means something like young people. So, within an industry, you have a cohort and they overlap. Migrant workers are a big cohort for us, a big one for the community. Where do migrant workers mostly work? Often they're young people, so you have a combination of various cohort characteristics—young, migrant, not having a great or strong English-speaking background, not necessarily understanding the workplace relations system and then the areas they're most likely to work in. We find the retail and hospitality areas are big ones. The cafe sector is a big one for migrant workers. The cleaning industry is another one for us and horticulture where they're backpacking or working for farmers. So we focus on those areas.

When I say cohort and industry, we'll pick them as they overlap. And then there are other areas that we will home in on. There's an area that we are looking at at the moment which is around franchising—new franchisees. That is an area that has attracted some interest, complaints—our 7-Eleven inquiries et cetera were all about franchising. There are other things like sham contracting, which is obviously an area of interest where people are being told they're independent contractors when in fact they're employees. There are those kinds of focuses.

CHAIR: Senator Sterle, we are due a break but if you're only going to be a few minutes—

Senator STERLE: I'll be very quick, Chair.

CHAIR: You've got more, Senator Marshall? I'm in your hands.

Senator MARSHALL: Let's have the break.

CHAIR: If we've got some more then we will suspend for 15 minutes and continue with the Fair Work Ombudsman.
Proceedings suspended from 15:29 to 15:43

CHAIR: In the interest of time we will resume this hearing.

Senator STERLE: Ms Parker, we were talking about cohorts. Has anyone brought to the attention of the ombudsman the shenanigans and rorts in the transport industry in relation to second and third contracting. What I mean by that is that, say, company A has a massive contract of transport, and it engages a prime contractor. It is notorious in the transport industry that the prime contractor cannot supply all the trucks, trailers and drivers. They will subcontract out down the path, and then there'll be second- and third-tier contractors. It's not hard to work out that when your margins are between one per cent and two per cent for the prime contractor that there isn't a lot left for those doing the right thing down the chain. Has that come to your attention?

Mr Campbell: We don't receive a lot of complaints from the transport industry. That's not to say those issues aren't prevalent, just that I don't have the data available to answer that question in a way that would give you an informed response. The point you make about issues in supply chains and insufficient money being allocated to those tiers of contracting further down the chain is not unheard of.

Ms Parker: And it is one of our priorities. We call it supply chain risk for exactly that reason. Our view is that the top of the supply chain needs to take more responsibility but, as you probably know, the legislation doesn't allow for that necessarily. With supply chain risk, we do try to engage the top of the supply chain, noting they're not always the direct employee when it comes to issues raised about underpayments or—

Senator STERLE: Sure. When you say the law doesn't apply, we understand with subcontractors it's open slather and the one owner—but, when they are the companies that own the vehicles, in between sham contracting and employing people there is a law to follow.

Very quickly, if, as a concerned citizen, I rang the ombudsman and said, 'Look, there's this massive contract that's hundreds of thousands of tonnes worth of freight being moved in every sector of the transport industry for somewhere around Australia,' would you act on it?

Mr Campbell: Yes, that would be information of interest to us.

Ms Parker: We may work with other agencies as well. It might have tax issues or ASIC related issues. It depends on the specifics that you're raising. But, of course, we'd be interested.

Senator STERLE: That is fantastic. Thank you very much.

Senator BILYK: Do you get any complaints regarding workplace sexual harassment or do they go to a different area?

Ms Parker: It's generally a health and safety matter or human rights to some extent. Also, as you probably know, the Fair Work Commission has a bullying jurisdiction, which is obviously not sexual harassment but you can see there are parallels with behaviour. Generally it would be considered a work health and safety issue, so Comcare would be the appropriate regulator in the Commonwealth sense—or the Human Rights Commission.

Senator MARSHALL: Does that mean you don't get any complaints or, when you do, you refer them?

Ms Parker: We refer them, yes.
Senator MARSHALL: How many complaints do you refer?

Mr Campbell: Do you mind if I take that on notice? I just don't have that with me.

Ms Parker: It's the same as work health and safety. They get raised and we would refer them to the appropriate state or to Comcare.

Senator BLYK: I'm trying to get around the protocols of how you refer them and where you refer them. You would speak to the complainant and then work out which area they should be referred to—is that right?

Mr Campbell: If they had a concern about discrimination on the basis of their sex being female or male or otherwise and they had a workplace complaint about termination and a termination payment, we'd say, 'We'll assist you with the nonpayment of your termination entitlement.' If they wanted to proceed with making their allegation about the sexual harassment or discrimination, then we'd probably refer them to the Sex Discrimination Commissioner or the Human Rights Commissioner, if they wanted to cover off that aspect of it. That is not within our jurisdiction to investigate.

Senator BLYK: Right.

Senator MARSHALL: I wanted to draw your attention to this committee's report, in its references form, from the inquiry into the exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies. I don't know if you've had a chance to look at that?

Ms Parker: Yes.

Senator MARSHALL: I have some spare copies for you—signed copies!

Ms Parker: No, we've had a good look at that. We've been very interested in this sector.

Senator MARSHALL: One of the things we wanted to draw your attention to was the findings from the wage theft in silence report. It talks about a whole range of things, but what I want to put to you—and it's something you can take on notice—is that, when they surveyed some migrant workers, they looked at who the workers went to for some assistance and what actions were taken. You were better than some but not as good as others. In particular to you, the research showed that in 21 per cent of cases people received all of their unpaid moneys, in 21 per cent of the cases they recovered some of their unpaid wages but in 58 per cent they didn't recover any.

Now, if you've got something to say about it now, that's fine, but I'd be happy for you to take it on notice. It might be a discussion we have the next time we meet, if we meet again, at a next round of estimates—about how you respond to that. And I raise it not in order for you to be defensive about it and just respond in a defensive way but so that you can do so and ask, 'Well, why is that happening, and in fact can we do better?' So, unless you want to say anything about it now, I simply draw it to your attention.

Ms Parker: That's fine. There were two different inquiries—a Queensland and a Victorian inquiry. We provided a submission to the Queensland one. That was the Queensland wage-theft inquiry. And we responded comprehensively to some of the criticisms of the Ombudsman in that submission. We're happy to talk about that next time if you wish, but we've certainly responded—
Senator MARSHALL: That's all right. Again, the offer is that if you want to put something in writing as a response on notice, then do so. But I'm just as happy to have a discussion about it if we're here at the next estimates.

Ms Parker: Thank you.

CHAIR: There being no further questions for the Fair Work Ombudsman, we thank them.

Safe Work Australia

[15:52]

CHAIR: I welcome representatives from Safe Work Australia. Ms Baxter, do you wish to make an opening statement?

Ms Baxter: No thank you.

CHAIR: Then I'll just ask one very quick question. Could you update us on the response so far to the silicosis issue?

Ms Baxter: Yes, certainly. The issue of silicosis has been very topical and in the media a lot over probably the past six to eight months. Safe Work Australia is working in that space. In December, Safe Work Australia took to its members a proposal for a work plan in relation to occupational lung disease more generally. I might ask Ms Bryant to come to the table and talk specifically about that work plan, which was approved by our members and also takes in the issue of silicosis. Ms Bryant will also be able to talk about the draft workplace exposure standard in relation to silicosis that's currently out for public comment.

Ms Bryant: The comprehensive lung diseases work plan will be implemented throughout 2019 and 2020, and the aims of it are to raise awareness of the duties and control measures for eliminating and minimising airborne contaminants that cause occupational lung disease at the workplace and also to inform the development of effective national policy. Our work plan is based on identified issues and includes key initiatives that supplement the compliance and education activities being undertaken by the states and territories. I can take you through the key initiatives briefly, if that would be helpful.

CHAIR: Yes, just quickly, in the interests of time.

Ms Bryant: There are a few components. We are developing guidance for working with silica and silica-containing products. The guidance will incorporate specific information about working with composite stone products. That's in the works now and will be reviewed by our members. We're also looking at undertaking a national education and awareness program that will be developed and delivered across Australian capital cities and regional centres. That will also include access to a suite of online resources. We're also looking at undertaking a systematic literature review to explore changes and advancement in measurement of concentrations and controls, work processes to avoid or mitigate exposures and the overall landscape of workers at risk of airborne dust exposure. More generally, we're also looking at data collection and trying to sweep up the amount of data that is being collected by the states and territories to better inform the national picture of what's happening with the disease.

CHAIR: I guess the fundamental question is: how confident are you that, in particular, the state jurisdictions are on top of this and people are aware of the risks and the practices that should be in place to absolutely minimise those risks?
**Ms Baxter**: I think there's a really high level of awareness out there in the industry now as a result of the reported silicosis cases and the activity that's been undertaken by the work health safety regulators across Australia. I'm aware that many of them have screening programs in place that are being funded by the state governments. I know that many of the regulators have stepped up their inspections of potential workplace sites where silica dust could be an issue. I will also note that the model work health safety laws do provide the regulatory framework to regulate the use of silica dust and to ensure the safety of workers who are working with such material. So I think there is certainly a lot happening overall at a national level and it's not just happening in Safe Work Australia; it's happening with the work health safety regulators. I'm also aware that industry is working in this space as well. We met with Caesarstone just last week. They are very active in this space in terms of ensuring that the industry that they are a part of is actually looking after the workers who work in the industry.

**CHAIR**: I'll leave it there. I suspect my colleagues may have more questions in this area. Senator Marshall?

**Senator MARSHALL**: No, not in this area. You may recall that in October last year this committee in its references form handed down a report titled *They never came home: the framework surrounding the prevention, investigation and prosecution of industrial deaths in Australia*. At the same time, you were conducting an inquiry run by Marie Boland into roughly the same issues. I note that Ms Boland acknowledged the work of the Senate inquiry and effectively—there are some differences—came to many of the same conclusions. She must be right if it agrees with us! So what next?

**Ms Baxter**: There are a number of consistencies between the independent review of the model work health safety laws and the inquiry that the Senate undertook. There are two separate streams of work occurring in relation to those at the moment. In relation to the independent review of the model work health and safety laws—the Boland review for short—that report went to Safe Work Australia members at their December meeting. They commended the report to work health and safety ministers as well as asked work health and safety ministers for early release of that report so that members of the public could be made aware of exactly what's in that report. The work health safety ministers gave their agreement to early publication of the report. It was published on the Safe Work Australia website on 25 February this year. The Safe Work Australia agency is at the moment working through the COAG regulatory impact statement process in conjunction with the Office of Best Practice Regulation with a view to developing a consultation RIS that will be released next month for a public consultation period, after which a decision RIS will be drafted by the agency. Office of Best Practice Regulation approval will be sought. That decision RIS will then go to work health and safety ministers, who are the decision-makers in relation to the recommendations in the Boland review, who will then make a decision in relation to that suite of recommendations. In relation to the Senate—

**Senator MARSHALL**: Sorry to interrupt. When you say they're the decision-makers, do they each have to make that decision separately as a minister, or is it their representative on the Safe Work Australia board that makes the decision?

**Ms Baxter**: In this case, in relation to this review into the model laws, it was a decision of COAG ministers, I believe, back when the original review was undertaken, in 2011 or around
there—I'm sorry if I don't have the year correct. It was a decision that work health and safety ministers would require this review and the review would then go to work health and safety ministers for their decision. So it's the ministers who will make the decision in relation to that.

In relation to the Senate inquiry recommendations, I am aware that Minister O'Dwyer has written to her work health and safety ministerial colleagues across Australia to ask that they agree that Safe Work Australia give consideration to implementing and acting upon those recommendations that the inquiry report directed towards Safe Work Australia. My understanding—

Senator MARSHALL: Is that in totality—all of those recommendations?

Ms Baxter: That's my understanding, although I have to say: that's a matter that the Department of Jobs and Small Business is working with the minister on. Obviously, as an independent statutory agency, we're not privy to the ins and outs of that process and what's happening, but that's, broad-brush, the understanding.

Senator MARSHALL: Minister, would you take that on notice for us?

Senator Payne: Of course.

Ms Baxter: So that's the process happening with the Senate inquiry recommendations.

Senator MARSHALL: Good. That's exciting.

Ms Baxter: It is, yes.

Senator MARSHALL: As to the time frame—and I know it's difficult when we're dealing with ministers; I suppose it's like herding cats a little bit—what is the expectation of working through some of these things?

Ms Baxter: Working through obtaining ministerial approval?

Senator MARSHALL: Well, getting agreement. The ministers aren't going to all come to a meeting of Safe Work Australia and argue it and put their hands up. They're going to decide independently, together. So how do you make that actually happen?

Ms Baxter: We, in Safe Work Australia, the agency, don't have carriage of that. That's a matter for the department and the minister. But my past experience in relation to these matters is that it's possible there could be a meeting of work health and safety ministers called, and this could be one of the topics or one of the agenda items considered at the meeting, so that ministers would come fixed with a position which they would then reveal at the meeting, and then the determining factor for the numbers that are required to support a motion are as set out in the COAG intergovernmental agreement in relation to work and health safety matters.

Senator MARSHALL: The Victorian government, I understand, has indicated that they're going to proceed down this path. And, ideally—and one of the things our report indicated is that—in a perfect world, we would look at model laws for that. So, as different states sign—if and when they decide they want to do it, at least—

Ms Baxter: Model laws for what, I'm sorry?

Senator MARSHALL: For industrial manslaughter legislation—so the subject of our report, on the whole. Will you do preliminary work on that, or has Marie Boland actually done that work? Has she put up a legislative model?
Ms Baxter: No, there is no legislative model that Ms Boland has put up, but the agency, in supporting Ms Boland in delivering her review, has obviously done some research into the issue. We’ve also scanned, internationally, to see whether any other countries have got similar types of laws or similar types of concepts which they’ve legislated. So we’re aware of that. However, as we are guided by both work health and safety ministers and our members in terms of the work that we do, we haven’t yet started a full-scale program looking at the issue of regulating for industrial manslaughter.

Senator MARSHALL: In terms of consultants, your expected expenditure was roughly $1.7 million for five ongoing consultancy contracts. Are these contracts in relation to work of the board, like the Marie Boland report, or are they for other ongoing tasks?

Ms Baxter: Are you looking at our annual report?


Ms Baxter: Thanks. Those would have been a range of consultancy contracts. Some of those would have related to, if it's the relevant period, the work of the independent reviewer, such as procuring legal advice on issues that she wanted legal advice on from external legal providers. Others of those would have been related to some of the research work that members asked the agency to undertake on their behalf.

Senator MARSHALL: Are you able to table a list of those consultancies, what they were for and of what value?

Ms Baxter: I'd need to take that on notice—

Senator MARSHALL: Yes, that's all right.

Ms Baxter: but certainly we can do that.

Senator MARSHALL: I think there's a standard way you give us information on that.

Ms Baxter: Yes.

Senator MARSHALL: That would be good. Thank you. I don't really know what this means, so that's why I'm going to ask you. It's not the biggest matter ever. If you look at grants on page 133 of your annual report, your original budget was $100,000 but you've received only $20,000. Am I reading that right?

Ms Baxter: Yes, we've given out only $20,000 in grants.

Senator MARSHALL: These are grants you give out?

Ms Baxter: Yes.

Senator MARSHALL: Why are you so under budget for that?

Ms Baxter: I don't consider that we are under budget. That's an amount of money that we make available.

Senator MARSHALL: But you budgeted for $100,000.

Ms Baxter: We're quite careful in the grants that we do provide in terms of the grant being able to advance the interests of work health and safety. For instance, one of the grants that we gave last year was to a company that was developing ergonomic hand auger evaluation and improvement technology. It was quite specific and quite technical, but we judged that as something that could have quite broad application across a range of industries. We're quite careful about the grant funding that we do provide.
Senator BILYK: How many people got grants in that $20,000?

Ms Baxter: We've provided six grants in the last year.

Senator MARSHALL: Have there been other applications? I agree that you don't give it to just anyone just to meet your budget requirements. Have there been grant applications that have been knocked back?

Ms Baxter: There have been. If it might assist, we do have grant guidelines in the agency for Safe Work Australia that I could provide on notice to you. It would give you a better understanding. I just don't have them with me, I'm sorry.

Senator MARSHALL: That's all right. If you could just provide some information on the grants that were applied for and why they were knocked back.

Ms Baxter: Yes.

Senator MARSHALL: Again, I don't need a book about it; a couple of lines will be fine.

Ms Baxter: Certainly. Thank you.

Senator BILYK: What happens to the money that you've budgeted for but haven't spent?

Ms Baxter: Often that money will be applied towards other priority projects that we're working on, including the occupational lung disease program of work, the review of workplace exposure standards, and work we are anticipating coming out of the Senate inquiry and the independent review into the model work health and safety laws.

Senator MARSHALL: All right. Can I take you to page 165 of the annual report. This is market research, and you engaged a research company 'to conduct research to learn more about our key audiences, their communications needs and preferences'. It's $45,000, but let me tell you: if I had a spare $45,000, I would not be spending it on that. What did you learn from such a thing, and why would you need to know that? You have an advisory board which is a fairly broad spectrum of your key audience. Why couldn't you have just asked them?

Ms Baxter: My recollection is that the Safe Work Australia members body approved this line of work in terms of determining who we should better pitch at in terms of our audience and who's plugging into the channels that we actually offer information on. As you'd appreciate, because we're not a regulator, there can often be a degree of confusion out in the world about whether a person should come to us or whether they should go to their state based regulator. But then there's also a role that Safe Work Australia rightly and correctly assumes in development of national policy, development of national education and awareness campaigns and things like that. So, with the approval of our members, we sought to establish who it is we need to communicate to and how we need to communicate that information.

Senator MARSHALL: All right. Are you satisfied with the report?

Ms Baxter: Yes.

Senator MARSHALL: What did we learn from it?

Ms Baxter: Well, one of the things that we have learnt—

Senator MARSHALL: They've left you holding the baby there! I saw you desperately looking around. No-one's throwing the lifeline!

Ms Baxter: Sorry. One of the things we learnt is that the virtual seminar series that we run in Safe Work Australia and have run now for several years, which replaced a two-day face-to-
face conference, if you like, has a significant reach-out not just to those who are already involved in work health and safety but to employers who may not know much about work health and safety and to employees who are interested in work health and safety. Our virtual seminar series, we've also learnt, is being picked up by some educational institutions, both within Australia and internationally. So that's one of the take-outs that we got, which is that working forward with our virtual seminar series is actually a big winner for us in terms of the reach that we're getting. We have learnt that social media that we use, Twitter and Facebook, are reasonably effective means of communicating to the audience out there that we wish to communicate information to. And we've also learnt—and we're now embarking on a review of our website—that there is still a degree of confusion out there amongst the public about what our role is vis-a-vis the role of the regulators. I think we've have had a discussion a number of times here in previous estimates about the role of Safe Work Australia. So those are some of the top take-outs that we got from that work.

Senator MARSHALL: Thank you. The board currently has three vacancies. What's the process to fill those vacancies?

Ms Baxter: That's a matter that the department handles in conjunction with the minister.

Senator MARSHALL: Damn! We've got to get you on before the department in future.

All right. Regardless of whether they handle that, do you know why they haven't been filled? I understand the ACTU and the Western Australian government have nominated directors to Safe Work Australia; they did that in February. Do you know what the delay is?

Ms Baxter: I don't. I've not privy to either that process or the deliberations that take place in respect of the appointment of members to Safe Work Australia.

Senator MARSHALL: Has there been a meeting of the board since February?

Ms Baxter: No. There's a meeting next week.

Senator MARSHALL: So, unless the government makes those appointments between now and then, you'll be meeting three short?

Ms Baxter: I'm hoping not.

Senator MARSHALL: Can you make decisions?

Ms Baxter: I met with the chair of Safe Work Australia, Diane Smith-Gander, this morning and we discussed this issue. It's been on my mind, obviously, in the lead-up to the meeting. We have reviewed the Safe Work Australia Act, which is our enabling legislation. It permits the members of Safe Work Australia to determine, for want of a better word, the process that will be undertaken at meetings. Ms Smith-Gander made a decision, and I wrote today to the three nominees to indicate that the director is very happy for them to attend the meeting. In fact, we were labouring under the impression that they would be attending the meeting. They will be sitting at the table with the other members and will be invited to participate and share their views on all of the matters that come before the members' meeting next week.

The one issue we can't overcome, because it's mandated, stipulated, in the legislation, is that those three members will not have voting rights. However, a formal vote is fairly infrequently required at Safe Work Australia. In fact, Ms Smith-Gander strives, as a good
chair would, to try and get the views of everyone to a point of agreement without recourse to formal voting arrangements. But a formal vote does happen on occasion. I do stress that.

Senator MARSHALL: Sure. Does the board meet in Canberra?

Ms Baxter: Occasionally the members' body meets in Canberra.

Senator MARSHALL: So it moves around to other places?

Ms Baxter: Yes. Most frequently the members' body meets in Melbourne or Sydney, and that's particularly to accommodate the jurisdictions that have to travel. You'd appreciate if you're coming from the Northern Territory or Tasmania that it can sometimes be quite difficult to get to Canberra in a reasonable fashion. So, yes.

CHAIR: There being no further questions for the Safe Work Australia you go with our thanks.

Ms Baxter: Thank you.

Asbestos Safety and Eradication Agency

[16:17]

CHAIR: Welcome, Ms Ross. Do you have an opening statement?

Ms Ross: No, I don't.

CHAIR: In that case we'll go straight to questions. Senator Marshall.

Senator MARSHALL: Where is that strategic plan?

Ms Ross: It's here.

Senator MARSHALL: Has it been released? When did that happen?

Ms Ross: It's still in draft form.

Senator MARSHALL: Okay.

Ms Ross: I'll just give you the dates since we were last at estimates. We had our conference in November, and, because the plan contains eight targets, we held workshops at that conference on the targets and sought views on the targets. In the same way that Safe Work Australia has a board, we have a council. There was a meeting of the council at the end of the year, after the workshops, so we took the draft to the meeting, and the council endorsed it. I also took the draft to a meeting of Safe Work Australia, and the members there seemed quite comfortable with the plan. At the beginning of the year we designed it all up. We got it designed, because it was not in a designed form, and I wrote out to senior officials in the states and territories saying: this is it. Are you happy? Do you have any further comments, because Minister O'Dwyer is going to be writing out to state and territory ministers with responsibility for work health and safety seeking their approval. She did that, and letters were sent on 12 March. At the moment, it's sitting with state and territory ministers to get their approval.

Senator MARSHALL: There are some time frames around that, because it was due, wasn't it? There was a—

Ms Ross: The plan sort of finished at the end of last year in that it had a date on it—2014 to 2018. I took up this position at the end of August and nothing at that stage had been drafted.
Senator MARSHALL: Waiting for the conference.

Ms Ross: It was about waiting for the new CEO to come on board and for them to have a say, because they would have to lead the coordination of its implementation.

Senator MARSHALL: Sure. I think it's reasonable. I think I asked you last time. There was some concern that some—we don't call them 'user groups'—victim groups and others weren't going to get the support they had in the past to go, and you assured me that they would continue to get the support—

Ms Ross: And they did.

Senator MARSHALL: They did?

Ms Ross: Yes.

Senator MARSHALL: I think it's quite reasonable to wait for the input from that conference. I'll ask you about some time frames around when you expect ministers from different jurisdictions to respond and when you might be able to put out the strategic plan, and then I'll ask you to let us know how the conference went.

Ms Ross: Could I add something further, because it might help. What we have decided this year in the agency is to reorganise ourselves so that we are in a position to coordinate the implementation of the draft plan. It's because of the targets. The targets involve some significant work around devising how we're going to measure those targets. That's a body of work that we're undertaking at the moment. What will sit under the plan is a range of national action plans that will detail what needs to be done, who needs to do it and when it needs to be done. We have started that body of work as well.

Senator MARSHALL: Good. Is there some expectation on the ministers from the different jurisdictions to sign off?

Ms Ross: I know this process sometimes does take some time. In some jurisdictions it might be the case that they need to go to cabinet to approve it. We're hoping that, around midyear, we will have full approval. We're working towards a launch midyear. As I said, we're already undertaking significant work.

Senator MARSHALL: The conference was a success. Once again, I would have liked to go and had planned to go, but once again I didn't.

Ms Ross: I think it was. I thought it was a really exciting conference. We had over 300 delegates in the end and they were all highly engaged. We got lots of fantastic feedback during and after the conference. What we were really pleased about is that, for 45 per cent of the delegates, it was the first conference that they had attended. We were really happy with that. We did offer support to the support groups and we had good representation there as well. It was a really positive and engaging event.

CHAIR: Senator Abetz has a request.

Senator ABETZ: I am seeking the indulgence of the committee to briefly recall the Fair Work Ombudsman. I missed it. This is a very efficient committee now that I'm no longer officially part of it, and I missed the opportunity. I'm in the hands of the committee as to whether they would grant me that indulgence.
CHAIR: We're trying to find out whether they're actually still in the building, Senator Abetz. It has been the case with other committees I have sat on, on both sides of the fence. If they're still in the building—

Senator ABETZ: I would anticipate needing five to 10 minutes.

CHAIR: I'll release the Asbestos Safety and Eradication Agency, with our thanks. We will suspend for five minutes to see whether officers from the Fair Work Ombudsman are still available, Senator Abetz.

Senator ABETZ: Thank you.

CHAIR: On that note, unless there's any further information, we will conclude today's proceedings. The committee is due to recommence its examination of budget estimates on Thursday 11 April. I thank Minister Payne, officers from the Department of Jobs and Small Businesses and all witnesses who have given evidence to the committee today. I also thank Hansard, broadcasting and the secretariat. On that note, we will adjourn.

Committee adjourned at 16:31