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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Thursday, 21 February 2019

Members in attendance: Senators Carol Brown, Cameron, Duniam, Gichuhi, Hinch, Martin, McAllister, Siewert, Singh, Dean Smith, Watt.
SOCIAL SERVICES PORTFOLIO

In attendance
Senator Fifield, Minister for Communications and the Arts
Senator Fawcett, Assistant Minister for Defence

Department of Human Services
Ms Renee Leon PSM, Secretary

Outcome 1
Mr John Murphy, Deputy Secretary, Payments Reform Group
Mr John Kilner, Acting General Manager, Business Transformation Division
Mr Barry Jackson, Deputy Secretary, Service Delivery Operations Group
Ms Bridget Brill, General Manager, Operations Management Division
Mr Chris Horsley, General Manager, Service Delivery Strategy Division
Mr Mark le Dieu, General Manager, Face to Face Services Division
Ms Tracy Muddle, General Manager, Modernisation Division
Ms Jennifer Rufati, General Manager, Smart Centres, Indigenous and Intensive Servicing Division
Mr Bill Volkers, General Manager, Child Support Smart Centres Division
Mr Hamid Heydarian, National Manager, Capability Improvement Branch
Ms Annette Musolino, Acting Deputy Secretary, Integrity and Information Group
Dr Maria Milosavljevic, Acting General Manager, Chief Data Officer Division
Mr Craig Storen, General Manager, Customer Compliance Division
Mr Damian West, General Manager, Business Integrity Division
Ms Deborah Winkler, Acting General Manager, Information, Debt and Appeals Division
Ms Catherine Rule, Deputy Secretary, Program Design Group
Mr Mukul Agrawal, Chief Citizen Experience Officer
Ms Maree Bridger, General Manager, Child Support and Redress Division
Ms Rosemary Deininger, General Manager, Participation and Disability Division
Ms Michelle Lees, General Manager, Families Division
Mr Gavin Matthews, General Manager, Older Australians Division
Ms Lisiane Barao Macleod, National Manager, Customer Lifecycle Management Branch
Ms Amanda Cattermole, Deputy Secretary, Health and Aged Care Group
Ms Susan Black, General Manager, Health Service Delivery Division
Mr Paul Creech, General Manager, Aged Care and Industry Programs Division
Ms Kirsty Faichney, General Manager, Health Programs Division
Ms Roxanne Kelley, Chief Operating Officer
Mr Joost de Kock, General Manager, Enterprise Transformation Division
Mr Tim Ffrench, Acting Chief Counsel, Legal Services Division
Mr Ian Fitzgerald, General Manager, People Policy and Operations Division
Mr Robert Higgins, General Manager, Corporate Operations Division
Mr Mark Jenkin, Chief Financial Officer
Ms Michelle Kelly, General Manager, Audit and Risk Division
Ms Julia Pickworth, General Manager, Governance and Strategic Policy Division
Ms Cathy Sear, General Manager, Communications Division
Ms Jenny Teece, General Manager, People Services Division
Mr Hank Jongen, Departmental Spokesperson
Mr Michael McNamara, Chief Information Officer
Mr Jason McNamara, General Manager, Integrity Modernisation
Mr Mike Brett, Acting Chief Technology Officer
Mr Garrett McDonald, Acting General Manager, Canberra Delivery Centre
Mr Dale Naughton, Acting General Manager, Production Systems Delivery Centre
Mr Brynton Taylor, Acting General Manager, ICT Infrastructure Division

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

Department of Social Services—Cross Outcomes
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mr Anthony Seebach, Chief Counsel and Group Manager, Governance, Legal and Assurance
Mr Adrian Hudson, Group Manager, Corporate Services
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Iain Scott, Group Manager, Strategy, Community Grants Hub
Mr Peter Qui, Chief Information Officer and Group Manager, Information Management and Technology
Ms Carolyn Paterson, Branch Manager, Grants Administration

Department of Social Services—Outcome 1, Social Security
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Shane Bennett, Group Manager, Payments Policy
Ms Emma Kate McGuirk, Branch Manager, Work and Study Payments
Ms Kath Paton, Branch Manager, Families and Pensions
Ms Vanessa Lapthorne, Branch Manager, International Policy and Payment Support
Mr Brenton Philp, Group Manager, Welfare and Housing Policy
Mr Sidesh Naikar, Branch Manager, Housing Policy
Ms Mary McLarty, Branch Manager, Payment Structures
Dr Tim Reddel, Group Manager, Policy Office
Mr Phil Brown, Branch Manager, Policy Strategy and Investment
Ms Jillian Moses, Branch Manager, Policy Analysis and Reporting
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services

Department of Social Services—Outcome 2, Families and Communities
Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
Ms Lisa Foreman, Group Manager, Families and Communities
Ms Lisa La Rance, Branch Manager, Housing Programs and Financial Wellbeing
Mr Tristan Reed, Branch Manager, Families and Children
Ms Chantelle Stratford, Branch Manager, Family Safety
Mr Bruce Taloni, Group Manager, Redress and Reform
Ms Selena Pattrick, Branch Manager, Welfare, Quarantining and Gambling
Ms Sharon Stuart, Branch Manager, Redress Policy and Legislation
Ms Tracy Creech, Branch Manager, Redress Implementation
Ms Sharon Bailey, Acting Group Manager, Settlement Services
Mr Leo Kennedy, Branch Manager, Settlement Support
Ms Sarah Guise, Acting Branch Manager, Settlement Policy
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Shane Bennett, Group Manager, Payments Policy
Ms Kath Paton, Branch Manager, Families and Pensions
Dr Tim Reddel, Group Manager, Policy Office
Mr Phil Brown, Branch Manager, Policy Strategy and Investment
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services
Ms Carolyn Paterson, Branch Manager, Grants Administration
Mr Iain Scott, Group Manager, Strategy, Community Grants Hub

Department of Social Services—Outcome 3, Disability and Carers
Mr Michael Lye, Deputy Secretary, Disability and Carers
Mr Andrew Whitecross, Group Manager, NDIS Market Reform
Mrs Anita Davis, Branch Manager, Quality and Safeguards Policy
Mr Thomas Abhayaratna, Branch Manager, NDIS Market Oversight
Ms Eliza Strapp, Branch Manager, Program Transition
Ms Flora Carapellucci, Group Manager, NDIS Mainstream Linkages
Mr Chris D'Souza, Acting Branch Manager, NDIS Mainstream Policy
Mr Peter Broadhead, Branch Manager NDIS Mainstream Interface
Ms Helen McDevitt, Group Manager, NDIS Transition Oversight
Dr Nerida Hunter, Branch Manager, NDIS Financial Policy and Performance
Mr George Sotiropoulos, Group Manager, Disability, Employment and Carers
Mr Christian Callisen, Branch Manager, Participation and Assurance
Mr Stephen Moger, Branch Manager, Disability and Carer Policy
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services
Mr Iain Scott, Group Manager, Strategy, Community Grants Hub

National Disability Insurance Scheme Quality and Safeguards Commission
Mr Graeme Head AO, NDIS Quality and Safeguards Commissioner
Ms Samantha Taylor PSM, NDIS Quality and Safeguards Registrar
Ms Miranda Bruyniks, NDIS Quality and Safeguards Complaints Commissioner
Dr Jeffrey Chan, NDIS Quality and Safeguards Senior Practitioner

National Disability Insurance Agency
Mr Michael Francis, Deputy Chief Executive Officer, Participants and Planning Experience Group
Ms Vicki Rundle PSM, Acting Chief Executive Officer and Deputy Chief Executive Officer, Government Communications and Stakeholder Engagement Group
Mr Victor Walter, Deputy Chief Executive Officer, Corporate Services and Chief Finance Officer Group

Department of Social Services—Outcome 4, Housing
Mr Nathan Williamson, Deputy Secretary, Social Security
Mr Brenton Philp, Group Manager, Welfare and Housing Policy
Mr Sidesh Naikar, Branch Manager, Housing Policy
Dr Tim Reddel, Group Manager, Policy Office
Mr Phil Brown, Branch Manager, Policy Strategy and Investment
Ms Liz Hefren-Webb, Deputy Secretary, Families and Communities
Ms Lisa Foreman, Group Manager, Families and Communities
Mr Paul Menzies-McVey, Branch Manager, National Rental and Affordability Scheme Taskforce
Ms Lisa La Rance, Branch Manager, Housing Programs and Financial Wellbeing
Ms Margaret McKinnon, Chief Operating Officer
Mr Andrew Harvey, Chief Finance Officer and Group Manager, Finance
Mrs Tracey Bell, Branch Manager, Communication Services

Committee met at 09:01

CHAIR (Senator Gichuhi): I declare open this hearing of the Community Affairs Legislation Committee on 21 February 2019. The Senate has referred to the committee the particulars of proposed additional expenditure for 2018-19 for the portfolios of Health and Social Services, including the Department of Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed 29 March 2019 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by the close of business on 1 March 2019. The committee's proceedings today will begin with its examination of the Social Services portfolio, commencing with whole-of-portfolio and corporate matters. The committee will then continue with the Department of Social Services and other portfolio agencies as listed on the program. At 7.30 pm, the committee will commence its examination of the Department of Human Services.

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 contempt. It is also a contempt to give false or misleading evidence to the committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings. Any questions going to the operations or financial position of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has discretion to withhold details or explanation 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 shall not be asked to give opinions on matters of policy and shall be
given reasonable opportunity to refer questions asked of the officer to superior officers or to a
minister. This resolution prohibits only questions asking for opinions on matters of policy and
does not preclude questions asking for examinations of policies or factual questions about
when and how policies were adopted. I particularly draw the attention of witnesses to an order
of the Senate of 13 May 2009 specifying the processes by which a claim of public interest
immunity should be raised.

_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)

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. I remind officers that their opening statements should be brief and officers may seek to incorporate longer opening statements into the committee Hansard.

Department of Social Services

[09:06]

CHAIR: I now welcome Senator the Hon Mitch Fifield, representing the Minister for Families and Social Services, and officers of the Department of Social Services. Minister, do you wish to make an opening statement?

Senator Fifield: Good morning, Chair. No, thank you. Just at the outset, can I ask—because I know sometimes programs are subject to change and the will of the committee—if the program is as outlined?

CHAIR: Yes.

Senator WATT: I flag that the opposition doesn't have a huge number of questions in either corporate or outcome 1, if that's where we start, so outcome 2 people might be ready to come a bit early.

Senator SIEWERT: I do have a number of questions in outcome 1.

Senator WATT: Okay, cancel that.

Senator SIEWERT: Sorry to get you all excited.

Senator Fifield: The mood of the committee is clear.

Senator WATT: But be ready anyway.

Senator CAROL BROWN: In 2015 a Senate inquiry recommended a royal commission into the violence, abuse and neglect perpetrated against people with disability. When was the official government response to that recommendation tabled?

Ms Campbell: We thought that item would be under outcome 3, disability and carers. We can see if we can get the officers to the table. I'm trying to work out whether you want to do that under cross-portfolio or outcome 3.

Senator CAROL BROWN: I have only a few questions around the royal commission.
Senator WATT: They're pretty high-level questions.

Ms Campbell: Someone behind me is trying to find those outcome 3 people who will have those details.

Senator CAROL BROWN: I will wait till they come in—but here they are.

Ms Campbell: The question was: when did the government respond to the 2015 Senate inquiry?

Senator CAROL BROWN: That's correct—on what date?

Mr Lye: I might come back to you on that question. There was a process of extension for a reply to that inquiry. My recollection is that we ended up in a process where COAG considered the recommendation.

Senator CAROL BROWN: No, that's not the question. I will just restate the question. The government responded to the Senate inquiry into violence, abuse and neglect perpetrated against people with disability. I want to know, for the Senate inquiry report, when the official government response to that recommendation was tabled.

Mr Lye: I will come back to you with the exact dates. But, again, in relation to their response to the inquiry, there was an extension sought and then the parliament in which that Senate inquiry happened, was commuted, and I don't think that a reply was tabled in the subsequent parliament. But, I will check that and come back to you.

Senator CAROL BROWN: What do you mean by 'an extension was sought'?

Mr Lye: There was a period of time in which the government was expected to reply to the Senate inquiry. I think that there was an extension sought on that reply and then, subsequently, there was an election held and the parliament was commuted. So, we went into a new parliament and I do not believe that a response to the inquiry was ever tabled. But I will check my facts on that.

Senator CAROL BROWN: I don't think your memory is serving you correctly. The Senate inquiry was tabled in 2015.

Mr Lye: Yes.

Senator CAROL BROWN: So, you're not able to tell me when the official government response to that inquiry was tabled? It was, in my memory—

Mr Lye: Sorry, I've got it now.

Senator CAROL BROWN: Okay.

Mr Lye: There was that process which I described, and then the government's response to the committee's recommendations was tabled on 3 March 2017.

Senator CAROL BROWN: What did it recommend, in terms of the royal commission?

Mr Lye: The government agreed in principle and noted all but one recommendation, which was the recommendation that you're referring to. At the time, the government decided it was not necessary to hold a royal commission as the findings of that Senate inquiry and other recent inquiries at the state level were used to inform the development of the NDIS Quality and Safeguarding Framework.

Senator CAROL BROWN: So the recommendation was that a royal commission was not needed?
Mr Lye: Well, I think that, at the time, the decision of the government was that effort be put into the establishment of the NDIS Quality and Safeguarding Framework.

Senator CAROL BROWN: Just read the recommendation out then, Mr Lye.

Mr Lye: I'm not sure that I've got it here.

Senator WATT: They had their reasons, but the response was not to have a royal commission at the time.

Mr Lye: At the time. And then there was a subsequent consideration of this issue through the COAG process.

Senator CAROL BROWN: Well, we'll get to that. But, since that official response was tabled, not to support a royal commission, has the department provided the government with any advice about the establishment of a royal commission?

Mr Lye: Yes.

Senator CAROL BROWN: When?

Mr Lye: We regularly brief the government on the issues around abuse, neglect and safeguarding of people with disability, and this is part of that. Is your question about recently or—

Senator CAROL BROWN: My question is: when did you provide advice around establishing a royal commission? Not other matters, but a royal commission.

Mr Lye: This is an issue that has come up many, many times between 2017 and today, and so we regularly provide the government with advice in relation to the calls for a royal commission. It's part of our advice around the quality and safeguarding work that we do. But if you're asking about more recent times, 'Have we been asked for advice around a royal commission?' then, yes, we have.

Senator CAROL BROWN: When?

Mr Lye: In the last week.

Senator CAROL BROWN: Do you know exactly when?

Mr Lye: It's not fair to say that we have only advised or talked to the government about the issue of a royal commission recently; it is a regular consideration of our work. When DRC ministers meet, it is part of the discussions around those meetings because it has been a feature of the quality and safeguarding discussion that's taken place between the Commonwealth and the state, for example.

Senator CAROL BROWN: I think it was in May 2017 that the then Prime Minister was asked a question by the Leader of the Opposition as to whether the government would support a royal commission. The then Prime Minister said that he'd raise it at COAG.

Mr Lye: Yes.

Senator CAROL BROWN: It was then transferred to the DRC—

Mr Lye: Yes.

Senator CAROL BROWN: and then transferred to the senior officials group. When the department was questioned last year, in 2018, it was still in the senior officials group. I haven't seen any communique that indicates it's gone back to DRC.
Mr Lye: The advice coming back through to COAG was made in DRC's annual report.

Senator CAROL BROWN: What did it say?

Mr Lye: It's not a public report, so I'm not able to give you the content of it today.

Senator CAROL BROWN: You're suggesting that the government sought advice on the royal commission from that time there, the DRC annual report, up to—since that point in time?

Mr Lye: It's fair to say that that process, which has involved the states, has taken some time. I think the government has had a watching brief on it, and that has informed our briefings and considerations through the COAG and DRC process. So it's been a live issue for that time.

Senator CAROL BROWN: It's been a live issue because it was put on there through questioning by the Leader of the Opposition. As far as I can see, no communique's indicated any information about the outcomes of those discussions. Did it go back to COAG?

Mr Lye: It's gone back to COAG, but it's not public.

Senator WATT: Is there some kind of immunity that you're claiming?

Mr Lye: No, not at all. It's just that COAG is a province of PM&C, and we would need to seek agreement through that process to have a report released. I'm not sure that it would be contentious but we don't have the ability to release it.

Senator CAROL BROWN: Mr Lye, it's been down there since 2017. You said previously that it was just in the last week that the government asked for advice on a royal commission.

Ms Campbell: I think Mr Lye said we had been continually providing advice to government on this matter.

Senator SIEWERT: You can't tell us what's in the report. Can you tell us if the states and territories are supportive of a royal commission, because it's been to COAG?

Mr Lye: I don't want to go into the detail of that report not because it's particularly contentious but because it's not mine to share. I'd be more than happy to help the committee by seeking the agreement of the Prime Minister's department and of the states and territories to make that available to you.

Senator CAROL BROWN: It has been mentioned in previous DRC communiques and in the initial COAG communique. It was expected to have some report back. You're saying now that that report back was in the annual report, and we're not allowed to know about it?

Mr Lye: I'm not saying you're not allowed to know about it; I'm saying that that report is not one that is framed to be made public. It's not done in that way. It's got a number of contributors to it; all of the states and territories are contributors to it. It's not really ours to make an arbitrary decision on to release. We would need to seek permission to do that. I do not know that that would be a complicated thing, but we would have to do that.

Senator CAROL BROWN: Mr Lye, since the annual report, what activity has the department undertaken in regard to this?
Mr Lye: Obviously we keep a watching brief on the debate around and calls from individuals for a royal commission, and we update our advice accordingly as that discussion takes place. That's been a relatively continuous process.

Senator CAROL BROWN: Essentially, you're saying that the action out of whatever advice is in the annual report is that the department keeps a watching brief?

Mr Lye: Yes, we keep a watching brief. What is happening beside that process is the establishment of the quality and safeguarding framework and the quality and safeguarding commission that works within the NDIS. That has been a principal focus for us in this space—that has been our primary focus.

Senator CAROL BROWN: Essentially, nothing came out of the recommendation from the DRC. Can you see if you can get us a copy of what was recommended, or what was in the annual report, about the royal commission?

Mr Lye: I'm happy to seek permission to do that for you.

Senator CAROL BROWN: Since that time, and a watching brief around the quality and safeguarding commission's work, you have given advice in the last week to the government since the initial advice that a royal commission was not needed?

Ms Campbell: I think Mr Lye said we had been continuously advising government about the Quality and Safeguards Commission and the role of the new commission in that. In recent times, we have provided more advice about the possibility of a royal commission.

Senator CAROL BROWN: 'In the last week' is what Mr Lye said.

Ms Campbell: That's right.

Senator SIEWERT: Are you finished with the royal commission?

Senator CAROL BROWN: No. Has the department been asked to undertake a costing for establishing a royal commission?

Ms Campbell: Royal commissions are generally the remit of the Department of the Prime Minister and Cabinet in setting them up and then the Attorney-General's Department when they are being run.

Senator CAROL BROWN: Have you been asked for any advice about establishing a royal commission?

Ms Campbell: We've been asked for advice with regard to this portfolio, but we wouldn't expect we'd be leading the costings on that material.

Senator CAROL BROWN: But you have been asked for advice about establishing a royal commission?

Ms Campbell: We've been asked for advice on the proposal to establish a royal commission, yes.

Senator CAROL BROWN: So when was that; in the last week?

Ms Campbell: I think it would be fair to say it's been evolving over the last week, and we've provided advice over that last week.

Senator CAROL BROWN: When did you provide that advice?

Ms Campbell: I think we've provided advice on a couple of occasions.
Mr Lye: Yes; it would have been possibly over a number of days last week.

Senator CAROL BROWN: What interaction would need to occur with the states before a royal commission could be established?

Ms Campbell: Again, how these processes are established is generally in the remit of the Department of the Prime Minister and Cabinet, particularly when there are other jurisdictions. I think those questions are best left to the Department of the Prime Minister and Cabinet.

Senator CAROL BROWN: But is it your expectation that those discussions will be conducted through PM&C?

Ms Campbell: Yes. PM&C advise the Prime Minister on the establishment of royal commissions.

Mr Lye: It may be the case that the Prime Minister would delegate to our minister to undertake a discussion with states through the DRC process—that's possible. But typically this is, as the secretary has said, an issue for PM&C.

Senator CAROL BROWN: There's been no request to do it through DRC?

Mr Lye: No.

Senator WATT: The involvement of PM&C that you're referring to—does that mean, in essence, it's a decision of the Prime Minister to establish the royal commission and that he would then get his department to do the leg work to establish it?

Mr Lye: They have responsibility for the establishment of royal commissions; there is an area in PM&C that looks after that. It's a government decision, and, usually, the Prime Minister will announce it—for example, former Prime Minister Gillard announced the child abuse royal commission. That's done within Prime Minister and Cabinet. We're obviously subject matter experts on the issues at hand: disability, disability abuse and neglect.

Ms Campbell: The commission, and how the system works with Commonwealth and state responsibilities—we would provide that advice to PM&C.

Senator CAROL BROWN: Is it possible to establish a royal commission without the agreement of the states?

Ms Campbell: I think that is better answered by Prime Minister and Cabinet and possibly the Attorney-General's Department.

Senator CAROL BROWN: Have any other royal commissions going into state institutions been established without—

Mr Lye: In relation to the royal commission on child abuse, there was an interaction with the states and territories and the Prime Minister wrote to the states and territories in relation to that. That's probably something that covers similar terrain to disability. I think it's in the public debate that states and territories have considerable responsibility in this space, particularly beyond the NDIS. The technical decision around the formation of a royal commission is not within our province. But clearly the cooperation of the states and territories at a practical level, regardless of that technical issue, is really important in this case.

Senator WATT: You said with the sexual abuse royal commission there was 'an interaction' with the states and territories. Was there agreement? I actually just don't remember.
Mr Lye: We don't want to exceed our expertise here, but my understanding is that there was some kind of a process where commissioners were sworn in in each state and state royal commission legislation was used to make sure that the royal commission had the ability to do its job in every jurisdiction. I'm trying to be helpful to you. I do not know whether that is required in this instance or the actual technical nature of what occurred in the child abuse case, but there certainly was an interaction of that nature to make it work.

Senator DEAN SMITH: A royal commission without the cooperation of the states and territories would hardly be as effective as it could be if it were established with the cooperation of states and territories. That's a true statement, surely?

Mr Lye: That's very true.

Senator CAROL BROWN: You do realise that Mr Morrison said in his contribution on Monday that it was:
... discussed through the Council of Australian Government and the COAG Disability Reform Council and at that time, states and territories did not indicate support for a royal commission.
That seems to signal to me that we should be able to get a copy of the annual reporting to it and what was actually said.

Ms Campbell: We will ask the Department of the Prime Minister and Cabinet. I am assuming someone is already doing that—

Senator CAROL BROWN: The Prime Minister is stating something. We've already had, I think, three states that have come out saying they would support it.

Mr Lye: I think it is obvious that a royal commission didn't emanate from the COAG report and that we have continued to work with the states around the establishment of the quality and safeguarding framework to support the NDIS.

Senator CAROL BROWN: We understand that. We've had a discussion around why a royal commission is needed outside the quality and safeguarding framework. We've had that discussion a number of times. From what I can see and from what's available publicly, the government said no in their official government response on 3 March 2017 and until Monday there hadn't been a change of position. That change of position is welcome, even though it's long overdue.

Mr Lye: I think the interaction with COAG suggests that the government was prepared to have a conversation with the states around the issue and that interaction took its course. That's the only thing I would add to what you've said.

Ms Campbell: We will seek to talk with our colleagues in Prime Minister and Cabinet and see what we can provide later in the day.

Senator CAROL BROWN: Okay. Thanks.

Senator SIEWERT: Because I can't remember the time line for the royal commission into child sexual abuse in institutions, are you able to give us a time line for when the announcement of the royal commission was made—that is, the big-picture announcement of, 'We're going to do a royal commission'—and whether the consultation of the states happened before or after the headline announcement?

Ms Campbell: We could do some research into that and consult with Attorney-General's Department, because it's either Prime Minister and Cabinet or Attorney-General's who would
historically have that information because of their responsibilities. We can consult with them while we're here today, but we don't have that information with us because that wasn't our responsibility and remains not our responsibility.

Senator SIEWERT: But you're obviously heavily involved in that. Your department—

Ms Campbell: The Department of Social Services was involved in providing support services, particularly to those survivors who came forward. We can see what we can do and see whether we can get some of that information. It's just not ours; it's not something that we actually executed at the time.

Senator SIEWERT: Can I just add to the question that Senator Brown asked in terms of being asked for advice. Have you been asked for any advice or costings in relation to provision of that sort of advice if a royal commission is to occur, in terms of support for people that are participating in the process in the same way that supports were provided for those participating in the child abuse royal commission?

Ms Campbell: I'm not sure whether we've been asked for costings yet, but that is front of mind for us in our considerations of this matter going forward.

Senator SIEWERT: You're working on that, are you?

Ms Campbell: We are considering those options.

Mr Lye: One of the considerations is the actual terms of reference. I think if you're going to have a royal commission that looks at historical abuse and neglect, which was the case with the child abuse inquiry, those services were particularly important in that circumstance. It does depend on where you land with terms of reference and with states and territories. All of those things, I think, come before that consideration.

Senator SIEWERT: Are you participating in the process or have you given thought to the terms of reference and the extent of those terms of reference?

Ms Campbell: These will be matters for the Department of the Prime Minister and Cabinet to provide advice to the Prime Minister. We work with the Department of the Prime Minister and Cabinet on these matters.

Senator SIEWERT: I understand that, but this is your portfolio area.

Mr Lye: Our subject knowledge is really to be able to say, 'These are the boundaries of the quality and safeguarding work that we're doing to support the NDIS, so this is the amount of coverage that that provides in terms of a modern framework to protect people from abuse and neglect.' Then, in relation to what people have said in the public debate around a broader set of terms of reference, we provide technical advice around saying, 'That is a state and territory responsibility or a mainstream responsibility, and here are the quality and safeguarding or other activities that occur in those settings.' If a person with a disability had a terrible experience in a hospital, what's the framework that applies to that currently? That's where we bring our subject matter expertise to bear.

Senator CAROL BROWN: Have you had any discussions with PM&C around starting the preparations for a royal commission in terms of putting a departmental committee together?

Mr Lye: No, the nature of our engagement with PM&C has been to provide that same level of subject matter expert advice to assist them in their work.
Senator CAROL BROWN: They haven't communicated with DSS about requiring that information yet?

Ms Campbell: We are working with the Department of the Prime Minister and Cabinet and providing the types of advice that Mr Lye just discussed. We are working with Prime Minister and Cabinet.

Senator CAROL BROWN: When did that commence? Just in the last week?

Ms Campbell: Last week.

Senator CAROL BROWN: Do you have an indication as to when that process will be completed?

Ms Campbell: No, Senator.

Senator CAROL BROWN: Is it your expectation that you will be involved in the consultations that will take place around a draft terms of reference?

Ms Campbell: We'll continue to work with Prime Minister and Cabinet on all these facets when they need our advice, and we are active in our engagement with them.

Senator SIEWERT: In terms of the provision of advice, you've also been responsible for funding disability services and supports, or this agency has, so you've got a lot broader knowledge base than just the quality and safeguards issues?

Mr Lye: That's right.

Ms Campbell: Yes.

Senator SIEWERT: Are you also providing advice from your broader knowledge base? Mr Lye, you just restricted your comments largely to quality and safety. For a start, our argument has always been that the Quality and Safeguards Commission is really important but it in no way dealt with the issues that needed to be dealt with through the royal commission.

Ms Campbell: I think Mr Lye just gave you an example of someone who may have suffered an unfortunate incident in a hospital, for example, and providing advice—that we can provide advice to PM&C about how that framework interacts with the state and territory obligations, as well as with the Commonwealth. So, I don't think it's really fair to say we would only be providing advice on the Quality and Safeguards Commission. The Commonwealth has provided funding over many years for those services, and before the safeguard commission those services have been regulated generally by state and territory mechanisms.

Senator SIEWERT: There's no point in arguing any further about it. Thank you.

Senator CAROL BROWN: You also run the abuse hotline, don't you?

Mr Lye: Yes.

Senator CAROL BROWN: So, your participation in the PM&C work is going to be critical?

Mr Lye: We think so.

Senator CAROL BROWN: Let's hope that what is happening is actually going to be a bit more public. It's very difficult to get any responses from the department as to what's
happening. I suppose it is early days—the government has just agreed to proceed. You're going to answer on notice the annual report question, aren't you?

Mr Lye: We'll do our best to see if we can provide that.

Senator WATT: I have a question about some of the general financial assumptions underpinning the social security system—just to pick a small topic! When calculating the cost and number of people accessing working age payments, does the department take into account projections of employment, population and jobs?

Ms Campbell: This is more in outcome 1. I think we have some outcome 1 officers—

Senator WATT: We're about to get to outcome 1—

Ms Campbell: Do you want to do it now?

Senator WATT: If we could, that would be good.

Ms Campbell: Then we can come back to cross-portfolio.

Senator WATT: This is our last cross portfolio matter. I'm not sure if anyone else has others? No.

Ms Campbell: We could commence on outcome 1.

Senator WATT: Chair, would you like to commence on outcome 1? I think my question falls under there.

CHAIR: We are now finished with cross-portfolio and will head to outcome 1.

[09:39]

Senator WATT: Chair, are we going to strictly run through each program 1.1, 1.2, 1.3 or is it—

Senator SIEWERT: That's what we usually do.

Senator WATT: With that question that I was just asking, is there a particular program that would more appropriately fall under?

Ms Campbell: I think it's more across outcome 1, so we're happy to do it now.

Senator WATT: All right. The question is: when calculating the cost and number of people accessing working age payments, does the department take into account projections of employment, population and jobs?

Mr Williamson: Yes, we do take into account those factors.

Senator WATT: What are the assumptions about job creation this year and over the forward estimates that underpin the current figures?

Mr Williamson: We work with the Department of the Treasury around those assumptions, so I guess the details of those assumptions are better answered by the Treasury themselves. We don't project employment ourselves; we work with Treasury around that.

Senator WATT: So you use Treasury projections and essentially plug them in?

Mr Williamson: Correct.

Senator WATT: What are the assumptions that you obtain from Treasury that you plug into your system? Is there anyone who's across that? I'm thinking particularly about job creation.
Mr Williamson: We would use, obviously, the headline figures that the Treasury produce.

Senator WATT: The Prime Minister has committed to create 1¼ million new jobs in the next five years. Is that the projection that underpins your figures?

Mr Williamson: I believe the Prime Minister's commitment is in the broad across the economy. We would look at specific elements for the payments that we provide, and we would work with the Treasury around the particular elements that would make up those payments.

Senator WATT: Perhaps we might move onto some other questions, and maybe someone could have a look at it. I'd just be interested to find out what is the number of new jobs expected to be created that you use in your figures.

Ms Campbell: Or whether that is a factor that goes into a figure about general unemployment or the like.

Senator WATT: Yes.

Ms Campbell: My understanding is that it was more of a rounded-up general type figure that we received from the Treasury, so we don't capture that information that you're talking about. That would be something for the Treasury to do, and then they would project forward the expectations about unemployment going forward. We can just confirm that, but that's my understanding.

Senator WATT: If I understand what you're saying correctly, because of the different types of working age payments that exist, you have to come up with some kind of formula to work out your own projections and what the costs of these payments will be.

Ms Campbell: We do.

Senator WATT: Job creation might be one input into that formula. It might be a fraction of those. I'm really focusing in on that: what is the job creation figure?

Ms Campbell: Mr Williamson might be able to confirm, but I don't think we would take that factor. We would rely on the Treasury giving us an overall job employment figure. I don't think we would take that into consideration. That would be done by our colleagues in the Treasury.

Mr Williamson: That's correct.

Senator WATT: But, to be able to calculate what you're likely to have to pay out in working age payments, you must have some assumptions around unemployment rates.

Ms Campbell: Yes, that's the sort of information we get from the Treasury, and that's what we said we'd have a look at to see what we can get out of it.

Mr Williamson: We'll see what we can get. To follow on from the secretary's comments, the information that's provided to our department is more at an aggregate level. The breakdown of specific components is determined by the Treasury with their modelling, and they would have that information. We don't actually have that specific information.

Senator WATT: I realise it might not be your information, but the reason I'm asking it here is that you use that information from the Treasury to perform your own calculations. So why don't I leave that with you and see if someone can have a dig around?

Mr Williamson: We'll see what we can come back with.
[09:44]

Senator WATT: I think we've finished cross-outcome questions. Moving on to 1.1, I have some questions about family tax benefit. Is the government proceeding with the proposed freeze on the indexation of the FTB supplement in the Social Services Legislation Amendment (Maintaining Income Thresholds) Bill?

Mr Bennett: The supplements and how they're being treated was mentioned in MYEFO, page 224. It talks about the promoting sustainability welfare measure. As part of that there is a dot point that reflects that the three year indexation pause of FTB end-of-year supplements will no longer proceed.

Senator WATT: The government is not going to proceed with the proposed freeze on the indexation of the FTB supplement?

Mr Bennett: If we can be clear: this is the measure from the maintaining income thresholds bill that you talked about, and that's the policy position.

Senator WATT: That it will not proceed?

Mr Bennett: Correct.

Senator WATT: We don't have any further questions until 1.6 but Senator Siewert might.

Senator SIEWERT: No, I don't until down there as well.

CHAIR: Good, we are moving very well.

Senator SIEWERT: Don't get too excited, Chair.

CHAIR: We can finish by 12 and go home.

Senator WATT: We're moving onto 1.6? I told you we might need outcome 2 early. 1.6 is about seniors. You've answered question on notice SQ18000517 concerning the changes to the pension assets test. The answer to that question on notice stated that at implementation on 1 January 2017, 370,000 pensioners had had their pension cut or cancelled as a result of those changes to the pension assets test. Do you have that in front of you?

Mr Williamson: Yes.

Senator WATT: You can see what I'm referring to there—that 370,000 pensioners had had their pension cut or cancelled as at 1 January 2017, because of those changes made to the pensions assets test?

Mr Williamson: Yes.

Senator WATT: You can see what I'm referring to there—that 370,000 pensioners had had their pension cut or cancelled as at 1 January 2017, because of those changes made to the pensions assets test?

Mr Williamson: Yes.

Senator WATT: The same question on notice states that the department is unable to determine the ongoing effects of the changes beyond the date of implementation. Is that still your position?

Mr Williamson: Yes.

Senator WATT: Does that mean we should infer that no costing of the measure was undertaken beyond the forward estimates?

Mr Williamson: Yes.

Ms Campbell: That is the normal practice. The nature of the social welfare system—I think we've talked about it a few times—is that we estimate against the forward estimates, then those estimates are rolled forward, rather than individual measures being costed, because
otherwise we would end up with hundreds and hundreds of measures being costed and tried to track. It's just too complex with the interaction of how the social system works.

Senator WATT: There's been no assumption made then about the number of people who'll be affected by this beyond the forward estimates?

Mr Williamson: Correct.

Senator WATT: Because things might change?

Mr Williamson: Yes. As the secretary said, for all individual measures we cost them at the time for implementation and over the forward estimates, but then beyond that period they roll into the base, effectively, about the numbers of recipients and outlays, because it would be too complex to trace every measure.

Senator WATT: 1.7 is the pension supplement. I want to talk about the measure entitled, 'Stopping the payment of pension supplement after six weeks overseas.' That's contained in schedule 2 of the payment integrity bill. Is it still the intention of government to legislate this measure? That's probably a question for the minister.

Mr Williamson: It remains government policy.

Senator WATT: How many people will be impacted by this change over the forward estimates?

Mr Williamson: I'll just try to get that for you.

Senator WATT: If you have it on a year-by-year basis, that would obviously be helpful too.

Mr Williamson: We'll see what we can do. Bear with us for a moment.

Mr Bennett: Senator, you're talking about the measure associated with the pension supplement which, as I think you said, is in the payment integrity bill?

Senator WATT: Yes.

Mr Bennett: Okay.

Senator WATT: Schedule 2, 'Stopping the payment of pension supplement after 6 weeks overseas'. I'm after the number of people who will be impacted over the forward estimates.

Mr Bennett: At the moment we expect that in the first year it would be 87,000, and then 80,000 each year after that. Effectively, the difference between the two is that the number of pensioners affected in the first year includes those who are already outside Australia permanently. Obviously the numbers affected in later years mainly comprises those who depart.

Senator WATT: So there's a one-off effect in year 1—

Mr Bennett: A small one.

Senator WATT: Yes. So 87,000 in the first year and then 80,000 in each of years 2 to 4?

Mr Bennett: Each of the years after, yes.

Senator WATT: How many people on the DSP and the pension will be impacted by the plan to increase the pension residency period?

Mr Bennett: Senator, if I could just correct myself? Because of the way the calculation is done, that 87,000 would be from 1 January to 30 June 2019.
Senator WATT: I was going to ask that. So year 1 is the 2019 calendar year?

Mr Bennett: Normally we go by financial years, so the figure I gave you—I should mention that was based on a commencement date of 1 January, and obviously that would be for the period to 30 June. Therefore, that effect is more meaningful in the first year.

Senator WATT: Year 1 is 2018-19, but the assumption is that it comes into effect on 1 January 2019?

Mr Bennett: Sorry, if I could be clear: the figure I've given you assumes that's if it commenced on 1 January 2019 and went to 30 June 2019, that would be that 87,000 effect. The 80,000 is each financial year after.

Senator WATT: But of course this measure hasn't commenced yet, because it hasn't been legislated?

Mr Bennett: Correct. So that is an illustration.

Senator WATT: Thanks for clarifying that. How many people on the disability support payment and the pension will be impacted by the plan to increase the pension residency period? Could I get that by each payment and each year of the forward estimates?

Mr Bennett: I'm going to have to take that one on notice.

Senator WATT: Okay. You don't have those figures?

Mr Bennett: Not with me.

Senator WATT: Before I move to 1.8—Income support for people with disability, I know you're going to take on notice the break down by payment, but do you have an aggregated figure for either the DSP or the age pension, or even just a combined figure for the two?

Mr Bennett: I gave you the aggregated figure in my answer. I don't have a disaggregated figure, either by payment or by breaking it out over the periods.

Senator WATT: When you say that you gave me those figures, you're saying that's the 87,000 and 80,000?

Mr Bennett: Yes.

Senator WATT: Sorry, I'm not as across the level of detail as you are. When I talk about the plan to increase the pension residency period, that's the same, is it, as stopping the payment of the pension supplement after six weeks overseas?

Mr Bennett: Sorry, Senator; I've got confused myself. We're actually talking about different measures.

Mr Williamson: There are two measures there, Senator.

Senator WATT: That's what I thought. I thought the figures you gave me—87,000 in year 1; 80,000 per year after that—were for the people who would be affected by stopping the payment of the pension supplement after six weeks overseas.

Mr Bennett: Yes; correct.

Senator WATT: So that one's done.

Mr Bennett: Yes.

Senator WATT: The second measure is the plan to increase the pension and residency period.
Mr Bennett: Yes.

Senator WATT: What I'm interested in knowing, ideally, is the number of people on the DSP who will be affected by that measure and the number of people on the age pension who will be affected by that measure.

Mr Bennett: Can I either take it on notice or, if I can answer it, come back to you today?

Senator WATT: Okay.

Mr Williamson: We don't have the data readily at the table.

Senator WATT: Sure. Ideally what I'd like, and take it on notice if you don't have it, is a breakdown by payment—DSP and pension, separately—over each year of the forwards and the number of people receiving each of those payments who will be affected by the plan to increase the pension residency period. That's what I'd like, probably taken on notice if you don't have it. But if there's any chance of getting today an aggregated figure across both measures—who will be affected, across the forward estimates or broken down year by year—that would probably do for today's purposes.

Mr Bennett: Leave it with me.

Senator WATT: If you can have a look, thanks. Back to the disability support pension, talking about the 2018-19 budget measure to align suspension periods for imprisoned recipients—are you familiar with that measure?

Mr Bennett: Yes.

Senator WATT: Was that measure implemented as planned on 1 January 2019?

Mr Bennett: The government made a decision not to continue with that measure.

Senator WATT: When did they make that decision?

Ms Campbell: Page 225 of MYEFO reflects—

Senator WATT: That was announced there?

Ms Campbell: Yes.

Senator WATT: What changed? What caused that decision to not implement that measure?

Mr Williamson: It was a decision of the government to not go forward with that.

Senator WATT: You weren't told by government why they'd decided to abandon that one?

Mr Williamson: I think it's fair to say that there were many views put forward by stakeholders around the impact of the measure, and they were certainly taken into account.

Senator WATT: So there was stakeholder opposition to that measure?

Mr Williamson: There was that but, further, on looking into it, there were issues around people on remand et cetera that needed to be taken into consideration. So the government felt they didn't need to proceed with that particular measure.

Senator WATT: That decision was taken after the government lost a vote in the Senate about this, wasn't it?
Mr Bennett: I'm not quite sure what you're talking about with the vote in the Senate. We've previously discussed that there was no requirement for legislation associated with that measure.

Senator WATT: I think there was a motion in the Senate prior to the government deciding to back away from that measure. Do you remember that, Minister?

Senator Fifield: As you'd appreciate, Senator, we sometimes have—

Senator WATT: Lots of motions.

Senator Fifield: more than 150 motions in the course of a Senate sitting week, but we can take that on notice.

Senator WATT: I think it is the case that it was after a motion. What consultation about this measure was undertaken with members of the disability community and their advocates?

Mr Bennett: As part of the process that we go through where measures are announced in the budget, we go out and we have consultations with a range of stakeholders. There were certainly a number of stakeholders that were spoken to in regard to the measure.

Senator WATT: You said there were mixed views of stakeholders, or something like that.

Ms Campbell: There was significant concern, particularly around the remand issue.

Senator WATT: How many applications for the disability support pension were received in the 2018 calendar year or whatever is the most recent full year you have data for?

Mr Bennett: For the 2017-18 year claims, there were 104,000.

Senator WATT: So 104,000 applications were made in what time period?

Mr Bennett: The financial year 2017-18.

Senator WATT: You don't have calendar year figures there?

Mr Williamson: No.

Mr Bennett: No.

Senator WATT: What was the figure for the financial year before that—2016-17?

Mr Bennett: It was 98,175.

Senator WATT: And the one before that?

Mr Bennett: For 2015-16, it was 102,600.

Senator WATT: That's probably enough for now. Those figures are for applications, both successful and unsuccessful?

Mr Williamson: That's the claims, yes.

Senator WATT: How many of those applications were unsuccessful?

Mr Bennett: For each year?

Senator WATT: Yes.

Mr Bennett: Going backwards, in 2017-18, it was 73,000.

Senator WATT: So most of them are unsuccessful?

Mr Bennett: The grant rate varies year to year, Senator.

Senator WATT: What about for 2016-17?
Mr Bennett: It was 70,402.

Senator WATT: And for 2015-16?

Mr Bennett: It was 76,219.

Senator WATT: They don't vary that much, do they?

Mr Bennett: If you go back to the next year, Senator, 2013-14, there were 142,096 claims. The rejection rate was 84,256, so there is variability between the years.

Senator WATT: I think you might as well give me 2014-15, because I think you've given me every other year back to 2013-14.

Mr Bennett: I can go back to 2010-11, if that helps you?

Senator WATT: Just the 2014-15 figure is fine.

Senator DEAN SMITH: I'm curious in going back as far as you can.

Senator WATT: I'm not sure you want to do that.

Senator DEAN SMITH: I'm genuinely interested.

Mr Bennett: For 2014-15, the figure was 113,443, with the rejection at 71,611. Then, if I go to 2012-13, the figure is 127,173, with 72,081 for the rejections; for 2011-12, the claims were 134,157 and the rejections were 69,108; for 2010-11, it was 151,815, with the rejections at 61,103.

Senator WATT: You're obviously reading from a document there, Mr Bennett.

Mr Bennett: Yes.

Senator WATT: If it's easier to answer my next question by tabling something, if it's contained there, I was going to ask: of those unsuccessful applications, how many were then subject to a review where the original decision was overturned and the payment was granted? Have you got those figures as well?

Mr Bennett: I don't have those—

Mr Williamson: We don't have that data going back that far, Senator.

Senator WATT: How far back do you have it?

Mr Bennett: Senator, because of the process, we have to go to DHS to get that type of data.

Senator WATT: Right.

Mr Bennett: You're probably aware that you go through a process. If someone gets a decision that's not favourable, they can go through an internal review, and then go to the AAT et cetera. So I've read your question to be broad, in terms of if they don't like the first decision; is that correct?

Senator WATT: Yes—whether it required the AAT or whether it was overturned at internal review.

Mr Bennett: I'd have to go and get that data.

Senator WATT: Do you have any data at all relating to—
Mr Williamson: Senator, we could give you an example of a quarter period for last year on AAT. For example, in the period 1 July 2018 to 30 September 2018, there were 676 appeals to the AAT, level 1.

Senator WATT: And that's because those people have all gone through an internal review?

Mr Williamson: They would have, yes.

Senator WATT: And they, for want of a better term, lost at an internal review and then they appealed it to the AAT?

Mr Williamson: Yes.

Mr Bennett: If I could also just clarify, as we go forward, they relate to, and they're wider than, DSP. They're total medical reviews associated with work capacity appeals. That's the figure.

Senator SIEWERT: So they were work capacity appeals?

Mr Bennett: Correct. So we've just got to be clear that we're—

Mr Williamson: They're DSP medical appeals with work capacity.

Senator WATT: That's what the 676 are?

Mr Williamson: Yes. So for 75 per cent of those that went to the AAT, the AAT affirmed the decision; 17 per cent were set aside; and eight per cent were withdrawn or dismissed. That's just an example for you, Senator. As Mr Bennett said, we can get more data around those things, but it gives you the most recent quarterly data that we've got.

Senator WATT: Could you take on notice the request, and it would probably be good to match them up against the figures you've already given me. In 2017-18, there were 104,000 applications and 73,000 were unsuccessful. If we can be comparing apples with apples, it would be good.

Ms Campbell: Senator, my understanding is, if they're an internal review and they are subsequently successful, they would be counted in the successful numbers.

Senator WATT: Oh, right.

Senator SIEWERT: So we don't know how many—

Ms Campbell: Unless they're over a different year.

Mr Williamson: Yes, if it goes over financial years, it can get a little bit complicated, but we're happy to work with the Department of Human Services to get you that data.

Senator WATT: So that I understand what you're saying, for 2017-18, there were 104,000 applications, 73,000 of which were unsuccessful, which means there were 31,000 that were successful and that could include people who were originally knocked back but—

Ms Campbell: Subsequently—

Senator WATT: got up at internal review?

Ms Campbell: But we don't have a number—

Mr Williamson: No.

Ms Campbell: or even a percentage of people who get up at internal review, because Human Services would better have that data.
Senator WATT: Human Services does have that?
Ms Campbell: Human Services is responsible for this function.
Senator WATT: In case I forget in 10 hours time, can I just leave it with you to work with them to come back to us with those figures?
Ms Campbell: We will advise them of that and see whether they can get you something tonight.
Mr Williamson: Just to clarify, when Mr Bennett read out those numbers for a year—for example, 104,000 claims in 2017-18 and rejections of 73,000—as the secretary was saying before, there could be claims that cross years. So, for some of those rejections, the claimant may have put in the claim in 2016-17.
Senator WATT: I understand. In that example where 31,000 were successful in 2017-18, does that also include people who were originally unsuccessful, were unsuccessful at internal review, but the decision was set aside by the AAT?
Mr Bennett: As part of this process, I'd just like to—
Mr Williamson: We'll clarify that for you, Senator.
Ms Campbell: But I'd also note that the numbers aren't very high, because of the proportions that Mr Williamson read out about that last quarter. You can see the numbers are quite small, so they're not significant in the size of those numbers.
Senator WATT: I can see that. What proportion of DSP applications reach the stage of a face-to-face medical and/or job capacity assessment?
Ms Campbell: I wonder if these questions are best for Human Services.
Senator WATT: Yes, I was wondering the same thing.
Mr Williamson: We don't have that data.
Senator WATT: Okay.
Mr Williamson: We'll let them know that you'll—
Senator WATT: If they could prepare something on that for tonight, that would be helpful. That's it for 1.8 for us.
Senator SIEWERT: Do you have line of sight of waiting time for applications, or should I just ask all my questions to DHS?
Ms Campbell: DHS have the more accurate data. We do have line of sight to it. It's something that we work with Human Services on and monitor on a close basis.
Senator SIEWERT: I've had, it's fair to say, a significant number of complaints about the time delay in the process for DSP. Are you seeing that through DHS? Do you keep an eye on that? Do you have a view from a department—
Ms Campbell: From a departmental perspective, we have a memorandum of understanding with DHS, which outlines the expected time periods in which claims will be processed. And we work with them on a regular basis around where those claims—the actual result against those standards.
Senator SIEWERT: In your latest review of that, what have you found in terms of the time it's taking to assess applications.
Ms Campbell: For DSP?

Senator SIEWERT: For DSP.

Ms Campbell: I will just ask one of the officers at the table about the DSP issues.

Mr Bennett: In terms of the performance that we're seeing, the time frame that I'm comparing this to for applications is 49 days—and this is obviously a benchmark, taking into account that there can be things that are over and under. For quarter 2 in 2018-19—so this data is to 31 December 2018—the process of applications reflected that 74 per cent met that benchmark.

Ms Campbell: I'm sure you're aware of—and Human Services have reinforced it—the difference between actionable claims and un-actionable claims where they are waiting on more material from the claimant. I'm not sure whether these figures actually include both; they sometimes didn't.

Mr Williamson: That would be factoring in all claims.

Ms Campbell: So sometimes a claim will sit for a longer period of time because Human Services is waiting on the claimant to provide some information.

Senator SIEWERT: That actually takes me to a set of questions I do want to ask in a minute. Do you get data on how many of those are—as you have just described—those where you're waiting for the applicant to respond, compared to what could be put down to departmental processes?

Mr Williamson: As part of our ongoing dialogue with DHS, when we are talking about payments, we do receive data and ask them about claims that are actionable and claims that aren't actionable. We're obviously very keen to understand whether there are policy drivers sitting behind those numbers, because sometimes they may be service delivery issues and other times they could be policy drivers. So our interest is trying to understand if there's anything from a policy perspective that needs to be looked at.

Senator SIEWERT: So if 74 meet the benchmark, 26 per cent don't?

Mr Williamson: Yes.

Senator SIEWERT: In terms, then, of the 26 per cent that don't meet the benchmark, have you gone back to Human Services to look at what are departmental system issues, what are policy issues, and what are participant or applicant issues?

Mr Williamson: I don't have the data with me about the actionable and un-actionable. I would say that we don't believe there are, at the moment, any systemic issues from a policy perspective. But as the secretary said—and DHS will be able to provide this data accurately for you—there are still a large number of claims where further information is required from the claimant, and so that will impact on the time frames that DHS is able to process a claim in. For further information: we don't have the ability in the systems to stop the clock, as we call it. The days keep adding up from when a person's put their claim in. If, for example, the Department of Human Services required something further, they are not able to take that time period out. The clock just keeps running. That's something we need to take into consideration when we're looking at this information. But Human Services will be able to provide data around actionable and un-actionable claims, as we call them.
Senator SIEWERT: You have asked for the data going back, haven't you, the number of reviews? That's what you asked for, isn't it?

Senator WATT: Yes.

Senator SIEWERT: Whether it's a separate question on notice or adding to that, are we able to get the data for how often DHS met the benchmark over that period of time as well? Or is better to ask DHS that?

Ms Campbell: It's probably best to ask Human Services, but we'll make sure we alert them to the fact you're interested in that question.

Senator SIEWERT: Thank you. In terms of those claims where they are waiting for the applicant to respond, have you had a discussion or any interaction with Human Services about the fact that—certainly, from the number of people that we're currently helping via my office—people are finding it difficult to respond? Some people are very nervous about it, and some people don't have the physical capacity or are not mentally well enough to respond. They are in quite dire straits. What's done in the case where you've sent it back to the participant, but the participant isn't able to respond at that time?

Ms Campbell: I think this is a question best asked of Human Services, because they will be able to talk about the social work services and the additional services they are able to provide to help people complete their claims.

Senator SIEWERT: I take your point, and I will. But in terms of a more systemic approach—and, Mr Williamson, you've just made a comment about looking at the policy and systemic approach—have you had a discussion with them about that process?

Mr Williamson: That forms part of our ongoing discussions with the Department of Human Services; across all payments, to be honest, we look at policy and service delivery aspects. So, as the secretary said, on the individual cases for DSP claimants, DHS will be able to provide advice on the service offer that is available to them and how they are able to support people who are having difficulty in providing the additional information that's required.

Senator SIEWERT: That's through the provision, I take it, Ms Campbell, of social workers et cetera?

Ms Campbell: They have social worker services and also access to nominees—for example, in some of the examples you provided where people may not be able to provide additional information, if there are nominees or trustees who could facilitate that process. That's something that is available.

Senator SIEWERT: In terms of the 74 per cent meeting benchmark, are you able to provide the percentage meeting the benchmark for the corresponding period in the previous financial year, 2017-18?

Ms Campbell: We think that might be best asked of Human Services. We probably have something, but if you wanted to ask follow-up questions, it might be best to ask them.

Senator SIEWERT: I was asking questions of the AAT earlier this week. The number of appeals for DSP had gone up by 77 per cent. I do understand that it was a bit lower last year. Have you looked at that issue? This is specifically for DSP. Overall for Centrelink it was up 42 per cent, but for DSP it was disproportionately higher.
Mr Bennett: With the statistics that Mr Williamson has mentioned to the table, we obviously monitor that type of activity. To the period of 30 September, we're not seeing something on that medical review element that reflects a spike.

Senator SIEWERT: This was to 31 December. So it was the first half of this financial year. It was across the board for DSP; my understanding is it wasn't just medical. The problem is the breakdown is not reported in the annual report or on the figures, so you have to ask separately.

Mr Bennett: The figure Mr Williamson has given you is obviously one that we do pay attention to. I did see that evidence and we've started a conversation. But on the higher level figures that I'm seeing, which aren't broken down by payment—for example, at the AAT second review applications—are not showing something that I would say reflects a spike per se, but it is something that we've obviously seen the conversation started and—

Senator SIEWERT: This was the first review. It was really clear and there was a point made that the number was down slightly last year but that, even if you took that into account, there was an increase. Because that was quite high, it would, of course, account for some of the big increase in the Centrelink appeals, which was a 42 per cent increase. I will come to Newstart when we move to working age payments, but other payments also had a significant increase. So my question remains: have you looked at that? Maybe I'll have to wait till we discuss working age payments.

Mr Williamson: As I mentioned before, I gave the first quarter data. The AAT talked about the first half-year. We are in a conversation with the Department of Human Services to try to get more granular data about what might be sitting behind that. We don't today have that information for you, so we could take something on notice or the Department of Human Services may be able to offer further advice tonight. But, as Mr Bennett said, we are looking at it.

Senator SIEWERT: Do you think it's related to the high number of unsuccessful applicants?

Ms Campbell: I think we gave evidence that indicated that the success rate on DSP had been the same over a number of years. I'm not sure that that's the case, but, as the officers have said, we are looking at this matter and we will continue to pull apart those numbers to see whether there are any policy drivers in that.

Senator SIEWERT: Can you take it on notice, because I have concerns about what that's signalling. Every time I ask, you're still in discussion with the department, so I'd really like you to provide on notice what your findings are of those discussions with the Department of Human Services.

Ms Campbell: We'll take that on notice.

Senator SIEWERT: I have a question in relation to the program that's now stopped about the review of the 90,000 people on DSP.

Ms Campbell: I remember that, yes.

Senator SIEWERT: Are there any other processes being considered by the department to do any other form of review of the current cohort of people that are on DSP?
Ms Campbell: There is no new policy proposal in that space, but the Department of Human Services does have a regular random sampling activity of those processes that exists and has for many years.

Senator SIEWERT: Has there been any change to that process?

Mr Williamson: No.

Senator SIEWERT: So that ongoing process—

Mr Williamson: It's their normal, I would say, business-as-usual compliance activities.

Senator SIEWERT: Going back to the answers that you gave about the program of support, in answer to question 000860, you said:

… information is not collected that would identify the person as undertaking the program specifically to meet a POS requirement for Disability Support Pension (DSP).

How, then, do you determine when a person has completed POS? The figures here are relatively low for those that have completed a program of support. Sorry, you subsequently, in 000861, gave me the figures over the years that the program's been operating. They're relatively low compared to the number of people that apply for DSP. It seems to me there's not a way of actually actively tracking people for POS—is that correct?

Mr Williamson: Sorry, I don't quite get the question.

Senator SIEWERT: To get DSP you either have to be manifest or you have to complete a program of support. It says here only 1,258 people completed a program of support in the last financial year. I find that difficult given the number of people that apply. So are you saying everybody else that applies is manifest—meets the impairment table straight away?

Mr Williamson: I might ask Ms Paton.

Ms Paton: In order to be eligible for DSP, you have to have a continuing inability to work, get your 20 points on the tables and then one of the criteria is that you have met a program of support. Most of the people who are granted do meet the program of support.

Senator SIEWERT: So they have been on Newstart for 18 months?

Ms Paton: Yes, they may have been. They don't necessarily—

Senator SIEWERT: That's not reflected in those figures; 1,258 for 2017-18 does not reflect what you have just said.

Mr Bennett: Unfortunately, you might be using a QON from a couple of estimates ago.

Senator SIEWERT: It is SQ 18000861.

Ms Campbell: I understand your question. Can we just give some time to some of the officers to have a look at that answer and come back to you, hopefully, later this morning on that one?

Senator SIEWERT: Okay. Should we just come back to it because I want to understand the process.

Mr Williamson: I expect it's a narrower definition, but we will come back to you to confirm that.

Ms Campbell: We get your question.
Senator SIEWERT: In that case, I think that's all the questions I have for DSP because the rest relate to timing of the applications, which I will talk to DHS about. Is this where I can ask about some elements of robo-debt and online compliance?

Ms Campbell: We will attempt to answer questions about the online compliance initiative from a policy perspective.

Senator SIEWERT: That is what I'm after. I realise I have got a lot, as I usually do, for DHS. The issue that has just, in fact, received some media attention was the issue around the number of people who have passed away having received an online compliance notice. I presume you've seen—

Ms Campbell: I have seen the reporting. I do think this one is probably one best answered by Human Services.

Senator SIEWERT: From DHS?

Ms Campbell: Yes.

Senator SIEWERT: I appreciate that. I will obviously be asking there. What I want to ask you about is have you had any conversations with the department about this issue? Are you across the issue? Are you concerned about the issue?

Ms Campbell: I have read the article. I have read the Minister for Human Services' comments on the article. I think the officers have spoken with Human Services. We were not alarmed. We did not see a causal factor there, given some of the other data, but I do think it is probably one best for Human Services.

Senator SIEWERT: But you haven't had a conversation with them about it?

Ms Campbell: Officers have; I haven't. But—

Senator SIEWERT: Sorry, I meant the department; I beg your pardon.

Mr Williamson: I haven't had a direct conversation about that. I, like the secretary, have seen the article but have not had a direct conversation with the Department of Human Services about it.

Ms Campbell: But I did note the Minister for Human Services' comments in the article.

Senator SIEWERT: Yes. I have seen them too. Was this the first time it had been brought to your attention?

Ms Campbell: That was the first time I had seen those figures, yes, in the article.

Senator SIEWERT: So nobody had raised it with the department before?

Ms Campbell: Not with me. We could ask some of the officers but not to our knowledge.

Mr Williamson: Not to my knowledge.

Senator SIEWERT: I go to issues around the targeted compliance framework. I know, for operation of that, I need to talk to the department. Have you been reviewing the figures to date?

Ms Campbell: We continue to review the figures because the appropriations are the responsibility of this department; yes, we are reviewing those.

Senator SIEWERT: Have you looked at the high number of those with vulnerabilities that seem to be getting a higher proportion of suspended payments?
Ms Campbell: So this is the jobs framework.

Mr Williamson: Yes, that framework is administered by the department of jobs.

Senator SIEWERT: Yes, I was in there yesterday for a significant period of time.

Mr Williamson: DHS is the service delivery agency for it, but that framework is a framework that's administered by the department of jobs.

Senator SIEWERT: For people that you also have responsibility for, in terms of disabilities, for example—

Ms Campbell: We are aware—

Senator SIEWERT: homeless payments—

Ms Campbell: of the overlapping nature of this. But under the machinery of government and administrative arrangements orders, those responsibilities are with the Department of Jobs and Small Business.

Senator SIEWERT: Have you had discussions with the Department of Jobs and Small Business? I understand what you've said.

Mr Williamson: Yes, we have discussions with the Department of Jobs and Small Business, as we do with the Department of Human Services around the operation of the system in the broad sense.

Senator SIEWERT: Have you around the targeted compliance framework?

Mr Williamson: We have certainly received briefings on how it operates and some high-level numbers.

Senator SIEWERT: And have you had conversations around how many people are being subjected to payment suspensions?

Mr Williamson: I haven't had specific conversations around the detailed numbers. We would keep a watching brief on it, but, as the secretary said, the administration of the actual targeted compliance framework is the responsibility of the department of jobs.

Senator SIEWERT: I know that.

Mr Williamson: It doesn't mean we're not interested in it; therefore, as I said, we receive briefings on it.

Senator SIEWERT: What's your take on the first six months of its operation? If you're keeping an oversight on it, what's your take on that?

Mr Williamson: It's being implemented as intended.

Senator SIEWERT: So was it intended that vulnerable people were supposed to get a higher number of suspensions? Is that operating as intended?

Mr Williamson: I didn't say that.

Senator SIEWERT: You just said 'operated as intended'.

Mr Williamson: Yes, I said 'implemented as intended'.

Senator SIEWERT: What's happening is people with vulnerabilities are getting a higher proportion of suspensions. Is that operating as intended?

Ms Campbell: I think that's a question best for the Department of Jobs and Small Business. What I read said that there were fewer people getting financial penalties as well.
Senator SIEWERT: I'll go through the same thing with you as I went through yesterday. A suspension is still a loss of payment, and the timing of those suspensions of payments is very important to people who are existing from payment to payment.

Ms Campbell: I'm very much aware of that.

Senator SIEWERT: I'll ask a separate question. Is there any interdepartmental committee providing oversight—for example, yourselves, Department of Human Services, and Department of Jobs and Small Business—of the implementation of that policy?

Mr Williamson: The Department of Jobs and Small Business is providing that oversight. There isn't an interdepartmental committee. There are discussions but there is no formal committee and it's the responsibility of the department of jobs to oversee the targeted compliance framework.

Senator SIEWERT: We have a separation here between the department that's responsible for the provision of services and supports to these people and which oversees the policy on the provision of the payments and another policy that's impacting on those very same people.

Ms Campbell: Yes.

Senator SIEWERT: We're supposed to have joined up government?

Ms Campbell: There is a separation in that space. This is the responsibility of Department of Jobs and Small Business to implement this policy. We hear what you're saying about the impact on vulnerable Australians in particular. I expect this is something that will be discussed across the three departments as well, to see whether there are policy or adjustments that could be made to address some of these concerns. Part of this framework was about identifying vulnerable Australians who were in this space and providing additional services to them when they identified that, after a number of points, they were struggling to comply. I don't have that information with me. They are questions best asked of Jobs and Small Business. But one of the underpinning principles here was to help vulnerable Australians who were struggling with the framework. I don't have any figures about how that's rolling through.

Senator SIEWERT: In terms of the process that you articulated just then—what you expect to happen, in terms of the three departments talking at some stage—is there a timeframe already developed for when that's going to happen?

Ms Campbell: They are regular discussions, but we will ask for this to ensure that this is on the agenda at the next regular discussion. I expect that we will be in a better position, or Jobs and Small Business. We'll work with them so that they are able to answer those questions and the questions that you no doubt will ask again in April.

Senator SIEWERT: Can I go to a broader question. Have you been asked to provide any advice to government on the adequacy of the Newstart payment? Have you provided any or have you been asked to provide any recently on the adequacy of the Newstart and youth allowance payments?

Ms Campbell: I would consider this a continual process. There is significant media interest in this matter, so when matters arise we are continually providing advice to government on matters from us, matters that we see in the media, matters raised by other stakeholders, and we continue to do that.

Senator SIEWERT: Do I take that to say yes, you have provided—
Ms Campbell: We provide advice on a range of matters that are raised in the media and by other stakeholders and this is a matter that is regularly raised.

Senator SIEWERT: When did you last provide advice to government on the adequacy of Newstart? I'm not asking for the advice. I know you won't give me that. When did you last provide it?

Mr Williamson: I'd have to take on notice advice we provide, but, as the secretary said, we regularly provide advice around payment policy issues. That can be payment rates, cohort analysis, eligibility criteria, intersection with other payments. It's usual business for us to be continually providing that advice. As you said, we can't go to the nature of that advice because, to answer that question we'd go to deliberations of government.

Senator SIEWERT: Can I ask you to provide, and if you can't do it now take on notice, when you last provided advice specifically in relation to an increase in the Newstart and youth allowance payments?

Ms Campbell: We'll take on notice that request.

Senator SIEWERT: I have questions around the try, test and learn program. Last time we had a fairly significant discussion around various programs under tranche 1. Can I ask about tranche 2? That was open for some time for applications, as I understand it.

Mr Williamson: Yes. It was open, and it closed, I think, in September 2018.

Senator SIEWERT: Has there been—I can't find it or I've missed it—an announcement of all the tranche 2 projects?

Mr Williamson: To date three tranche 2 projects have been announced. We can take you through those three. There is ongoing consideration of further projects through tranche 2. Would you like us to tell you those three projects?

Senator SIEWERT: I have seen those three. I thought there would be more there. But if you could take me through the process and those three projects that would be useful, and when there will be more and how many applications you had.

Mr Williamson: I'll ask Dr Reddel to take you through the process. I will just say, to the last part of your question, that there's ongoing consideration and advice around tranche 2. We would expect further announcements about additional projects, but I can't give you the exact timings of those. They are for ministerial consideration. But we'll take you through the tranche 2.

Dr Reddel: The tranche 2 process opened on 22 November last year and closed on 28 September this year. There were a range of batches considered across that period of time. We had 443 applications across the five priority groups of carers, migrants and refugees, older unemployed, at risk young people and any other category that people proposed in their application. They have been progressively assessed. I'll briefly go through the three projects that have been announced by the minister, and Mr Brown can fill in some more detail. The first project is an employer led refugee employment program, from the Community Corporate Trust. The project is an employer led, culturally customised employment program to help vulnerable refugees and migrants build their skills and capability for work. They're engaging with the Woolworths Group. It will provide mentoring, work readiness training and work experience that will lead to real employment opportunities for successful applicants. It also
includes cultural awareness and training for Woolworths staff and managers to assist the participants' transition to work. That project will operate in Victoria, Queensland, New South Wales and South Australia.

Senator SIEWERT: And it's just working with Woolworths?

Dr Reddel: With Woolworths, but they submitted the application. With the Community Corporate Trust, they were with them.

Senator SIEWERT: How much are they getting?

Dr Reddel: They're receiving $600,000 over an 18-month period.

Senator SIEWERT: What sort of work are they doing?

Mr Brown: Given that it's very focused on Woolworths, there's a range of training that is for pre-employment type of training, to build English skills, employment readiness skills, those types of things. The type of training is very much suited to working with Woolworths.

Senator SIEWERT: Shelf stacking?

Dr Reddel: Or it could be tills or customer service or a range of things like that.

Senator SIEWERT: It's 18 months. How much did they get paid?

Dr Reddel: $600,000.

Senator SIEWERT: Is it purely training, or will they be doing work experience—in other words working?

Mr Brown: They'd be doing some work experience with the Woolworths Group as well. There would be a small amount of that, which participants would be funded for.

Senator SIEWERT: How much is 'a small amount'?

Mr Brown: I'd need to take that on notice. I don't have that particular item of expenditure there, but it's a small amount. I can provide that to you.

Senator SIEWERT: Could you take that on notice. Could you tell me the other two projects that they're doing?

Dr Reddel: Yes, the second project is Lead with Culture, which is being run by the KARI Foundation operating in Western Sydney. The project will support reconnecting Indigenous young people with their Indigenous culture to assist them overcome barriers to employment. The focus is on cultural connection. It will be used to build a sense of identity, purpose and meaning, as well as supporting health and education and lifestyle supports to facilitate people working and their pathways into training and employment. It's being funded for $1.8 million over, again, 18 months and we're working with that project very closely to have it up and running quickly.

Senator SIEWERT: They're an Aboriginal organisation?

Dr Reddel: Yes, that's right—an Aboriginal organisation in Western Sydney.

Senator SIEWERT: Could you tell me about the third one.

Dr Reddel: The third project is run by the Dunn Lewis Youth Development Foundation, based in Ulladulla in New South Wales, and it's supporting at-risk young people to develop work and life skills and assist in breaking down barriers, building self-confidence and

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COMMUNITY AFFAIRS LEGISLATION COMMITTEE
engaging in and leading to meaningful employment. They have been funded $800,000 for, again, 18 months.

Senator SIEWERT: I've got some more questions around the whole program, but we'll wait until after the tea break.

Senator WATT: Can I clarify one thing before we break. I don't think Senator Siewert's covered this. What's your terminology for what we refer to as robo-debt?

Ms Campbell: Online Compliance Initiative.

Senator WATT: If we had some questions about the amount of money that had been recouped as a result of the Online Compliance Initiative, are they for your department or DHS?

Ms Campbell: Probably DHS.

Senator WATT: Okay. I say to our DHS friends: can you please prepare some information on that for later.

Ms Campbell: I'm sure they're watching.

Proceedings suspended from 10:46 to 11:03

CHAIR: Senator Siewert, you have the call.

Senator SIEWERT: Can we go back to where we left off in terms of the Try, Test and Learn Fund and tranche 2? What's the overall allocation for tranche 2?

Dr Reddel: In terms of the overall budget?

Senator SIEWERT: Yes. The overall budget.

Mr Brown: For tranche 2 it's around $50 million.

Senator SIEWERT: What was it for tranche 1? Can you just remind me?

Mr Williamson: It was $23 million.

Senator SIEWERT: So 443 applications were received for tranche 2? I presume these three were part of that—

Mr Williamson: Yes.

Senator SIEWERT: 443. Why have only three been decided to date, given that applications closed in September?

Mr Williamson: We obviously need to work through the applications carefully against the grant guidelines. I'll say in some cases we actually actively engage with the project proponents to understand the project more and look at where there are potentially synergies. So we might connect providers up and then they'll come back with something else. It's ongoing—I guess a co-development part of it. They are then subject, obviously, to going through a recommendation process for the minister to consider.

Senator SIEWERT: Where are you up to in the selection of the other projects?

Mr Williamson: Well advanced.

Senator SIEWERT: How many do you propose to fund in total?

Mr Williamson: We don't work to a number of projects. As Mr Brown said, there is a budget and we'll look to see how projects can fit within that budget. So we don't have a target,
if I can put it that way. In the first tranche, 14 projects were funded. We expect there'll be more in the second tranche. But we don't have an exact number.

Senator SIEWERT: So you're well advanced in the assessment. Will you be announcing these before the election or during or after?

Mr Williamson: The announcement's a decision for the government and the minister.

Senator SIEWERT: Have you been given a time line by the government?

Mr Williamson: No, not a time line. We provide ongoing advice around the Try, Test and Learn Fund, and so the decisions can be made at any stage to select projects, once they've got to stage.

Senator SIEWERT: Thank you. Have you received progress reports on all of the tranche 1 projects?

Mr Williamson: Yes, we have.

Senator SIEWERT: Are all of them meeting their expectations and KPIs for progress in the project?

Mr Williamson: I think it's fair to say that it's variable across the projects. Of the 14, for example, there were two that weren't going to commence until this year, because they align with the education year. Some have been going for longer than others. What we have seen—we can give you some examples across projects—is variability in take-up in terms of finding participants for the programs, remembering that these projects are voluntary. What we tend to do is work with the project proponents around any challenges they might have. But, equally, we're seeing some good stories as well, and some strong take-up. Inherent in the Try, Test and Learn Fund is that we are trying different approaches, so we need to look at these things, and we're very open to the fact that the success rate will vary.

Senator SIEWERT: So, which projects are not meeting their KPIs?

Mr Williamson: If I can step away from exactly saying 'meeting or not meeting a KPI', in tranche 1 young carers was one of the groups that were identified. One of the things we're finding is I think there are three or four projects—I will be corrected on that—

Dr Reddel: Three.

Mr Williamson: that are having greater difficulty in getting participants in those projects. So we're working with those proponents to understand what the drivers are for that. In some of the other cohorts, we're seeing strong take-up. We need to understand: Is it something about the project? Is it something about the geographic location? Is it something about how people are being approached? There are a whole range of factors. We really are trying to understand how these things work, because they're approaches that we haven't done before. But, equally, we look at these things carefully, and if we reached a point where it appears the project isn't going as intended then we would look for something else.

Senator SIEWERT: When do you reach that point?

Mr Williamson: It would be on a project-by-project basis. That's an assessment we would have to make with the project proponents. But, equally, as I said, we have seen some really good success stories. Often they have intakes and they're fully subscribed or oversubscribed. So we take confidence that, in those areas, there's interest. And, of course, the University of Queensland have been engaged and will be conducting a full evaluation of those 14 projects.
under tranche 1. So there's working in the moment with the project proponents to understand what's going on, getting their regular quarterly reporting. But also there'll be an evaluation at the end that will look at the individual projects and the overall to say: What have we learnt from them? What's been successful? What could be rolled out more broadly? What hasn't worked? So that evaluation will be done as well and will be an important part of our learnings from this project.

Senator SIEWERT: Thank you. Tranche 1, other than one project, are all to finish next year. When are you anticipating the evaluation will be available?

Mr Williamson: I'll ask Dr Reddel to talk to that.

Dr Reddel: Sorry, Senator, could you repeat the question.

Senator SIEWERT: All of the projects finish next year, bar one. When is the evaluation due?

Dr Reddel: We'll have an interim report later this year, which will help guide further thinking about the fund and how the projects are going and we'll aim to have the final report in 2020.

Senator SIEWERT: Okay. Thank you.

Mr Williamson: And we are currently exploring the evaluation process for the tranche 2 projects as well. So the intention is that all projects are looked at.

Senator SIEWERT: Will start at the same time?

Mr Williamson: Yes.

Senator SIEWERT: The evaluation will start—

Mr Williamson: No, the evaluation for the tranche 1 projects will be done, and there will be a tranche 2 one as well.

Senator SIEWERT: I beg your pardon. When the tranche 2 start, you'll already know who is doing the evaluation?

Mr Williamson: Yes.

Senator SIEWERT: Thank you. Of 14 projects, you said the three carer projects are having some difficulty. Are the rest of them meeting their expectations?

Dr Reddel: In a sense, yes. Overall, for example, we have four young parents projects, and they have got around 250 participants across those four projects. Then, in terms of young students, of the three projects there, there are 256 participants. As Mr Williamson mentioned, one or two of those projects have only just commenced this academic year.

Senator SIEWERT: For the 250, was that the number of participants they were—

Dr Reddel: Across the projects.

Mr Williamson: As they are building up over time. As I said, Senator, most of these projects have groups of people that will come through and go through the particular project, so they haven't all reached—

Senator SIEWERT: They don't all stay in the project for two years?

Mr Williamson: No. Often they're for a short period of time. But they're on track, if we can put it that way.
Senator SIEWERT: Is the number of participants going through resulting in people finding work?

Dr Reddel: In some senses, yes.

Senator SIEWERT: In some senses?

Dr Reddel: In some cases, I should say.

Senator SIEWERT: Are you able to provide me with a table with the results to date: how many participants, if they've finished and if they've found work?

Mr Williamson: Yes.

Mr Brown: Or study.

Senator SIEWERT: Yes.

Mr Brown: And they're early results, really, because the project's only been going for a relatively short amount of time.

Senator SIEWERT: Some have been going from the second—

Mr Brown: The second half of last year, substantially.

Senator SIEWERT: According to some, they have been going since 15 February 2018. That's 12 months.

Mr Williamson: If I can briefly give you an example: My Maintenance Crew, which is a project for unemployed former students, is currently recruiting for its fourth intake of internships and it's having more young people apply than the project can take. On completion of the internship, participants are offered the opportunity to interview for either a traineeship or casual employment. To date, 13 of the 34 participants have become trainees. So we would say that's an example of where a project is having some success, but we can certainly take that question on notice for you.

Senator SIEWERT: Could you take that on notice. Thank you for the table that you provided last time, but I neglected to ask how much each of them was, so could you provide that.

Mr Williamson: Sure, we can do that.

Dr Reddel: We can provide the funding.

Senator SIEWERT: Could you provide it for each of those projects. I appreciate what you've said about the projects that are only just commencing, because of the school year.

Mr Williamson: Yes, we'll provide it for all of them.

Senator SIEWERT: Thank you. In terms of the list of expert advisory panel members, are they still actively engaged in providing advice on the projects?

Mr Williamson: The expert panel was used primarily for tranche 1. For the tranche 2 projects, we've tended to go more to individuals in particular areas to provide that expert advice, so the panel itself no longer is in existence, if I can put it that way.

Senator SIEWERT: Okay. You're doing it in house?

Mr Williamson: Not just in house. We will still speak to people externally. For tranche 1 we had the broad panel. We're not doing it the same way. That was just a learning for us, again, on how we progress these things.
Dr Reddel: It should be noted that we have an advisory committee for the evaluation, which includes a number of external experts.

Senator SIEWERT: In the evaluation?

Dr Reddel: In the evaluation. We thought that was a more useful way to involve external expertise.

Senator SIEWERT: Thank you. I have one last question, which I probably should know the answer to. For people participating in these projects, that actually counts as a mutual obligation activity, does it not?

Mr Williamson: It can.

Senator SIEWERT: It can or does?

Mr Williamson: It would depend on the individual and their—I'm not going to use the right word here—plan with the job services provider. That's a discussion they would have about what they are doing. Yes, it can, but I can't say—

Senator SIEWERT: Why would it not?

Mr Williamson: I don't know. I know it can count, but I just can't give you a categorical account for everybody.

Ms Campbell: We can't think of a reason why it wouldn't, but because that isn't our—

Senator SIEWERT: I need to go and ask Jobs and Small Business, but you would have thought that participation in this would automatically count as a mutual obligation activity.

Ms Campbell: We would think so. The only possible scenario I can think of is if they're already doing something else as well and that counted and this one didn't count because they'd already met their mutual obligation responsibility.

Mr Williamson: There isn't an obvious reason to us why it wouldn't count, but we would need to confirm with Jobs and Small Business that there aren't examples of where there's something about it. We're not aware of any. I'm not aware of any.

Senator SIEWERT: So the process, when you're assessing the projects, does not include going through and looking at whether this would meet somebody's mutual obligation requirements?

Mr Williamson: That's something we would look at, but, in assessing the projects and participants going through, our primary focus is on whether that person has been able to move into further study, employment and those sorts of things. But along the way, yes, that's something we would look at.

Senator SIEWERT: It's just that, if they're doing this and it doesn't count towards their mutual obligation requirements, it puts extra pressure on them.

Mr Williamson: I'm not aware of any situation where that is the case and it doesn't count, but unfortunately I can't give you that categorical, 'I know for sure,' because I'm not aware of every participant in the project.

Senator SIEWERT: All right. I'll put a question on notice for Jobs and Small Business.

Mr Williamson: Yes, and we'll work with them on it.

Senator SIEWERT: Thank you. Delay on assessments is DHS, isn't it?
Mr Williamson: Yes.
Senator SIEWERT: So I'll ask them about that. Thank you.
Senator Fifield: Chair, are there any further questions in outcome 1?
CHAIR: No. So we can head over to Senator McAllister.
Senator McALLISTER: To outcome 2?
CHAIR: Yes.

Senator McALLISTER: First off, I want to ask some questions about the redesign of the volunteering management activity. Do we have the correct officers for that?
Ms Hefren-Webb: Yes.
Senator McALLISTER: Terrific. May I start by asking about the review itself? I do appreciate that the topic engages legal issues and involves legal advice, but my questions don't go to the content of that advice; they're about the work that the department does and the priorities that the department has. Can I just confirm that the review of the volunteering management activity was undertaken because of the concern about the constitutionality of grants?
Ms Hefren-Webb: Yes. The review was undertaken in the light of concerns about constitutionality of the program, and also, I guess, as part of our general approach to ensure programs are still meeting needs appropriately.
Senator McALLISTER: Can I just clarify that in asking these questions I'm not asking about volunteering grants generally but about—
Ms Hefren-Webb: The Volunteer Management Program.
Senator McALLISTER: Correct, yes. I think your evidence to me just now was that it is not simply the constitutional issue but it's also a broader issue associated with regular review of the effectiveness of program activity?
Ms Hefren-Webb: Yes, that's right. The review itself wasn't only examining questions around constitutionality. It was actually looking at the sector—the structure of the sector, how it's operated and how it could remain effective and flourish into the future.
Senator McALLISTER: Right. When did the department first realise that there was a potential constitutional problem with the funding?
Ms Hefren-Webb: This is going back to before my time. You would have been aware that in the light of various High Court decisions all departments undertook reviews and sought constitutional risk assessments of various programs. I'm testing my recollection, but I believe that would have happened around 2014 or 2015.
Ms Campbell: We can get that advice for you—the exact timing of those constitutional reviews, if that's helpful?
Senator McALLISTER: Yes, if it's possible to get while we're in the room that would be helpful.
Ms Campbell: We'll get someone behind us to do that.
Senator McALLISTER: That would be great. Was advice sought specifically from the Solicitor-General or another government legal body? The government solicitor, perhaps?


Senator McALLISTER: Yes. And that was as part of the constitutional risk-rating process? Is that correct?

Ms Hefren-Webb: That's correct.

Senator McALLISTER: Was that advice specific to this program?

Ms Hefren-Webb: Advice was sought across all discretionary programs, from memory.

Ms Campbell: My recollection is that all of the administered programs were reviewed against the framework, to determine whether there was a level of constitutional risk—I think there was a rating of low, medium or high, or something like that. We're just trying to find someone who remembers it perfectly well! I wasn't in this department, but my recollection was that each and every one of these appropriations were considered.

Senator McALLISTER: That last piece of evidence, 'each and every one of these'?

Ms Campbell: Appropriations. So—

Senator McALLISTER: Within your department?

Ms Campbell: I wasn't in this department at that time—

Senator McALLISTER: Within the Department of Social Services?

Ms Campbell: I think it was across the Commonwealth. There was—

Senator McALLISTER: Okay, well, let's stick with DSS for the moment. I try to keep focused on one department! You reviewed all of those in DSS, and that was consistent with the broader government practice?

Ms Campbell: I wasn't here at the time. We're just trying to confirm, but our expectation is that each and every one was reviewed.

Senator McALLISTER: Right, okay. And in undertaking that review you sought advice from the Australian Government Solicitor. Can we have a copy of the request for advice?

Ms Campbell: Again, we're trying to find someone who was here and who remembers it. My recollection of the department I was in at that time was that this was a process that was run across the government, and so there wasn't separate advice sought on each program. Each program was reviewed as part of this rolling program of reviews of every program.

Senator McALLISTER: Does that answer suggest there was a central team working across government undertaking such reviews, or was a team established within DSS to undertake the review?

Ms Hefren-Webb: I was in DSS back in 2014, and then I left for a few years. My memory of back in 2014 is that there was a coordination team that was working together with our legal services area to coordinate this process—just because we have a large number of programs and activities—to make sure we were all consistently seeking the advice in a timely fashion and assessing that advice appropriately. But I can't recall—

Senator McALLISTER: This coordination team was a DSS entity?

Ms Hefren-Webb: Yes.
Senator McALLISTER: You're not talking about a cross-portfolio team?

Ms Hefren-Webb: No. There was that as well, from memory, but there was a team which was set up and operated for some months.

Senator McALLISTER: You've referred to the constitutional risk rating. I think you said that the outcome is low, medium or high?

Ms Hefren-Webb: That is my understanding—that they were the ratings used on constitutional risk.

Senator McALLISTER: Is the risk framework able to be reviewed? May we see it?

Ms Campbell: I think the risk framework probably belongs to the Attorney-General portfolio—about how they assess these matters against those criteria.

Senator McALLISTER: So you don't have a copy of it in the departmental records?

Ms Campbell: My understanding is that we provided information to the Government Solicitor, who then gave us the rating against that framework.

Senator McALLISTER: In terms of the risk posed by the Volunteer Management Activity, what was the risk rating for that activity?

Ms Bailey: The Volunteer Management Activity was, I recall, rated high.

Senator McALLISTER: So, we're not certain about the exact date that advice was received, but you're chasing that. And a decision was taken that it was necessary to redesign the VMA to respond to that?

Ms Hefren-Webb: Yes.

Ms Bailey: Yes.

Senator McALLISTER: Was that a decision of cabinet or a decision taken within the department?

Ms Hefren-Webb: That was a decision of cabinet, in the context of a budget process, from memory.

Senator McALLISTER: May I ask why it engaged the budget process?

Ms Hefren-Webb: I think that was just the mechanism. I don't think it had to be through the budget process. I think it was just as part of a budget process, several years ago. One aspect of that budget process was for departments to provide advice on how they might redesign high-risk programs. But it was a separate exercise, if you will.

Senator McALLISTER: I know that you're chasing dates. Can I ask when the decision was taken to redesign the VMA? You may decide that you're unable to tell me the date on which cabinet made that decision, but, as an alternative question: when was that decision communicated to the department—that the VMA would be redesigned and that that was a decision of government?

Ms Campbell: We'll see what we can find. It wasn't just on this program, of course; it was a much broader review of all programs which represented high constitutional risk.

Senator McALLISTER: When did you start the redesign process?

Ms Hefren-Webb: The government announced in May 2016 that it would redesign the program.
Senator McALLISTER: Did you make any commitments at that time to stakeholders about when the findings would be released and the review would be completed?

Ms Hefren-Webb: I will have to follow that up on notice.

Ms Bailey: It was a separate process. In May 2016, the government announced the redesign of the Strengthening Communities program. The review was announced in 2017, so it was a separate process.

Senator McALLISTER: I see. So, in 2016, there's a Strengthening Communities redesign. In 2017, there's then an announcement made to review, specifically, the volunteer management.

Ms Guise: In June 2017, the government decided to remove the VMA from the redesign of Strengthening Communities, which then became the Strong and Resilient Communities Activity, and reinstated the VMA and, at that time, announced the review you're referring to of the VMA.

Senator McALLISTER: What was the policy basis for separating those two streams out?

Ms Hefren-Webb: As I understand it, there was considerable feedback from the volunteering sector that they felt their service offer was unique and different to the broader Strengthening Communities, so that decision was made.

Senator McALLISTER: Okay. In mid-2017, they'd been under review for a year under the old process and then they get carved off and, in mid-2017, another review commences into the VMA program, and that is to deal with addressing the constitutional risks identified in the much earlier process and other issues.

Ms Bailey: A range of other issues.

Senator McALLISTER: Were there any other issues in particular? Were there terms of reference for the review that was announced in 2017?

Ms Guise: It goes to the appropriateness, effectiveness and efficiency of the program.

Senator McALLISTER: That's it?

Ms Guise: Yes.

Senator McALLISTER: Who was to undertake the review?

Ms Guise: It was Matthews Pegg Consulting.

Senator McALLISTER: It was linked to a consultant?

Ms Guise: That's correct.

Senator McALLISTER: Could I have an AusTender number?

Ms Guise: We'll have to get that for you. We'll take that on notice.

Senator McALLISTER: Matthew Pays, is it? Would you mind spelling it?

Ms Guise: Matthews Pegg Consulting—MP Consulting.

Senator McALLISTER: Thank you. I'm looking for my QON on this. From the consultant's perspective, that review has been concluded? Your answer to question on notice 526 was that the government is considering the findings of the review into the Volunteer Management Activity and that any decision on its publication is a matter for government. So
it has been received, the consultant has concluded his or her work, and that is now sitting with the minister. Minister, have you seen the review?

**Senator Fifield:** No. I'm not the portfolio minister.

**Senator McALLISTER:** You're not the minister?

**Senator Fifield:** No, I'm just representing him.

**Senator McALLISTER:** Can anyone tell me if the minister has the review?

**Ms Hefren-Webb:** Yes, the minister has received the review.

**Senator McALLISTER:** Is there just one minister, or is there more than one minister involved? I know in a portfolio environment it can be complex.

**Ms Hefren-Webb:** The review was provided to Minister Fletcher. I would need to just check whether it was also provided to Minister Landry. I don't have that.

**Senator McALLISTER:** We don't know if it has gone to Minister Landry. What date did Minister Fletcher receive it?

**Ms Hefren-Webb:** We'll have to take that on notice. I don't have that with me.

**Senator McALLISTER:** The sector's obviously feeling a little uncertain about things, and the answer to my question on notice is not entirely reassuring, in that it points to the fact that Commonwealth funded volunteer support services are funded until June 2021, but a decision on funding beyond that date is a matter for government. They're keen to understand what the problem is and what needs to be done to address it, of course. And they must come and see you about it—they come and see me about it. From a constitutional perspective, the live issue is advocacy; is that correct? Is that the department's view?

**Ms Campbell:** The constitutional concern?

**Senator McALLISTER:** Yes.

**Ms Campbell:** I think it's to ensure that we have a head of power that we can actually make the payments under. That's the concern—that there's an appropriate head of power.

**Senator McALLISTER:** Yes, I understand what a constitutional concern is in the general. I'm trying to understand what specific features of this program might render it unsuitable for funding when so many other programs are able to be funded under various heads of power.

**Ms Hefren-Webb:** Quite a number of programs in the families and communities area were rated as high risk. I think we've spoken separately about programs like emergency relief, financial counselling et cetera. So it's not unique to this program, and it really goes to what's the basis of the Commonwealth's head of power and whether, in the view of AGS, there is something specific to point to in the Constitution around that. Beyond that, I don't know that we can narrow down the nature of the concern.

**Senator McALLISTER:** I suppose my concern is that there's a general hostility, from where I sit, at the executive level, to advocacy in community sector organisations, and it's not to do with the bureaucracy; it's actually to do with the government that Minister Fifield is involved in. There's a constant drum beat about the illegitimacy of community organisations undertaking advocacy activities, and my concern is that the funding under this program is
being caught up in that. Can you reassure me that it's not the advocacy undertaken in this sector that's concerning you, Minister?

Senator Fifield: As I've stated, I'm not the portfolio minister so let me just speak more broadly about the important role of advocacy. I'm a former minister in the Social Services portfolio, having previously had responsibility for disability and aged care, and both individual advocacy and systemic advocacy is very important.

Ms Hefren-Webb: We do have the AusTender number if you would like that? CN3464909.

Senator McALLISTER: Thank you very much. Can I ask just a little bit about the volunteering grants stream. What activities under the volunteering grants had a constitutional risk rating that required intervention? Was it only the ones that were rated as high that you intervened in, or were activities rated as medium also subject to redesign? What was the threshold for action for the department?

Ms Hefren-Webb: So the threshold for action was a government-wide matter as well. My understanding is that activities rated high risk were required to be redesigned.

Senator McALLISTER: Okay. And medium risk, not so?

Ms Hefren-Webb: That's my recollection.

Senator McALLISTER: Okay. So, under the volunteering grants, did activities there have a high constitutional risk rating?

Ms Hefren-Webb: Yes.

Senator McALLISTER: Have they been resolved to your satisfaction?

Ms Hefren-Webb: Yes. The program was redesigned and, as you're aware, that was out in the field last year—which we're currently assessing—so that program's moving forward.

Senator McALLISTER: So the issues have been resolved, the redesign satisfies the requirements from government's perspective on the constitutional front and that's sorted?

Ms Hefren-Webb: Yes.

Senator McALLISTER: Do you have something additional to add?

Ms Bailey: I was just going to say I think we've accepted the risk.

Senator McALLISTER: That there is a level of risk and proceed anyway? So it remains at a high risk but you're proceeding anyway?

Ms Bailey: Yes.

Senator McALLISTER: I see. Thank you. That is significant, isn't it? That's the thing about legal risk and constitutional risk; it's terribly uncertain, isn't it?

Ms Bailey: Indeed.

Senator McALLISTER: Can I ask about the emergency relief funding that was announced by the minister in a joint media release on 19 February this year and which was, appropriately, directed into North Queensland as a consequence of the flooding.

Ms Hefren-Webb: Yes.

Senator McALLISTER: This is the release in relation to the eight Townsville organisations.
Ms Hefren-Webb: Yes. The department has been in close contact with the service providers in the Townsville region to gauge the effect of the flooding. As you would expect, it's been quite devastating.

Senator McALLISTER: Of course.

Ms Hefren-Webb: So we provided advice to the minister on options to assist those organisations. As a result, that funding was announced.

Senator McALLISTER: Terrific. What was the source of the funding?

Ms Hefren-Webb: The funding was obtained within the 2.1 appropriation, families and communities.

Senator McALLISTER: So it's to be expended under that—I guess I'm asking: were additional resources made available to the department, or was it provided from within existing resources?

Ms Hefren-Webb: Within the existing 2.1 appropriation. You will be aware the 2.1 appropriation covers a wide number of activities. We reprioritised—or rather the minister reprioritised funding within that appropriation. There was some unspent—uncommitted funds in the strong and resilient communities element of that, and so that was used.

Senator McALLISTER: And it's for this financial year only, I gather, from the release?

Ms Hefren-Webb: Yes.

Senator McALLISTER: Okay. I just want to check, because I'm interested from a budget and accounting perspective—I asked at last estimates whether any of the decisions taken and not yet announced relate to grant programs administered under outcome 2, and your answer to that in the QON was no. Can I ask again, because MYEFO has now been announced, whether any of the decisions taken and not yet announced in either the budget or MYEFO relate to outcome 2?

Ms Hefren-Webb: No.

Senator McALLISTER: I want to ask about the NILS and StepUP programs.

Ms Hefren-Webb: Yes.

Senator McALLISTER: These programs target, amongst other groups, people who receive government benefits.

Ms Hefren-Webb: Yes. That's correct.

Senator McALLISTER: I'm interested in the way that you work with DHS to make sure that people on government benefits are aware of the opportunities presented by the program. Do you promote the programs to eligible people who engage with DHS?

Ms Hefren-Webb: As you know, the programs are provided by Good Shepherd Microfinance. We certainly work closely with them and ensure they have avenues into DHS to enable them to promote the availability of no-interest loans through the DHS network. My observation is that awareness of no-interest loans is high amongst staff within DHS, particularly the social work staff and the specialist staff who are often dealing with people in particular crisis, and they will quite often refer people to the local NILS provider. We work very closely with both of those parties to promote—
Senator McALLISTER: So, in terms of the avenues that you're facilitating for Good Shepherd as the program provider, it's principally in relation to personnel working in the Centrelink offices. Is that your evidence?

Ms Hefren-Webb: Yes. Good Shepherd do a whole range of outreach. Part of their strategy is to make sure that people are aware of the ability to apply for these loans. Sometimes they'll come to us and ask us to help with that outreach. They also have extraordinary networks of their own, as you would imagine. So we're always happy to help facilitate.

Senator McALLISTER: Are they able to place signs in Centrelink offices or things like that? You spoke about interaction with staff in the Centrelink office. Are they able to engage directly with clients in that space?

Ms Hefren-Webb: That's really an operational question for DHS.

Ms Campbell: DHS might be able to better answer.

Senator McALLISTER: They probably can, but it's a program that is funded by you, targeting a cohort that is very clearly linked to DHS, so you're obviously working together on making that program effective.

Ms Hefren-Webb: I might take on notice the exact nature of the materials that are placed in Centrelink offices, if that's all right. I'm not conscious of them actually working or co-locating out of those offices, but I haven't specifically looked at that, and I could check.

Senator McALLISTER: No, I'm not asking about co-location of Good Shepherd personnel. I'm asking more just about signage and advertising—making the client base aware that the product exists.

Ms Hefren-Webb: Yes.

Senator McALLISTER: Has the department received any advice at all that promoting this product in any way impedes competition in financial services?

Ms Hefren-Webb: I've not been made aware of that.

Senator McALLISTER: That view has not been put to the department by anyone?

Ms Hefren-Webb: Not to my knowledge.

Ms Campbell: Not to my knowledge.

CHAIR: Senator McAllister?

Senator McALLISTER: Chair, I've got three or four more lines of questioning, if we wanted to break and go to Senator Siewert and come back.

CHAIR: We'll go to Senator Hinch for five minutes and then we'll come back.

Senator SIEWERT: Hang on, I've been sitting here waiting for a long time to do a whole line of questioning. After Senator Hinch, can I have a go?

CHAIR: He said five minutes, and then we will come back to you.

Senator SIEWERT: Thank you.

Senator HINCH: As chair of the national redress committee, last Monday, before I went into the Senate, I tried to get an update on how many claims had been settled under the Redress Scheme, because the last information I had was that it was something like 28 in
November. I could not get any information from the minister, who referred me to the department, and I still have not got that information—what the latest figures are. Can you tell me?

Ms Hefren-Webb: Yes, we can tell you. I might just ask Mr Taloni to provide that answer.

Mr Taloni: My apologies. I actually heard in your motion that that was the case, and I couldn't work out why that was the case. As of 1 February, there are 2,728 applications, and 51 payments have been made.

Senator HINCH: Fifty-one out 2,300. The royal commission estimated there could be 60,000 applications. Are there any reasons why it's so slow—why the incoming application rate is so slow?

Ms Hefren-Webb: Some potential applicants are likely waiting until the institution that they want to make an application about comes on board. That is certainly something we've heard from stakeholders: 'I'll make my application when the institution comes on board,' because otherwise the application has to sit there. We have, of course, done a certain amount of communication out through support services et cetera. But we are still looking at additional communications in case there are people who haven't heard about the scheme or haven't had the opportunity to consider their ability to apply under the scheme. So that's something we'll be looking at in the course of the scheme.

Senator HINCH: I know you're aware of this, because we had the public hearings late last year. You were rejigging the application form to make it easier and, to some people, less offensive. Has that been done?

Ms Hefren-Webb: The redesign of the form has occurred. I might just ask Mr Taloni whether that's been released.

Mr Taloni: It has occurred. The Department of Human Services is doing that work. As I understand it, they've actually had a large number of consultations and they're in the final stages of putting through all those changes.

Senator HINCH: It hasn't been released yet?

Mr Taloni: Not as yet.

Senator HINCH: We were told it was going to be released last November.

Mr Taloni: My understanding is that they've had significant consultations with survivor groups and survivors themselves. They've built in all that feedback, and gone back and tested the elements, so it's just taken longer, as I understand it.

Senator HINCH: What is the percentage so far of transgressing institutions that have signed up?

Mr Taloni: Sorry?

Ms Hefren-Webb: I guess the issue in that—

Senator HINCH: The institutions that have signed up to the scheme. A lot of them, I know, have been dragging the chain for months and months, and I wonder what percentage of the ones who were named in the royal commission have now signed up and agreed to take part in the scheme.
Ms Hefren-Webb: We have figures on the number of institutions that have joined. I'm not sure whether we have that as a percentage in the way that you're asking.

Senator HINCH: I'm happy for you to take it on notice.

Mr Taloni: We'll take it on notice.

Senator HINCH: Would you agree that there are still a large number of institutions that either are dragging the chain or have just declined? Would that be fair?

Ms Hefren-Webb: There are certainly a significant number of institutions that were named in the royal commission that have not yet joined the scheme. As you and I have discussed, some of them are at different stages of the process. No institution, to my knowledge, has formally declined to join the scheme.

Senator HINCH: Some, of course, have gone out of business, and therefore you have to start checking out their parent companies, so to speak, as well?

Ms Hefren-Webb: Correct, yes.

Senator HINCH: Maybe this could be to the minister. Are there any plans at this stage to name and shame the institutions that are not signing up?

Senator Fifield: I'll ask officers to speak to the engagement and the strategies that are in place to facilitate compliance. As I'm not the portfolio minister, they're best placed to speak to that.

Ms Campbell: Minister Fletcher has indicated that he will publish institutions that are yet to sign up—I think that's the correct terminology. I am about to write to the institutions as the scheme operator to inform them of that and allow them to let us know where they're up to in their process so that we can very accurately reflect that information on the website, particularly those who have said that they're going to sign up. We're going to ask them for a time frame so that we'll be able to provide that information.

Senator HINCH: One final question: you are well aware of the antipathy from the so-called Clannies who feel left out from all of this—the people who were physically or emotionally abused, not sexually abused, used as child slave labour by various institutions. I've called in the Senate for a royal commission into their plight. Are you being bombarded by their complaints? Going on Twitter and Facebook, they're very disillusioned that they feel left out.

Ms Campbell: Senator, I think we are aware of their concern.

Senator HINCH: I'm sure they're making it clear to you.

Senator SIEWERT: I have just a few follow-up questions there, and then I want to move to the cashless debit card. Can I just double-check on the numbers. It is 2,000 and—

Ms Hefren-Webb: 700.

Mr Taloni: And 28.

Senator SIEWERT: 2,728, thank you—and 51, did you say?

Ms Hefren-Webb: Yes.

Senator SIEWERT: Of those 2,788—

Ms Hefren-Webb: That was 2,728.
Senator SIEWERT: Sorry. Because I'm writing over things, it made it look like an eight. I beg your pardon. Of those, how many applicants are for institutions that haven't signed up yet?

Ms Hefren-Webb: I'm not sure we could give an exact figure.

Ms Creech: Of the 2,728 applications, there are 869 that have been through the initial validation process and identified that they relate to an institution that is not participating in the scheme.

Senator SIEWERT: Ms Hefren-Webb, as you were talking about before, they're now in the 'hold' basket?

Ms Hefren-Webb: Correct.

Senator SIEWERT: The institutions that are going to be named and shamed, or written to—

Ms Hefren-Webb: Written to.

Senator SIEWERT: Are they those institutions, or across the board those that have said they're going to sign up and haven't signed up, or all institutions that the government's aware of that were involved in the royal commission and named in the royal commission?

Mr Taloni: Those 869 represent 32 per cent of the overall. A large chunk of those will be written to. We have to go back and check what's on that list versus who we're about to write to, to completely check that everyone's covered or who is being left out.

Senator SIEWERT: So there's an overall letter going out, and, if I understood what you just said, you'll then look at which of those institutions aren't covered by the initial letter going out?

Mr Taloni: Yes.

Senator SIEWERT: Is that correct?

Mr Taloni: That's correct.

Ms Campbell: Yes, and we continue to engage with institutions. Some of them will be very small, and when we ring them that might be the first time they know that this is going on. So, rather than say, 'You need to join,' we need to give them time to understand what's happening. They may not have even thought that they were going to be captured by this process, so we are going through a process with them to help them, as best they can, meet their obligations here.

Senator SIEWERT: When is that letter going out, sorry? I missed that.

Ms Campbell: I think at lunchtime, Senator.

Senator SIEWERT: It's going out today?

Ms Campbell: I think we're hoping to have that out.

Mr Taloni: We have a pile in the anteroom ready to sign.

Senator SIEWERT: Who's on that list? I'm not asking for individual organisations. What type?

Ms Campbell: People who were named in the royal commission who have publicly stated that they intend to join. That's the bulk of those people going with the letter.
Senator SIEWERT: Then there'll be cross-reference to those applications, the 32 per cent, to make sure that they are covered as well?

Ms Campbell: Yes—and, as I talked about, some of those smaller entities for whom this may come as a surprise. We don't send a letter. Someone here will ring them and talk them through this process.

Senator SIEWERT: Can I just ask: are these organisations not contacted? They have already had an initial consultation?

Mr Taloni: Applications come into the Department of Human Services. There's some deciphering of what's in the application, who's named. That can take time, and it's not easy. It's sometimes multiple institutions; it's not just one, so it's quite complex. Sometimes it's not just entity A and clear. Sometimes there's misspelling—there's just confusion. That takes time. Once that information comes, that's actually provided to the Department of Social Services. It's our role then to make contact with the institution and get them on board. That can be quick because it's named in the royal commission—pretty obvious. Sometimes it's very tricky. Sometimes, as the secretary has indicated, it's a very small entity who had no idea. When we do a cold call, it's a volunteer, and it just so happens that they're the president of that entity at that time.

Just so you're aware, just for more information: sometimes an applicant will indicate a certain entity at a certain time period. We have to go back because some entities have changed who they owned. Where there have been 23 non-government institutions declared, we in our system have 30,000 entities identified—parts of. So it's a very complex process one goes through. So we'd prefer not to send a letter on day 1 to a smaller entity who wasn't named in the royal commission who is not aware of any of this. We take them on that journey to get them on board. We don't want to spook the horses, basically.

Senator SIEWERT: The other 68 per cent of applications are for institutions that have already opted in?

Mr Taloni: That's correct. They're at different stages of the process. Some are actually with institutions for validation themselves. For some, we're checking them—validation. This is the Department of Human Services. And, while we said there have been 51 payments, there are—correct me if I'm wrong—about 19 decisions, so there are 19 proposals ready to go to survivors for their view, and there's a small chunk that's waiting to go there, if you like. It's a process. There are bits of it. Some are at certain parts of the process, and they move throughout as we progress them.

Ms Hefren-Webb: I might just add, Senator, and you'd be aware of this, that not all jurisdictions were on board straightaway, too.

Senator SIEWERT: Yes. So that's delayed things as well?

Ms Hefren-Webb: We've had a tail as well where maybe the people think the institution's on board, but the jurisdiction is not.

Senator SIEWERT: Yes. Thank you for that clarification. That's important to note. Are you able to tell us the average payment?

Mr Taloni: We can. We'll just get that for you.

Senator SIEWERT: Of the 51.
Ms Creech: Yes, I can. The average payment is $79,035.

Senator SIEWERT: What's the highest payment been?

Ms Creech: I'll give it in brackets if I can, just so we don't run the risk of identifying any particular individuals.

Senator SIEWERT: Sorry, yes.

Ms Creech: I can advise that we've had 14 payments that ranged between zero and $50,000, 34 payments that ranged between $50,001 and $100,000 and fewer than 10 payments ranged between $101,000 and $150,000.

Senator SIEWERT: You said 'zero'. You'll be aware that there was a lot of concern about people getting zero payments. We had that debate during the Senate discussion, and we've had it during the inquiry. Has there been a case where people because of previous compensation have received zero, have been through the process and there's no—

Ms Creech: We're not aware of any.

Senator McALLISTER: We've spoken about applications received and payments made. Can I ask how many offers have been made, which is sort of an intermediate stage to payments.

Ms Campbell: Do we have that number? We said how many we were out with survivors.

Ms Creech: We've had 51 payments that have been made. There are also 31 offers that have been made which would be under consideration by the applicant, who has six months to consider that offer.

Senator McALLISTER: Have any offers been rejected?

Ms Creech: Not to date.

Senator McALLISTER: No, so zero. What is the average wait time for a decision?

Ms Creech: I don't think we have that level of detail. We could take that on notice.

Ms Campbell: This one's going to be a difficult one to quantify, because we'll get a number of applications for which the entity hasn't signed on. So if we were to record it from the moment the application was made to when we get the one to sign on, that is going to show large discrepancies.

Senator McALLISTER: I'm actually quite interested in that, because for the person who is having that experience that is the relevant number.

Ms Campbell: We do understand.

Senator McALLISTER: I'm asking that question for that reason in that way. I'm more interested in the average wait time between someone making application to the scheme and receiving a payment than I am in the gap between an institution joining the scheme and making a payment. Perhaps we could have both numbers.

Mr Taloni: We'll have that take that on notice.

Senator McALLISTER: I understand. How many people have passed away after applying for redress but before receiving a payment?

Mr Taloni: That's not information we have to hand.

Senator McALLISTER: Have any payments been made to estates?
Mr Taloni: We'd have to check.

Senator McALLISTER: How many payments have been made to care leavers, including those in orphanages and foster homes?

Mr Taloni: We'd have to check. We're very concerned about the privacy issues of some of these, because of the small number of payments at this stage, but we'll check.

Senator McALLISTER: How many partial payments have been made? I'm talking about a circumstance where one of the responsible entities has joined the scheme but the other hasn't.

Mr Taloni: We'll have to take that on notice.

Senator McALLISTER: How do you handle that situation?

Ms Creech: The Department of Human Services would reach out to the applicant and explain to them the situation. The applicant may be affected by multiple institutions, and one or more of those institutions may be in or may not be in the scheme. They would advise the applicant of their choice in that regard. They may choose to have the scheme hold that application pending the other institutions' coming in or they can make the choice to progress their application with the institutions that are in the scheme. We've got support services who would be able to support the applicant in making that decision.

Senator McALLISTER: Would that foreclose their possibility of obtaining redress from—in the case of a person who had a meaningful claim against three organisations, two of which had joined the scheme, if they choose to proceed on that basis, does it preclude them from ever obtaining redress from the third organisation?

Ms Creech: If they proceed with the application just with some of those institutions and accept an offer that's relevant to those institutions, accepting that offer would restrict their ability to take further action against those specific institutions. But for any that were not part of that application, and therefore not part of that offer and acceptance, it would still be open for them to take civil action if that's an option available to them.

Senator McALLISTER: But no action through the redress scheme?

Ms Creech: Not through the redress scheme.

Senator McALLISTER: You said that there were fewer than 10 payments in the range of $100,000 to $150,000. How many maximum payments at $150,000 have been made?

Ms Campbell: Once we get to numbers 10 and below, we become concerned about privacy issues if we start articulating numbers below. So we prefer to talk about them—is it below 10?—right across the portfolio so that we don't identify individuals.

Senator McALLISTER: Have any payments of $150,000 been made?

Mr Taloni: Yes.

Senator McALLISTER: How many reviews of decisions have been requested?

Mr Taloni: We're not aware of any.

Senator McALLISTER: Some of these questions were asked by other senators, so I am just checking. Of those priority institutions that were named in the commission, can you provide a list of those institutions that have not joined the scheme?
Ms Campbell: We do have, on the website, a list of those organisations that have joined the scheme. We are working in the next little while to have that list of those who were named in the royal commission but are yet to join.

Senator McALLISTER: Do you have a list of the institutions that are not part of the scheme but for which an application of redress has been received?

Ms Campbell: We mentioned earlier that we are reluctant to put out that list in total because it will include some small organisations which we are continuing to work with to try and encourage them to come on the scheme. So, rather than publicly releasing their names, we are still trying to work with them about how they come onto the scheme. This is part of updating the website by the end of the month: those organisations who were named in the royal commission who have joined the scheme; those who are yet to join the scheme, and, if they are able to give us that information, the expected time frame about when they hope to join the scheme. But we are very conscious, as to some of these entities where a claim may have been received, that these entities don't know about it yet, and we don't want them to find out via a website. So we're actually engaging with those entities to bring them on that journey.

Ms Hefren-Webb: I might just add that, in some cases, one person in the organisation may know the claim has been received but the board of the organisation may not have had the opportunity to even meet. With some of these volunteer organisations, boards meet every three months sometimes. So we just have to be careful and make sure that relevant people are aware.

Ms Campbell: We consider the bulk will have been in the royal commission, so they will be picked up through that process. But we are working very hard to get these entities on board as quickly as we can.

Senator McALLISTER: I'm conscious that some of these institutions are not unitary. They are named in the royal commission. They have many different corporate entities within them—and the churches are an obvious example of that, but it's not exclusive to church organisations. My concern about the process you are describing is that, for survivors, it has been very slow already. You are treading very carefully in relation to the institutions. But we're looking for a survivor focused scheme.

Ms Campbell: The legislation has clauses about protected information in it, and it requires me, as the scheme operator, to look at the disclosure of that information, and I'm very conscious of the disclosure. So even the disclosure of the institution is a piece of protected information. We are balancing—we are very conscious of the needs of the survivors, and trying to get that information out there as quickly as possible. What we're talking about is public release of names. It doesn't mean that we're not acting on that information and working with the institution to get them on board. So that is continuing. It's that balance with the obligations in the act about protected information. I'm very satisfied that the department is continuing to have that survivor centred focus to get that entity on board.

Senator McALLISTER: How many institutions in total are expected to join the scheme?

Ms Hefren-Webb: It would be in the thousands. I don't think we have an estimate. As we said, we could get quite a lot of institutions who have one application, so we haven't quantified that.
Senator McALLISTER: These things do take time, and 30 June 2020 is not that far away. Is the government considering options to extend the time line if these institutions have not signed up? We don't have a thousand organisations that have signed up.

Ms Campbell: We haven't provided advice to government about that. We are very conscious that we will need to assess how many organisations have signed up. We are working really hard to get as many as possible signed up as soon as possible. The letters we will write and the publication of the list of names on the website will, we hope—and we're continuing to work with people about getting signed on. You make a good point about the 2020 deadline, and that will be something that we consider in advice to government.

Senator McALLISTER: If an institution doesn't sign up by June 2020, what will happen to the people who were abused whilst in the care of that institution?

Ms Campbell: The government has the option to extend that deadline.

Ms Hefren-Webb: It's not a legislated deadline.

Ms Campbell: It's not legislated. It's clearly not our preference. We would prefer to have institutions sign on well before 2020, but that option is there.

Senator McALLISTER: I have a couple of final questions on process. How many independent decision-makers are there?

Ms Hefren-Webb: There are currently four.

Senator McALLISTER: And how many decisions are they making each week?

Ms Hefren-Webb: It's highly variable, obviously. There are 51 payments that have been made and 31 offers ready to be made, so that's about 80. They've made an average of 20 each, but I couldn't tell you how that's spaced over the period. I think it's ramping up. It would have started very slowly and, as time is going on, they'd be making more and more decisions.

Senator McALLISTER: So what's the relevant period? You've had four independent decision-makers. They've been in place since when?

Ms Hefren-Webb: I'll just confirm with Ms Creech when they were appointed.

Mr Taloni: We're just checking whether it was the day the scheme commenced or shortly afterwards.

Ms Hefren-Webb: But can I just clarify that the decision-makers are turning the decisions around quickly, so there's no delay in that sense from them.

Senator McALLISTER: I'm trying to understand quantitatively how we would describe this. When were they appointed?

Ms Creech: I can confirm they were engaged in August last year.

Senator McALLISTER: So August 2018, and we think they've made 80 decisions in that time.

Ms Hefren-Webb: I'm working off these figures.

Mr Taloni: They've made 51 currently, and there are a bundle that are with them or will shortly be with them.

Senator McALLISTER: So 51 decisions since August. How many people look at a redress form from start to finish?
Ms Hefren-Webb: Can I just clarify that I think it's actually 82, because in addition there are 31 decisions where the decision has been made and there's an offer ready to be made. Sorry, what was that further question?

Senator McALLISTER: How many people look at a redress form from start to finish?

Ms Hefren-Webb: Look at the redress application form?

Senator McALLISTER: Yes.

Ms Hefren-Webb: As you know, it goes to DHS. We would have to ask them to provide advice on the number of staff who would look at a form. From our perspective, I can ask Mr Taloni to describe the process.

Mr Taloni: We don't see the forms. The only time we would see the forms is at the stage of independent decision-makers getting involved, where one or two public servants from the Department of Social Services would get involved.

Ms Hefren-Webb: In addition to that, where someone has a relevant criminal history, the secretary has particular obligations to consult and to make determinations. In those cases the secretary, I, Mr Taloni and one of his staff would be looking at the form.

Senator McALLISTER: Do the institutions examine the claim?

Ms Hefren-Webb: Yes, they receive the form.

Senator McALLISTER: How many people would see it at the institutional level?

Mr Taloni: We would have to take that on notice, Senator.

Senator McALLISTER: I'm trying to establish—this is a process we're trying to design in a way, again, that is survivor focused. A form is provided to DHS, then it's sent across to DSS and then it's sent to the institution and it might get sent to a state government authority.

Ms Campbell: In those cases where there is a relevant criminal conviction, I generally write to the Attorney-General of the relevant jurisdiction, seeking their views.

Senator McALLISTER: Do they see the material provided by the applicant?

Ms Campbell: They do. I make a decision on each occasion whether that material is relevant. I often determine that it is relevant because the material will explain what has happened to the individual since the abuse, and also take into consideration the criminal conviction and what they have done since then and how the two interact, which is very important for those people to understand.

Ms Hefren-Webb: Senator, can I just add that the applications are provided to jurisdictions or states and territories via a secure portal. We use safe hands methods when they are in the department. We take the protection of these applications extremely seriously. They are only distributed insofar as it's necessary to move the application forward and seek an outcome for the survivor.

Senator McALLISTER: Has the government employed any contractors or outsourced any part of the redress assessment process?

Ms Hefren-Webb: DHS has utilised contractors. We also have a small number of contractors in Mr Taloni's division, and the independent decision-makers are employed on a contract basis.
Senator McALLISTER: Mr Taloni, what was the basis for engaging contractors in your area? Were there not skilled staff within the department who could perform the role?

Mr Taloni: Senator, in my world, it really relates to getting the institutions onboard. They certainly don't see the applications. Because we're trying to get institutions on so quickly we get some extra people on quicker, so it's sort of surge capacity to just get the institutions on board pretty quickly. That's the aim.

Senator McALLISTER: So they are not the redress assessment process, then, are they?

Mr Taloni: No.

Senator McALLISTER: My question was specifically about the redress assessment process.

Mr Taloni: From our perspective it is the independent decision-makers.

Senator McALLISTER: Right. Thank you very much. Thank you, Senator Siewert.

CHAIR: We are still on outcome 2.

Senator SIEWERT: I would like to move to the cashless debit card if I can, please. So many questions—where to start? Can I start with the baseline data collection that was released today. I've got a few questions I'd like to ask. The first is: did you approve the methodology that was used for this?

Ms Campbell: Can I start by saying that Ms Hefren-Webb's team look after the implementation of cashless debit card. Dr Reddel and his team look after the evaluation so we can make sure that they are not marking their own homework. That's how we split it across the department.

Senator SIEWERT: I beg your pardon.

Ms Campbell: I just thought I'd clarify that.

Senator SIEWERT: It's a point well made. Dr Reddel, on the report that was released today, firstly, did the department approve the methodology? How was the methodology for this report developed?

Dr Reddel: Senator, we went to tender for that baseline evaluation and selected the University of Adelaide based on our procurement plan, which would have included the outcomes we wanted in terms of building a baseline study. We then negotiated with the selected tenderer, the University of Adelaide, around that methodology. They've undertaken it independently based on that agreed approach between us and the evaluator.

Senator SIEWERT: Does that mean that you did approve the methodology?

Dr Reddel: Yes, the approach they were undertaking. But we're very clear to say that it's an independent evaluation. They undertake the evaluation separate to any direct input from us.

Senator SIEWERT: Has it been peer reviewed?

Dr Reddel: Not yet. It's a baseline study. They will also undertake a broader impact evaluation later this year. That will be, as required, peer reviewed and independently reviewed post its finalisation.

Senator SIEWERT: I find it difficult to accept that this is a baseline study when it's basically, once again, qualitative not quantitative. It's based on people's feelings. Baseline
study for me means you actually have hard data about what the current situation is in that area, and it's carried out before the trial starts, not once it has started. Why was it done this way—once again, qualitative? The ORIMA study was very widely criticised for its qualitative nature and the approach that was taken by just asking people for their 'feels'. That's my language, not theirs.

**Dr Reddel:** Senator, we do recognise the lessons learnt from the ORIMA approach. Part of this going forward will be much more in-depth, administrative data analysis.

**Senator SIEWERT:** But where's the baseline for that? That's not here.

**Dr Reddel:** That's still being developed, Senator.

**Senator SIEWERT:** Did you capture that data before it started? If so, where is it?

**Dr Reddel:** There has certainly been monitoring data and engagement with state—

**Senator SIEWERT:** From the beginning? Beforehand? If you've got it, can I have it, please? Can it be made publically available?

**Dr Reddel:** That's still being assessed and analysed, Senator.

**Senator SIEWERT:** So, data before the trial started. When was it captured? When are you going to release it? Why wasn't it released with this? Have you got it?

**Mr Brown:** As Dr Reddel has explained, there has been a process of negotiating with providers, Indue and states and territories around monitoring data—collecting that type of thing. That will be an ongoing part of the analysis undertaken for the impact evaluation. I would anticipate that the impact evaluation would release not just evaluation at the end of the process but data that has a time dimension—in other words, shows impacts over a period of time from around the start of the CDC through to a certain point at the end of evaluation.

**Senator SIEWERT:** What is the data that you currently hold that outlines the baseline before the trial started? Could you table it, please?

**Mr Brown:** I haven't got that level of information with me right here. We could certainly provide it on notice.

**Ms Campbell:** It's administrative data. Data that might be held by organisations who've engaged with these individuals, like Human Services.

**Senator SIEWERT:** Human Services—

**Ms Campbell:** State and territory—

**Dr Reddel:** State and territory governments.

**Ms Campbell:** Jurisdictions to see whether we can get administrative data in this space.

**Senator SIEWERT:** Have you got it or—

**Ms Campbell:** We'll be able to get the Human Services data.

**Senator SIEWERT:** When you say you'll be able to get it, I infer that you have to go to Human Services and get it now. That you haven't got it.

**Ms Campbell:** I'm sorry, I think I've made the wrong implication there. The University of Adelaide—
Dr Reddel: The University of Adelaide are working with collecting that sort of administrative data. Working with us, working with state and territory—well, the state government in the context of Goldfields and with Indue.

Senator SIEWERT: Why wasn't that data made available? Why aren't these qualitative and quantitative finding?

Dr Reddel: As I said, Senator, the analysis of that data is still being worked through by the University of Adelaide.

Senator SIEWERT: Why not release it together as a baseline?

Dr Reddel: We thought that was once we receive the qualitative data, the qualitative report—we've provided that to the minister, who's decided to release it.

Senator SIEWERT: Did you recommend its release?

Dr Reddel: We provided advice to the minister.

Senator SIEWERT: Did you recommend to the minister that it be released?

Ms Campbell: That would go to the advice we're providing to ministers, Senator. That would be part of the deliberations of government.

Senator SIEWERT: I want to go back to the methodology of the report. Did you approve the specific methodology? Was that peer reviewed? I've already asked about the report itself, which wasn't peer reviewed. Was the methodology peer reviewed prior to the undertaking of the further work?

Dr Reddel: No, Senator, the methodology wasn't peer reviewed beyond the University of Adelaide's own internal approval processes.

Senator SIEWERT: Did you specifically sign-off on the methodology?

Dr Reddel: We thought it was an appropriate methodology going forward.

Senator SIEWERT: Even though that type of approach has been widely criticised in the previous two evaluations that have been undertaken of other trial sites?

Dr Reddel: Senator, I think the report outlines their methodology in terms of their sampling method, in terms of getting a representative sample across the communities in terms of CDC participants, other stakeholder service providers et cetera. There's quite a detail about how they've undertaken that sampling approach to get that representative sample. I think the report also outlines the breadth of participants that have been engaged in the process. They talk about a stakeholder engagement strategy up front in terms of informing people about the study and ensuring they get as broad a cross-section of CDC participants, the broader community and stakeholders as possible.

Senator SIEWERT: Just so I get the numbers correct: 64 out of 2,995 people were interviewed?

Dr Reddel: As well as 66, I think, community stakeholders.

Senator SIEWERT: So, basically, the same weight was given to participants as given to stakeholders? In fact, there was fewer participants—

Dr Reddel: As the report outlines, part of their analysis was to assess the different perceptions of people involved who are participating in the CDC program, and service providers and others in the community.
Senator SIEWERT: So we're measuring perceptions; we're not actually measuring outcomes, are we? This is perception.

Ms Hefren-Webb: It was a baseline study.

Senator SIEWERT: Baseline perceptions.

Ms Hefren-Webb: Baseline perceptions, but not just perceptions of the cashless debit card; perceptions of the communities and the issues that are present in the communities. I'm sure you've noted that quite a lot of people have gone on at a lot of length in this report about the issues with alcohol, the issues with mental health et cetera. So it's not just perceptions of—

Senator SIEWERT: Yes, and I also noticed they're perceptions that—you take from this that it's Aboriginal people and people on welfare that are the people that are drunk. That's what you get out of this report. So, what use is that? Is it okay to have an underlying assumption that those that have alcohol addiction are those that are on income support?

Ms Hefren-Webb: Senator—

Senator SIEWERT: You've read this report, and that's what strongly comes out of this report.

Ms Hefren-Webb: What I read in the report was a high level of concern about the impact of alcohol addiction in the community.

Senator SIEWERT: Yes, there is.

Ms Hefren-Webb: I didn't read it as particularly targeting a certain group. I didn't read it as particularly targeting Aboriginal people, no.

Senator SIEWERT: Obviously we've read it differently, then. How much did this cost?

Mr Brown: It was $550,000.

Senator SIEWERT: For this particular evaluation?

Mr Brown: This component part.

Senator SIEWERT: How much is budgeted for the impact evaluation?

Mr Brown: $1.65 million.

Senator SIEWERT: Will that include the quantitative analysis as well?

Mr Brown: Yes.

Senator SIEWERT: With the information that we've just been talking about and that I've asked for—the information you've got at the moment—will there be another baseline report that has that quantitative analysis, similar to this perceptions report?

Dr Reddel: That's what we're working with the university to produce.

Senator SIEWERT: So there will be another one before the final impact statement?

Mr Brown: Depending on time frames, I think we're anticipating the next report, on the impact, to come out later this year. The intent is to have a range of CDC participant administrative data.

Senator SIEWERT: I'm having trouble hearing you, Mr Brown. I'm sorry.

Mr Brown: Sorry. The impact evaluation report should be finalised in the second half of this year. It will contain administrative data relating to CDC participants, including over time.
Senator SIEWERT: The impact report's going to be finalised before the trial ends?

Mr Brown: It's a period of time. It basically tracks people and looks at the impact at a particular point in time in three different sites and will show some results at that point.

Senator SIEWERT: Okay, I've misinterpreted the impact evaluation. That's for the three sites?

Mr Brown: The three sites.


Senator SIEWERT: I'm going to come to that, because I'm factoring Hinkler in but I want to come to Hinkler separately. So the impact evaluation is due in the second half of this year and will cover the three sites: EK, Ceduna and the Goldfields?

Dr Reddel: That's right. We intend it to be completed by June this year and able to be reported in the second half of the year.

Senator SIEWERT: When you say 'a point in time', what do you mean?

Mr Brown: I think I said 'a point in time'. I did not mean to say we would just capture information at a point in time; it is over time.

Senator SIEWERT: It will finish at a point?

Mr Brown: We will collect information along the way and, at a point in time, the evaluators will analyse the various sources of information and report the findings.

Dr Reddel: We're very conscious that one of the lessons from the ANAO report was to get better longitudinal data, and that's certainly what we're setting up with the impact evaluation so we can track progress across that period of time, from November to June.

Senator SIEWERT: From November last year to June this year? Is that what you mean?

Dr Reddel: Yes.

Senator SIEWERT: But you said the report's going to be finalised by June.

Dr Reddel: Post June. The report will be finalised after the study is undertaken.

Senator SIEWERT: So in June you will capture that longitudinal data over those six months and then report in the second half of the year?

Dr Reddel: Yes. There'll be administrative data analysis, but one of the things we also want to do is to undertake much more rigorous quantitative surveys. Part of the work the university have been doing is developing that instrument to be able to do a much more rigorous taking on board of stakeholder engagement and to do a much more rigorous quantitative survey, potentially across all three sites.

Senator SIEWERT: Potentially?

Dr Reddel: That's the intention.

Senator SIEWERT: Can I expand on my question on notice around the quantitative data that you're holding already for the Goldfields: given your comments just then, I'm presuming you've got that for EK and Ceduna. Could you also provide that information?

Dr Reddel: We'll take that one on notice.
Senator SIEWERT: From the answer to my question around another report with the quantitative baseline data, I take it that there's not going to be another step releasing that before the final impact evaluation is released. Is that right?

Mr Brown: That's not planned; that's right.

Senator SIEWERT: So the $1.65 million covers the three trial sites. Is that correct?

Mr Brown: Correct.

Senator SIEWERT: In terms of this baseline evaluation, did you see a draft before it was released?

Mr Brown: Yes.

Senator SIEWERT: Were there any changes made between the draft and the final report?

Mr Brown: The evaluation unit in my area would have made comments on aspects of the report, not the content of the report but things like making sure different numbers added up or checking language—correcting for those kinds of things.

Senator SIEWERT: So there were no changes to the substantive content of the report?

Mr Brown: Not the substantive content, no.

Senator SIEWERT: One of the things that does come through the report is peoples' comments around access to services and supports. I remember from previous conversations that you have looked at those services. Is there a report that summarises the adequacy of those services? I remember that there was extensive discussion about numbers, and even issues around it being perhaps confusing et cetera. The conversation I recall was along the lines of: there's lots of them and there's some confusion and maybe duplication. For the Goldfields, is there a summary of the services that are available, both in terms of adequacy—in terms of covering all the issues—and availability?

Ms Hefren-Webb: I don't know that we've got a summary that precisely captures that. Obviously, that's something that we get a lot of feedback on through the process of operating the cashless debit card and working with stakeholders, but we also are working in that community on a range of other fronts—we have family services out there, we've been talking to them about what the service need is. We can have a look at what we might be able to provide for you, pulling from our grants database et cetera. But I don't have a neat summary I can provide today.

Senator SIEWERT: Is that something that's being considered in a quantitative survey—that is, looking at the provision of those services and the adequacy of the services? Is that something that is being picked up? I'm particularly interested in analysis that was done of some of the issues that we're talking about, and the adequacy of services to meet the need—and we've had this discussion before, about looking at the provision of services versus CDC, and the ability to deal with the issues either with or without CDC, and the difference that makes. For me, the quality and quantity and breadth of the services is a key part of looking at how we support community.

Dr Reddel: That's certainly something I'm sure the evaluators are considering, noting in the baseline they did discuss perceptions of service delivery.

Senator SIEWERT: I'm actually after the data.
Dr Reddel: In terms of being part of the quantitative survey, that would be something they would be considering including—peoples' understanding of service delivery in those communities.

Senator SIEWERT: Ms Hefren-Webb, anything you can provide would be appreciated. Thank you.

Ms Hefren-Webb: Yes.

Senator WATT: Senator Siewert—through you, Chair—could we get the call for another bracket just before the lunch break?

Senator SIEWERT: Sure—so long as I can come back to CDC afterwards.

Senator WATT: Sure.

Senator SIEWERT: Ms Hefren-Webb, if you're expecting the evaluation to come in the second half of this year, why are the trials all being extended again, potentially—or there's an attempt to extend them—before we've done the evaluation? It seems to me we're no longer talking about a trial.

Ms Hefren-Webb: The decisions about extension of the trials are, of course, decisions of government made with regard to evaluation findings, their perception of community benefit discussions that happen across a range of fronts. Obviously, we are providing weekly reporting to our minister's office about the progress, the numbers et cetera, information that comes to hand, advice et cetera. All those things figure into decisions.

Senator SIEWERT: What's being reported on in the weekly reports?

Ms Hefren-Webb: The client numbers.

Senator SIEWERT: Just client numbers?

Ms Hefren-Webb: And transaction numbers. A number of other elements are provided.

Senator SIEWERT: How is that providing any information that is useful in determining whether the trial should be extended?

Ms Hefren-Webb: It would indicate whether it's around people seeking exemptions, that sort of thing. It would give a sense of how the trial is progressing and travelling, the extent to which people are seeking help to manage the card or not, whether they're managing it effectively, the number of inquiries coming through to our inquiry line et cetera.

Senator SIEWERT: How many inquiries are coming through? We haven't got to the latest Centrelink data, so I can't look at what calls are coming in on the income management line, but my recollection from the last lot of data is that there are still a high number of calls coming in for the income management lines. Is the same thing happening with the trial sites?

Ms Hefren-Webb: I'll ask Ms Patrick to talk to that.

Ms Patrick: I'm just checking the data, but I believe the number of calls that come through our hotline, on average, is about 40 a day. That's to the DSS departmental hotline.

Senator SIEWERT: That's to the DSS one? And is that from all—

Ms Patrick: It's from all trial sites, yes.

Senator SIEWERT: Can I ask one more question, about evaluation in Hinkler? I'll have more questions, but that will round off that set of questions. There is some confusion,
certainly in some sectors of the community there, about whether an evaluation in Hinkler is going to happen. If it is, has it started? If it hasn't started, when is it starting?

**Mr Brown:** There is a baseline study being undertaken in that site.

**Senator SIEWERT:** By whom?

**Mr Brown:** By the University of Adelaide.

**Senator SIEWERT:** With the same methodology?

**Mr Brown:** Same methodology.

**Senator SIEWERT:** So it's perceptions?

**Mr Brown:** We are hoping, because it's occurring a little bit before people are moving onto the card, some of the quantitative data you've been talking about would be more adequately captured. We're enhancing our capability around these things as we keep moving along.

**Senator SIEWERT:** When did it start?

**Mr Brown:** I think the data collection started in December, from recollection. I could get an actual date.

**Senator SIEWERT:** In December. Thank you. Is that a separate contract?

**Mr Brown:** Yes.

**Senator SIEWERT:** How much is that?

**Mr Brown:** $550,000.

**Senator SIEWERT:** $550,000 for the baseline?

**Mr Brown:** For the baseline.

**Senator SIEWERT:** Is a final impact evaluation being done as well?

**Mr Brown:** No decision has been made about that at this point.

**Senator SIEWERT:** So it's just baseline?

**Mr Brown:** At this point.

**Senator SIEWERT:** As part of Senator Storer supporting this legislation, was there not a commitment to an evaluation process? I understood that.

**Ms Campbell:** I think we've commenced the evaluation process by collecting the baseline data.

**Dr Reddel:** That's right.

**Senator SIEWERT:** But there's no commitment yet to do the impact evaluation?

**Ms Campbell:** I don't think it says that the government has not committed; I think it's just that we may not have got to it yet.

**Mr Brown:** The decisions about how it will be conducted, who will be conducting it and those kinds of things haven't been made yet.

**Senator SIEWERT:** But you intend to do one?

**Dr Reddel:** That will be worked through.
Senator SIEWERT: Sorry, Dr Reddel, that does not sound like a commitment that there will be one. When I asked, ‘Will there be one?’ you said, ‘That will be worked through.’ Will there or won't there?

Dr Reddel: That's a decision of government.

Ms Campbell: It's a decision of government. We are collecting the baseline information. That's a really good place to start—making sure that we've got this information.

Senator SIEWERT: Have you told Senator Storer that you haven't made a final commitment on whether there'll be an impact evaluation or not, given that was the basis on which he agreed to support that trial going ahead?

Ms Campbell: We've commenced collecting the baseline data. I think that's the best advice the officer has been able to give you to this date.

Senator SIEWERT: Ms Campbell, this is semantics. ‘Commencing the collection of baseline data’ is not an evaluation of the trial.

Ms Campbell: But you need to do it.

Senator SIEWERT: You do need to do it, yes! I would hope you'd be doing that anyway, but that means to me that you have not committed to the impact evaluation and you haven't committed the resources to do it.

Ms Hefren-Webb: I think that the—

Mr Taloni: My understanding—and it's not my world, so please tell me to stop—is: the agreement was that there would be a review of the evaluation, so I think we're talking about—

Ms Campbell: It was. It was a review of the evaluation.

Senator SIEWERT: A review of the evaluation!

Mr Taloni: I think that's correct. I think the evaluation they're talking about—

Senator SIEWERT: What's a review of an evaluation? A review of an evaluation means that there'll be an evaluation.

Mr Taloni: We might come back to you with what we understand—

Ms Campbell: We'll have a look.

Mr Brown: Because I understood it was going to be a review of—

Senator SIEWERT: 'Review of an evaluation' ipso facto means that there'll be an evaluation. Would you not agree, Minister?

Senator Fifield: Say that again, Senator.

Senator SIEWERT: A commitment to review the evaluation—would it not mean that you would have an evaluation in the first place?

Senator Fifield: I'll let you make your own assessment of the meaning of words.

Senator SIEWERT: Bureaucratese at its height!

Mr Brown: As Mr Taloni has suggested, it may be useful for us to bring back—

Ms Campbell: We'll get the words during the break and come back after the break.

Senator SIEWERT: Thank you. I'll hand over.
Senator McALLISTER: In your answer to my question 527 you refer to the department's grants process time frame guidance. Can I have a copy of that guidance?

Ms Campbell: Is this the best-practice guidelines about when organisations will be notified of continuing processes?

Senator McALLISTER: Correct. 'The Department's Grants Process Timeframes guidance' is how it's referred to in question 527.

Ms Campbell: I'm not sure it's actually written down on a piece of paper that we could hand over. I'm just checking officers at the table to see where it's written down.

Ms McKinnon: As such, the best-practice time frames are not written down. When we write to grant recipients, we do inform them of our intention to try and meet those time frames.

Senator McALLISTER: Can you explain to me then why the answer to question on notice SQ18-000527 reads in part:
The Department's Grants Process Timeframes guidance primarily focuses on programs that relate to ongoing service delivery. It aims to give existing grant recipients around six months' notice of the future arrangements of grant programs. The guidance also indicates that new grant agreements and variations should be provided to grant recipients around three months before the expiry of existing agreements.

Is this a departmental policy or not?

Ms Campbell: We work closely with the non-government organisations because we know that this is important to them. We have a committee of representatives and we work through these issues. This is what we are aspiring to achieve. We note that we haven't actually been able to achieve that on some occasions, and this is what we are working towards being able to achieve.

Senator McALLISTER: This is a little bit odd from an administrative perspective. Your evidence, Ms McKinnon, is that, when you write a letter, you write this down in the letter that you communicate to recipients?

Ms McKinnon: For example, we have funding agreement managers who meet with grant recipients on a regular basis as part of managing the grants, and we do communicate. In the sense of a policy document, I think it would have been discussed at the Community Services Advisory Group that the secretary referred to as well.

Senator McALLISTER: So this advice that you've provided to me in this QON—I'm sorry, but I just don't understand what the issue is. You've had a committee meeting. You've presumably minuted the agreement in this advisory group. You're providing the material, Ms McKinnon, when you ring these people up, and you talk to them about it presumably. Do you write it down in the letters that you send to them?

Mr Scott: Yes.

Ms McKinnon: Yes.

Senator McALLISTER: So it is a policy, right?

Ms Campbell: It's a departmental policy, and we've discussed it frequently at these hearings—that it is what we are aspiring to achieve.

Senator McALLISTER: Okay, so it's a departmental policy?
Ms Campbell: Yes.

Senator McALLISTER: Is it written down in the department? If I were a new staff member, how would I find out what the departmental policy was?

Mr Scott: Yes, we have documented standard operating procedures and operational policies, and they are made available to staff operating in the Community Grants Hub.

Senator McALLISTER: Great. Can you please provide for the committee the operating procedures relevant to the grants process time frames guidance?

Ms Campbell: We'll take that on notice.

Senator McALLISTER: In that same question on notice, you do note—and I hear your advice that this is an aspirational target, Ms Campbell—that there were 1,205 instances where grants recipients did not receive six months notice of future arrangements of grants programs and there were 1,915 grants where the grants recipients did not receive a new agreement or variation with three months notice. Did you meet the guidelines on any occasion? Those are very big numbers. That's a lot of community organisations for whom you don't meet the standard.

Mr Scott: I would have to look. I think in this particular case there were some instances. What I would say, particularly in the—

Senator McALLISTER: There were some?

Mr Scott: I think there were some. Sorry, we're going back more than 12 months, so I'm happy to take it on notice. In terms of those 1,205 instances, my recollection is that the bulk of them were in fact given communication in mid-January, so we missed it by a couple of weeks, yes. That's just inside the six months, so we've reported it as such. The vast bulk of providers will have received their notification during the course of January 2018.

Senator McALLISTER: I'm just doing the maths. It actually looks to me like two-thirds of grants recipients don't get their grant agreement of variation with the three months notice.

Mr Scott: This is also a point in time—

Senator McCALLISTER: Sure. Have you got another point in time that would be better?

Mr Scott: As Ms Campbell said, it is an ongoing challenge for us and we are endeavouring to do better over time. But, yes, that was a particularly challenging period for us in 2018.

Senator McALLISTER: The financial wellbeing and capability grants and the retendering process that took place have obviously been the subject of quite a lot of discussion. For many of the organisations that were unsuccessful, they were told only weeks before their funding was due to expire, and that happened to be right before Christmas. Is two months really an appropriate amount of time to give notice, given the heightened use of financial counselling and emergency relief services during the Christmas period?

Ms Campbell: Because we aspire to have three months, that is what we would've preferred to achieve. We did not achieve it on this occasion and we will continue in the future to plan to try and reach that target.

Senator McALLISTER: Yes, I'm trying to understand it. This seems like a pretty big failure, because they'd been pushed out once already. They'd been rolled over to avoid
precisely these circumstances, and yet these circumstances arose nonetheless. What went wrong? Why wasn't it possible to communicate to them just a little bit earlier to give people the transitional time that they needed?

**Ms Hefren-Webb:** These programs were subject to a redesign, as you are aware and as we've discussed before. The final government decisions relating to how they wished to structure these programs came in June 2018. The grant round opened in July 2018. Where it was a competitive process, we felt we needed to give applicants six weeks to provide their input. The timing—

**Senator McALLISTER:** So what went wrong was actually the fact that you didn't conclude the grant redesign process until the middle of the year and then, from that point on, the whole thing was doomed in terms of meeting the guidelines?

**Ms Hefren-Webb:** I would also add that this was a high volume of grants and we had other rounds falling around this time, notably the settlement services grants. So there was a convergence of a high volume of grants being out in the market and then being considered by the department in the latter half of 2018.

**Mr Scott:** We also had a higher volume of applications than expected in two of the open competitive rounds.

**Senator McALLISTER:** Very quickly before we break, I want to ask about the post-implementation review of Forced Adoption Support Services. It indicates that the provider in Victoria saw 60 clients between 2014 and 2017 and that works out to be $16,200 per client over the first two years of the program. In Tasmania, the same provider saw 41 clients in 39 sessions at a cost of $3,918 per client. I'm just trying to understand the very significant variation in the per-client expenditure that's shown up in that report. I should indicate that it's page 53 of the report that I'm interested in.

**Mr Reed:** I don't have the report in front of me. I think the variation could relate to a number of things. For example, the type of services that are provided—each service provider can offer a different service—but also the number of clients they receive can differ between periods of peak service times. And there are other factors.

**Senator McALLISTER:** I understand that the review report was published on 18 January. When were the contracts for the existing providers renewed?

**Mr Reed:** The current contracts—I'll just see whether I've got that information.

**Ms Hefren-Webb:** While Mr Reed's looking, I can quickly give you more information on NILS and its promotion through Centrelink if you want?

**Senator McALLISTER:** Would you mind, Ms Hefren-Webb, if we—

**CHAIR:** You've got two minutes.

**Senator McALLISTER:** I know. That's why I would probably rather get the answers from Mr Reed.

**Ms Campbell:** We'll do it another time.

**Mr Reed:** I've got the information that the current grants expire in June 2021, but I don't have when those grants were executed, sorry. It was before I started in this role. I'll try and get that information for you before—
Senator McALLISTER: Maybe when we come back from the break; that'd be terrific. Do you want to do a speed-read, Ms Hefren-Webb?

Ms Hefren-Webb: Yes. DHS have just advised that there's information on their website about NILS. They mention it on the concession card fact sheet that they provide to people. Some offices have brochures, but some don't, and that's locally determined.

Senator McALLISTER: Thank you very much for chasing that up.

CHAIR: It now being 1.00 pm, we will adjourn for lunch. Thank you very much.

Proceedings suspended from 12:59 to 14:02

CHAIR: I will reopen the session.

Ms Campbell: Chair, we got some information during the break to answer some questions from this morning. Would it be possible to put those on the record now?

CHAIR: Absolutely.

Ms Hefren-Webb: Senator McAllister asked a question about the forced adoption services. She asked what the duration of their funding agreement was. It's from 1 July 2017 to 1 July 2021.

Ms Campbell: Dr Reddel also has some answers on evaluations.

Dr Reddel: Senator Siewert, to clarify the evaluations for CDC, I'll just run through the current arrangements for evaluations. There's the CDC baseline data collection in the Goldfields, which has just been released. There's the CDC baseline data collection in Bundaberg and Hervey Bay, which is in progress. That's due to be completed by the middle of this year. Then we have the second CDC impact evaluation, comprising Goldfields, Ceduna and the Kimberley, which is in progress and due to be completed by the middle of this year. Then there are the upcoming evaluation activities. Just to clarify, we're calling the review of that the impact evaluation. I think there might be a little bit of confusion about terminology, because in Senator Storer's amendment it talks about an evaluation of the trial review when, actually, we're doing the evaluation. We will undertake a review pursuant to Senator Storer's amendment. I have clarified that that's planned and will commence in the second half of this year. We have dollars allocated through the MYEFO process.

Senator SIEWERT: How much?

Dr Reddel: It's commercial-in-confidence.

Senator SIEWERT: For the evaluation?

Ms Campbell: NFP, Senator.

Mr Williamson: We haven't yet run a procurement.

Dr Reddel: We have to run a procurement.

Senator SIEWERT: When you say you're doing a review of the evaluation, the evaluation has to occur in the first place.

Dr Reddel: That will be a review of the impact evaluation.

Ms Campbell: Did you say the impact evaluation was under way?

Dr Reddel: Is under way. That's for Goldfields, Kimberley and Ceduna.
Senator SIEWERT: So not of the Hinkler trial? The impact evaluation is the impact evaluation of those three sites? The legislation it supported does not then require an evaluation—

Dr Reddel: We have dollars allocated for that, which would include—

Ms Campbell: Can we be clear. I think what Senator Siewert is asking is about an evaluation of Hinkler.

Ms Hefren-Webb: Is there a standalone evaluation?

Dr Reddel: There will be a standalone evaluation of Hinkler. I was about to come to that. That's what we're calling the third impact evaluation. That will include Bundaberg and Hervey Bay, as well as including a follow-up on Ceduna, East Kimberley and the Goldfields. It's planned to commence in January next year.

Senator SIEWERT: Given that East Kimberley, Ceduna and the Goldfields are supposed to be finishing—the legislation has not gone through yet—in June, what is the second evaluation?

Dr Reddel: It would include a summit evaluation, including the specific evaluation of Hinkler—Bundaberg and Hervey Bay—as well as including results from the other three.

Senator SIEWERT: So there will an impact evaluation of Hinkler as well as the baseline study?

Dr Reddel: Yes.

Senator SIEWERT: When is that being undertaken?

Dr Reddel: We're planning that that will commence late this year or early next year, given the trial's only just commenced.

Senator SIEWERT: So you said 'third impact'?

Dr Reddel: If you count the initial Orima report.

Senator SIEWERT: I see. The Orima is one; the one in the second half of this year is second; and this one's the third. But it'll not just be Hinkler—it'll include East Kimberley, Ceduna and the Goldfields?

Dr Reddel: It will bring all that together.

Senator SIEWERT: Funding has been made available for all of that?

Dr Reddel: As well as for that Hinkler evaluation in MYEFO.

Senator SIEWERT: But it's not likely to be cheaper—

Dr Reddel: We'd have to go through a procurement process.

Senator SIEWERT: than the nearly $2 million that was committed to the other project?

Ms Hefren-Webb: There's a higher number of participants in Hinkler, as you're probably aware, so that will impact on the cost as well.

Senator MARTIN: You mentioned the Orima report. Does that reflect the findings of your baseline highlights?

Ms Hefren-Webb: There's a lot of consistency between the findings of the baseline report that was released today and the findings from the Orima report, in that people report that they found the cashless card to be a useful tool. Their perception was that it had helped address
alcohol and drug abuse in the community. Noting that this is a baseline, so this is an early days snapshot.

Ms Campbell: We have one more answer on program of support.

Mr Williamson: You asked that question on notice and the number seemed quite low. In terms of DSP claims, people can be granted one of three ways. There are people who clearly meet the criteria, so that's manifest. They don't need to complete a program of support. If you score 20 points on one table, that's a severe impairment, so you don't need to complete a program of support. You only need to complete a program of support if it's 20 points across multiple tables. The majority of people are in the 20 points on one table. We can provide that. We haven't been able to get the data from DHS yet, but we can provide you with that data to give you that breakdown across those three.

Senator SIEWERT: If you can, because I still find those numbers surprisingly low. I just don't see how it adds up.

Mr Williamson: We're working with DHS to get the numbers, but that's that other category of people who qualify for DSP but it's on one table.

Senator SIEWERT: That's actually not consistent with some of the numbers. I'm sure you're aware of that analysis there's been since the impairment tables were changed. There's been a significant reduction. It just seems to me not to be—

Ms Campbell: We'll get the numbers.

Mr Williamson: We'll come back and clarify the numbers.

Ms Campbell: That's an interim point.

Senator SIEWERT: I want to move on to some more general questions. Actually, I still have one more about the evaluation process. I understand you've had some work done on a monitoring framework—an assessment framework?

Ms Hefren-Webb: That's being done in the program areas. Ms Pattrick may be able to speak to that.

Senator SIEWERT: Could you tell me what that is? I'm particularly interested in looking at where some of the data is being drawn from.

Ms Pattrick: The department developed a monitoring strategy to improve the visibility of how the program is being implemented. It has greater use of administrative data. We collect it as part of CDC operations. That includes calls to hotline, data from the card provider as well as data from DHS. We also work with state governments around sharing some data there.

Senator SIEWERT: Can you provide a complete list of all the data you will be using for that process?

Ms Pattrick: For the monitoring strategy?

Senator SIEWERT: For the monitoring strategy.

Ms Pattrick: Yes, we can take that on notice.

Senator SIEWERT: Was this developed in-house?

Ms Pattrick: Yes, it was.
Senator SIEWERT: In terms of the data monitoring framework, did you develop that in-house?

Ms Pattrick: Yes, we did.

Senator SIEWERT: What resources were allocated to it?

Ms Pattrick: I would have to take that on notice and come back to you.

Senator SIEWERT: You haven't had any outside consultants do any of that work?

Ms Pattrick: Not to my recollection, but I would check that and come back to you.

Ms Hefren-Webb: As you probably remember, this was one of the recommendations of the ANAO audit—that as part of improving the management of the CDC we establish a data monitoring framework. We felt we had the skills in-house to prepare that, and that's what we've done.

Senator SIEWERT: Is that framework available? Can you table that framework?

Ms Hefren-Webb: Can we take that on notice?

Senator SIEWERT: Take on notice whether you can or not, you mean?

Ms Hefren-Webb: That's right, yes.

Senator SIEWERT: Why—

Ms Hefren-Webb: I'm not sure of the level of visibility that the minister has of the monitoring framework.

Ms Campbell: We'll take the matter on notice.

Senator SIEWERT: In terms of the datasets that will be used, separately, that is, is there any objection to providing that full range of the data that will be used in terms of data matching?

Ms Hefren-Webb: I wouldn't have thought there's any issue with us providing a list of the types of data.

Ms Campbell: When you say 'data matching', you mean like the administrative data, what we're trying to look at?

Senator SIEWERT: And what datasets you're using. Ms Pattrick, you just made a comment about using state government datasets, DHS datasets.

Ms Pattrick: Card provider datasets.

Senator SIEWERT: I would like to know all the different data sets that are going to be matched. I still want to know about the framework but, depending on your decision, it would be good to have the datasets that have been—

Ms Campbell: We'll take that on notice.

Senator SIEWERT: Can I move on to some broad questions about CDC. I will put a lot on notice because I know we will run out of time. On the Indue website, many of the ATMs or machines where you can find out your balance are to be found in pubs. Do you think that's appropriate? For example, you made quite a bit this morning about issues around alcohol in Kalgoorlie. Do you think it's appropriate that people are encouraged to go into pubs to find their account balance on Indue cards?
Ms Pattrick: For that process of allowing ATM balance checking we work with a number of the banks. We work with the card provider, who engages with a number of the banks as well as DC payment ATMs. We don't switch on particular locations or particular ATMs. It's actually an arrangement where all DC ATMs are switched on. It is not that we have the ability to go and switch off particular ATMs.

Senator SIEWERT: Do you have the ability to not to advertise them in pubs?

Ms Campbell: Sometimes those locations are also food outlets as well, and they are often integral to the community. I hear your point, but I think that's one of the other ways people access those machines.

Senator SIEWERT: You didn't answer my question about whether you think it's appropriate that you're advertising, or Indue is in effect advertising, that you can go into a pub to find your balance?

Ms Hefren-Webb: Indue say you can go to an ATM to find your balance.

Senator SIEWERT: No, they list it on their website, I have it here.

Ms Hefren-Webb: They've got locations in pubs, but that's not the only location.

Senator SIEWERT: They are effectively saying, 'Here, you can go to'—I won't name the taverns; but you can go to a particular tavern or pub.

Ms Hefren-Webb: As Ms Campbell said, people go to pubs to eat. People can go to pubs to use their 20 per cent discretionary cash. People are in pubs, and it is a convenient place to check your balance.

Senator SIEWERT: Are you able to give us, trial site by trial site, the full expenditure on the administration of the card? I'm after the full cost of administration for each trial site to date; not just the financial year, but to date.

Ms Pattrick: I can provide the total cost of the program in the Kimberley, Ceduna and the Goldfields from commencement to 30 June 2018. It is $34.2 million.

Senator SIEWERT: That doesn't really include much expenditure in Hinkler, does it, because that's only really just started?

Ms Pattrick: No.

Senator SIEWERT: Would it include the money spent to date in Hinkler in terms of the consultation, preparation, all those sorts of things?

Ms Pattrick: I would have to confirm that.

Senator SIEWERT: Could you take that on notice? In terms of the $34.2 million, are you able to provide a breakdown of that expenditure? I'm trying to find out how much each trial site is as well. Or would you have to take that on notice?

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

Senator SIEWERT: Could you take each trial site on notice, and also how much is administration and how much is the provision of the additional services and supports?

Ms Hefren-Webb: I know you know this, Senator Siewert, but I will just mention that the initial start-up costs to establish the card provider, et cetera, and the appropriate systems changes would be embedded in that amount—so it won't be able to be ascribed to any individual community.
Senator SIEWERT: Yes, I do take your point there, which takes me to: are you able to provide us with the full expenditure to date to Indue?

Ms Pattrick: Yes, we can.

Senator SIEWERT: Can you do that now or do you need to take it on notice?

Ms Pattrick: We can provide the actual expenditure up until 30 June 2018. We wouldn't be able to do the last couple of months because we haven't received those invoices yet.

Senator SIEWERT: If you could tell me up to 30 June 2018—are you able to do that now?

Ms Pattrick: If you give me one second, I will see if I can find that for you.

Mr Taloni: In the interests of time, we might go on to other questions.

Senator SIEWERT: Fair enough.

Senator SIEWERT: When was the decision made to draft the legislation to extend the three trial sites—the three that expire in June? When was that decision made?

Mr Taloni: I don't think we have that information with us today but we can look and see what the date was.

Senator SIEWERT: Why are the trials being extended again when the evaluation has not been completed?

Ms Hefren-Webb: As I think we discussed before lunch, the government decision about the extension of the trial is informed by evaluation findings but also by other evidence and—

Senator SIEWERT: What other evidence?

Ms Hefren-Webb: community views that are gathered through representatives of the communities, visits to the communities—a range of other activities. The decision to extend was obviously a budget decision; it was made in that context.

Senator SIEWERT: Can you list the other factors that were taken into consideration—community views, whose community views, what process was undertaken to gather those views? Was it the respective members of parliament's views? Was there a process undertaken that is not part of this evaluation process that's been released publicly? We know from the ANAO report that they found that you couldn't demonstrate a reduction in social harm.

Ms Hefren-Webb: We can certainly provide advice separate to the evaluation consultations that have been ongoing with those three communities. We can provide you with advice on trips to those communities that have been undertaken, et cetera. We are happy to do that.

Senator SIEWERT: That'd be appreciated. That will help us. I realise there's a bill before parliament and I'll get another opportunity to traverse these issues then. That information will be useful in the run-up to that, thank you.

Ms Pattrick: Senator Siewert, I'm able to come back to you with an answer to that question in regard to card provider cost. As at 30 June 2018, the total card provider cost was $14.832 million.

Senator SIEWERT: Can I ask you to provide on notice a breakdown of that against the years and the particular deliverables against that expenditure?

Ms Pattrick: Yes.
Senator SIEWERT: Thank you.

Senator WATT: My next set of questions is regarding domestic and family violence measures. Are you happy for me to jump on to that for a little while?

Senator SIEWERT: Yes. I want to jump in there too, so—

Senator WATT: No worries. Can I start with a few questions on the Women's Economic Security Statement. Under the economic security statement, the victims of family and domestic violence have the opportunity to access part of their superannuation; that's right?

Ms Hefren-Webb: That's correct, but the policy responsibility for the Women's Economic Security Package sits elsewhere.

Senator WATT: I was just about to say: I know it's not a DSS measure but has DSS received any feedback from domestic and family violence stakeholders on this policy?

Ms Stratford: Not any official feedback; we haven't received any correspondence. But there was general recognition of the Women's Economic Security Package amongst the sector, in particular of some of the measures that were about family violence. I personally haven't received any correspondence about the superannuation measure but, certainly, the no-interest loan scheme was well received.

Senator WATT: So you haven't received any formal or informal feedback about the superannuation measure?

Ms Stratford: Not personally.

Senator WATT: But you have about NILs—no-interest loans—and that was positive?

Ms Stratford: Yes.

Senator WATT: Good. Are you aware of whether any stakeholders in the domestic and family violence sector have expressed support for the measure to allow victims of family violence access to part of their superannuation?

Ms Stratford: There has been mixed feedback through the media, where sector representatives have been quoted.

Senator WATT: So some support, some opposition?

Ms Stratford: Yes. It's probably best to refer those questions to Treasury.

Senator WATT: Sure. The only reason I am asking is I'm expecting that you have a bit more to do with these stakeholders than the Treasury boffins, so I thought it might be good to ask that here as well. So the feedback you've received is what you've seen through the media rather than any direct contact?

Ms Stratford: That's right.

Senator WATT: Are you able to summarise the positive and the negative feedback that you've seen around that?

Ms Stratford: The way it's been characterised through the media is around the positivity of women being able to access funding immediately to get into crisis accommodation, to pay bonds and to access material that would enable them to flee violence. Some of the negative commentary has been around the long-term impacts that that might then have on their economic security.
Senator WATT: Does your department have a position on that measure?
Ms Stratford: No.
Ms Campbell: This is a matter for the Treasury.
Senator WATT: But you would have provided input into that package?
Ms Stratford: Yes.
Ms Campbell: We did.
Senator WATT: And your department supported that measure as part of the overall package?
Ms Hefren-Webb: We contributed our measure to the package in relation to NILS.
Senator WATT: That's why you've received good feedback; because it was your idea!
Ms Hefren-Webb: Beyond that, we didn't express views.
Senator WATT: Am I right, then, that the only measure being implemented by your department in the economic security statement is the no-interest loan scheme measure?
Ms Stratford: There are also some changes to paid parental leave eligibility.
Senator WATT: So just the two?
Ms Stratford: Yes.
Senator WATT: In general terms, how will each measure be implemented and by whom?
Ms Hefren-Webb: I'll speak to the no-interest loan scheme but I might need other colleagues to talk about paid parental leave. The no-interest loan scheme will be administered through a funding agreement with Good Shepherd Microfinance, who manage the current NILS scheme. It's due to commence on 1 July 2020. We're working through what the general guidelines will be for that arrangement in collaboration with Good Shepherd Microfinance. The goal is that, when it kicks off, women fleeing domestic violence have ready access to that support.
Senator WATT: So they would access that through Good Shepherd Microfinance?
Ms Hefren-Webb: Yes.
Senator WATT: They do a good job. They've got an office just around the corner from my electorate office. What about PPL?
Ms Hefren-Webb: I will just see if one of my outcome 1 colleagues is around.
Senator WATT: The question really is: how will that measure within the Women's Economic Security Statement be implemented and by whom?
Mr Bennett: The changes to the PPL scheme—there's effectively two elements to it. Both of those elements would require legislative change. I can go through it if you want. And they're for us to implement.
Senator WATT: So, the statement was really an announcement of a policy intention to make changes to the PPL system, but they will require legislation?
Mr Bennett: Not dissimilar to the social security system, where the vast majority of changes require legislation.
Senator WATT: That's probably as much as I need, unless someone helpfully tells me they need more. Can I just turn to some of the recently announced measures under the fourth action plan—for starters, the new infrastructure for refuges. How will that funding be implemented? Is it terminating or ongoing?

Ms Stratford: The $60 million is capital grants. The relevant people who are administering that grant program will be here for outcome 4.

Ms Campbell: That's under housing.

Ms Hefren-Webb: The other component was $18 million for the Safe at Home Program. That will be through states and territories.

Senator WATT: The Safe at Home initiative delivered—so funding will be provided to the states and territories to administer.

Ms Stratford: Correct.

Senator WATT: $60 million in capital grants to NGOs or—

Ms Stratford: The design of that program is still underway, so it's probably a question better for—

Senator WATT: For Housing. Do you know whether it's a terminating measure or ongoing?

Ms Stratford: It's a terminating measure.

Senator WATT: What sort of period of time?

Ms Stratford: Two years.

Senator WATT: So $60 million over two years and $18 million over two years.

Ms Stratford: Three.

Senator WATT: If I had questions about who will be eligible to apply for a capital grant, is that for the Housing people?

Ms Stratford: That's right.

Senator WATT: Anything about the infrastructure to be funded, the standards, the standard of infrastructure required—

Ms Campbell: That's later. Can I just flag a bit early on to have as much of that detail so we may disappoint you a bit later—

Senator WATT: Really, all that's happened at the moment is there's been a funding commitment.

Ms Campbell: And we're working through the details.

Senator WATT: And in general terms it will be for capital grants to build new refuges.

Ms Hefren-Webb: Or extend existing ones.

Senator WATT: Would you expect to see the money go sort of right around Australia or is there an emphasis on regional areas or urban areas?

Ms Campbell: I think the announcement talked about Australia.

Ms Stratford: Yes. It's a national program. I understand there's going to be some consultation with the sector shortly to discuss those details.
Senator WATT: I think the remainder of my questions need to wait for the Housing people. The only other topic I was going to go to here was the National Initiatives program, which I understand is designed to achieve—I suspect this has come out of your document:

... positive outcomes for families, women and their children by working across sectors to improve the safety and wellbeing of children, advancing gender equality and reducing violence against women and their children.

Is that a pretty fair summary of what that program is designed to do?

Ms Hefren-Webb: Yes. That program essentially funds the Commonwealth activity in both domestic violence and child protection areas. As you know, we have a national framework for protecting Australia's children and we have a national plan for the protection of violence against women and their children. We undertake a lot of activity, research, supporting organisations that operate nationally et cetera. All that activity fits under that National Initiatives line item.

Senator WATT: Was it more a matter of pooling together or pulling together a range of things that the Commonwealth was already doing into a new program.

Ms Hefren-Webb: From memory, what occurred in 2014 is that some separate line items that had, essentially, all that sort of purpose were pulled together into that funding.

Senator WATT: Do you know how much is contained within that program all up?

Ms Hefren-Webb: This year the budget is $71,932,000. But because it covers funding of activities under the action plan and the framework, it's varied up and down, so as new action plans are announced it goes up, et cetera. So it's quite a variable appropriation, depending on what particular measures have been announced.

Senator WATT: At any point in time, bearing in mind what you've just said, and new initiatives either terminating or commencing, does this National Initiatives program capture the entirety of Commonwealth activity in the DV and child protection space?

Ms Hefren-Webb: It covers the activity under the national plan and the national framework, which is the joint Commonwealth-state—I suppose you'd say—policy architecture. It doesn't capture, for example, the elements of the Homelessness and Housing Agreement with states and territories. There would be things that are focused on child protection and things that are focused on domestic violence that would sit outside this bucket. This really funds the national work we do in collaboration with states under those two policy frameworks. And Indigenous Affairs, as you would know, has quite a lot of specific funding as well for those types of areas.

Senator WATT: Is the National Initiatives program terminating or ongoing, or a bit of a mixture?

Ms Stratford: It's a mix.

Senator WATT: So the subprograms are—

Ms Hefren-Webb: It's an ongoing program, but some of the funding in it terminates and some—

Ms Campbell: Continues.

Ms Hefren-Webb: That's right.

Senator WATT: So it's a mixture of grants and project based programs?
Ms Hefren-Webb: For example, it funds some of the institutions like Our Watch and the research institution ANROWS. It funds consultations we do. It funds funding we give to, for example, SNAICC to do work for us around reducing overrepresentation of Aboriginal children. It's got a really wide variety of activities, projects and research that are funded under it.

Senator WATT: I think you told me that this National Initiatives program has about $71 million in 2018-19. Can you take me back to 2016-17.

Ms Hefren-Webb: I'm not sure I have those figures here. Ms Stratford has figures for the domestic violence element, but not for the child protection element. So we can't give you a complete picture.

Senator WATT: Okay. Why don't I grab the domestic violence dollar figures—

Ms Stratford: From 2016-17?

Senator WATT: Yes, please.

Ms Stratford: It was $52.635 million. For 2017-18 it was $67.628 million and the budget for 2018-19 is $67.57 million.

Senator WATT: Would it be correct to say then that the vast majority of the spending in this National Initiatives program is in the domestic violence space, as opposed to child protection?

Ms Stratford: Yes.

Senator WATT: If you could take on notice what the child protection figures were, please.

Ms Stratford: Will do.

Senator WATT: Are you able to table a list for us today of the programs that are contained in this National Initiatives umbrella?

Ms Hefren-Webb: The items funded out of it?

Senator WATT: Yes. The sort of subprograms.

Ms Hefren-Webb: I'm not sure if we can table that today, but we can take it on notice to provide it to you.

Senator WATT: I'd be keen to have a look at it, so if it is possible to whip something together that would be great. And could you tell me, in the process of tabling that, whether the subprograms are terminating—and, if so, when they terminate—or whether they're ongoing, along with the funding profile for each of those subprograms. I can probably put the remainder of my questions on notice.

Senator SIEWERT: When is the fourth action plan planned to be released?

Ms Stratford: The middle of 2019. The actual timing is a decision for government.

Senator SIEWERT: Okay, if it's the middle, then it's going to be after the election? Is that right?

Ms Campbell: This is a matter for government.

Senator SIEWERT: Okay. Is it ready to be released?

Ms Campbell: These are government decisions.
Senator SIEWERT: Yes, I heard what you said. That's why I asked if it's ready. Is it completed—essentially?

Ms Campbell: Senator, these are part of government's deliberations. The government will deliberate and then make a decision on time.

Senator SIEWERT: How far is progress in terms of its development?

Ms Campbell: It is well progressed

Senator SIEWERT: Thank you. You've just been talking about funding with Senator Watt. If it's not released, is the funding just going to keep going, as it relates to the third action plan?

Ms Hefren-Webb: I might just clarify that. Obviously, the plan itself is an agreed document that comes through COAG.

Senator SIEWERT: Yes.

Ms Hefren-Webb: Funding decisions are then made by this government and, potentially, by state and territory governments. And so all of those things are subject to government decisions.

Senator SIEWERT: Right. What are you telling organisations, then, about ongoing funding when there is the election? I'm not going to ask you again to tell me when it's being released. But if it's not released, what happens to the funding and the work that all these various organisations are doing which you've just been talking about?

Ms Hefren-Webb: The organisations, by and large, have been funded through the first three action plans, so they're familiar with this process.

Senator SIEWERT: It's not always just before an election, though, or after an election.

Ms Hefren-Webb: I understand. But they would be aware that that's the way these action plans have operated, that they've been funded in three-year cycles. So, as far as I'm aware in talking to stakeholders, they're pretty aware of that being the nature of it.

Quite a lot of the projects funded are coming to a natural conclusion anyway, because there are different areas of focus under each action plan. Where we've commissioned pieces of research or particular campaigns, some of those end naturally anyway because each action plan has had a slightly different emphasis. So there's a wide array of arrangements.

Senator SIEWERT: Will some organisations have to stop their work because the fourth action plan hasn't been put in place and funding commitments haven't been made because that isn't in place?

Ms Campbell: The funding arrangements are in place until different points—

Ms Hefren-Webb: That's right.

Ms Campbell: And we still have time before those funding arrangements cease.

Senator SIEWERT: Okay. Will funding arrangements, therefore, be put in place under the existing plan because the fourth hasn't been released? Some of this work is vital. It's all vital work, but some of it will be vital, ongoing work—

Ms Campbell: It might be useful for us to talk about that project-funding-type stuff that Ms Hefren-Webb just talked about, which is ending naturally. And there are other types of funding, so we could talk about when the more continuous funding arrangements cease.
Ms Hefren-Webb: There is a range of funding lines for some of the bigger programs under the national plan. For example, 1800RESPECT has some project based funding through each action plan to assist with meeting demand, whereas they also have an ongoing appropriation. So there will be components of that funding that will continue whilst other funding will cease and be subject to decisions of government for further funding.

There are projects under action plans that have been completed already: there were capacity-building projects in communities, or research and evaluation projects which came to their natural end, or will be coming to their natural end up, until the middle of this year. Some of those activities have been extended at the request of the provider, who may want some extra time to finish something off, or where there has been an underspend because things have started late. And so through the natural course of our engagement with service providers we're negotiating those arrangements now on a case-by-case basis.

But, generally, throughout the entire consultation process we've been very open with people about the way that funding cycles work. I think there's a reasonable level of comfort around how that has worked over the last three plans, and that the expectation will be similar this time.

Senator SIEWERT: Is it anticipated that, when the fourth action plan is actually released, there will be funding announcements associated with it? I'm not asking for what they are; I'm just asking: is that the process that you anticipate will occur?

Ms Campbell: That's a process that has been in place for the previous plans.

Senator SIEWERT: I'm going to that intersection, in terms of the framework and the plan, that you were talking about, Ms Hefren-Webb.

Ms Hefren-Webb: For funding and the plan.


Ms Hefren-Webb: Yes.

Senator SIEWERT: There are intersections there. It has been suggested to me on a number of occasions that, under the framework for protecting Australia's children, there may be need for a specific plan for Aboriginal and Torres Strait Islander peoples and children. Is there any thought being given to that concept?

Ms Hefren-Webb: You'd be aware that under the fourth action plan that is one of the priorities—reducing the overrepresentation.

Senator SIEWERT: Yes.

Ms Hefren-Webb: As I said, we funded SNAICC to do a lot of work in this area. We meet every six months with the heads of the all the state and territory child protection departments. It's a topic of intense focus at those meetings and discussions. In terms of whether it becomes its own strategy under the next post-2020 framework, that's really a decision that a government will make, but it's certainly something that has been discussed at a range of forums.

Senator SIEWERT: So it's fair to say it's at least on the agenda.

Ms Hefren-Webb: It's on the radar, absolutely.
Senator SIEWERT: It's on the radar. That's good work. Going back to the fourth action plan, I just want to go to the issue of funding and look at any funding that's going to Aboriginal and Torres Strait Islander organisations. Is any of that finishing, or are there any issues over continuation? Specifically, I'm talking about Aboriginal and Torres Strait Islander funding.

Ms Stratford: Under the third action plan there was some funding set aside specifically for Indigenous Affairs. That funding is terminating funding, as is all of the action plan funding. Again, throughout the consultations, we've heard that there needs to be a high priority in the fourth action plan around the needs of Indigenous communities and Indigenous women, so we're working through what that looks like now.

Senator SIEWERT: Have you identified any possible gaps in funding associated with the fourth action plan for existing services that may actually cease while we're waiting for the fourth action plan to kick in?

Ms Stratford: Specifically, that would be a question for Indigenous Affairs about their appropriation.

Senator SIEWERT: I'll follow that up tomorrow. But that would still be funding under the third action plan.

Ms Stratford: Yes. But there are other funding sources around Indigenous family violence in the broader IAS appropriation, so it's probably a bit of both.

Senator SIEWERT: Thank you. I'll follow that up tomorrow in cross-portfolio. I don't know if there's any more. I'd like to go back very quickly to CDC. I think there's a commitment that we are going to try to finish by three so that we can move on to disability. Is that okay with you, Chair?

ACTING CHAIR (Senator Dean Smith): I think it's in your hands more than it's in mine, Senator Siewert.

Senator SIEWERT: I'll just do CDC. I have a few specific constituent issues that raise bigger issues. I want to go to issues around privacy. I've had it raised with me that a number of people who were initially sent cards and told they were going to be on the card and who have subsequently applied for exemptions, so they're not on the card, are still getting contacted by Indue as if they were participants. In other words, they're on their database. Are you aware of this?

Ms Pattrick: No, I'm not. Which trial site were these people in?

Senator SIEWERT: I don't want to identify, given the relatively low number of exemptions.

Ms Campbell: Senator, we'd be really happy to work with you on these to see whether we could do service recovery on these issues.

Senator SIEWERT: Okay. Basically, they want to be off the database, and they're worried about privacy and things like that.

Ms Campbell: We can work with you, and we can do that outside this.

Senator SIEWERT: Thank you. But it's interesting that you haven't heard about it.

Ms Campbell: Hopefully it's not many, then.
Senator SIEWERT: I'll talk to you separately about that. Thank you. I also have been contacted by a participant who's not very happy about being included in the trial but raises issues around domestic violence and again is concerned about privacy. Perhaps I should talk to you offline about that particular issue as well. It raises some privacy issues and people's concerns about escaping domestic violence. We have talked in the past about access to income support in general, but, where somebody is trying to escape domestic violence and has in fact moved, are there circumstances in which they can apply for an exemption if they have in fact moved from the area and are, as I said, escaping domestic violence?

Ms Campbell: I think, Senator, it would probably be most useful if someone meets with you and goes through these issues and then we look at it to see whether there are broader policy elements that we can see and address.

Senator SIEWERT: Okay. I didn't want to traverse this particular case in public.

Ms Campbell: No.

Senator SIEWERT: But it does raise that broader issue.

Ms Campbell: Yes, and we'll have a look at that in the context. We often find that some of these cases do highlight to us some policy issues, and then we can look at those in that context.

Senator SIEWERT: Thank you. That would be appreciated. I just want to very quickly go back to Indue and ask some funding questions. They are now responsible for administration of the BasicsCard in the NT, are they not?

Ms Pattrick: I believe that's correct, yes.

Senator SIEWERT: Okay. Could you tell me how much they are paid for that.

Ms Pattrick: The procurement for the BasicsCard is undertaken by the Department of Human Services.

Ms Campbell: So they still have income management.

Senator SIEWERT: Yes, but you can tell me how much they get for cashless—

Ms Campbell: Sorry. You want the cost on the cashless debit card?

Senator SIEWERT: No. DSS does the procurement for the cashless debit card.

Ms Campbell: That's correct.

Ms Hefren-Webb: DHS does the BasicsCard.

Senator SIEWERT: Why is that?

Ms Campbell: It is historical.

Senator SIEWERT: Thank you. I'll ask them.

Ms Campbell: Income management is a different product with a different way of doing it. The cashless debit card is more hands off and looks like a normal card. So it's just a different arrangement.

Senator SIEWERT: All right. I'm not even going to restart that discussion. Have you worked out how much it costs in total per person for the cashless debit card now within the four trial sites?

Ms Pattrick: For the card provider costs?
Senator SIEWERT: No, across the board—the all-up cost.

Ms Campbell: This is kind of tricky because we have all those set-up costs which the officers talked about first, establishing systems. Do we average them out across the numbers, or do we park them to one side and say there were set-up costs of X dollars and now the recurrent cost is Y dollars per person? So I don't know that we have that information with us. We could provide it on notice. My preference is to have the X dollars of the set-up plus the Y dollars recurrent rather than adding everything together and dividing it by the number of participants, as you would imagine.

Senator SIEWERT: Yes, I can imagine that the government wants to present it in the best light!

Ms Campbell: Well, it is a more accurate way of looking at the numbers, because if on the first day we only had one person they would have been costing millions of dollars because of the set-up costs.

Senator SIEWERT: I'd like to know the full cost and the number of participants and then—

Ms Campbell: We'll work through ways to present that information to you.

Senator SIEWERT: Thank you. Can I very quickly go back to the evaluation so that I've got it right. The Future of Employment and Skills Research Centre at the University of Adelaide is doing the impact evaluation for the three trial sites and the one that's due in the second half of the year?

Dr Reddel: Yes.

Senator SIEWERT: And they're doing the Hinkler qualitative baseline assessment? That's correct, isn't it?

Ms Campbell: Qualitative and quantitative.

Senator SIEWERT: For the baseline?

Ms Campbell: Yes.

Senator SIEWERT: You've given me the cost of that, but you are still going out to tender for the third—

Dr Reddel: Impact.

Senator SIEWERT: Impact.

Dr Reddel: Yes.

Senator SIEWERT: When do you expect that tender data to be released?

Dr Reddel: That will be later this year or early next year.

Senator SIEWERT: It will be let then?

Dr Reddel: We have to just work it out in terms of having someone on board to give the trial a year to run and have them on board. So we'd be looking at either later this year or—

Ms Hefren-Webb: The procurement process would occur throughout this year.

Senator SIEWERT: Yes, that's what I'm trying to—

Dr Reddel: In the second half of this year.
Senator SIEWERT: In the second half of this year, you'll be going to—your terminology is much better than mine.

Dr Reddel: To go out to tender—to procure someone.

Senator SIEWERT: Procurement will be undertaken. Thank you. I do have a number of other questions but, in view of the time, I'll put them on notice.

ACTING CHAIR: Senator Brown, do you have some questions in this area?

Senator CAROL BROWN: I'm ready to go to outcome 3.

[14:57]

ACTING CHAIR: Okay, we'll move to outcome 3.

Ms Campbell: Can I confirm that we can send the outcome 2 officers back to the department to do some work?

Senator SIEWERT: This is work!

Ms Campbell: No, some more work!

Senator Fifield: Some work for the committee—further work.

Ms Campbell: There are just a few out the back that haven't been in yet.

ACTING CHAIR: That is correct.

Ms Campbell: Thank you. Can we just clarify that we'll have both the NDIA and the department at the table for this outcome, and we have the quality and safeguards commissioner as well so that we can answer the questions in the best way possible.

ACTING CHAIR: Would you like us to wait a few moments until officials come?

Ms Campbell: Mr Lye has a couple of answers that he took on notice this morning to try to assist the committee.

ACTING CHAIR: We'll just wait for officials to come to the table, and then we'll go to the responses and then we'll go to Senator Duniam.

Ms Campbell: There are a few of them.

ACTING CHAIR: We have some responses to share with senators from questions earlier today.

Mr Lye: Yes. I think the question was asked about when the annual report from DRC ministers was provided to the Council of Australian Governments, and that was 2 February 2018. In relation to the request around access to the annual report, we've had advice from Prime Minister and Cabinet that that can be released subject to the agreement of the Disability Reform Council, and we are this afternoon contacting our colleagues in the states and territories to see if they will agree to that.

Senator CAROL BROWN: I'm just confirming that you've just told me that the annual report was put together on 2 February 2018.

Mr Lye: It was transmitted to the Council of Australian Governments on 2 February 2018 by the Prime Minister.

Senator CAROL BROWN: I don't want to drag this out, Mr Lye, but when we had a discussion on 1 March 2018 and I asked about where it was up to, you did lead me to believe that it was still being worked on by the senior officials group.
Mr Lye: I think subsequently we indicated that the senior officials were still working on those issues, but we had reported back to COAG the annual report; that's my recollection.

Senator CAROL BROWN: So was 2 February 2018 the final report that was transmitted or was it—

Mr Lye: It was DRC's annual report to COAG, so it reflected all the things that we had undertaken during that year. I think we reported to COAG on that issue, and possibly what I was referring to was that senior officials continued to discuss the issue of abuse and neglect in the context of our deliberations, particularly around the Quality and Safeguarding Framework. That's my recollection. I'm happy to come back if I've—

Senator CAROL BROWN: So, essentially, 2 February 2018 was just a list of the work that had been undertaken—that's it. But you told me the work has been undertaken and there's an issue around the royal commission and there's an issue of substance about what issues led to the call. So I'm assuming that in the next annual report there's a further report?

Mr Lye: There could well be, yes.

Senator CAROL BROWN: Thank you.

Ms Campbell: Chair, Mr De Luca, the chief executive officer is not here today; his father has passed away. So he sends his apologies. Ms Rundle is filling in as the acting chief executive officer.

ACTING CHAIR: Thank you very much.

Senator DUNIAM: Thank you all very much for attending. My questions go to the NDIA. Ms Rundle, thanks for joining us, and condolences to Mr De Luca as well. My questions go to participation in community events by the authority—agricultural shows and other community events. I take it that the NDIA has a presence at these sorts of events in the community?

Ms Rundle: We do. As a general rule, we try very much to engage locally, particularly as participants are starting to phase in so that we can use the opportunity to explain the NDIS to people. But also, once the areas are phased in, our local engagement people have a high level of engagement at local events with education, local councils—a range of different things.

Senator DUNIAM: Is participation in these events by the NDIA a fixed thing? For instance, if you go to the Hobart Show and have a stand there, is it something that you do every year from then on or—

Ms Rundle: I couldn't guarantee that that would be the case. I do think we try as much as we can, as a general rule, to get to as many events as we can, especially when we're invited. We also try to have a stand with our brochures and things like that. A lot does come down to availability of our staff. In a small place like Tasmania we've got a smaller number of engagement staff.

Senator DUNIAM: Sure; it's a very special place though.

Ms Rundle: As a general rule, we would try to do so.

Senator DUNIAM: On notice, could you furnish me with a list of events that the NDIA does participate in—perhaps over the last 12 months?
Ms Rundle: I will give you what we have and hope that it's as comprehensive as the events that we've been to. I'll have a look.

Senator DUNIAM: That's fine. You can only do what you can do. Thank you very much for that. How do you determine which events you'll participate in, which ones you won't, and where?

Ms Rundle: Because we're public servants and should remain apolitical, we try very hard always to assess the suitability of some events that we might be asked to go to, and we would always think about what outcome we would be seeking to achieve from attending the event. As a general rule, though, most events are events that we would want to be at. You might have a specific question. I'm not sure about the basis upon which you're asking the question. That might be easy to answer if you could explain it.

Senator DUNIAM: That's fine. One event came to my attention through a disability organisation in Hobart, Women With Disabilities Australia. They talked about participation in the Sydney mardi gras. I just wanted to know what presence it is. Is it a float? Is it an information stand? What is hoped to be achieved? This is along with the information I've asked for on notice.

Ms Rundle: That is something that we have participated in. We have a partner, and I will probably need to take on notice the organisation that we appear with. We appear on another float, so we do partner with another organisation to appear on their float. We generally use local staff. We try and keep the cost low in this. The reason we do that is because we think it's an important venue to try to be available to explain the benefits of the NDIS to people who might be eligible in that community.

Senator DUNIAM: How, through a float in the mardi gras, do people get information in that community?

Ms Rundle: I would need to check the detail but I'm pretty sure that before and after the float people are at the event and available. I just need to check to see whether we actually have a little stand or something like that.

Senator DUNIAM: If you could, on notice, that would be helpful—and for any other events like it. In that larger question that you've taken on notice already, I'd be interested in how that sort of thing is determined to be attended, how engagement with the community occurs and, if we can go to costs as well, what cost there is involved in being at that event.

Ms Rundle: I could probably give you the round cost of that event because that is something that I always look at and, generally, a senior person would look at and approve.

Senator DUNIAM: Yes, sure.

Ms Rundle: But for the other events, which are a little bit more low key, I possibly can't give you costs of those.

Senator DUNIAM: No, that's fine; I understand. Do you ever measure the effectiveness of involvement in certain events?

Ms Rundle: It's a good question. I suspect we don't very often. We do run evaluations, I think, on some of our more formal events where we provide information to people. It's a setting where we're there to talk about the NDIS rolling into that community. I'm pretty sure
we do use more formal processes—people filling out forms or things like that. But, as a
general rule, I think we rely mostly on feedback, and we do get positive feedback.

Senator DUNIAM: I'm sure you do. That's great Thank you very much, Ms Rundle.

Senator WATT: Can I clarify, Senator Duniam—I think you asked for some information
on notice about activities at events like that or similar events?

Senator DUNIAM: Similar. Any community engagement events that occur across the
country.

Senator WATT: So not just events in the LGBTI community?

Senator DUNIAM: No, like the Hobart Show, Ulverstone Show—anything that the
NDIA do across the country.

Senator WATT: Anything with a float?

Senator DUNIAM: Floats included.

Senator WATT: Floats included, but not exclusively floats?

Senator DUNIAM: Not exclusively floats, but perhaps stands, kiosks—all of the above.

ACTING CHAIR: Of course, it would be difficult to quantify the free publicity that the
NDIS would get as a result of the Sydney Gay and Lesbian Mardi Gras being broadcast by
SBS. How would you do that calculation in terms of assessing the tremendous amount of
awareness that people with disabilities or people who might be able to access the NDIS might
get because you are participating in the mardi gras?

Ms Campbell: There are ways of scoping out media and how big the audience is. I'm not
sure whether the NDIA—

ACTING CHAIR: We know the audience is huge.

Ms Campbell: has done it this on occasion. But in other examples I've been involved with
we've been able to scope it out by asking professionals about the likely exposure of a brand.

ACTING CHAIR: What's the group you partner with? People with Disability Australia? I
know they marched last year.

Ms Rundle: That may well be the case, Senator. I would just need to check.

ACTING CHAIR: A key theme of the Sydney Gay and Lesbian Mardi Gras is not just
celebration but drawing people's attention to discrimination, which of course is a critical issue
when we think about disabilities in Australia. I marched in my first Sydney Gay and Lesbian
Mardi Gras last year, but for the shy, retiring type I am, one march was enough.

Ms Rundle: Good on you.

Senator WATT: Hear, hear!

ACTING CHAIR: Any other questions, Senator Duniam?

Senator DUNIAM: No, that's all, thanks.

Senator WATT: I'm just a bit puzzled about why the mardi gras is being the only event
being singled out for questions.

Senator DUNIAM: It was just the one that came to my attention via the organisation in
Tasmania.
ACTING CHAIR: We don't go down the track of wondering why people might ask certain questions across the board.

Senator DUNIAM: Indeed, Senator Watt, I did also ask about all community presences, as you would have heard.

ACTING CHAIR: We are still on outcome 3, Senator Brown?

Senator CAROL BROWN: How many unscheduled requests for review does the agency currently have?

Mr Francis: I'm just getting the number for you at the moment. I have an approximate number in my mind, but I want to make sure I give you the full number. It's not contained in here. I can fill you in on an exact number, but I can tell you that it's something in the order of 13,700.

Senator CAROL BROWN: Of these, how many have been assigned a reviewer?

Mr Francis: I don't have that information on hand on how many have been assigned a reviewer.

Senator CAROL BROWN: How many requests for review are being received per day? What information do you have?

Mr Francis: I can give you some information about the total number of plan reviews and scheduled plan reviews that we get by quarter, which can then be extrapolated out into daily rates, if that helps.

Senator CAROL BROWN: Just tell me what you've got.

Mr Francis: Sure.

Senator CAROL BROWN: You can't tell me how requests for a—

Mr Francis: I can tell you how many we got in quarter 2, for example. We have scheduled plan reviews and unscheduled plan reviews. In total we had 52,117 for the second quarter of this financial year.

Senator CAROL BROWN: Thank you. But you're saying to me now that you've got approximately 13,700 unscheduled requests for review?

Mr Francis: No, that's total requests for review.

Senator CAROL BROWN: My question was: how many are unscheduled requests?

Mr Francis: Unscheduled requests for quarter 2 were 7,271.

Senator CAROL BROWN: That's the most up-to-date figure that you have for me?

Mr Francis: That's correct.

Senator CAROL BROWN: My question after that was: how many have been assigned a reviewer?

Mr Francis: As I said, I would have to take that one on notice. I don't know how many have been assigned a reviewer. I can tell you how long, for example, it typically takes for us to get through those reviews, and I can give you information about that.

Senator CAROL BROWN: What is the current backlog?
Mr Francis: When we say 'backlog', there are 13,700 on hand at the moment. I can verify that number, but it's of that order. As I say, I don't have the specific number off the top of my head.

Senator CAROL BROWN: What is that figure of 13,700 actually made up of? You've just told me that unscheduled requests are 7,271.

Mr Francis: That's right.

Ms Campbell: Was that 7,000 in the last quarter versus what's—

Mr Francis: In quarter 2.

Ms Campbell: I think we're getting a bit confused with those on hand. On hand there are 13,700.

Mr Francis: That's correct.

Ms Campbell: I think what the senator is looking for is: of the ones on hand, are we aware of how many are unscheduled requests?

Mr Francis: I'm not aware. I'd have to find that information for you.

Senator CAROL BROWN: Okay.

Ms Campbell: On hand is both scheduled and unscheduled—is that correct?

Mr Francis: The unscheduled number that we had last quarter is definitely 7,271 on hand. As far as the 13,700 and the make-up of that are concerned, I will verify it for you.

Ms Campbell: Would it be useful if we had, from the last quarter, how many reviews were scheduled so we can get a breakdown?

Senator CAROL BROWN: Yes.

Mr Francis: In terms of scheduled reviews last quarter, we had 44,846.

Senator CAROL BROWN: On notice, then, can you get me the information that I'm requesting here today about unscheduled requests. You've heard the questions, and you can take those on notice.

Mr Francis: Yes.

Senator CAROL BROWN: What is the current backlog?

Mr Francis: That's the ones that are on hand at the moment.

Ms Campbell: So that's the 13,700.

Senator CAROL BROWN: That is the current backlog?

Ms Campbell: It's the number of reviews.

Mr Francis: I can tell you the time frame to deal with those at the moment. We're looking at about three months as the average time they're in there.

Senator CAROL BROWN: So, for the reviews to take place, it's about three months?

Mr Francis: That's correct.

Senator CAROL BROWN: What's the longest period it's taken to do a review?

Mr Francis: I can tell you that that time frame has reduced from six months down to three months over the last eight months or so. I couldn't tell you exactly the longest period, but
again I can take that on notice to try and find out the longest time frame that something has been in abeyance for or waiting for.

Senator CAROL BROWN: How many unscheduled reviews are not proceeding because they're being superseded by annual reviews?

Ms Campbell: Would you count them twice, or would you only count them once if there were an unscheduled review and then a scheduled review came along?

Mr Francis: Typically, we would attempt to deal with the unscheduled review, because we've got an obligation to deal with that unscheduled review. If the person had an annual review coming up, we would talk to the person about whether or not they are prepared to have their unscheduled review matter dealt with through the annual review. If they are, so be it: we will try to accommodate the person's wish. But, if not, we would still be obliged to continue with progressing the unscheduled review matter that was at hand.

Senator CAROL BROWN: Do you keep figures on how many take up that option?

Mr Francis: I don't have it off the top of my head, but I can find that for you.

Senator CAROL BROWN: Are you able to let the committee know what is the most common reason for requesting a review?

Mr Francis: I don't have that information at hand. It's typically something to do with what seemed the reasonable and necessary requests within the plan. There can be a wide variety of different things.

Senator CAROL BROWN: When you talk about the average time for a review to be completed being three months, does that include how long it takes the agency to make a decision about the review?

Mr Francis: Yes, it does. That's end to end.

Senator CAROL BROWN: So how long does it take the agency to make a decision about an access request?

Mr Francis: At the moment, as to last year's time frames, I can give the exact numbers to you. Access decisions for the 2018-19 year to date are taking just under 21 days.

Senator CAROL BROWN: Does that change from region to region?

Mr Francis: I would have to take that one on notice and try to find out if there is any difference from one region to another. That's a national figure that I have.

Senator CAROL BROWN: Yes. That's why I asked. Could you take that on notice, and could you also take this on notice: if it is different, which I would think that it would have to be—

Mr Francis: Yes.

Senator CAROL BROWN: what is the average length of time in each of the regions?

Mr Francis: Yes.

Senator CAROL BROWN: How many plans are lapsing in the next two months? Perhaps you can give me next month and the next month after that.

Mr Francis: I'll just have to get that information here for you.
Mr Lye: While Mr Francis is doing that, in the last quarterly report there is some information about unscheduled reviews in terms of trend data. Are you interested in that?

Senator CAROL BROWN: Yes.

Mr Lye: The proportion of unscheduled plan reviews for the quarter in which this report was released, the latest one, is 13.4 per cent. In the quarter before that, it was 14.6 per cent. In all previous quarters combined before that, it was 18.1 per cent. So it's trending down. There's a modest trend down in unscheduled reviews. That's obviously what we are trying to achieve.

Senator CAROL BROWN: Is that to 31 December?

Mr Lye: I knew you'd ask me that! Yes.

Senator CAROL BROWN: Thank you.

Mr Francis: I don't have the information about the number that will lapse in the next two months or that are scheduled to in the next two months, but what I can tell you is that, at any given point in time, the percentage that do lapse or go past their review date is 1.09 per cent of the plans that are there.

Senator CAROL BROWN: Do you have information about how many of those plans that are lapsing have either already had their planning meeting or had their planning meeting scheduled?

Mr Francis: I don't have that information. I can take that on notice and find that out.

Senator CAROL BROWN: If you could, please—and, if you could, tell us by region as well.

Mr Francis: Yes.

Senator CAROL BROWN: How many plans have been extended following the plan end date because no planning meeting has occurred?

Mr Francis: Again, I'd have to find the exact number, but I can give you some information in and around how and why that occurs if that's helpful to you, Senator.

Senator CAROL BROWN: Can you take that on notice about the number and also provide it for each region?

Mr Francis: Yes.

Senator CAROL BROWN: Do you keep figures about the length of time between a planning meeting and the approved plan being provided to the participant, for each region? Do you keep that information?

Mr Francis: We would. Again, I don't have that information available. I have information about the time between the access decision and the actual plans being approved. I don't specifically have between the pre-planning meeting and the actual plan being approved, but I can find that out for you on notice.

Senator CAROL BROWN: Thank you. When access is first approved for the scheme, how long are participants waiting in each region for their first planning meeting and then their first plan?

Mr Francis: I'll have to take that one on notice. By region?
Senator CAROL BROWN: That's fine. Yes, by region, but also could you provide it by participation type—

Mr Francis: Yes.

Senator CAROL BROWN: You know: adult, ECEI—

Mr Francis: Yes, I can do that.

Senator WATT: Can I just move on to another topic, and that's the underutilisation of NDIS plans. I understand that, overall, almost half of NDIS participants are using less than half their plans. Does that sound about right?

Mr Francis: Senator, I'm just getting the relevant information. I can give you the actual utilisation rates.

Senator WATT: Yes.

Mr Francis: In terms of the proportion who are using less than half of their plan, I don't have that figure available.

Ms Campbell: But I think the other utilisation figures will clarify your question, so we'll give you those.

Mr Francis: I'm happy to provide you with them. I can tell you that the utilisation rate for 2017-18 was 69 per cent.

Senator WATT: What exactly do you mean by 'utilisation rate'?

Mr Francis: I mean the amount of committed funds within a plan that are actually used.

Senator WATT: That 69 per cent was for what time period?

Mr Francis: That's for 2017-18, and I can give you information dating back to 2013-14 year by year on that as well, if that helps.

Ms Rundle: Senator, I think we've said before as well that plan utilisation for any given participant increases year on year.

Senator WATT: Yes.

Ms Rundle: I think we might have had this chat before where we explained to you that, each year, if it were my plan, I would be starting to utilise more and more of that plan because I would become more confident, and I would start exercising more choice and control. In some cases it may refer to the market and maybe a market shortage, but in most cases it refers to either something in the plan that I don't need right now but is there if I need it a bit later or a support that I just haven't activated for a different reason.

Mr Francis: I think it's safe to say that, longitudinally, people's utilisation rate goes up over time, and part of what we believe keeps that utilisation rate where it's at at the moment—because it hasn't changed a lot over the years—is that we still have such a high proportion of participants who are on their first and second plan being in transition. It's part of what contributes to it being at that rate.

Senator WATT: Yes. I understand that the overall figures you're quoting are actually available in quarterly reports, so I won't bother getting you to go through them. What I am really interested in is digging into the level of service for people from a culturally and linguistically diverse, or CALD, background and also Aboriginal and Torres Strait Islander backgrounds. Can I pose a few questions regarding that. Just starting at a higher level, what
proportion of scheme participants did you anticipate would be from a CALD background once the scheme was fully up and running?

Mr Francis: We're anticipating 20 per cent. That is what our modelling shows us.

Senator WATT: And that was what the actuary assumed?

Mr Francis: That's correct.

Senator WATT: What about people from an ATSI background?

Mr Francis: For people from an Aboriginal and Torres Strait Islander background, we've modelled that at 5.4 per cent as the ultimate.

Senator WATT: Do those percentages you've quoted me, 20 per cent and 5.4 per cent, roughly equate to the overall proportion of the community that identifies as culturally and linguistically diverse or Aboriginal and Torres Strait Islander?

Mr Francis: I'd have to get the detail of the basis upon which those figures were derived.

Senator WATT: It feels to me like the CALD figure in particular might be a bit lower than that—I suppose it depends on definitions.

Ms Campbell: I think the CALD is about right, but I think the Indigenous is higher than the percentage of the population.

Senator WATT: I thought the CALD might be a bit low and the Indigenous might be a bit higher, but, anyway, we can check that out. Let's just step through them one by one. For CALD, the expectation for the full scheme was 20 per cent?

Mr Francis: Correct.

Senator WATT: What's the current utilisation rate?

Mr Francis: The current utilisation rate is eight per cent. It's worth noting that it has been progressively increasing. For example, as at 31 December 2016, it was 6.7 per cent; at 31 December 2017, 7.2 per cent; at 31 December 2018, we're up to eight per cent. So it's iteratively going up, but certainly nowhere near the rate at which we were ultimately modelling it.

Senator WATT: When I talk about the scheme at full scheme, what time frame are you thinking about for that? When was full scheme expected to be reached?

Ms Rundle: Senator, full scheme technically, for most states and territories, ends at the end of June.

Senator WATT: It commences this year, yes. I realise that different states started at different times.

Ms Rundle: Yes. But it is fair to say that our experience over time has been that people often take longer to come into the scheme. You will have read in the quarterly report that our operational target refers to those people that we know we can work with, because there's a group of people that we haven't yet been able to contact, or they haven't come into the scheme for another reason. The other thing is that we're doing quite a lot in both communities, and we could talk to you about both of those—

Senator WATT: I'm sure we'll get to that, but can I just get some facts and figures to start with. If we're talking about the CALD community, the expectation was that by June 2019, when the scheme was fully up and running, about 20 per cent of participants would be from a
CALD background. It's currently running at eight per cent. When was the eight per cent figure as at?

Mr Francis: That was as at 31 December 2018.

Senator WATT: In the Indigenous community, the expectation was 5.4 per cent, presumably by June 2019, the same date. What's the current figure?

Mr Francis: The current figure is 5.7 per cent.

Senator WATT: So you're on track there. Back to the CALD community: how many people—and what proportion of people—from a CALD background have not used or activated their plan six, 12 and 18 months after it's been issued?

Mr Francis: I'll take that one on notice, Senator.

Senator WATT: You don't have figures like that?

Mr Francis: I don't have that figure available.

Senator WATT: Okay. Could I get that for the Aboriginal and Torres Strait Islander community as well?

Mr Francis: You can.

Senator WATT: Do you have any figures at all about the rates or numbers or proportion of people from either background not activating their plans within a certain period of time?

Mr Francis: I only have a general figure about plan activation here with me today. I can tell you that we know for the plan activation that, particularly for Aboriginal and Torres Strait Islander people, utilisation rates are lower early on, so it does take longer, but I'll provide you with specific figures.

Senator WATT: Okay. You've got an overall figure across the entire community but not with you around those particular communities?

Mr Francis: That's correct.

Senator WATT: Do you know the longest time that a person from a CALD background has gone after being granted a plan without using it?

Mr Francis: No, I would have to take that one on notice.

Senator WATT: Okay. Can I get that for people from an Aboriginal and Torres Strait Islander background as well.

Mr Francis: Yes. I'm sure there are probably people who don't end up using plans at all. That's despite attempts, obviously, to follow up with them, but we can find that out.

Senator WATT: Let's talk about that. In brief, what does the NDIA do to make sure that people generally, regardless of their background, are accessing the services they need? Do you step in and help people to connect with services? And then can you tell me: apart from the general, what are you doing specifically with these communities?

Mr Francis: Sure. I can talk generally again. We know one of the KPIs, for example, for our partners is that, five days after the plan is approved, they're to be making contact with people to follow up on what implementation is occurring and how ready they are or aren't. Part of the revision of their pathway generally is about making sure there are plan implementation meetings, as far as that contact is concerned, to try to help people with any
questions that they may or may not have. We have processes whereby the actual utilisation rates are monitored. I can tell you that, for example, in 2017-18, 78 per cent of plans approved had been activated within 90 days.

As far as those particular communities are concerned, it's very community specific. I will talk about Aboriginal and Torres Strait Islander communities. We will work a lot with organisations that are prominent within the community to try and make sure that we can do what we can to follow up in terms of implementation. To give you some examples there, we've recently started working with the Kimberley Aboriginal Medical Services, basically contracting them to assist us with respect to plan implementation so that there is some follow-up with people who they already have a relationship of sorts with that can be attributed to that. By making sure that we're forging those local relationships with those communities, we're more and more building methods by which we can then have culturally appropriate but then more effective ways to track where people are up to and give them the assistance that they require.

That being said, it still has some significant challenges because of, basically, some of the difficulties sometimes. We're dealing with communities a lot of the time where people won't have mobile phone numbers, and they're moving around the country quite a bit in terms of just what's happening. So we're making sure that we're talking or dealing with organisations that are trusted within their community to have a better understanding of just where those people are at, to try to follow up with them.

Senator WATT: Thanks for that. Just before you gave me that explanation, did you say that, while you don't have figures with you, you do understand that people from a CALD background have a higher level of underutilisation—that is, there's a greater number of them who take longer to start using their plan?

Mr Francis: My reference was to the Aboriginal and Torres Strait Islander community then. As far as the CALD community is concerned, I will have to take that one on notice and follow up. I can't recall specifically having seen data relating to the time to activation of plans for CALD communities.

Senator WATT: Does that mean that you do have data for Indigenous communities?

Mr Francis: I'm certain we will, yes.

Senator WATT: But you don't have it here?

Mr Francis: I don't have it here.

Senator WATT: Do you have materials printed in languages other than English?

Mr Francis: Yes, we do.

Senator WATT: Including Indigenous languages, First Nations languages?

Mr Francis: Yes, we do.

Senator WATT: Do you have staff who can speak languages other than English, including First Nations languages?

Mr Francis: I don't have a definite answer, but I'd be surprised if we don't. I can take that on notice and provide you with some information. We certainly employ—for example, in the Northern Territory, I know that we try to have relevant representation, and approximately 18 per cent of our staff in the Northern Territory are Aboriginal or Torres Strait Islander. We put
a lot of effort into making sure that information is available in language in culturally appropriate ways.

Ms Rundle: We also use interpreters—things that you would be familiar with—and we've got a number of examples of other things which we do which Mr Francis hasn't covered yet, and we probably don't need to in this detail. But we do have a dedicated branch for rural and remote. We've also developed the strategy—

Senator WATT: Sorry, Ms Rundle, just in the interests of time, why don't you take on notice the range of activities that you do to address these issues?

Ms Rundle: Yes.

Mr Francis: I can tell you that the information available is in 12 different languages and soon to be in a 13th, with Spanish. It's based on our understanding of representation of participants.

Senator WATT: What's the average plan value for a person from a CALD background, and how does this compare to the average overall?

Mr Francis: I'll have to take that one on notice.

Senator WATT: And similarly for a person from an Indigenous background?

Mr Francis: Yes, we can do that.

Senator WATT: Could you also take on notice a breakdown of the average value for each of these communities, broken down by disability category, please.

Mr Francis: We can do that.

Senator WATT: Thanks. You seemed fairly confident before that there's a higher level of underutilisation among Indigenous communities.

Mr Francis: Yes.

Senator WATT: And you're going to come back with the data.

Mr Francis: Yes.

Senator WATT: Do you have any sense at all about whether the average value of a plan in either the CALD communities or Indigenous communities is higher or lower than the average across the board?

Mr Francis: I wouldn't like to hazard a guess there. We do have loadings, particularly for Aboriginal and Torres Strait Islander people in remote communities, where we know there are people, that allow for the increased costs associated with the provision of service in those communities, so I will be surprised if it's not, but we'll verify that.

Senator WATT: We're not too far off an afternoon tea-break, so perhaps you could even see whether there's someone here who has that level of detail that mightn't be with you. If not, you can come back to us later.

Ms Rundle: Senator, a lot of what you've been asking for—just to be clear for the committee—is something that we'll need to get our actuarial team to go through. It will take a little while.
Senator WATT: I was only asking in case there is something who has that data with them. What proportion of scheme participants did you anticipate would have a psychosocial background at full scheme?

Ms Rundle: At full scheme it was envisaged around 13.9 per cent of participants would have a psychosocial disability. I can give you a little more information if you need it.

Senator WATT: That's probably all I need there. What are we running at at the moment?

Ms Rundle: We are running at eight per cent.

Mr Francis: Eight per cent with a primary psychosocial disability.

Ms Rundle: In addition, there are another 19,000 people with a secondary diagnosis of psychosocial disability. This is about one-third of the 64,000 people that were projected. It's fair to say though—

Senator WATT: Is the 64,000 the 13.9 per cent?

Ms Rundle: It is. It's fair to say that our experience in our mature sites already is that it is up around the 13.9 per cent. It goes to the little time that it takes to get some people with psychosocial disability into the scheme, and so on.

Senator WATT: Do you have any figures around the number of people or the proportion of people with a psychosocial disability who have not used or activated their plan at the 6-month, 12-month, 18-month point?

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

Senator WATT: Thanks. To be clear, what sort of things are included in psychosocial disability?

Ms Rundle: You mean in terms of our definition of actuarial definition?

Senator WATT: Yes.

Ms Rundle: Can I please take that on notice to give you the right information?

Senator WATT: Sure. Does the agency track the relative socioeconomic disadvantage of scheme participants?

Ms Rundle: That is something that we would need to check with our actuarial team.

Senator WATT: Okay. Are any of them here today?

Ms Rundle: No, they're not.

Senator WATT: If it is the case that you track that data around socioeconomic disadvantage, could you let me know, for the most disadvantaged group, how the average plan size and utilisation rate compare to the average across the board, in terms of disadvantage group. Then, also for the most disadvantaged group, how does the average plan size and utilisation rate compare to the most advantaged group?

Ms Rundle: Can I just say that we'll explore that for you. I don't know what we can commit to providing, but we'll certainly commit to following it up.

Senator WATT: You can see from my questioning that the concern we have is that disadvantaged communities of one type or another may be ending up with lower value plans, maybe taking longer to be able to be connected, and therefore some special intervention is required, even in addition to what you're doing.
Mr Francis: Yes.

Ms Rundle: Yes. You've asked the question in a different way, but to partly get at your question we're aware of that and we're doing a lot of work not only with the examples that Mr Francis has given with community connectors and others, but we're also doing a lot of work with states and territories and non-government organisations to try to reach out to people—so, people who are homeless that we're trying to contact and people with psychosocial disability. We know there are particular groups that have more contact with them. We do appreciate that that's an important aspect of the scheme—making sure it gets to the people who really need it.

Mr Francis: In my role as Indigenous champion for the NDIA, we are increasingly investing in what activity and what sort of engagement we can have with local communities to try to do all that we can to give people the best possible opportunity to take advantage of what supports are in their plans, with an understanding that without the support and engagement of those local trusted communities our efforts to assist people to gain access and use their plans will remain largely ineffective, unless we can engage those groups.

Senator SIEWERT: Can I go back to the issue of utilisation by Aboriginal and Torres Strait Islander peoples. You may or may not recall that you've answered a question on notice that I asked last time about utilisation. You have a nice little table in the answer to question 000250.

Ms Campbell: I will just check that we have a copy so that the officers can keep up with you.

Ms Rundle: I've got the index here. Which number was it?

Senator SIEWERT: It's 250. It relates to the use of people's plans. You probably don't remember but we were having a discussion about the report that Scott Avery produced—a very comprehensive report, as I'm sure you're aware. One of his deep concerns—there's a whole lot of them—is that even when someone gets a plan they don't use it. In fact, your figures highlight that here. Looking at your figures, people in the Northern Territory are only using 56 per cent of their plans. People in South Australia are only using 51 per cent of their plans. In WA, it is 77 per cent. You've already articulated how you're working with CAMS to try to get people to use their plans. For some of the states where some of the utilisation is higher, do you have a breakdown between metropolitan and more rural and remote?

Mr Francis: We absolutely can get that. I don't have it here now.

Senator SIEWERT: If you could take that on notice, I'd appreciate that. But can I go back specifically to the NT and South Australia?

Mr Francis: Yes.

Senator SIEWERT: We know that in the NT there'll be a lot of regional and remote. What further actions are you taking? I heard what you said about the Kimberley. In the Northern Territory you've always had a significant number of Aboriginal staff.

Mr Francis: Yes.

Senator SIEWERT: And we recognise that you did try to do that. What else are you doing in order to increase the uptake by Aboriginal communities, given the barriers that Scott Avery has so extensively outlined?
Mr Francis: I can talk to a few of the different things. It probably won't be a full list, because I'm sure there's something that I'll leave off inadvertently. But, certainly, one of the things that we have done is establish our remote support and coordination branch, which is based in Darwin. It's actually about making sure that we are facilitating our broader service delivery network across the country by better engaging in what I would describe as best practice, in terms of how it relates to and enters into the remote communities, to try to make sure that we have the best possible chance of engaging well in that particular environment. We've also done some significant work to try to make sure that we're enhancing the material that's available to people—I can come back with some specifics; again, I don't have that at hand—so it's culturally appropriate and in language to help people understand about the National Disability Insurance Scheme.

We have spoken about remote community connectors before. We have 38 of those; 27 of them are in the Territory. As far as that's concerned, we're reviewing that program with a view to expanding that program to try to assist people. In more recent times, we've been engaging with the NPY Women's Council, which is based in Alice Springs, looking at some work that we can potentially be doing there, and also trying to better understand just what some of the barriers are and how we can best address some of those barriers, engaging with them in terms of their provision of the relevant training for our own partner teams who go out and visit communities to make sure that their engagement is in the most culturally appropriate way. They're some of the things that are in play.

Senator SIEWERT: I'm sure those are helping, but one of the big things that Mr Avery articulated—and you've probably seen his presentation, as well as read his report—is that there are some broad, systemic and community issues, like infrastructure.

Mr Francis: Yes.

Senator SIEWERT: And you've probably seen the vivid imagery of the housing that has no ramps.

Mr Francis: Yes. I have visited—

Senator SIEWERT: You've visited. I hesitate because I know we've had these discussions before about what is the responsibility of mainstream organisations and the NDIS, but the fact is that people aren't going to be able to use all their package until that's addressed. How are those fundamental barriers being addressed, otherwise I don't think we're going to be able to get to full utilisation of a package?

Mr Francis: Ms Rundle will refer to ILC in a moment. What I can say is that I was in Canberra just last week with Mr Lye and some people from Prime Minister and Cabinet as well and with the CEO of the NPY Women's Council talking about this very issue, in terms of how we, as government agencies, can make sure that we're doing what we can to best work together to be in a situation where—and the term that's used is 'swags and blankets'. People don't want to talk to the NDIA person, for example, because they're not providing swags and blankets or food. How do you actually get past that to a circumstance whereby, potentially, we can be working better together to provide those sorts of services. I don't have the answer, because—as you've already identified, I think, in the way that you've asked the question—as the NDIA I don't have funds to be able to pay for and supply the swags, blankets and food. But what we can do is better interact with other arms of government to try to put ourselves in
the best possible position to position the provision of National Disability Insurance Scheme information within a context, or whereby that's not the primary barrier. But I understand that it is for many people.

**Ms Rundle:** Senator, the only other thing I'd add, if it's of any help, is the ILC grants. One of the things we did was run the ILC remote round in South Australia, Northern Territory and Queensland.

**Ms Campbell:** You might just explain what 'ILC' means.

**Senator SIEWERT:** I do understand what it is, but my brain was going to the Aboriginal portfolio—

**Ms Campbell:** It's worth recapping.

**Senator SIEWERT:** in which the ILC is the Indigenous Land Corporation. We were talking about Aboriginal issues, and my brain was going there; hence, the weird look on my face.

**Ms Rundle:** It is Information, Linkages and Capacity Building. You would be familiar with that program.

**Senator SIEWERT:** Yes. I do realise what you're talking about.

**Ms Rundle:** What we've done there recently in the last year is the $8.5 million across 13 organisations. We can provide more to you on notice, if you'd like us to, on those particular grants.

**Senator SIEWERT:** Yes, I would very much like that.

**Ms Rundle:** They're also available on our website, but we're very happy to provide them.

**Senator SIEWERT:** You can just send me the link in that case.

**Ms Rundle:** All right.

**CHAIR:** We will now have a 15-minute afternoon tea break, and then we will come back after 15 minutes.

**Proceedings suspended from 15:46 to 16:02**

**CHAIR:** We will now resume. Senator Siewert, you have the call.

**Senator SIEWERT:** You provided answers on notice about AAT applications and appeals. At the committee hearing on Tuesday I was talking to the AAT about the appeals, or the lodgement of applications to appeal. They seem to have gone up again, and the number of decisions that were changed have gone up to about 55 per cent of those. Have you looked at those figures? And could you provide some more information in detail? Unfortunately, they weren't able to provide a lot of the detail around what those matters were. Are you able to break down for us the number of matters that you have before the AAT?

**Ms Rundle:** I think it would be better to take that on notice. We do have some AAT data here, which we're just looking for now.

**Senator SIEWERT:** Are you able to provide—

**Ms Rundle:** It may actually answer your question.
Senator SIEWERT: I'm interested in the overall breakdown as to what those matters relate to, particularly—obviously—the ones that were changed. I'm particularly interested, then, in the breakdown; I would like to know how many related to psychosocial disability.

Ms Rundle: Do you mind if we just find the information?

Senator SIEWERT: That'd be appreciated.

Ms Rundle: I will check in a moment with my colleague Mr Walter, who may have more information. Would it be helpful if I went through the AAT information as at the end of December to see whether that answers—

Senator SIEWERT: It does, actually, because the figures we were given relate to the six-month period to 31 December.

Ms Rundle: As at 31 December, since the scheme's inception there have been 1,595 applications to the Administrative Appeals Tribunal.

Senator SIEWERT: Could you say that again?

Ms Rundle: There were 1,595, which predominantly related to NDIS access and plans. Over 750 applications were received in the 2017-18 year. From July last year to the end of December last year, 576 applications were received. While AAT matters represent approximately 0.4 per cent of all access decisions, we're obviously looking to improve everything in relation to our dispute resolution. What we try to do is resolve many of the issues outside of the AAT, and we do have the figures for how many are resolved outside of the AAT.

Could you explain please, Senator, which other figures you were looking for.

Senator SIEWERT: Could you give us figures for the ones that were resolved outside the AAT but also confirm whether they are part of the 756 or whether they are in addition. Does that make sense?

Mr Walter: Yes. In terms of the AAT, the 756 you mentioned included settled and unsettled—so they're people who made an application.

Senator SIEWERT: Okay.

Mr Walter: To put it in perspective, 54 per cent of all cases that have actually gone to the AAT have been affirmed, or our decision has been affirmed; 26 per cent have been varied; and 20 per cent have been set aside—the NDIA decision has been set aside. More than 80 per cent have been resolved before going to any hearing.

Senator SIEWERT: Okay.

Mr Walter: You specifically asked about psychosocial, and I don't have that breakdown. I can get it for you.

Senator SIEWERT: Could you take that on notice.

Mr Walter: Yes.

Senator SIEWERT: That would be appreciated. Thank you. Can I go to the issue around psychosocial disability. You did touch on, with Senator Watt, the numbers in terms of the take-up at the moment. As I understand it, we're on eight per cent psychosocial?

Ms Rundle: In the last quarter.
Senator SIEWERT: In the last quarter?
Ms Rundle: Yes.
Senator SIEWERT: My understanding is that you're at the point where you're not going to be able to transition everybody for psychosocial, as anticipated, by the end of June.
Mr Francis: No.
Senator SIEWERT: What is the new time frame for expected transition? Is it the end of the calendar year?
Ms Rundle: We are aiming, as far as we can, to have all people that we can contact have access decisions and plans made by the date that we're committed to, which is 30 June. However, for that tail, which we did refer to a little while ago, one of the only ways we can answer this is by relying on our past experience. In the more mature sites—for Barwon and the Hunter, for example, and the ACT—it sometimes took longer than six months for those people to come in. But already in all of those areas they've almost reached their numbers.
Senator SIEWERT: In Barwon?
Ms Rundle: Yes. I'll make sure that's correct, but I'm pretty sure I'm right in saying that. We do know that, over time, they come in. I'd have to follow up a little bit more. I have other psychosocial information that you asked us for just before estimates but I don't actually have that.
Senator SIEWERT: Okay. If you could provide that, that'd be appreciated. In terms of PHaMs, yesterday when we were talking with the Department of Health we got figures on PIR and day-to-day living. Could you, if you've got them—I think I'm looking at the department here—tell me how many people who are participating in PHaMs have now transitioned?
Mr Lye: Senator, before Mr Whitecross comes in there, when you talked about mental health, people with mental illness, were you referring to Commonwealth clients transitioning into the scheme? Is that what you meant in terms of the time frame?
Senator SIEWERT: Yes.
Mr Lye: We are currently making arrangements for people who don't get into the scheme by that deadline. We have a process that we're working through and there'll be an announcement shortly about it.
Senator SIEWERT: Okay. We had quite a discussion with Health yesterday about some of the issues in funding being put in place around gaps.
Mr Lye: Service profession is essentially going to be provided through the PHNs from 1 July. They'll be the, kind of, contracting authority. But we are working at the moment around making sure that people who are still coming through the pipeline and haven't got in won't be disadvantaged. And so the numbers—
Senator SIEWERT: As you've just mentioned that, before we go to the numbers, can we just finish on that. I have a couple of questions following on from there. Yesterday with Health we had, I thought, a very useful interaction in terms of understanding what the process is with the PHNs, with some of the gap funding. I'm not saying I agree that the funding that's available is going to be totally enough, but, in terms of PHaMs, the announcement that you're talking about that'll be made shortly, is that for PHaMs participants and clients?
Mr Lye: Essentially, it's for Commonwealth clients. Really our guarantee or Minister Tehan's at the time guarantee was that we wouldn't leave Commonwealth clients without support. So we're just trying to calibrate while they're in the pipeline coming into the scheme or haven't tested their eligibility that they retain their current support and that, once they get in, they receive the benefit of the NDIS. We're just trying to work out what that looks like post this year.

Senator SIEWERT: Okay. So that includes clients while they're transitioning. But, then, what about continuity of support for those who aren't eligible?

Mr Lye: That's the arrangement. Yes.

Senator SIEWERT: Okay.

Mr Lye: Obviously, what we've been trying to do is get clients to test their eligibility. If they're eligible for the NDIS, they move on to the NDIS. If they don't, they're obviously part of that continuity of support arrangement so they retain their Commonwealth funding.

Senator SIEWERT: People in PIR who haven't tested their eligibility but are required to before they get continuity of funding: is PHaMs the same? They have to have tested their eligibility but not transitioned yet, before they can access continuity of support?

Mr Whitecross: Continuity of support is available for people who have tested their eligibility and been found to be ineligible or would never have been eligible—for example, because they're already over 65. So that's what continuity of support is about. I think the Department of Health referred the other day to a figure of $109 million which covered PHaMs, PIR and day-to-day living.

Senator SIEWERT: It does cover PHaMs?

Mr Whitecross: Because the continuity of support for PHaMs will be through PHNs. So the Department of Health has the money for that. The other group that Mr Lye was alluding to is people who were still awaiting access, still awaiting plans, and details of those arrangements—but that's a separate category to continuity of support, because these are people who haven't yet completed the process of testing their eligibility but could need support if that process hasn't been completed by 30 June.

Senator SIEWERT: How many people in PHaMs have transitioned?

Mr Whitecross: At 31 December 2018, 2,599 had an approved plan and a further 451 had been found eligible and were awaiting a plan.

Senator SIEWERT: I'll find my notes. I think I've now got the full set, because I got PIR and day-to-day living yesterday. Thank you. Can I just make sure I understand correctly: the funding that's been made available for the last group of people, those that aren't on continuity of support and haven't tested their eligibility yet, that is also going to be delivered via PHNs?

Mr Whitecross: The details of that arrangement are still to be decided, so I'm not in a position to say. But we understand that that's a possibility—that there will be a group of people who won't have completed the transition by 30 June—and we need to make sure that they've got a service. We're working through the details of how that service is going to be provided so that nobody misses out.

Senator SIEWERT: Mr Lye, is that the announcement that you were referring to when you said that there's going to be an announcement shortly?
Mr Lye: We're working through the issue and obviously we want to make sure that people aren't left without a service. The other thing that Mr Whitecross is alluding to is that the PHN is a way to deliver joined up mental health services. Some of these programs are very similar in nature, between us and Health, so it's a way to deliver that in a good way.

Senator SIEWERT: Hopefully it will reduce the complexity of where people go to for services. I have some questions that go to specialist disability accommodation. I've been made aware of situations where providers aren't enrolling dwellings in SDA, because there are potentially more than five residents there but also because they're avoiding compliance with the quality and safeguards process. Are you aware of this?

Ms Rundle: We've heard anecdotally of a small number, but to my knowledge we haven't had any of those verified.

Senator SIEWERT: I'm not having a go here, and I realise there are lots of things on your plate, but have you reached out to check out the rumours that you've heard?

Ms Rundle: We've got a new provider engagement team. If ever we become aware of any provider who needs help or has questions that they can't answer and they're trying to make a decision about something, the provider engagement team reaches out. It's located around the country. We've got some senior people on either side of the country who run that engagement team and we've also got a provider team in our national office who look after particular issues that providers might be experiencing in relation to payments and the like. So, yes, we do.

Senator SIEWERT: So, if organisations are aware of this and they contacted those teams, would they then investigate this issue?

Ms Rundle: We would try to find out what their issue is. If it's something that relates to the quality and safeguards commission, we would definitely facilitate a referral to the quality and safeguards commission. But I don't understand. One thing I will definitely offer to do, if you've got names of organisations that we may not have, is make contact with them straightaway.

Senator SIEWERT: Okay. That would be good. Thank you. Can I go to issues of assistive technology. My understanding is that you've been making some changes to the way assistive technology is being addressed.

Ms Rundle: We have.

Senator SIEWERT: For a start, to make sure I'm on the same page, can you outline what those changes are.

Ms Rundle: Yes. The first thing I'd like to say is that we do acknowledge that some participants have experienced delays, and for that we're sorry. We're doing whatever we can now to try to alleviate that. There are things that we've been doing and are continuing to do.

The first thing we did was that last year, in May, we introduced a change in our ICT system so that all low-cost items below $1,500 could just be approved in plans and people could make their own purchases, with no further assessments, quotes or approvals required. This has been a series of steps that we've been doing to improve our AT. I'll go through the rest.

The second thing we did in this sequence is reducing the need for quotes for AT items above $1,500. We still need to get quotes, but we've reduced the number of quotes that people need to get, and that became effective at the end of last year.

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COMMUNITY AFFAIRS LEGISLATION COMMITTEE
The third thing we're doing is that all replacement items that are like for like—for example, a prosthetic limb—will be approved without needing reassessment and generally will only require one quote. That is becoming active this month, in February.

The other thing is that this month, again, we're introducing a new standard tool for planners. What that helps them to do is work out what the average cost of assistive technology items might be for standard items so that we can put them straight into plans. Again, a quote might be required—just one—but in many cases no quotes will be required.

The other thing we're doing is looking at improving our repairs and maintenance, and we're putting more funding in plans to allow for maintenance. We're just working out what that amount would be, and we're using some external people to help us work out what sort of repairs we should put, on average, in a participant plan. We're hoping that that will be ready to be implemented in June of this year.

Finally, we're also starting a pilot in April of this year where we're looking at all complex and non-standard AT—highly bespoke, a very small percentage—where we're going to engage a specialist professional panel and get them to conduct our assessments for us. We'll require a short turnaround time. We think it's going to be around 14 days. We're piloting that in April and, if that works well, we'll probably go out to a national tender or something of the like to look for panels. We've got enough specialists around the country, so we can speed up even bespoke item approval.

That's broadly what we're doing. We're also doing a lot more training with our staff in relation to putting AT into people's plans. Then I have some other data for you, if you want me to go through it, on our experience.

Senator SIEWERT: Could you table that other data. I'm aware I'm going to start to get pinged pretty soon.

Ms Rundle: Yes.

Senator SIEWERT: In terms of waiting times, given that the process has really only just started rolling out, I presume that means that you're not able to tell me how much you've reduced waiting times. Hopefully, it's reducing waiting times, but you can't tell me if it has yet?

Ms Rundle: No. With all of these things we're doing, plus automating—we've also introduced automated triaging in the inboxes so that we can prioritise people based on characteristics but also longer waits—I think we'll have a much better idea to provide to you at the next estimates.

Senator SIEWERT: I had a feeling that would be the case.

Mr Francis: Senator, I do have some of the data there for you. I know that we've got a dedicated team who's working at the moment on that group that we have the information for. And we've got to the point now where we know that, of the requests that we have on hand, 80 per cent of those have been there for less than 21 days. So we're in a much better position than we were in.

Senator SIEWERT: I don't suppose you can tell me how many of those related to the less than $1,500—you can tell I learnt maths at school, can't you!

COMMUNITY AFFAIRS LEGISLATION COMMITTEE
Mr Francis: How about I take that one on notice, because that was part of the earlier prioritisation: getting through that particular group with that dedicated team, so that they weren't kept waiting.

Senator SIEWERT: Ms Rundle, you talked about items above that amount, for replacement of existing technology. You said if it's like for like, the process is easier—is that correct?

Ms Rundle: Yes. If something is very similar or the same as what somebody had, then we're only really trying to—we would just like to know, in most cases, how much. Once we required three quotes, and now we're saying we may require none, or one quote, depending on the item. But what we're trying to do is speed up replacement of like for like for people.

Senator SIEWERT: I might put another couple of questions on notice. Can I go to the Quality and Safeguards Commission.

Ms Campbell: Senator, do you think you've finished with the NDIA?

Senator WATT: We certainly haven't.

Senator SIEWERT: I want to go the issue of responsibility for home modifications. Does that relate to the commission?

Ms Taylor: The commission does register organisations against a registration group related to home modifications and maintenance, yes.

Senator SIEWERT: My understanding is that under the NDIS Guidance for Home Modifications Assessors, participants who purchase their homes after the acquisition of their disability are expected to consider their needs in purchasing or designing their premises. Is that a correct understanding?

Ms Taylor: The commission itself doesn't set guidelines around the manner or the circumstances in which home modification and maintenance would be provided to a participant. We register providers based on a registration group, and therefore attribute a particular assessment arrangement to them that relates to our consideration of various matters around their governance and ability to provide supports, in the context of the practice standards generally.

Senator SIEWERT: Some of this, I think, does relate to the NDIA. So it's not expected that the NDIS will fund significant modifications to new premises. That's correct, isn't it?

Ms Rundle: No, I wouldn't say that, Senator. I think that what we do is, if a person requires—to my knowledge, no matter where they live—a home modification to enable them to function better or more effectively, then generally, depending on the reasonable and necessary decision of the home modification, we would fund that.

Senator SIEWERT: If somebody is purchasing a home after they have acquired their disability, they're expected to build to a standard that meets their needs. Is that correct?

Ms Rundle: If it's a home modification, it's not the same as a SDA—a specialist disability accommodation—property. If it's a home modification, then, yes, there are general safety requirements. More importantly, they're usually subject to state and territory building requirements and things like that. If it's a change to a bathroom, where you're putting in hoists and things like that, there'll be building standards and other standards that have to be met. I may not understand your question correctly.
Senator SIEWERT: Sorry, I think Mr Francis was—

Mr Francis: I'm not sure I know the answer to your question but I think what you're asking—and correct me if I've got it wrong—is, if someone's building a new home when they already know there's an existing disability, to what extent is it their responsibility to cover whatever accommodations need to be made for their disability, in terms of what they build, versus something they'd come and ask the NDIA to fund for them?

Senator SIEWERT: Yes. If they're expected to build to, say, platinum standard, it costs a lot more. It sort of is a modification of plans but—

Ms Rundle: We've got some examples of that. I think the best answer is that the decision has to be made on a case-by-case basis at the time. Generally you'd look at what most people would do in a home and the things which are different in that home, because of the person's disability, as a general rule. It wouldn't be possible to give you a black and white answer about what percentage is funded by the NDIA or not.

Mr Francis: I think we can verify from a policy perspective what the approach taken is. I don't have the answer to that but we could certainly take that—

Senator SIEWERT: Could you verify what that approach is and how somebody would go about making sure that they're able to apply, if they can, and what the process is and what the policy guidelines are? That would be appreciated. Given you're taking on notice what the process is, could you also take on notice, if you can't tell me already, how many people have sought assistance with the cost of building?

Ms Rundle: We'll need to take that one on notice, but we can tell you that.

Senator SIEWERT: Can you take on notice how many people have sought assistance, how many people have been granted assistance and to what value. Does that all make sense?

Ms Rundle: Yes, absolutely.

Mr Francis: From a value perspective, you're talking about how that gets factored in?

Senator SIEWERT: Yes. Thank you.

Senator CAROL BROWN: When making a plan for a child with a disability, what approach does the NDIA take to parents being able to remain in the workforce?

Ms Rundle: We try to look at all of the circumstances of any participant—in this case, children. It's similar to a carer of an older person or another person with disability. We'll always look at their circumstances and work out what is reasonable to provide.

Senator CAROL BROWN: Let me put it this way: if you're putting together a plan for a child and both of the child's parents work, would the NDIS force a parent to quit?

Ms Rundle: No, we would not. If you have an example like that, we would like to know. What we would do depends on the age of the child as well. If a child is at school during the
day and a parent is working at a different time other than during the day, we would take all of
those things into account. If a child needs other supports in order for a parent to work, that
would always be taken into account, as a general rule, in the planning process.

Mr Francis: I think it's also important to note that the case would be need to be
considered. What we try to avoid is being in a circumstance where, for argument's sake, if
both parents are working, the NDIA is effectively paying for alternative child care that other
people might otherwise have to pay for in those circumstances. It's about reasonable and
necessary disability supports as opposed to child care arrangements.

Senator CAROL BROWN: To take up Ms Rundle's suggestion: I do have permission
from the parents of Eleanor Hall, who's from Wollongong, to talk about her. Eleanor is six
and has cerebral palsy and other disabilities which place her care needs at around the same
level as a very young infant. She was provided with a plan with a value of around $86,000.
That has now been reduced to $22,000. How could a cut like that be justified?

Ms Campbell: I note that the parents of this child have given you permission to raise it
here but we always do worry about talking about individual circumstances in public hearings.
The NDIA is very happy to, offline, engage on service recovery arrangements to assist with
those cases. But we are very concerned that any answer we give will be impacting on the
privacy of the participants, so we're not keen to go there.

Senator CAROL BROWN: Obviously the parents here have got to a point where they
need to speak out. We've got a situation where a package has been drastically reduced, which
has had the effect of one of the parents not being able to stay in the workforce. So I'm asking
you: how can a cut like that be justified?

Mr Francis: I think we would have to deal with it offline, because we don't have enough
of the specifics of the case.

Ms Campbell: Again, from the privacy perspective: the principles are a topic that the
officers can talk about, predominantly around the reasonable and necessary supports and
what's taken into consideration. We are very happy to work with you and your office in
dealing with this individual case, but we don't believe that we have the permission to talk
about this case.

Senator CAROL BROWN: It goes to the point that Mr Francis mentioned before. The
in-home after-school care has been cut. Let me ask you: how many children with disabilities
have been denied funding for in-home after-school care?

Ms Rundle: We would really need to take that on notice.

Senator CAROL BROWN: You don't have that?

Ms Rundle: No, because that actually would require us—I don't believe it's data that we
collect. We would need to look at a sample of the plans, if I'm correct, to be able to give you a
sense of that.

Senator CAROL BROWN: The support that Eleanor needs has been supported by her
doctor, so I'll ask this question: what qualifications and experience do assessors and reviewers
have? Are they required to undertake regular training?
Ms Campbell: We can talk about the reviewers and the planners and that. But, to deal with this case, I think it would be best that the officers work with your office to work through this case as quickly as possible.

Senator WATT: We've got another case study. The only reason we're raising this here is that we understand that significant efforts have already occurred with the individual concerned and their local member to resolve these issues with the NDIA, and that hasn't occurred. I understand what you're saying about privacy. Let's just call this person Ms H. I won't name her.

She has complex disabilities. Before she entered the NDIS, she was supported by the New South Wales system for 5½ years, and she was part of the independent accommodation program and got support through that. She got her first NDIS plan on 6 June 2018. She requested a review on 8 August because she was worried that it wasn't going to be adequate for her home care needs. It took seven months for her to get a decision on the review, so she got that in February this year, a bit over a week ago. The decision wasn't favourable for her, but in the meantime she spent much of the money available for personal supports and will soon run out of money. I won't identify her, as I say. She's from a regional part of New South Wales. Once I have blacked out some names, I might table a letter—which was sent to the minister by Ms H's doctor. It says that without certain daily living supports she will die. What she's told us is that she was receiving these daily living supports from the New South Wales government for over five years before the NDIS came along but, as I say, her initial plan was inadequate, she requested a review and it took seven months, over which time she used up her available supports. She'll run out of money soon, and she's ended up getting an unfavourable decision, so she's really in the lurch. Is it reasonable to expect someone to manage a budget if it takes seven months to return a review?

Ms Rundle: The first thing I would say is that I'm really sorry if that's the experience she's had. I think it's not a good experience at all. The second thing is that we have a whole escalation process with the states and territories. We also have the ministerial and senator contact network now around the country—and they're available to all MPs including you, Senator—for people to raise issues. When people raise issues like this, we have a whole service recovery area now that gets onto them very quickly. I don't understand how that hasn't happened in this instance, so I'm sorry for that. It does appear on the face of it far too long, but again, without knowing the specifics of the case, it's not possible for me to comment fully for you. But I think that if we can get that from you we can get onto that straightaway.

Ms Campbell: The agency has worked on these cases to put in place a systematic response, as Ms Rundle has just outlined, and is constantly striving to ensure that these issues are dealt with as quickly as possible. They'll be very happy to work with you or your office as soon as possible to address these issues.

Senator WATT: It appears that the basis of the review decision which turned her down was essentially that her request for increased funding is not reasonable and necessary. The NDIA weren't satisfied that the support was reasonable and necessary because it wouldn't assist her to meet her goals. They were satisfied that it would help her with participation. They're not satisfied that it would deliver value for money. They're not satisfied that it would be effective and beneficial. This is providing supports that she was already getting for more
than five years. It was recognised that the supports she was seeking are beyond what it is reasonable to expect families, carers, informal networks and the community to provide to her. I accept that you don't know the particular factual situation, but, if you can take a look at this for us, that would be appreciated.

Ms Rundle: We will, yes.

Senator WATT: But the broader question, to me, is that my recollection is that when the NDIS was first put in place there was essentially a no-disadvantage test, so, if someone was getting support through their relevant state government, they wouldn't go backwards. Here we have a case where someone is missing out on support that they were getting previously. Have you heard of this sort of thing happening before?

Ms Rundle: I think we have acknowledged before that, unfortunately, we've grown a workforce very quickly and we've got a distributed workforce around the country. I don't know the circumstances of this particular case, but we will definitely hop onto it straightaway.

Senator WATT: Thanks.

Ms Rundle: The thing is, though, that occasionally we have also made mistakes. I'm not suggesting this one is, but we acknowledge that sometimes we do, and we try to rectify as quickly as we can. Thanks for bringing it to our attention. We'd like to get it off you before the end of the session, and we'll get onto it straightaway.

Senator WATT: Am I right, though, that there's an intergovernmental agreement for the NDIS that commits that, if someone was receiving support before they became a participant in the NDIS, they shouldn't be disadvantaged by transitioning across?

Ms Rundle: That's correct. It's also correct, though, that at the end of the day the NDIS requires people to make a decision on whether something is reasonable and necessary. People's needs will change. They'll go up and down. I can't comment on this particular one. It doesn't sound as if this participant has had a good experience, but I think we need to acknowledge that some people will require more than they were receiving when they came into the scheme, and some people will get better. Some people are subject to early intervention investment, and they get better and require less support, or they start to become more fully functioning because of the support we give them.

Senator WATT: But the principle is that, if someone's needs haven't changed, they shouldn't go backwards in the support they're getting.

Ms Rundle: As a general rule, it would be surprising if they did; that's true. But we'd need to have a look at it.

Senator WATT: We'll pass this information on to you, and it would be appreciated if you could take a look at it. On the point around escalation, yes, there is an escalation process, and I think the thing that concerns us here is that this individual did try to escalate and sought a review, and it took seven months, by which time her money was close to running out. So I think we'd all agree that we don't want to get to a point where the only way people can seek a remedy is to bring something to estimates.

Ms Rundle: Correct.

Senator WATT: So can we try to deal with the individual situations but look more systemically to see if there are some issues that can be dealt with?
Ms Campbell: I think that earlier in the hearing the officers gave evidence about improving these processes to decrease time frames and expedite some of these issues, so I think that is relevant as well.

Senator CAROL BROWN: I want to go back to the case that I was talking about and my question about the fact that a support in terms of in-home after-school care was removed. That decision was made even though the family doctor had written in support to say that it was not appropriate for the child to attend the after-school care centre, because of her disability. My question that I asked earlier was about the reviewers taking into account the health professionals and about training, because this child has been receiving in home support since she was two, and she's six now.

Ms Rundle: Yes. Again I'd just like to say we'll take the case and we'll have a look at it and we'll be able to get a speedy answer for you. But at the moment I'd need to have a good look at it.

Ms Campbell: Can we talk about the training that was provided to planners and reviewers?

Ms Rundle: Yes, I'm very happy to do that. As you know, we've talked before about training and provided further information for the committee.

Senator WATT: Sorry, Ms Rundle. Again I don't mean to be rude, but we've only got about another 45 minutes. Would we be able to just get you to take that on notice? We are interested in the training being provided, but I'm sure that's something that can be provided in writing.

Ms Rundle: That's fine.

Senator WATT: Thanks.

Senator CAROL BROWN: All right, we'll get some details.

Senator WATT: Yes, rather than tabling it.

Senator CAROL BROWN: We're looking for some speedy responses here, particularly when these situations are quite severe.

Senator WATT: Perhaps you could provide us with some contact details during the break about who we should send these matters to.

Ms Campbell: There'll be someone here who will be able to find that for you, Senator.

Senator WATT: Thanks.

Senator CAROL BROWN: Now I just want to ask some questions about quarterly reports. Have you got your quarterly report there—your dashboard?

Ms Rundle: I have, yes. Which page are you looking at, Senator? We've got quite a lot of dashboards.

Senator CAROL BROWN: I'm not sure about which page I'm actually looking at. Figure 1.4 in the national dashboard shows that only five per cent of active participants with an improved plan identify as Indigenous.

Ms Rundle: Are you on appendix E? I've got the national data in front of me.

Senator CAROL BROWN: I might go to another set of questions while I get that dashboard in front of me. I don't know what I've done with it. I'll go to members and senators...
contact officers and staff. How many staff are currently employed within the NDIA, including contractors, consultants and labour hire staff?

**Ms Rundle:** I'm just finding that now. I have it with me. I'll give you the Australian Public Service employees and then contractors. Do you want FTE or head count?

**Senator CAROL BROWN:** I think both would be handy.

**Ms Rundle:** At the end of December, for APS staff, the FTE was 2,892 and the head count was 3,109. ASL year to date, because ASL is a year-to-date figure, at that point in time was 2,772. The head count for contractors and secondees—and secondees are mostly state and territory secondees for a period of time—was 2,131, and the head count for the local area coordinators was 4,533.

**Senator CAROL BROWN:** How many of those staff did you say counted within the ASL cap?

**Ms Rundle:** Just the first—the APS staff—are counted within the ASL cap.

**Senator CAROL BROWN:** But how many? Sorry, I think you did say.

**Ms Rundle:** The ASL was 2,772 at the end of December.

**Senator CAROL BROWN:** What's the current cap now?

**Ms Rundle:** The cap was increased; as you know, Minister Tehan increased the cap last year. For the current financial year the cap is 3,138. The ASL cap at the end of the year was 2,772, because we're still growing.

**Senator CAROL BROWN:** What is the average amount of time that staff remain employed with the NDIA? Do you have that information?

**Ms Rundle:** Yes, I have that. I'll just go to a different—

**Senator CAROL BROWN:** Do you have it by function—planner, plan manager, professional services?

**Ms Rundle:** We'll have to take on notice the breakdown by function, but for turnover—we'll check it for you while we're sitting here, but it's around 12 per cent.

**Mr Walter:** Senator, I'll check it for you and come back to you in a moment.

**Senator CAROL BROWN:** Okay. What proportion of the workforce has a background in disability services?

**Ms Rundle:** I've got the staff turnover figure for you. My apologies—it's just been sent to me. It's 10.6 per cent.

**Senator CAROL BROWN:** My question was: what was the average amount of time?

**Ms Rundle:** That people are with us?

**Senator CAROL BROWN:** Yes.

**Ms Rundle:** Yes, we have that. But I don't have it with me now. I know we can get it for you. And, sorry, you asked about training and people with—

**Senator CAROL BROWN:** Sorry; was that 10.6 the proportion of the workforce that has a disability?

**Ms Rundle:** No. That was turnover.

**Senator CAROL BROWN:** So what was the proportion of the workforce that has a—
Ms Rundle: The proportion of workforce with disability—

Ms Campbell: Was it a disability background you were asking for, or with disability?

Senator CAROL BROWN: With a background in disability services.

Ms Rundle: Firstly, 'with a background' can mean a number of things. It can mean a person already has a disability themselves; therefore, they have firsthand experience. They can be a member of a family of a person with a disability; we call that lived experience of disability. Then, of course, there are lots of people in the agency who've got a lot of experience with working in disability, state and territory—

Senator CAROL BROWN: So the figure that you're giving me includes all those?

Ms Rundle: No. That was the turnover figure I gave you.

Senator CAROL BROWN: No, the figure that you're about to give me.

Ms Rundle: No—

Ms Campbell: We'll take on notice.

Senator CAROL BROWN: Okay, we're taking it on notice.

Ms Rundle: The only figure I can give you today is for employees with a disability. The figure for employees with a disability was 11.93 per cent at the end of December.

Senator CAROL BROWN: Right. Is that 11.93 per cent just from APS staff or are you including contractors and consultants?

Ms Rundle: I think that includes contractors as well but we'll confirm that it does.

Senator CAROL BROWN: I think we better get some more information on it.

Ms Rundle: You probably know this, but the APS census always reports a higher number because people don't always disclose the organisation they're working in.

Senator CAROL BROWN: I've got some more questions but I think I might put those on notice for you, because we haven't got much more time. I have a question about carers—we're just prioritising our time here. Would that be you, Mr Lye? Okay. I'm going to go really quickly: how much peak body funding does Carers Australia receive per annum? Perhaps I'll put them on notice.

Ms Campbell: We're just looking. We should be able to help.

Mr Lye: Hopefully!

Mr Moger: I'll just get that answer for you. For Carers Australia, peak body funding is $418,000 per annum.

Senator CAROL BROWN: Is that indexed?

Mr Moger: No, it's not.

Senator CAROL BROWN: Has this funding ever been indexed?

Mr Moger: No. It's maintained that level historically, so it hasn't been indexed over time.

Senator CAROL BROWN: Are any other national peak bodies funded to specifically support carers?

Mr Moger: No; just Carers Australia.
Senator CAROL BROWN: What funding was provided to Carers Australia for National Carers Week? I really would want—look, I'm going to put these on notice because I want a number of years.

Mr Lye: We can run through them very quickly.

Senator CAROL BROWN: You've got it? Okay.

Mr Lye: I just point out that the figure that Mr Moger gave you was the core peak funding, and this other funding is over and above.

Senator CAROL BROWN: No, I understand. That's what I wanted.

Mr Moger: Carers week funding is $208,000 per year.

Senator CAROL BROWN: Has that been the same for—2018-17-16 is what I wanted.

Mr Moger: The 2017-18 figure is $208,000 and the 2018-19 figure is $108,000.

Senator CAROL BROWN: So that's not indexed either, obviously?

Mr Moger: Correct.

Senator CAROL BROWN: It hasn't gone up for a while. Is that expected to be the figure for this year, 2019?

Mr Moger: Yes, we are expecting it to be the same.

Senator CAROL BROWN: Okay. That's fine. Thanks.

Senator WATT: Could I just ask a few questions about the NDIA's new headquarters in Geelong. When will they be completed?

Ms Rundle: The new headquarters in Geelong are being finalised now and fitted out, and staff will move in in April.

Senator WATT: April this year?

Ms Rundle: Yes.

Senator WATT: And how many staff will the new building accommodate on completion?

Mr Walter: Approximately 600 across the floors.

Senator WATT: Will the NDIA own the building?

Mr Walter: No, the NDIA does not own the building. It's being developed as a part of an arrangement with the Victorian government, a developer and DHS, and we occupy a number of the floors.

Senator WATT: So you'll be leasing floors?

Mr Walter: Yes.

Senator WATT: Will any of the building be rented to third parties, whether it be other departments or commercial organisations?

Mr Walter: There are two floors, I think. I'd have to confirm it, but there are floors being rented by DHS, and on the ground floor there are some retail facilities—sandwich shop type operations.

Senator WATT: How many floors is it all up? Do you know?

Mr Walter: Five, I think, or six.

Ms Rundle: Five.
Senator WATT: Five. So three—
Mr Walter: Three are ours.
Senator WATT: And you think two for DHS and then retail?
Mr Walter: On the ground floor. We have most of the ground floor, but there are a couple of retail type facilities in the front of the building.
Senator WATT: What's the current head count in the NDIA's current Geelong office?
Mr Walter: I'd have to check to get the exact number. It's a little over a thousand people.
Senator WATT: Right. So there are actually more people working in Geelong than the new building will be able to accommodate?
Mr Walter: That is correct.
Senator WATT: Was that always the plan?
Mr Walter: Initially my understanding is no. But ultimately the number of people who will be working in Geelong at full scheme will reduce back somewhat, and it is likely that we will have everyone in the single building.
Senator WATT: When do expect that to happen?
Mr Walter: Within the next two to three years.
Senator WATT: Right. So you'll be shedding contractors?
Mr Walter: A number of contractors as well as APS in Geelong.
Senator WATT: In general terms, why do you expect those numbers to decrease?
Ms Rundle: As you know, the scheme was always envisaged to grow to a point where we would be able to fulfil our full scheme requirements. Some of the people that we've got are doing work to set the scheme up and get it operating well, and some of those roles won't be required anymore. There'll still be corporate and support roles. They will reduce a little, compared to the numbers that there are now, but we'll be focusing on service delivery and the support that the service delivery requires.
Senator WATT: So you would expect that, within about two to three years, the numbers will come down to around the 600 mark, meaning that everyone could move in?
Mr Walter: That's correct.
Senator WATT: Is it going to be a bit of a problem to have people split between different offices?
Mr Walter: We already have that position. This will significantly improve the position, as we reduce the number of officers in Geelong.
Senator WATT: But it was originally anticipated that people would all be in the same building?
Mr Walter: Correct.
Senator WATT: How long ago were the headquarters first—
Mr Walter: It was a number of years ago.
Senator WATT: Does that also mean then that there were a whole lot more people needed to be hired than was originally anticipated?
Ms Rundle: I have some information here, if it's helpful. It says that the submission for the works was submitted through the Parliamentary Standing Committee on Public Works and parliament gave approval to proceed on the 30 March 2017. At the time of the PWC submission, we estimated that the staff numbers at FTE level would be around 450, with a five per cent growth contingency. Since the PWC submission, the NDIA growth has been greater than anticipated. The current Geelong based workforce, as Mr Walter has just explained, is higher than that, up around 600. So you can see that there's a gap between that and what was originally envisaged. But, again, a number of those will drop off over time, in line with the original staffing estimates.

Senator WATT: I understand that last month the NDIA issued an email scam alert. Is that correct?

Ms Rundle: You might have to refer me to the actual scam alert. Sometimes we do get alerts like that.

Senator WATT: Actually, that might be the Quality and Safeguards Commission, who were hanging back. It's almost as if they didn't want to come to the table! It's fun, isn't it? It's Thursday afternoon. We're on the downhill stretch. Mr Head and Ms Taylor, is it correct that your organisation issued an email scam alert in the last month?

Ms Taylor: That's correct. We became aware very quickly that our providers were being targeted by a scammer requesting information, regarding participants that they might be supporting, under the banner of a false compliance notice.

Senator WATT: 'Providers' as in providers of NDIS services?

Ms Taylor: That's correct, yes. They were receiving an email that was purporting to be from the commission. It was in the form of a fake compliance notice requesting that they, in order to comply, provide the commission—the scammer—with information about NDIS participants.

Senator WATT: So they were seeking details of participants, were that?

Ms Taylor: Correct, yes.

Senator WATT: Why would they be seeking that in particular?

Ms Taylor: We could surmise why they might be seeking that information—potentially to endeavour to defraud the scheme.

Senator WATT: To contact the participants, impersonate a provider and get money out of them?

Ms Taylor: Or to access to the NDIA's system. But that would be a supposition on our part.

Senator WATT: How did you become aware of this scam?

Ms Taylor: Providers alerted us to this particular scam. A number of providers contacted the commission, querying the correspondence. We very quickly moved to issue an alert to explain to providers that this was not the commission, that the email address that was generating this particular message and request was not the commission's, and what they should look out for in terms of correspondence from the commission in the future.

Senator WATT: Do you know when it was raised with the commission?
Ms Taylor: I think we can provide you with a full time line on when we were made aware of the particular matter and our responses to it.

Senator WATT: That'd be good if you could take that on notice.

Ms Taylor: Certainly.

Senator WATT: So the commission then sent an email to every provider?

Ms Taylor: That's correct.

Senator WATT: Every provider across the country?

Ms Taylor: Within our jurisdiction, so within New South Wales and South Australia. They are the providers that we are able to contact.

Senator WATT: So the scam went to providers but, to the best of your knowledge, not to participants?

Ms Taylor: To the best of our knowledge, no. It was in the form of a compliance notice relating to the registration status of those organisations.

Senator WATT: Have you investigated whether any providers were scammed?

Ms Taylor: We did ask providers to contact us in the event that they had fallen foul of the scam. We can provide you on notice the responses that we got in that regard.

Senator WATT: Maybe you could take on notice the exact detail. But are you aware of anyone having been scammed?

Ms Taylor: Yes, there was at least one provider that I'm aware of who contacted us very quickly to alert us, and we then liaised with the NDIA around those particular details.

Senator WATT: So they unfortunately and mistakenly provided participant details to the scammer?

Ms Taylor: Correct.

Senator WATT: Do you know—

Ms Taylor: I can say, though, if you don't mind me interjecting, that it was a very small therapy provider, so it wouldn't have been a substantial number—although obviously we would have deep concerns about information about participants being issued.

Senator WATT: Was any money secured by the scammer as a result of this?

Ms Taylor: We would not be aware of that. We moved on it very quickly. The matter was referred to the NDIA's fraud task force as well as the usual authorities, and our own investigators are looking into the matter.

Senator WATT: Were the participants who were obtaining services from that provider contacted?

Ms Taylor: We'll let you know what the provider did in response to alert their participants, the people who were utilising their services, about what they may have disclosed.

Senator WATT: Do you know if the provider has contacted the participants?
Ms Taylor: We'll take that on notice and let you know.

Senator WATT: You said the NDIA fraud unit was involved as well. Does anyone from the NDIA know?

Ms Rundle: I don't have any information on that particular case on our fraud brief. We can find out for you.

Senator WATT: Can you table your fraud brief?

Ms Rundle: No.

Ms Campbell: Sometimes, in these matters, having this information in the public domain does not assist in stopping frauds.

Senator WATT: How many frauds involving the NDIS have occurred so far?

Ms Rundle: There's only been one. Since the fraud task force was set up, a case last year has been publicly known. It was alleged that between June and July of last year the person defrauded the NDIS in excess of $400,000 with around 200 participants. At the time we reached out to all participants of course and ensured their plan was sufficient. On the 29 January, the man appeared before the County Court of Victoria sitting as the Magistrates' Court of Victoria for committal mention for a number of charges. During the court appearance he indicated an intention to plead guilty to all charges, and he's been re-bailed to appear before the Victorian county court on the 9 June for a plea hearing. That's in the public domain.

Senator WATT: Was that the person who also defrauded family day care payments or some other kind of government—

Ms Rundle: I can't really comment on it. There were other issues at the time in relation to family day care, but I'm not in a position to comment on that one.

Senator CAROL BROWN: Could I quickly get an update from Mr Head or Ms Taylor about the reportable incidents.

Mr Head: Any specific aspect?

Senator CAROL BROWN: You kindly gave us the numbers from last time, so we'll go from there. We'll start with the death of an NDIS participant.

Mr Head: The year-to-date total number for reportable incidents as at 31 December was 1,459. That's an increase in the number of reportable incidents that came in in the second quarter. We expected that to occur because we're doing a lot of work with providers to make them aware of their reporting obligations. We'd anticipate that, as the audit process is completed for registered providers, given that they'll look at the extent to which people are meeting obligations, that that would continue to increase.

Senator CAROL BROWN: Do you have the figures by category?

Mr Head: Yes, I do. In relation to the reports of deaths of participants—and you will recall that the act requires, unlike other systems elsewhere in the country that have operated, all deaths to be reported to the commission—is 141; allegations of abuse and neglect were 496; alleged serious injury, 250; alleged sexual misconduct, 62; allegations of unlawful physical or sexual contact, 227; and unauthorised use of restrictive practice, 283. So there were 1,459 in total.
Senator CAROL BROWN: Obviously that's only in the two states in which you're operating?

Mr Head: New South Wales and South Australia.

Senator CAROL BROWN: Do you have the percentage break-up?

Mr Head: I can read that out now: deaths 10 per cent—

Senator CAROL BROWN: I meant New South Wales versus South Australia—do you have that?

Mr Head: It's 11 per cent from South Australia and 89 per cent from New South Wales.

Senator CAROL BROWN: Have any penalties been issued?

Mr Head: With reportable incidents, there's a range of actions we take. The first priority when a provider alerts us is to ensure that whatever the circumstances were that may have resulted in harm to a participant or resulted in unsafe environment, that is attended to. The first priority is to understand what has happened and to determine what action needs to be taken to render the environment safe for participants. We then go through a process of either requiring an internal investigation—a large number of matters are referred to the police if they relate to criminal conduct. We are undertaking some investigations ourselves, and regulatory action is taken in response to those matters. With those reportable incidents, because of the complexity of some of the issues, there are a large number of matters that are still going through investigation, but we have begun to take enforcement action.

Senator CAROL BROWN: So far no penalties have been issued, having regard to what you've just told me?

Mr Head: We have taken regulatory action in the form of a banning order and compliance notice in respect of matters reported to us and there are a range of other investigations under way. When you talk about 'penalties'—

Senator CAROL BROWN: Have any providers been deregistered?

Mr Head: The banning order was issued against an unregistered provider.

Senator CAROL BROWN: Do you know how many providers are delivering NDIS services without any worker screening because people are using self-managed plans? Do you have that information?

Mr Head: We wouldn't have that information. The arrangements for worker screening are unfolding anyway. But an important part of the work that we're doing with the NDIA at the moment is around how we support self-managing participants through education and other resources to understand what is available to them through the commission in terms of both being able to make complaints and also encouraging people to be aware of the working screening arrangements that come into place as they do so they can make a choice about utilisation of those arrangements.

Senator CAROL BROWN: I'm going to ask this one on notice. Providers are required to have complaints management and incident management processes in place. How does the commission check that these are in place and have been adhered to? That's on notice. My other question is, the rollout in the other states, excluding WA, is that all on track to be up and running for 1 July?
Mr Head: Yes. We've initiated the recruitment processes for staff in the five other jurisdictions. That's a staged process. We will, in fact, bring on regional directors a little earlier in the incoming jurisdictions than we were able to in the first year. All of the other processes around putting the rest of the team in place, sorting out accommodation—

Senator CAROL BROWN: You've got buildings, offices?

Mr Head: We've identified locations and we we're in the final stages of negotiations on leases. The time frame for rollout, given where each of those locations is and current use, means that we're confident we'll hit all of our dates.

Senator CAROL BROWN: Thank you, Mr Head.

Senator WATT: Just on that email scam we were talking about, was any remedial action required after that, such as people needing to change passwords or anything like that?

Ms Taylor: No.

Senator WATT: And you said it's been referred to the NDIS fraud squad?

Ms Taylor: That's correct, yes.

Senator WATT: And it's now being investigated—that's within the NDIA?

Ms Rundle: Yes. If it's with the fraud squad, it will be being followed up.

Senator WATT: You mentioned that investigation arising from an incident last year. Is that the only fraud investigation that the commission's involved in, or the NDIA fraud—

Ms Campbell: I think that's the only one that's public knowledge. There would be likely other activity that's not public.

Senator WATT: That's currently being investigated?

Ms Campbell: There have been a number of tip-offs, I understand, but we haven't made those public.

Senator WATT: I don't want to jeopardise any investigations, but can you tell me how many complaints of fraud, if that's the right way to put it, or number of investigations of fraud are under way?

Ms Rundle: I'll check to see if we have a brief on that. I'm sorry, I don't have it with me. I will take that on notice. I don't think we've got that level of detail.

Mr Walter: There are currently 77 staff working on fraud and compliance matters, made up of a combination of NDIA, Department of Human Services and Australian Federal Police.

Ms Rundle: We do have some figures here, but I wouldn't mind checking. I do have some figures that I can go through with you. At the end of December we had received 1,773 allegations of potential incorrect payments, financial anomalies or other behaviour during that year. They don't necessarily constitute instances of fraud. Regardless of their source, all allegations receive an initial assessment and progress to a formal investigation if appropriate. A very small number of matters are currently being formally investigated. Apart from that, it's not appropriate for us to go into the detail. I know you'll appreciate that.

Senator SIEWERT: Can I go back to psychosocial issues and get on the record how many people we now have on the NDIS for psychosocial disabilities?
Ms Rundle: Firstly, of all the participants who've ever met the access requirements, as at 31 December there are 44,751, which represents 16 per cent, who have either a primary or secondary psychosocial disability. Of that number, 8.5 per cent, as we've said earlier, have a primary diagnosis of psychosocial disability.

Senator SIEWERT: In terms of their average package—

Ms Rundle: I have that. On average, the NDIS funding per participant with a primary psychosocial disability in 2017-18 was approximately $22,000, because that's annualised. That's for the past full year. Prior to the NDIS, clients of other government or community health programs received on average approximately $6,500 for Commonwealth programs and $11,000 approximately for state and territory programs. Seventy-eight per cent of active plans for primary psychosocial participants have support coordination included in them as well. You might be interested in that.

Senator SIEWERT: Could you give me those figures again. $6,500 was the average previously?

Ms Rundle: That's the data that we've been given. That's for Commonwealth programs, and $11,000 for state and territory programs. A person might have been in receipt, I imagine, of both at the same time depending on what supports they offered.

Senator SIEWERT: In terms of people using their package, have you got any data on that?

Ms Rundle: I'll just have a look for you. I have second quarter data. I know Mr Francis is also looking at the other data broken down by program. I can tell you as I go through my brief, because I know you'll be interested in this, that of the primary psychosocial participants with a current approved plan, 27 per cent of those are new and 73 per cent received services from previous systems, which is a good thing. Plan utilisation at the moment, for the full year for 2017-18, was 50 per cent of the plan value. That was for people with a primary psychosocial disability.

Senator SIEWERT: For those with a primary psychosocial disability, is that the average—have used 50 per cent?

Ms Rundle: That's correct.

Senator SIEWERT: Bearing in mind what we were discussing earlier around the increase over the years, do you have further detail on whether that's improving for those participants with psychosocial disability as their primary—

Ms Rundle: You're talking about trend data from year to year?

Senator SIEWERT: Yes.

Ms Rundle: We'll have to get that for you, but we can.

Senator SIEWERT: If you could. But 50 per cent is the average?

Ms Rundle: In the last full year, that was the average.

Senator SIEWERT: In terms of the 50 per cent usage, do you have data on what elements are being used?

Ms Rundle: We can find that out for you.

Senator SIEWERT: That would be useful.
Ms Rundle: I know you'd be aware that part of the pathways work that we've been doing that the board and management instigated has a special psychosocial stream. We've been working with Mental Health Australia and Community Mental Health Australia and a range of other bodies, working out how we can maximise people's access into the scheme, who we are expecting to come in, and then how we can maximise their experience, including utilisation of supports.

Senator SIEWERT: The last time or the time before we had an extensive discussion about the need to change pathways. What you've just described is those pathways. When we were first talking about it, it sounded like it was going to be a while before it all came online. But by the sounds of things you've accelerated that process. Is that a correct understanding?

Ms Rundle: We have. Mr Francis is just getting out our road map and he can go particularly to that. We haven't rolled out completely all of the pathway improvements yet, but by the end of this year we expect to have rolled out all of them. The psychosocial started in a few states, and it's being rolled out now around the country, but incrementally over the coming months. The other thing I should say is that with psychosocial—I had something I was going to say to you, but it was really around how we've been working with not just Mental Health Australia but others to try to improve that experience in those states. We've discovered and learned things in that rollout which we'll be picking up as we roll out further.

Mr Francis: I can say, for example, that all of the training with respect to staff and our LACs in Tasmania and South Australia has occurred. In Victoria that commenced on the 12th of this month. Queensland starts on the 19th of this month. We've had documentation go out to practitioners in South Australia in terms of their assistance and understanding what the pathway is for psychosocial disability, how that comes together and how they can assist patients they might have as far as that's concerned. We've also had the appointment of liaison people within our complex support needs group who will also help provide those services in New South Wales and Victoria.

Senator SIEWERT: I'm aware that I'm not going to be ask any more questions. Could you put the process of rolling out each of those elements on notice?

Ms Rundle: Of course we can. We are very happy to do that.

Chair, there were a couple of areas where we've found additional information for you that was asked about earlier. I'm not sure whether you'd like us to read them out now or provide them later.

Senator WATT: How long do you think it will take?

Ms Rundle: Thirty seconds.

CHAIR: Okay.

Ms Rundle: For one, people asked about the Mardi Gras. I can confirm that—

Senator WATT: Someone did—no-one here.

Ms Rundle: The organisation that we worked with was People with Disability Australia, and I can confirm that we do have a stand at the Mardi Gras, so we do reach out to quite a few people. Mr Francis had more information about reviews, but we're happy to put that on notice if you would rather.

Senator WATT: If you could rattle it off quickly, that'd be helpful.
Mr Francis: Yes, certainly. I can tell you that the number of outstanding unscheduled reviews that we had as at 31 December I had overestimated before. It was 12,369. Senator Brown was looking for a per-day figure. I can give a per week figure: 909 per week is the rate at which they've been coming in, and it's worth noting that they're being resolved at a rate of 1,017 a week.

Senator SIEWERT: So dealing with backlog.

Senator WATT: Can I clarify one other thing on the fraud point. I think, Mr Walter, you mentioned that there are 77 staff in the fraud task force.

Mr Francis: And compliance.

Senator WATT: Fraud and compliance. They're people spread across the NDIA, DHS and the Federal Police. Is that right?

Ms Rundle: Yes.

Senator WATT: It's just been brought to my attention that Mr Turnbull as the then Prime Minister issued a press release, I think, last year, saying it would be a task force of 100 dedicated personnel. Is there a reason it's ended up only being 77?

Ms Campbell: I haven't got the press release with me, but I thought it said growing to 100. My understanding is that this is still evolving and this team is still coming together. But I might be wrong. Human Services might be better placed to talk about that because they are partnering with the NDIA on this initiative.

Senator WATT: Well, it is an NDIS fraud task force and the NDIA is a partner. I don't see any reference to growing to 100. It's 'The task force will have 100 dedicated personnel to tackle fraud.' I'm looking through to see whether there's any reference to it growing, but you're saying it's going to get to 100?

Mr Walter: We would have to absolutely confirm, but, yes, I'm pretty sure it will get there fairly quickly.

Ms Campbell: That's the expectation.

Senator WATT: I'm sure Minister Fawcett wouldn't like the idea of former Prime Minister Turnbull's edicts being ignored—would you? I'll take that wink as a no!

Ms Rundle: We're absolutely committed to implementing the fraud task force as envisaged.

Senator WATT: Okay, thanks everyone.

CHAIR: Over to you, Senator Cameron.

[17:33]

Senator CAMERON: Could I start off with the National Rental Affordability Scheme?

Ms Campbell: Yes. We'll get the officers to the table and just do this swap over.

Senator CAMERON: All there?

Ms Campbell: I think we've got enough to commence.

Senator CAMERON: Thanks, Secretary. The department produces the National Rental Affordability Scheme tenant demographic report. Are you aware of that?

Mr Menzies-McVey: Yes.
Senator CAMERON: Do you have a copy of it there?

Mr Menzies-McVey: I don't have a copy. I have some information from it.

Senator CAMERON: I can table it here. It contains a number of figures in relation to the scheme. What it shows is that more than one-third of NRAS tenants have a household income of less than $30,000. Who is handling this, Mr Menzies-McVey?

Mr Menzies-McVey: Yes, that's correct. About a third have an income of $30,000 or less.

Senator CAMERON: Okay. Thanks, Mr Menzies-McVey. So more than a third have a household income less than $30,000.

Mr Menzies-McVey: It's about a third.

Senator CAMERON: More than half of NRAS dwellings have a household income of less than $40,000?

Mr Menzies-McVey: We can that on notice. The information I have doesn't let me confirm that.

Ms Campbell: I'm adding that up, and that sounds correct.

Senator CAMERON: Yes. We've added them up. My office has added them up. Seventy-nine per cent of NRAS have a household income less than $60,000. You want to take a minute to add that up?

Ms Campbell: I think we've got that.

Senator CAMERON: Can the department confirm for the committee that 45 per cent of NRAS tenants—that's nearly half—derive their income from government pensions and allowances?

Mr Menzies-McVey: The reporting of that information is voluntary, so we know where there has been a report by a tenant of their income source. We've got information about that, but not all tenants of NRAS properties are required to report that information, so it's not a complete survey of the tenants.

Senator CAMERON: But, of the survey respondents, that's the situation, isn't it?

Mr Menzies-McVey: Of the people who did respond, there were—this is data, I should say, from 30 April 2018, which is the most recent data available—there were 18,216 who received pensions or allowances and 18,816 who received Commonwealth rent assistance.

Senator CAMERON: Can the department confirm that more than five per cent of NRAS tenants identify as Aboriginal or Torres Strait Islanders.

Mr Menzies-McVey: It is 5.37 per cent.

Senator CAMERON: Yes. And more than nine per cent of NRAS tenants have a disability?

Mr Menzies-McVey: Yes—9.08 per cent. Again, these are voluntarily reported, so it's the percentage of people who did report.

Senator CAMERON: Yes. So, given this information, it's reasonable to conclude that NRAS has effectively targeted some of the most vulnerable people in our community.

Mr Menzies-McVey: Yes, it's certainly a scheme that's designed to support people with low incomes.
Senator CAMERON: So these are groups such as low-income families and pensioners receiving government support payments, children, people with disability and ATSI people who would otherwise be subject to higher rates of housing insecurity, homelessness and rental stress. That's the demographic that we've gone through. DSS also publishes a quarterly performance report for NRAS on its website, with the latest from December 2018. If you don't have it, I'm happy to table the report. Can the department confirm that, according to the quarterly performance report, more than 77 per cent of NRAS allocations are in major cities as defined by the ABS?

Mr Menzies-McVey: Yes, that's correct.

Senator CAMERON: And can the department confirm that a further 13.8 per cent of NRAS dwellings are in inner regional areas as defined by the ABS.

Mr Menzies-McVey: Inner regional Australia, yes.

Senator CAMERON: Is it therefore accurate to say that approximately 90 per cent of NRAS dwellings are in major cities and inner regional areas?

Mr Menzies-McVey: That's correct.

Senator CAMERON: And that's broadly in line with Australia's population distribution.

Mr Menzies-McVey: I don't have the population distribution. It sounds approximately right, but I can't confirm that.

Senator CAMERON: Sure. What's the department's understanding of the number of NRAS incentives held by endorsed charities, typically meaning community housing providers?

Mr Menzies-McVey: There are 79 endorsed charities who are approved participants. I may have to take it on notice, unless you have—

Mr Philp: We don't collect data on whether approved participants are community housing providers, but our estimate of those from just doing searches on the internet is that about 39 per cent to 40 per cent of total dwellings are managed by approved participants.

Senator CAMERON: But you don't have that. I've got a different figure. The figure I have is just over half are held by endorsed charities.

Mr Philp: I don't have your figure.

Senator CAMERON: But are you saying the figure you've just outlined is not an accurate figure?

Mr Menzies-McVey: I think the distinction we need to draw is between endorsed charity and community housing provider. Those two things overlap but are not necessarily the same group of people. From an NRAS payments point of view we're interested in whether an entity is an endorsed charity or another form of entity. We have that; that's the 79 endorsed charities. There are 47 other approved participants who are not endorsed charities, and that determines whether they receive a refundable tax offset certificate or cash as their form of incentive. As my colleague was mentioning, the community housing providers overlap with endorsed charities but are not exactly the same set.
Senator CAMERON: Given the community housing providers are there for a social purpose, is it the department's view that many of these dwellings will remain as part of social housing stock when NRAS expires?

Mr Menzies-McVey: I think that it depends. With NRAS properties, the approved participant can either own the property or be managing a property on behalf of an individual investor. One would expect that where the approved participant does own the property it would continue to use it for its organisational purpose, but, where there's an individual investor involved, the investor may seek to obtain market rental.

Senator CAMERON: Yes. There are some private investors, but I'm talking about the community housing sector. You basically agreed with the proposition I'm putting, and that's the feedback I get from talking to the community housing providers. Finally, the report provides a breakdown of NRAS dwellings by the size of dwelling. Is it correct that 22,797 of the existing NRAS dwellings, in excess of 62 per cent, contain two or more bedrooms?

Mr Philp: Can I confirm you're referring to the 31 December 2018 National Rental Affordability Scheme performance report?

Senator CAMERON: The one I've just tabled.

Mr Philp: And it's table 11 of that report?

Senator CAMERON: Yes.

Mr Philp: Yes, that looks right.

Senator CAMERON: That's the correct figure. Data from the Australian Institute of Health and Welfare indicates that a majority of social housing demand is from single adults—that is, 55 per cent—particularly older women. It's therefore appropriate that housing configurations that meet this need are part of the mix provided by NRAS.

Mr Williamson: Yes.

Mr Philp: Yes.

Senator CAMERON: In fact, when compared to social housing, NRAS has delivered a significantly larger proportion of its housing to multimember households. Is that your understanding?

Mr Williamson: I don't think we could confirm or deny that.

Senator CAMERON: Well, 55 per cent of social-housing households are composed of single adults. That's the Australian Institute of Health and Welfare report 2018. Have you seen that report?

Mr Williamson: So we don't—we agree with that figure.

Senator CAMERON: With regard to the purpose of NRAS, the DSS website clearly states:

Under NRAS, the Australian Government in conjunction with the States and Territories is providing financial incentives to:

- increase the supply of affordable rental housing;

Correct?

Mr Menzies-McVey: Yes.
Senator CAMERON: And:

- reduce the rental costs for low to moderate income households;

Correct?

Mr Menzies-McVey: Correct.

Senator CAMERON: And:

- encourage the large-scale investment and innovative delivery of affordable rental housing.

Correct?

Mr Menzies-McVey: That's certainly an object of the program, yes.

Senator CAMERON: And when appraising the benefits of the scheme, is it the department's view that it would be inaccurate to simply consider the rental saving? Although substantial, that's what the individual households receive. You can't simply look at that one issue—is that correct? The scheme does more than simply deliver a rental saving.

Mr Menzies-McVey: The purpose of the scheme was certainly to increase their supply of affordable housing, so that is another aspect that needs to be measured and evaluated.

Senator CAMERON: Based on the evidence provided by the department, this scheme has delivered substantial benefits, including substantially reducing the proportion of tenants in rental stress and increasing the proportion of income at their discretionary disposal. That's one of the outcomes—is that correct?

Mr Menzies-McVey: Yes, I think that—

Ms Campbell: Are you quoting? Was that last one a quote?

Senator CAMERON: No, I'm putting to you what the scheme has delivered.

Ms Campbell: So you're asking for an assessment of what the scheme has delivered?

Senator CAMERON: Yes. This is based on what you've indicated, basically. It's reduced the proportion of residents and it's delivered for low-income and other vulnerable groups in the community in need. It's done that, hadn't it?

Mr Philp: Yes.

Senator CAMERON: NRAS dwellings are located in geographically diverse areas that broadly match population and housing need. You've agreed with that.

Mr Philp: Yes.

Senator CAMERON: The dwellings are diverse in their configuration with a clear majority consisting of two or more bedrooms, providing for family and other key groups in need; correct?

Mr Williamson: Yes.

Senator CAMERON: The scheme has increased the supply of affordable housing?

Mr Williamson: Yes.

Senator CAMERON: The scheme has attracted substantial amounts of non-government investment?

Mr Philp: Yes.

Mr Williamson: Depending on your definition of substantial.
Senator CAMERON: I didn't think you'd have to think about that! The scheme has helped the community housing sector increase the stock of housing it owns and manages and will provide a foundation for the retention of that stock after dwelling incentives expire.

Ms Campbell: That's up to each of the community housing organisations. I don't think we could make a guarantee on that.

Senator CAMERON: But you did indicate earlier that, given that was the nature of what they do—

Ms Campbell: That's right, but we can't guarantee that.

Senator CAMERON: No, I'm not saying you can guarantee it, but that's what they're telling me. I'm not sure if the department has had discussions with any of the community housing providers, given that many of these incentives are finishing up. Have you had a discussion with the community housing sector on this issue?

Ms Campbell: On the issue of whether they plan on retaining the houses?

Senator CAMERON: Yes.

Mr Williamson: We have discussions with the community housing sector across a number of issues and this is one of them.

Senator CAMERON: What was the outcome of those discussions with them on this issue?

Mr Williamson: I think it's sort of on the public record that community housing providers have affirmed some of those comments you made before about what the NRAS schemes allowed them to do.

Senator CAMERON: Has the department provided Minister Fletcher with a briefing on the performance of NRAS?

Ms Campbell: We've provided Minister Fletcher with a number of briefings on NRAS over a range of issues. I don't have each of those with me today, so I couldn't break down which was provided on which date. I don't know whether anyone else can.

Senator CAMERON: But has the minister asked, 'How's NRAS going'?

Senator DEAN SMITH: I'm sure he has.

Ms Campbell: The minister was very interested in NRAS, and we have briefed extensively on NRAS.

Senator CAMERON: Given the evidence before the committee today—I'll put this to Minister Fawcett—why has Minister Fletcher sought to misrepresent the outcomes of the scheme in his undergraduate opinion piece published in *The Australian* on 8 February 2019?

Senator Fawcett: Having not read the opinion piece, I can't comment in detail on that, but I can say—

Senator CAMERON: I'll give you a copy.

Senator Fawcett: I'm sure the minister has also listened to groups like the Community Housing Industry Association, who said of your party's National Affordable Housing Agreement:

Sadly, neither housing supply, housing affordability nor homelessness improved after that agreement was signed.
So there are obviously a range of opinions out there.

Senator CAMERON: Can I table this? It's an opinion piece from Minister Fletcher. So you don't know why he would do this, do you? You're here representing him, but you don't know why he would misrepresent—

Senator Fawcett: Well, I'm not agreeing to your contention that he has misrepresented. All I'm saying is there are a range of opinions out there, and I have just quoted one to you from some people in that community housing sector.

Senator CAMERON: I'll give you chance to read this opinion piece.

ACTING CHAIR: Well, to assist, Senator Cameron, what we could do is just go through each of the problems one by one, as Mr Fletcher has identified them, and then ask officials whether they're correct or incorrect.

Senator CAMERON: Senator Smith, you can do what you like when it's your call.

ACTING CHAIR: I will be doing this, because I think that officials have only been asked half the questions. The other questions I'd like to ask are about the failings of the scheme.

Senator CAMERON: Let me finish. So have you had a chance to have a look at it?

Mr Williamson: Yes.

Ms Campbell: We're aware of it, Senator.

Senator CAMERON: So, was the department aware of this opinion piece?

Ms Campbell: We have provided extensive advice to the minister on NRAS.

Senator CAMERON: It looks as if he's ignored it. Firstly, if you go to the first part, it says:

Problem number one: Mr Shorten's media release says this will save the average family which rents one of these properties $92 a week in rent. That's $4,784 a year—when the Government is paying the investor a subsidy of $8,500, or nearly twice as much.

You have conceded that this is not just simply about the rental subsidy, is it?

Ms Campbell: I think Minister Fletcher was noting that not all of the properties in the current NRAS scheme had been bought by community housing and that it wasn't likely that all of them would stay in community housing.

Senator CAMERON: Did you have discussions with him on this?

Ms Campbell: I have discussed with Minister Fletcher the fact that not all of the houses that are currently in NRAS are in the community housing space and that there are a number of houses that are in the more private mums-and-dads and commercial space.

Senator CAMERON: Yes. And that's still provides some benefits, other than simply the rental subsidy, doesn't it?

Ms Campbell: Well, depending on what happens with them at the end of the period. So, if they were to remain and remain at that lower rent, they would continue to provide benefit. But
if they either increased their rent to market rent or they were divested there would be no ongoing benefit.

**Senator CAMERON:** While this subsidy is in place there are a number of advantages. It provides housing in geographically diverse areas; is that correct?

**Ms Campbell:** That's correct.

**Senator CAMERON:** It delivers for low-income and vulnerable groups; is that correct?

**Ms Campbell:** Yes.

**Senator CAMERON:** And it provides a number of configurations for people, correct?

**Ms Campbell:** Yes.

**Senator CAMERON:** This problem No. 1 that's been proposed in Minister Fletcher's opinion piece is just not correct.

**Ms Campbell:** Well, Minister Fletcher, in my understanding of this, was talking about the fact that not all of these houses were likely to remain in the community sector and therefore would not continue to be available to low-income earners.

**Senator CAMERON:** If you go to Minister Fletcher's opinion piece, it states: In other words, the scheme uses taxpayer funds to pay expensive subsidies to private investors—but fails to secure a permanent addition to the stock of affordable housing.

That's not correct, is it? Half of the NRAS dwellings, as you've indicated—you've conceded this—are owned by community housing providers.

**Ms Campbell:** And half are not.

**Senator CAMERON:** But half are. So you cannot argue that it fails to secure a permanent addition. There will be a permanent addition to housing stock—that's the evidence. You conceded that earlier, and that's the evidence from the community housing providers—that they will maintain this as housing stock. They are not speculators. Correct?

**Ms Campbell:** You have provided that advice to us.

**Senator CAMERON:** No, you conceded that earlier when I asked you the question.

**Ms Campbell:** Community housing providers—that is generally their operandi.

**Senator CAMERON:** Then this opinion piece goes on to say: This has encouraged the building of one-bedroom units—and done much less to encourage the construction of bigger houses for families. In fact over 5,000 of the units built under NRAS are specialist student accommodation.

Let me take you back to what we went through earlier. We went through the proposition that there were a number of different dwelling types, and you accepted that, and that the dwelling types were spread across the country. Did the minister provide you with a copy of this opinion piece prior to publication?

**Ms Campbell:** That would go to advice to the minister and the deliberations of government.

**Senator CAMERON:** Would it?

**Ms Campbell:** I'm just looking for the data about how many of these were university—

**Senator Fawcett:** One in seven, I believe, were student accommodation dwellings.
Mr Williamson: So, Senator, the performance report that you referred to before and tabled has the number of studio apartments at 6,629 and the number of one-bedroom apartments, 6,943.

Senator CAMERON: Yes, out of a total of how many?

Mr Williamson: Out of 36,370.

Senator CAMERON: So there is a substantial number of two-bedroom and three-bedroom accommodation, isn't there?

Mr Williamson: There is 10,792 two-bedroom and 9,424—

Senator CAMERON: There are 9,424 with three bedrooms, 2,463 with four bedrooms and 118 with five bedrooms or more. Those are the facts, aren't they?

Ms Campbell: That's what's in this report.

Senator CAMERON: It's your report.

Ms Campbell: It is.

Senator CAMERON: It's not 'this report'. It's your report.

Ms Campbell: I know, and I'm just trying to find which of this housing was for student accommodation to see whether we can—

Mr Menzies-McVey: That's not separately reported in this report.

Ms Campbell: Do we have that—

Senator CAMERON: It's your report, Minister. If you didn't put it in, it's not my fault.

Ms Campbell: We're trying to help you by providing that now.

Senator CAMERON: I don't need it. I'm simply indicating to you that what the minister has indicated is not correct. There are more bigger houses with different numbers of bedrooms than this. To highlight 5,000 units for specialist student accommodation doesn't tell the full story, does it? Does it tell the full story?

Ms Campbell: It does tell the story that the 5,000 dwellings for student accommodation are not likely to go into community housing because they're generally owned by institutions, so they won't be available for community housing and they won't be available for families and more vulnerable Australians.

Senator CAMERON: But you do concede that your report is correct?

Ms Campbell: That there are houses that are not student accommodation?

Senator CAMERON: Yes.

Ms Campbell: We do accept that.

Senator CAMERON: And the bulk of the houses are not student accommodation?

Ms Campbell: I'm just reading the op-ed, where it says, 'In fact over 5,000 of the units built under NRAS are specialist student accommodation.' So the op-ed indicates that 5,000 of the units were built for specialist student accommodation.

Senator CAMERON: But the op-ed does neglect to talk about the other range of houses the NRAS has built, correct?

Ms Campbell: The available report on the website deals with that.
Senator CAMERON: But the minister doesn't in his op-ed, does he?
Ms Campbell: He may have assumed that that information was already in the public domain.

Senator CAMERON: How would you know what he assumed?
Ms Campbell: I don't know.

Senator CAMERON: How would you know what he assumed?
Ms Campbell: I can't answer these questions.

Senator CAMERON: Did he tell you his position?
Ms Campbell: All I'm providing is the evidence we have here. I didn't write this, so therefore the only person—

Senator CAMERON: That's good.
Ms Campbell: who can answer those questions would be Minister Fletcher. We're happy to take those on notice, if you like, and refer them to Minister Fletcher.

Senator CAMERON: It then goes on to say:
... another design flaw is that the incentive paid to investors is the same all across Australia — so it does relatively little to stimulate new housing in higher cost areas. Do you agree with that?

Mr Menzies-McVey: We agree that the incentive is the same for all allocations, whether they be—

Senator CAMERON: But do you agree that it does little to stimulate new housing in higher cost areas?

Mr Williamson: So if the incentive is the same across all geographic regions—

Senator CAMERON: Could you come back to my question: do you agree with the minister's proposition that it does relatively little to stimulate new housing in higher-cost areas?

Mr Williamson: If the incentive is uniform, it's going to do less in higher-cost areas because the incentive in relation to the higher cost will be lower.

Senator CAMERON: So how do you then come to the position that 90 per cent of dwellings in metro and inner regional areas are in inner regional areas as defined by the ABS?

Mr Williamson: We don't dispute that fact, but obviously in metropolitan areas, as you'd appreciate, the costs can vary quite widely.

Senator CAMERON: You agreed with question 8, which was when I asked you: 'Is it therefore accurate to say that approximately 90 per cent of NRAS dwellings are in major cities and inner regional areas, and this is broadly in line with Australia's population distribution, broadly corresponding with housing needs?' You agreed with that.

Ms Campbell: I think, Senator, Mr Menzies-McVey said he didn't have that data with him, and you continued on your questioning.

Senator CAMERON: Can you provide then details of how many NRAS dwellings are in inner metro and inner regional areas?

Mr Williamson: I could take that on notice, Senator.
Ms Campbell: We'll take that on notice.

Senator CAMERON: So you can't tell me whether you received a copy of this opinion piece prior to publication?

Ms Campbell: Senator, I do not recall having seen this prior to publication.

Senator CAMERON: Did the minister or anyone in his department seek advice from the department as to the accuracy of the assertions contained in the opinion piece?

Ms Campbell: Senator, we have provided extensive briefings about NRAS to Minister Fletcher since he's been in the job.

Senator CAMERON: Well, it doesn't seem to have worked, because he seems to have no idea what it does.

Ms Campbell: We have provided extensive briefings, particularly around many of the regulatory issues with NRAS as well as the basis of NRAS.

Senator CAMERON: So you do agree that many of these houses will be maintained and that there will be a net addition to housing stock, because there will be many of these houses kept in the community housing sector area?

Ms Campbell: Senator, we note that many of these houses—I'm just looking for the exact number of these houses—have been developed by community housing organisations. The nature of their role is to provide community housing, so the expectation would be that it would remain. We also note that some of these houses have not been constructed by the community housing sector. Quite a number have been constructed by specialist universities, about 10 per cent, which are unlikely to make them available for community housing, as well as the private sector. In previous estimates we have talked about many of the approved providers that are commercial arrangements and unlikely to stay within the scheme.

Senator CAMERON: Yes, I'm not arguing that. Some are unlikely, but there will be a net addition because you've got 79 charities that are involved in this area. I've spoken to the Community Housing Industry Association, I've had discussions with PowerHousing and I've had discussions with some of the individual charities, such as the faith based groups. They are going to maintain these NRAS houses in the community housing sector. Have you asked any of them about that position?

Senator Fawcett: I'm glad you've spoken to the Community Housing Industry Association, because it's their quote that I went to before which said of your policy: Sadly, neither housing supply, housing affordability nor homelessness improved after that agreement was signed.

You've made—

Senator CAMERON: No, that was the old NAHA, which is now the NHHA. You're in a completely different area, Minister.

Senator Fawcett: Sure, but the point I'm going to is that there's a range of opinions outside of the department to provide information or considered context to the minister, and some of his comments in the op-ed went to the proposed NRAS 2. You can look at groups like the Grattan Institute, and they say:

It—

being NRAS 2—
has the appearance of helping people at the bottom, whereas the reality is it helps a small group of people at the bottom in a fashion much akin to a lottery …

There is a range of voices out there that are looking at the history of NRAS and what's proposed—

Senator CAMERON: No, the Grattan Institute's not looking at the history.

Senator Fawcett: and are saying it's not a consistently good use of taxpayers' money. And if the government, as a good steward of taxpayers' money, can find a more effective way to ensure the long-term supply of affordable housing, then that's better than a solution that delivers, at best, around 50 per cent.

Senator CAMERON: Okay, so what, in five years, have you done about it?

Senator Fawcett: The government has put in place a range of measures, including more than $30 billion over the next five years in housing.

Senator CAMERON: Look, can you be accurate? That is not for housing. So, Secretary, where is the $30 billion being put in housing?

Ms Campbell: Senator, I think that refers to the Commonwealth rental assistance, to the National Housing and Homelessness Agreement with the states, to specialist housing for people escaping family domestic violence. I'm just looking for any other programs we might—

Senator Fawcett: A billion through the National Housing Infrastructure Facility.

Mr Williamson: Programs such as Reconnect.

Senator CAMERON: And are you aware that in relation to those issues, there were actually, from Labor's time in office, cutbacks from the NAHA to NHHA? Are you aware of that, Minister?

Senator Fawcett: There are movements in figures through most portfolios areas, Senator Cameron.

Senator CAMERON: If you're not aware, just say you're not aware.

ACTING CHAIR: Okay; thanks, Senator Cameron. I'd like an opportunity before 6.30 to ask some questions.

Senator CAMERON: Sure.

ACTING CHAIR: Thank you very much. Officials were generous in responding to Senator Cameron's questions with regard to some of the 'virtues' of the scheme. Can we just turn to what were some of the shortcomings of the NRAS arrangement, and if you can demonstrate your points with some evidence I'd be most appreciative. The secretary talked about a variety of briefs or advice being provided to the minister that identified a number of issues.

Ms Campbell: Senator, there were some regulatory issues. Because of the way it was established, the Commonwealth did not have a relationship with the owners of the homes when there was an approved provider in between. So the relationship originally was between the Commonwealth and the approved provider. I think there are probably officers here who'll be able to provide a little bit more detail than I, but it led to some of the home owners who had put their stock into this system not receiving the incentives in a timely manner.
Mr Menzies-McVey: Because NRAS, as the secretary mentioned, pays the incentives each year to the approved participant, where they do not own the rental property, which is very often the case, the home owner expects to receive either all or a part of that incentive, but has to rely upon contractual arrangements. Now, in some cases those contractual arrangements work fine and the investor receives the incentive and people are happy. But in other cases those contracts between the approved participant or, in very complicated streams, other entities involved in between the approved participant and the investor aren't honoured. In that case, the home owner, the investor, fails to receive their incentive. That puts them at a financial disadvantage because they're only receiving 80 per cent of the market rent, and without the incentive they often have financial difficulties.

Until 2017, there was little that NRAS could do to help people in that situation because it was purely a scheme for approved participants. But in 2017 a right was introduced to enable investors to seek to transfer to another approved participant in cases where they weren't receiving their incentive.

ACTING CHAIR: What was another shortcoming in the scheme, Ms Campbell?

Ms Campbell: I think we've talked about the charities, that there was a proportion of the houses that were built by the community housing, but also about the fact that a large portion, 10 per cent, were university buildings that were good for students but unlikely to be committed to the long-term stock of community housing or affordable housing. They were more short term because they were generally built close to or on campuses.

ACTING CHAIR: And what was the effect, ultimately, on the size of the affordable housing stock as a result of this scheme? Were there any permanent additions?

Ms Campbell: I think the evidence that we've given has been about how many are from community housing providers, and that, if they were to maintain them, those properties would remain in the community housing space.

ACTING CHAIR: Going to Senator Fawcett's point about the third-party criticism of the scheme, I recall the audit office did a report into the operation of the NRAS. If I remember, that report identified some very serious shortcomings. Do you recall that report, Mr Menzies-McVey?

Mr Menzies-McVey: Yes. The ANAO did two audit reports into NRAS and did identify areas for improvement. The department has implemented recommendations arising from those reports. I may have to take on notice the details of those.

Mr Williamson: For specific recommendations, we can come back to you. We can provide on notice the recommendations and the action that's being taken by the department to improve the scheme.

ACTING CHAIR: Minister Fletcher says in his opinion piece: As the Australian National Audit Office pointed out in a recent performance audit (number eight of 2015-16), "from the commencement of NRAS in 2008 the delivery of eligible dwellings has been slower than anticipated".

Is that a correct representation of the audit report?

Mr Menzies-McVey: I think that is true in the estimates that NRAS would deliver in the time frames and number of dwellings. The actual performance has been lower than originally forecast.
ACTING CHAIR: Minister Fletcher in his opinion piece recognises a number of design flaws. He wrote:

Another flaw is that when Labor legislated to set up NRAS, there were no protections for, or even mention of, investors in the legal framework.

Is that a correct or incorrect statement?

Mr Menzies-McVey: That's a correct statement. As I mentioned a minute ago, until amendments that were made in November 2017, investors weren't mentioned at all in the NRAS regulations and they therefore had no protections.

ACTING CHAIR: That is the point you've mentioned previously. Minister Fletcher identified another design flaw. He said, 'A third design flaw is that the cash incentive under NRAS is the same for a one-bedroom unit or a four-bedroom house.' Is that a correct statement?

Mr Menzies-McVey: That's correct. All allocations in NRAS, whether it is a large house or a small house and whether they be in an expensive suburb or a low-cost village, attract the same annual incentive.

ACTING CHAIR: When Minister Fletcher demonstrates that design flaw, he says:

This has encouraged the building of one-bedroom units—and done much less to encourage the construction of bigger houses for families. In fact over 5,000 of the units built under NRAS are specialist student accommodation.

Is that a correct statement?

Mr Menzies-McVey: That's correct.

ACTING CHAIR: There's more. Minister Fletcher goes on to identify another design flaw—again, I'm quoting from the opinion piece:

And another design flaw is that the incentive paid to investors is the same all across Australia—so it does relatively little to stimulate new housing in higher cost areas.

Is that a correct statement?

Mr Williamson: The incentive is consistent across.

ACTING CHAIR: So it's a correct statement. Minister Fletcher identifies a number of problems here, and I might just read them into the Hansard and you can say whether they're correct or incorrect.

Ms Campbell: We'll be able to talk about the facts of the issue.

ACTING CHAIR: Minister Fletcher says:

Problem number one: Mr Shorten's media release says this will save the average family which rents one of these properties $92 a week in rent. That’s $4,784 a year—when the Government is paying the investor a subsidy of $8,500, or nearly twice as much.

Ms Campbell: I think this talks about the new proposed policy from the opposition.

ACTING CHAIR: It does, yes.

Ms Campbell: Those figures are correct—that the rent would be $92 a week multiplied by 52 versus the subsidy.

ACTING CHAIR: Actually it means his maths is correct. He says:
Problem number two: this scheme will cost vastly more than Labor's claim of $102 million over the forward estimates and $6.6 billion over the decade to 2028-29.

**Ms Campbell:** My recollection of the opposition's policy is that the $102 million dealt with the first four years, not the longer period.

**ACTING CHAIR:** Then he says, 'Problem number three: Labor tried this when they were last in government and it was a disaster.' Perhaps 'disaster' is a rather emotive term for officials to use, but there's no denying that there were serious flaws in the scheme. Minister Fletcher has identified those in his opinion piece, which are correct statements based on your evidence. Then of course we had some additional commentary around the Australian National Audit Office report.

**Senator CAMERON:** Nobody said that.

**Ms Campbell:** There were shortfalls in the regulatory arrangements which didn't allow the Commonwealth to have a direct relationship with the owners of the properties when there was an approved provider—generally not a community housing provider.

**ACTING CHAIR:** I'm almost finished. Minister Fletcher said:
Labor has a track record of promising grand schemes which are badly designed, which fail to meet their objectives and which splash large amounts of taxpayers' money up against the wall.
They did it with the NBN, they did it with pink batts, they did it with NRAS, and now they want to do it again with NRAS 2.0.
Is that also a correct statement, Senator Fawcett? That's not really a statement for the officials.

**Senator CAMERON:** How would he know?

**ACTING CHAIR:** Senator Fawcett would most definitely know.

**Senator Fawcett:** planning to actually provide 250,000 homes at $6.6 billion whereas the first scheme provided only about 38,000, with about half that amount. To my mind, given the cost escalation, I can't see how that scheme is going to work. Senator Smith, I think you are on the correct path there.

**ACTING CHAIR:** That was the point I was trying to make, yes.

**Senator CAMERON:** Secretary, back at budget estimates, I was asking you about the scheme. You said: 'I think it's correct to say yes. There have been a lot of very positive outcomes from the scheme.' Do you still agree with that position?

**Ms Campbell:** Yes.

**Senator CAMERON:** 'Housing has been delivered.' Do you agree with that?

**Ms Campbell:** Yes.

**Senator CAMERON:** And you were 'aware that there are a number of complaints about some of the providers within the scheme.'

**Ms Campbell:** Yes.

**Senator CAMERON:** So there were a minority of providers who engaged in what we would call shark practices. Isn't that correct?
Ms Campbell: There were a number of providers. When you look across the 36,000—I'm looking to Mr Menzies-McVey what proportion of the housing stock was caught up with the problematic providers.

Mr Menzies-McVey: There was 126 approved participants, and we have received transfer requests in relation to six of those.

Ms Campbell: But if we just look at the number of houses that were dealt with—I'm trying to work with the actual dwellings.

Mr Menzies-McVey: Those incoming transfer requests related to 562.

Senator Cameron: How many total?

Mr Menzies-McVey: The total number of active allocations is about 35,000.

Senator Cameron: They were a minority of problems by some of those who in the private sector. None were in the community housing sector. Is that correct?

Mr Menzies-McVey: That's correct.

Ms Campbell: That's correct.

Senator Cameron: I don't want you to comment on a policy, but what we've indicated is that we will not be going to private providers. We will go to the community housing sector. There are no problems with the community housing sector.

Ms Campbell: There haven't been any reports of problems because, generally, they are both the provider and the owner of the housing.

Senator Cameron: Yes, but overall the scheme has delivered very positive outcomes, correct?

Ms Campbell: The scheme has delivered housing against the criteria that was established.

Senator Cameron: So you don't want to repeat what you said last time, that there have been a lot of very positive outcomes from the scheme?

Ms Campbell: There have been some very positive outcomes from the scheme and, at the time, there were also some negative outcomes.

Acting Chair: But it's not correct to say, Senator Cameron, that the scheme has only delivered positive outcomes because clearly in the evidence we've heard there were some flaws.

Senator Cameron: I'm not claiming that.

Acting Chair: You're not claiming that?

Senator Cameron: No.

Acting Chair: Okay, good. Make sure that's on the record.

Senator Cameron: What I'm saying, Senator Smith, is that I actually raised the issues with a number of ministers in the coalition. I was the one who raised these issues with them, and I have been pursuing them now for at least—

Acting Chair: Therefore we would expect a better-designed 2.0 policy.

Senator Cameron: If you'd just show me a little bit of respect—you're supposed to be chairing this.

Acting Chair: Of course, Senator Cameron.
Senator CAMERON: Secretary, is it correct to say that I've been raising this for some time now?

Ms Campbell: Yes, we've been working with you on these matters.

Senator CAMERON: And I've worked cooperatively with you and the department?

Ms Campbell: Yes.

Senator CAMERON: I've worked cooperatively with the ministers, various ministers, to try and fix this?

Ms Campbell: Yes.

Senator CAMERON: In fact, for those private providers, my office is the one that gets most complaints, and we've worked constructively with the department and the ministers to try and fix it. That's correct?

Ms Campbell: That's correct.

Senator CAMERON: You can't comment on policy, Secretary, but I just want to put it on the record. That's why we are saying we are not going to go to individual investors. The market is flawed, and the market produces these problems. They are a minority of the allocations, but we want to fix them and get young families, young people, homeless people into housing. That's important. Secretary, can I ask you about the task force that was set up?

Ms Campbell: The NRAS task force that Mr Menzies-McVey heads up?

Senator CAMERON: Yes. There were a number of recommendations. One was for the bond aggregator, which is the NHFIC. Is that correct?

Ms Campbell: I think you're probably talking about a different task force. Mr Menzies-McVey set up a task force within the department to deal with the regulatory issues around NRAS. Are we talking about a Treasury task force?

Senator CAMERON: Yes, but your department was on that task force.

Ms Campbell: We most probably were.

Senator CAMERON: Who was on it?

Ms Campbell: I think it might have been before I was the secretary. We're trying to look around to see if we can find anyone who knows. We may have to take that on notice.

Senator CAMERON: When you take it on notice, could you also take on notice that one of the recommendations was that the funding gap had to be dealt with. Are you aware of that?

Ms Campbell: I am aware of that.

Senator CAMERON: This the government's own task force, correct?

Ms Campbell: That's my understanding.

Senator CAMERON: The recommendation was to set up the NHFIC, which is the bond aggregator?

Ms Campbell: Yes.

Senator CAMERON: The task force indicated that that, on its own, would not deliver sufficient outcomes to allow the community housing sector or investors to invest in housing for lower income people, correct?

Ms Campbell: I understand that was a feature of that task force report.
Senator CAMERON: They recommended the funding gap be dealt with. Minister, what have you done about the funding gap?

Senator Fawcett: I'll take that on notice.

Senator CAMERON: You don't know, do you?

Senator Fawcett: It's not my portfolio.

Senator CAMERON: Well, can I tell you: you've done nothing. Can I tell you that nothing has been done. In fact, all the nonsense that went on about how the budget was going to be a housing budget—nothing of any substance was done. Minister, is the government, in the short time that it's got left, doing anything in relation to the funding gap?

Senator Fawcett: I'll take that on notice.

Senator CAMERON: You don't know? It's not your fault? Are you aware of that report, Minister? You're here representing the minister.

Senator Fawcett: At very short notice.

Senator CAMERON: Okay. I want to be fair with you, Senator Fawcett; I won't pursue it. In the context of the funding gap, is there a significant shortage of social and affordable rental housing in Australia?

Ms Campbell: The reports are that there is a shortage of affordable housing. There are programs such as the Commonwealth rental assistance to assist people into—

Senator CAMERON: No, that's not what I'm asking you. I'm asking you: are you aware that there is a significant shortfall in social housing?

Ms Campbell: I am, Senator.

Senator CAMERON: Do you know what that shortfall is?

Mr Williamson: Different stakeholders have presented different figures around the shortfall in affordable housing. That's one of the reasons why, under the National Housing and Homelessness Agreement that's been entered into between the Commonwealth and the states, there is a data working group to try to bring together the data from the various jurisdictions and the Commonwealth to get a better understanding of the social—

Senator CAMERON: Blah, blah, blah. Sorry, but are you aware of AHURI, which is the organisation established by the government?

Mr Williamson: Yes, I am.

Senator CAMERON: Do you know what their figures are?

Mr Williamson: I believe it's in the vicinity of 700,000 over—

Mr Philp: It is 727,300 over 20 years.

Senator CAMERON: Are you aware of anything the government's doing to try and address that?

Mr Williamson: The government announced the National Housing and Homelessness Agreement—

Senator CAMERON: That's got nothing to do with this.
Mr Williamson: which provides the states and territories with—

Senator CAMERON: Mr Williamson, I'm not asking you that. I'm asking you: what's the government doing to deal with the issue of the shortfall in public housing and community housing?

Mr Williamson: That funding goes to the states and territories, who are primarily responsible for social and community housing.

Senator CAMERON: So 'nothing' is the answer.

Ms Campbell: They have entered into that agreement, Senator.

Senator CAMERON: But that agreement does not provide for funding to build housing, does it?

Ms Campbell: It provides funding to the states and territories, who have principal responsibility for housing.

Senator CAMERON: But, under the agreements that have been reached, most of the funding is for NGOs to assist homelessness. That's where most of that funding goes.

Mr Philp: Six hundred and twenty million dollars as part of that agreement is matched funding for homelessness; the remainder is for housing programs with the states and territories.

Senator CAMERON: What's been delivered in the last five years?

ACTING CHAIR: Senator, we are going to have to wind this up because it is 6.30.

Mr Williamson: That agreement began on 1 July last year.

Senator CAMERON: Have all states signed up?

Mr Williamson: Yes.

ACTING CHAIR: After the dinner break we'll move onto outcome—

Senator CAMERON: I don't think you can move onto anything because you don't have a quorum.

ACTING CHAIR: We will come back and deal with the Department of Human Services. Before we do suspend, is there a risk that Labor's committed to relaunching the NRAS without addressing any of the issues—

Senator CAMERON: Chair, point of order: you've actually come to the end of this session.

ACTING CHAIR: No, I'm chairing the meeting.

Senator CAMERON: So you're going to keep running, are you?

ACTING CHAIR: I've not yet suspended. I have foreshadowed the suspension.

Senator CAMERON: Are you going to give me extra time?

ACTING CHAIR: You have been very generously allocated time.

Senator CAMERON: Are you going to give me extra time?

ACTING CHAIR: I'm happy to continue.

Senator CAMERON: So am I.
ACTING CHAIR: Great. Is there a risk that Labor have committed to relaxing the NRAS without addressing any of the design issues in their original version?

Ms Campbell: Senator, it's very difficult for us to comment on opposition policy.

Senator CAMERON: You can't comment.

ACTING CHAIR: I wouldn't be doing my job if I didn't ask the secretary the question.

Senator CAMERON: You've been around long enough to know. A point of order, Chair.

ACTING CHAIR: Yes?

Senator CAMERON: You know you can't ask for an opinion and certainly not an opinion about opposition policy.

ACTING CHAIR: No, you can ask for opinion. The officials are not required to respond to a question about an opinion.

Senator CAMERON: You've got no policy; that's your problem.

ACTING CHAIR: Senator Fawcett, there is, of course, the housing affordability bill before the parliament at the moment. Those who are familiar with the issue know that Senator Cameron has been a champion trying to address the concerns of some constituents. How, then, do you explain Labor's opposition to the government's bill, given that the government's bill seeks to put additional protections into the NRAS scheme for investors?

Senator CAMERON: A point of order, Chair: you cannot ask the secretary to explain Labor's opposition.

ACTING CHAIR: The question is to Senator Fawcett. How, then, Senator Fawcett—

Senator CAMERON: But he doesn't know anything about the thing. He's told you that already.

ACTING CHAIR: How, then, do we explain Labor's opposition to the housing affordability bill?

Senator CAMERON: Get the iPhone out!

Senator Fawcett: Senator Smith, again, it's not my portfolio area—

Senator CAMERON: At least you're consistent.

Senator Fawcett: but I do recognise that, on a number of issues, there are a lot of opportunistic decisions being taken, as we've seen just in the last week over border protection.

Senator CAMERON: Is that the best you've got?

Senator Fawcett: As the details of that develop, we see the opposition back-stepping from many of the decisions. In fact, there is some division on behalf of the opposition at the moment between different factions as to how they should proceed with that. As we draw to this part of the electoral cycle, there are many things being done that are politically opportunistic as opposed to in the long-term interest of the nation.

ACTING CHAIR: Great, thank you. Senator Cameron, do you have any other questions?

Senator CAMERON: If it's deteriorated to this level, I might let it go.

Proceedings suspended from 18:35 to 19:35
Department of Human Services

CHAIR: I welcome back Senator David Fawcett, representing the Minister for Human Services and Digital Transformation, and officers of the Department of Human Services. Minister, do you wish to make an opening statement?

Senator Fawcett: No, thank you, Chair.

CHAIR: Secretary, do you wish to make an opening statement?

Ms Leon: I would like to make a short opening statement if the committee is amenable. I would like to take a few moments to outline the contribution that the department has made towards recovery from two major natural disasters that recently affected Australians: the bushfires in Tasmania and flooding in Queensland.

The bushfires started before Christmas. Houses have been lost and there has been widespread damage to land and property. To support the Tasmanian state government bushfire response, the National Emergency Call Centre, which is operated by the department, was activated, and activation of disaster recovery allowance commenced for Tasmanians on 3 February, covering four local government areas.

Then, between 26 January and 7 February 2019, Townsville recorded more than 1,200 millimetres of rainfall, exceeding its yearly average, and with some locations recording more than 2,000 millimetres. Across Far North Queensland, an area approximately the size of Victoria has been flooded. Over the course of the event, the government declared an emergency in 14 local government areas. The geographic spread reached from Cooktown in the north to Winton in the south, and from the east coast right through to the Northern Territory border.

Australian government disaster recovery payment and disaster recovery allowance were activated on 4 February and made available to impacted residents of all declared areas. More than 3,000 staff across our national network were trained to take calls and process emergency claims. This allowed us to effectively respond and manage the demand virtually even as many of our Townsville based staff were personally impacted by the floods. In the first three days, we answered over 20,000 calls for assistance and demand remained high in the following week. The department also maintained a strong presence of 24 service delivery staff and four social workers at six recovery centres and two Defence Force barracks. Additional social workers across our national network also supported customers over the telephone. Our mobile service centre is currently in the regional area west of Townsville, providing services to the farmers impacted. We have now answered over 92,000 calls and processed more than 72,000 claims, with over $84 million in payments made to Australians in need.

Even in adversity, innovation continues. We used the new payments platform, allowing many customers to receive payment within an hour of their claim being granted. The vast majority of disaster recovery payment claims are being finalised over the phone when a customer calls, and financial assistance is in their bank account within a few hours. Despite the significant call numbers, the wait times for customers have remained very low, with many calls being answered within seconds.

To give you an understanding of the scale, in the last two weeks, during the students' peak processing period, we've answered over 42,000 calls from students, and in the same period we've answered more than 83,000 calls for emergencies. This response has been an incredible
example of collaboration, with everyone working across borders to deliver immediate support to affected Australians, while still answering calls and processing claims for other customers. Our committed staff have also been working late into the night and on weekends to ensure we don't adversely affect the quality of service for our other customers while we are responding to the emergencies. I also must mention that some 145 of our 650 staff in Townsville were also impacted—many seriously—by the floods, yet the majority still came to work to help others.

At the same time, we continue to work hard to improve the services we are delivering to customers through our call centres. Our efforts can be seen through the reduction in busy signals, the average speed of answer, and a reduction in transfers—all alongside increased call volumes. We continue to improve customer service levels with the addition of our service delivery partners and the transformation of our telephony platform and services. Call wait times across the main Centrelink lines have fallen compared to the same period last year. The average wait time for the employment line is down 11 minutes and the families line wait time has fallen by four minutes. Call transfers have dropped by 28 per cent across all lines. Transfers on the youth and students line are down by 82 per cent. Busy signals have decreased by 43 per cent, which is 13.5 million compared to the previous financial year, and some lines now experience days without any busy signals. Post-call survey results show that 80 per cent of customers surveyed have their queries resolved during the call.

More improvements are planned, including the use of voice authentication for customers to more quickly confirm their identity and the ability for our customers to schedule a call at their own convenience. We're also committed to improving the customer experience by processing claims as quickly as possible. Most claim types are now achieving a median processing time of less than four weeks. As at 31 January, we've processed over two million new claims this financial year. We have finalised over 50,000 more age pension claims, an increase of 73 per cent compared to the same time in the previous year; over 17,000 more paid parental leave claims, an increase of more than 10 per cent compared to the same time in the previous year; and over 18,000 more youth allowance student claims, an increase of more than 24 per cent compared to the same time in the previous year.

I'm extremely proud of the staff of the department and their commitment to improving the experience for our customers. We are not done yet, but I wanted to take this opportunity to share with you some of the advances we have made in modernising our services using emerging technology, all whilst managing the delivery of payments and services to Australians, particularly in times of disaster. Thank you, Madam Chair.
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 shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to leave questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy. It 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 to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised.

_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)

Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to the government is not a statement that meets the requirement 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. I open the hearing. Senator Watt?

Senator WATT: Thanks, Ms Leon and team. As a senator for Queensland can I thank you and your staff for the work you've been doing around the Townsville floods. I will have some questions about that later. We thought we might start with some broader issues across the department, but I do want to put on record my gratitude to your staff for the work that they're doing.

I want to start with some questions around handling of disability support pension payments. My understanding is that in 2016-17 the expenditure on the DSP was $16.3 billion. Does that sound right?

Ms Rule: Questions regarding expenditure on payments are the remit of the policy agencies.

Senator WATT: DSS? I was thinking that as I was asking it. That's okay. It's a large amount of money—in the billions?

Ms Rule: Yes.

Senator WATT: It's obviously a pretty significant program that's administered by DHS.

Ms Rule: That's right.

Senator WATT: For those who aren't across it, the DSP provides financial support to working age Australians who have a physical or psychiatric impairment that limits their capacity to engage in employment. We're talking about pretty vulnerable Australians who receive the DSP.

Ms Rule: Yes.

Senator WATT: You'd be familiar with the report handed down by the audit office, I think possibly in December.
Ms Rule: Yes, I'm familiar with that.

Senator WATT: It was following an audit of the DSP. I think you'd probably agree that there were some pretty damning findings in that report. Is that recognised by the department?

Ms Leon: We acknowledge the findings of the report. We have read the report, yes. We aren't expressing any opinion about the nature of those findings.

Senator WATT: Ms Leon, how do you view the conclusion that internal and external performance measures are not fully effective?

Ms Rule: It's a finding that suggests there's more work to do on how we assess the performance indicators around our processing of DSP. We have initiated some work with our colleagues in the Department of Social Services to look at how we can do that better.

Senator WATT: I should probably ask at the outset: has there been a government response or a departmental response to this report yet?

Ms Rule: As part of the audit process we respond to—

Senator WATT: You provided feedback during the process.

Ms Rule: And as part of the audit process we provide commentary at that time about whether we support the recommendation, which we did in this audit.

Senator WATT: One of the other conclusions was that the Department of Human Services does not comprehensively monitor if officers are communicating the reasons for access decisions to DSP applicants in a timely and accurate manner. Is that a conclusion that the department accepts?

Ms Rule: We have accepted the findings of the audit report and we're currently working through the recommendations to make the necessary improvements.

Senator WATT: How did it get to the point that the department wasn't monitoring whether its officers were communicating the reasons for access decisions to applicants?

Ms Rule: We constantly monitor the performance of our staff and the information that they're providing, and we regularly update guidance material to staff. We will have done the same in this instance in response to an audit report.

Senator WATT: One of the other conclusions was that Human Services should make improvements to the effectiveness of monitoring, evaluating and reporting on the delivery of the DSP programs. That's acknowledged and is being addressed.

Ms Rule: Again, we have accepted the audit findings and are actioning them appropriately.

Senator WATT: The audit office found that assessment of performance against outcomes is not complete, as the departments do not have a comprehensive set of key performance measures for interdepartmental external reporting. I suppose I'm surprised. The department's been around for a while. I acknowledge, Ms Leon, that you've been the secretary not for the last five years, but the department's been around for a while. How is it that we get to the point that an established, mature department doesn't have those kind of key performance measures?

Ms Leon: We do have key performance measures, but we are in the process, not only in relation to DSP but in relation to a number of our key performance metrics, of reviewing those to bring them up to date and modernise them so they will more thoroughly and
transparency reflect our performance across a range of measures. I think it's fair to say that the evolution of performance measures, both across the public service and more broadly in the private sector, has been occurring in recent years as people are more precise and expecting more information about performance. We are reviewing our measures in order to make sure that we are providing useful information about performance. There is a wholesale review of all of our KPIs underway at the moment.

**Senator WATT:** Was there any reason that the department, by the time of this report, had not implemented the Auditor-General's recommendation 3A from a report in 2015-16 to develop a more complete set of internal and external performance measures?

**Ms Deininger:** There was an earlier recommendation, and with DSS we undertook some preliminary work. That is now being progressed again through the recommendations in the most recent audit.

**Senator WATT:** Right, but there wasn't really a reason that the previous recommendation hadn't been implemented?

**Ms Deininger:** I'll check if there's some additional information I can provide on that.

**Senator WATT:** Probably the most concerning finding by the audit office was that the interdepartmental timeliness key performance measure is biased, as it excludes DSP claims with processing times over 84 days. I saw some media reporting about this at the time that said really that the figures that you give us about processing times are—I think the word was 'fudged' in the media report, if not the Auditor-General's report. Why is it that the processing time data that was being supplied by the department was incorrect?

**Ms Leon:** We don't at all accept the description of that as fudged.

**Senator WATT:** What would be a better description?

**Ms Leon:** I accept that this is an imperfect proxy, but the reason for the exclusion in the counting of claims that are over 84 days reflects that, particularly for DSP and a number of other claims that have this feature, there are a very significant number of claims that are unactionable for lengthy periods of time while we wait for either additional information from the applicant or third party information. This is a particular issue for claimants for DSP, who often need to provided medical reports and specialist reports to substantiate their claim. The exclusion of claims that have been waiting over 84 days is a reflection of the fact that those very old claims are mostly ones where it's not that we are holding them up; it's that we don't have the information. I accept that that is an imperfect measure of the claims for which we are awaiting information, but that is the basis of the exclusion of the very old claims from the processing time data. Otherwise it does give a misleading representation of how long it's taking the department to process the claims.

**Senator WATT:** Are you saying that all claims that take longer than 84 days are due to a failure by the applicant to provide certain information? There's never a problem at the department's end?

**Ms Leon:** No, I didn't say that all claims are, but in relation to DSP it is a proxy for the fact that there'll be a very significant number of claims that are still awaiting information from the person. For example, I can take you to some figures about disability support pension at the moment. We have on hand at the moment—a few days ago—nearly 4,000 claims that are actionable but nearly 12,000 claims that are unactionable. So you can see that there's a very
significant number in the DSP space where we are waiting for information either from the applicant or from a third party such as a medical specialist.

Senator SIEWERT: Can I take this opportunity to raise a particular point that I want to follow up. In terms of those that you call unactionable, I've had some recent experience with some constituents of mine where their medical certificates have been rejected, where they've got psychosocial disabilities on top of other significant disabilities. And I've got to say that the interaction with the particular Centrelink officer on occasions has shown a distinct lack of understanding by the officers for particularly the psychosocial aspects of their disability. They have ignored repeated requests for the way they should be contacted, and it has significantly exacerbated the people's illness and anxiety to the point where they are unable to engage. I would not say that's a failure or they're unactionable; that is because the people's cases have not been handled in the way that, quite frankly, we should expect that they should be handled.

There was a distinct lack of empathy and understanding of the issues.

Ms Leon: We're very happy to engage with you offline about individual cases. Obviously we don't know the cases that you're referring to. Our expectation of our staff and our training of our staff is directed to ensuring that they do approach these claims empathetically.

Senator SIEWERT: You say that every time, and yet we are still having the same problems.

Ms Leon: If there are particular cases that you want to draw to our attention, we're happy to look at those, but just not in open evidence.

Senator SIEWERT: I know. And I don't want to follow up those particular cases, but given the number of people that I have had direct emails from and direct ongoing communication with, it doesn't point to just one or two.

Ms Leon: We receive over a thousand disability support pension claims a week. I understand that even one or two complaints is too many, but we do train our staff and expect our staff to respond to the needs of applicants in a way that's empathetic and appropriate for their circumstances. Of course we wish that there were never any errors made in, for example, method of contact, but I acknowledge that it's possible, across a department that conducts millions of transactions a week, that there might be some that are not perfect. We always seek to do service recovery if any of those errors are drawn to our attention. I don't accept that there's a widespread or endemic problem in Centrelink of failing to manage interactions with our customers empathetically and appropriately. If there have been any particular instances that have come to your attention, obviously we would want to know about those and undertake service recovery for them.

Senator SIEWERT: 12,000 actionable?

Ms Leon: As at 15 February there were 11,841 that were unactionable.

Senator SIEWERT: Given the discussion we've just had, what percentage of those are because the person is not engaging because they're frustrated, they can't get the materials, their medical certificates have been rejected or disbelieved—

Ms Leon: I think that's a lot of different categories, but they're not the—

Senator SIEWERT: Yes—
Ms Leon: categories that we would categorise unactionable by. What we would say is they're unactionable because we are awaiting further information either from the customer or from a third party. But we don't necessarily know whether the reason they haven't provided us with further information is that they haven't got it or because they are frustrated.

Senator SIEWERT: Is that information in terms of why they're considered unactionable recorded?

Ms Leon: Do you mean is it categorised?

Senator SIEWERT: Categorised. I beg your pardon.

Ms Leon: No, it is categorised as unactionable. We don't have a category called frustration, if that's what you mean—

Senator SIEWERT: Or disengaged—

Ms Leon: If someone hasn't provided us the information, we don't know why they haven't provided it in a way that we can categorise. Of course, we could get each individual file out and look at what our last interaction with the person was but it won't necessarily tell us what they're currently thinking and feeling. We won't necessarily know that they're disengaged—

Senator SIEWERT: Why people are frustrated is for particular reasons. They may not be able to get the information. They may be triggered by interaction, because, as I've just articulated, the way that they wanted to be contacted isn't there. There's a list of unactionable that seems to be growing.

Ms Leon: There is always a high number in this claim and in some other claims where there is information that people aren't able to get together for their claim. For example, when we talk about age pension there is always quite a high unactionable rate there as well where people have to get together information about their assets, and often find that either they can't find it or when they do find it it's going to put them outside the assets limits or they simply don't get around to getting back to us. But we don't know which of those it is that has meant the person is not responding to us.

Senator WATT: Essentially what you're saying is that the reason that the delays of over 84 days for processing an application for the DSP were excluded from performance reporting was largely due to the difficulties in obtaining evidence from many applicants? That's a fair characterisation?

Ms Leon: Yes, it is, because claims for DSP that are more than 84 days tend to be ones where we are still waiting on information.

Senator WATT: Okay. You do know though that in the Auditor-General's report he—and I think it was a he—noted that in April 2015 your department and the Department of Social Services agreed that claims that take over 84 days would be excluded from the reporting and that when the Department of Social Services requested evidence of this reason for this delay, the Department of Human Services advised that the information was not available. So how are we to believe what we're being told here if there's no information available to back it up?

Ms Leon: Sorry, to whom did DSS say that they didn't have the information?

Senator WATT: I'm quoting from the Auditor-General's report and it reads as if it was the Department of Human Services that was unable to provide evidence. The quote is:
When Social Services requested evidence of this reason for delay, Human Services advised that the information was not available.

Ms Leon: I don’t know on what basis that conclusion would have been arrived at, because we have a regular tally all the time of how many claims are awaiting further information, so there isn’t anything that’s unavailable about the time that it takes to process claims.

Senator WATT: I recognise, Ms Leon, that you weren’t the secretary in April 2015, but is there anyone here who was around at that point in time who might be able to explain why the Auditor-General reached this conclusion?

Ms Leon: We may have to take that on notice, Senator.

Senator WATT: We should have asked Ms Campbell, perhaps, earlier today, but she’s gone to Social Services. It’s on page 53 of the report, I understand.

Ms Leon: I’m happy to take that on notice and just see what the factual background at that time was. But certainly, at this time, there’s a very full and free flow of information between the Department of Human Services and the Department of Social Services about processing times for all of the social services claim types.

Senator SIEWERT: It’s the reason, not the time.

Senator WATT: Can I get you to take on notice who specifically in the Department of Human Services made this decision to exclude delays of 84 days and above?

Ms Leon: I’m sure we’ll be able to provide the position that made that decision and what the background to the decision was.

Senator WATT: Yes. I’m sure that, if the person is in the next room, they’d like to come forward now and have a chat.

Ms Leon: The people who are responsible for DSP are at the table, and I don’t think any of them were here.

Senator WATT: None of you were in that role in April 2015?

Ms Rule: No, Senator.

Senator WATT: I suppose the thing I’m wondering is: if one of the three performance measures for the department in this field is timeliness, how is it then that claims over 84 days can be excluded? It does give a bit of a false portrayal, doesn’t it?

Ms Leon: For all of our claims there is a need to have the KPI more properly reflect the timeliness that was within our control. For all of them there’s a degree of both understating and overstating because for all claims there are periods of time where we are waiting for something from the applicant, and yet they’re all picked up as if that’s our timeliness. So we acknowledge that all of the timeliness measures are affected, usually in a way that makes the department look slower than it is, by the fact that the clock keeps ticking even when we are waiting for information from applicants. So we are reviewing our KPIs, and we’re also reviewing our processes and our technology to see if we can better capture how much of the time of claim processing is on us and for how much of it the clock should really be stopped because we’re waiting for something to happen.

Senator WATT: I hear what you’re saying, that there are many of these examples where it’s through no fault of the department, and you’re not blaming the applicants, but there’s been a reason that documents haven’t been provided. But you’ve conceded that there are also
occasions when the department has dropped the ball in some way, and that's led to a lengthy—

**Ms Leon:** We prioritise the handling and the processing of claims. If there's a claim that's actionable and that's in the aged category then it gets our first attention.

**Senator WATT:** But it is the case that, for those claims where processing has gone on for more than 84 days and that's due to some problem at the department's end, those occasions are being hidden. You're not going to tell me there aren't any examples of that?

**Ms Leon:** Of course I would never rule out the possibility of there being some that are like that, but I would think our processes are geared to prevent there ever being a claim where we've just sat on it for that long. That is definitely not what our processing and prioritisation would enable. There will be some claims that are actionable that are more than 84 days because, on day 82, we got the information that we'd been waiting for, but we wouldn't allow a claim to be sitting around for 84 days and do nothing about it if we had all the information that we needed. We prioritise the processing of older claims once they become actionable.

**Senator WATT:** It is the case, isn't it, that the exclusion of these extremely long processing examples, regardless of who's at fault—excluding them from the delays that are reported on—does make it easier for the department to achieve its key performance indicator, because all of the really long ones are excluded?

**Ms Leon:** I think I did concede that it's an imperfect proxy, but nevertheless it is a proxy for the fact that there will be many claims at any given time that are over 84 days where that is because we've been waiting for information. So we are seeking to more accurately measure the time that processing has been with us and the time that processing has been on hold, but we don't have that capacity as yet.

**Senator WATT:** How many other performance measures of the department have this feature of excluding extremely long claims?

**Ms Leon:** I don't think there are any others.

**Senator WATT:** Are you sure?

**Mr Jackson:** There are no other situations of that. We have discussed it many times at this committee. You have alluded to age pension and the likes of that, where we have some claims where we've got a thousand days where the person has been residing in Greece and we've been trying to contact them. Those claims still contribute to our timeliness, which is clearly problematic. But, no, there are no other situations where—

**Senator WATT:** So you can give us an assurance, hand on heart, that there are no other measures where extremely long processing times, even where it might be the fault of the applicant, are excluded from reporting data?

**Ms Rule:** We're just getting someone to check. The only payment where I'm not sure of the answer, so I don't think we can put our hand on our heart, is carers payments, so we're just getting someone to check that for you now.

**Ms Leon:** I wouldn't describe it as 'fault'. We don't describe it as being the fault of the applicant.

**Senator WATT:** Misleading.
Ms Leon: We just say there can be lots of reasons why people haven’t got information to us. It’s just a factual statement that they haven’t—

Senator WATT: Sure, but it’s misleading for the department to say that it is processing X per cent of claims within a certain period of time if tens of thousands of them are being excluded.

Ms Leon: I think, as I said, there’s a degree of inaccuracy on both sides about the processing because, for all of the ones that are under 84 days, we might well have been waiting for much of that time for information as well, but nevertheless they are still counting against our timeliness indicator even if we haven’t been able to action them. So we acknowledge that, whilst we can’t separate out the time that we’ve been waiting from the time that we’ve been actioning, there is inevitably a degree of inaccuracy, both positive and negative, about the processing timeliness indicators. We are reviewing those to see if we can better report in a way that reflects our own timeliness and doesn’t mix it up with time of waiting.

Senator WATT: I’m sure you can understand how important it is that we, the parliament and the public, receive accurate, reliable data.

Ms Leon: Yes, we understand that.

Senator WATT: That’s why we’ve spent a significant period of time on this report. I think that’s it for us on that topic, but we’ve got plenty of others to move to.

Mr Jackson: Sorry, Senator, if I can—and it is embarrassing, so I apologise. Apparently carers do come into that category, I’ve just been told. But I can now, I’ve been told, also put my hand on my heart.

Senator WATT: Lucky you didn't have your hand on your heart before!

Mr Jackson: No, my hand did not move fast enough!

Senator WATT: Is action being taken to address that in the same way that you are around the DSP?

Ms Leon: All of the KPIs are under review, Senator.

Senator WATT: Thanks.

Senator SINGH: Ms Leon, this is a fairly self-evident question, but I need to ask it. Is DHS a non-corporate Commonwealth entity?

Ms Leon: That’s correct.

Senator SINGH: Does DHS comply with the Department of Finance Guidelines on information and advertising campaigns by non-corporate Commonwealth entities?

Ms Leon: Yes, Senator.

Senator SINGH: You’re aware that those guidelines ‘set out the principles applying to information and advertising campaigns undertaken in Australia’ and that non-corporate Commonwealth entities under the Public Governance, Performance and Accountability Act must comply with those guidelines?

Ms Leon: Yes, Senator.

Senator SINGH: Are you aware that these guidelines state at point 8:
The underlying principles governing the use of public funds for all government information and advertising campaigns are that:

... ... ...

c. government campaigns must not be conducted for party political purposes.

Ms Leon: I understand that, Senator.

Senator SINGH: Are you aware that these guidelines state at point 27:
Campaigns must not try to foster a positive impression of a particular political party or promote party political interests.

Ms Leon: I am aware of that, Senator.

Senator SINGH: Finally, the guidelines at point 28, in relation to government campaigns' presentation, state:
Campaigns must not:
  a. mention the party in Government by name;
  ... ... ...
  d. be designed to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament ...

Ms Leon: Yes, Senator.

Senator SINGH: Given your affirmation of the guidelines as I read them in those sections and that clearly those factors state explicitly that DHS as a non-corporate Commonwealth entity must comply, can I ask how a letter was sent out on Australian government letterhead from the Department of Human Services with the signature of the Treasurer, Josh Frydenberg, and under his name the words 'Deputy Leader of the Liberal Party' on it?

Ms Leon: The letter that you're referring to, I think, is the letter that was sent to people who were turning 45 or turning 65 to draw their attention to an online life-check tool. Is that the letter you're referring to?

Senator SINGH: That's correct, yes. That's the letter.

Ms Leon: That letter was produced by the Department of Health and was mailed out by the Department of Human Services because we have the database with every Medicare-eligible individual, which tells us what their age is. We don't have, and didn't have, any involvement in the content of the letter, but we did provide the mailing list.

Senator SINGH: The mailing list and the mailing out, I think you just said?

Ms Leon: We get the content from the Department of Health—and I should say it's not the only time where we are the department that organises a mail-out, because we've got the database of customers. In this case, it was the Department of Health that provided the content of the letter. It's a third party that actually puts it in envelopes and sends it. It's a commercial organisation that does that, using a database of addresses that have come from the Department of Human Services Medicare database.

Senator SINGH: Let's just go back a little bit. You said that the content was produced by the Department of Health, hence it having also the Minister for Health's signature on it. Then the mail-out is done by the Department of Human Services. So who approved the—
Ms Leon: And I think the letter also has an express disclaimer on it that says the department is sending this letter on behalf of the Department of Health.

Senator SINGH: Who approved the letter?

Ms Cattermole: That would be a matter for the Department of Health. The letter comes to us, as the secretary has described, with approved content. It comes to us, and then we organise the mail-out using the database which we have which enables us to identify when people are turning the relevant ages—in this case, 45 and 65.

Senator SINGH: When the letter comes to the Department of Human Services, are you saying that there is no-one within the Department of Human Services that actually looks at the content of that letter?

Ms Cattermole: The content is approved through processes that are conducted through the Department of Health, and it comes to us. Then our job is simply to apply the letter to the relevant people, in this case, to whom that letter is to go to, using our Medicare database because we can identify the relevant ages of the people, and then to actually conduct the mail-out.

Ms Leon: I should say there are about 600,000 of those letters, so it's not as though anyone in the department is manually typing the names and addresses onto them. The database spits out the letter with each person's name and address on it and the approved content in it. It's an electronic process, not a human-aided process, to produce the letters.

Senator SINGH: You said 600,000 people were sent this letter. That'd be, what, a dollar per stamp? So that's about $600,000. How much for the printing, the outsourcing of the stuffing of envelopes and so forth? What's the total cost of these letters being sent out?

Ms Leon: We were funded for this as a budget measure. This is part of the 2018-19 budget measure More Choices for a Longer Life. We received $3.16 million over the forward estimates. That's over 2017-18 to 2021-22 for the production and mail-out of those letters.

Senator WATT: So there was a specific budget measure to mail out these letters?

Ms Leon: That's correct. As part of a broader health and ageing measure.

Senator WATT: A specific budget measure to mail out a letter to 600,000 people signed off by the Deputy Leader of the Liberal Party. Does that sound right, Minister?

Senator Fawcett: I think it would be fair to say that the budget measure was around a program to make people aware of the advice that is available in the areas of finance, getting work in your older years, health and social aspects—four key determinants of wellbeing. The program that was budgeted was to connect people at those two checkpoints, 45 and 65, with the resources that are available to them. That was the purpose of the funding.

Senator SINGH: Ms Leon, you have previously answered my questions making it clear that you are very aware, as the secretary of the Department of Human Services, of the guidelines that you must abide by in relation to information and advertising campaigns for non-corporate Commonwealth entities. Made clear in those guidelines is the fact: Campaigns must not try to foster a positive impression of a particular political party or promote party political interests.

I went on to outline specifically—which you agreed that you were very aware of—that campaigns must not:
be designed to influence public support for a political party, a candidate for election, a Minister or a Member of Parliament …

Clearly, this letter has underneath it ‘the Hon. Josh Frydenberg MP, Treasurer, Deputy Leader of the Liberal Party.’ Isn't that in clear breach of those guidelines, this letter that went out from the Department of Human Services, the department that you preside over as the secretary?

**Ms Leon:** I'm not the relevant secretary for the purposes of the act in relation to the content of the letter. It may be—although you really should direct this question to the Department of Health—that the letter is not within the definition of an advertising campaign for the purposes of those guidelines, in any event. These are matters for the Department of Health, because the Department of Health is the relevant department that cleared the content of the letter.

**Senator WATT:** I had exactly the same discussion, sitting in exactly this seat, with people sitting at exactly that table yesterday about another letter that had, admittedly, emanated from the health department. Ken Wyatt, as minister, sending a letter talking about the achievements of the Liberal-National government. Do you know what the excuse was that was given to me yesterday? ‘It's not a campaign.’ That's exactly what you're saying now.

**Ms Leon:** I don't think I asserted that. I think I said it would be a matter for the Department of Health—

**Senator WATT:** We've heard that.

**Ms Leon:** but they might say that it's not within the guidelines, because it's not an advertising campaign.

**Senator WATT:** Who paid for the production of the letter?

**Ms Leon:** The production of the letter was a printing exercise, so I don't know that anyone was paid for the drafting of the letter. That would have been done within—

**Senator WATT:** Out of whose budget did the money come to print the letters?

**Ms Leon:** The $3.16 million was given to the Department of Human Services—

**Senator WATT:** Your department?

**Ms Leon:** Yes—to send the letters.

**Senator WATT:** So your department was given money to send the letters, which involves printing the letters, paying for the postage—you paid for the printing and the postage?

**Ms Leon:** I'm just seeing whether we print them or whether the third-party mail house prints them.

**Senator WATT:** I don't mean who actually ran them through the printer. Who paid for the printing of these letters? Which department?

**Ms Leon:** We did.

**Senator WATT:** Who paid for the postage of the letters?

**Ms Leon:** The entire production and mailing of the letters was paid for out of budget funding allocated to the Department of Human Services.

**Senator WATT:** But you're saying you have no responsibility for this—

**Ms Leon:** For the content.
Senator WATT: that it's all on the Department of Health?

Ms Leon: It's just about being clear about who has responsibility for different parts of the process. If, for example, we had made an error and posted these to the wrong people—because that's the part of the process that we're responsible for, then that certainly would be on the department as the responsible authority. Because we are a service delivery department for many Commonwealth agencies, we do send letters to their customers often, informing them about changes to payments and informing them about new information relevant to them. We do that for the Department of Education in relation to child care, we do it for the Department of Social Services in relation to payments—

Senator SINGH: In relation to those letters, Ms Leon—

Ms Leon: But where there's a policy matter, the relevant policy agency is responsible for the content of the letter.

Senator SINGH: But with whatever letter is sent out in bulk by your department, the Department of Human Services, do you not put in place some due diligence to ensure that the content of what is being mailed out is correct? Or do you just wash your hands of it and go: 'Here's the money. Post it out. We won't look at what's written in it. We'll just spend the $3.1 million and post out whatever is written on there'? That is a little bit far-fetched, I think. With due respect, I have more respect for you to do your job a bit better than just to, you know, let something go through like that. So, surely—

Ms Leon: In relation to the letters we send, sometimes they will be a mix of our responsibility and another agency's responsibility. For example, if we're telling people about some steps they have to go through to prove their income to us or something like that—that's something that we are responsible for and, therefore, it's up to us to take responsibility for the accuracy of that. But, as between Commonwealth departments, we do all expect each other to both do our own jobs and not interfere in matters that are properly the domain of another secretary. That way there's a clear line of accountability. Now, I think as I said, when we're doing a bulk mail-out, it's not as though there's human intervention in the printing and folding of the letters. We feed the parameters into our computer and it searches for the relevant people whose names and addresses match the parameters, and then it prints the letters as provided by the other department.

Senator WATT: I don't think we're going to get any further on whose department is responsible. I think we're going to have to agree to disagree on that. Minister, you're the minister at the table. You're the representative of the government. How can you possibly justify $3 million of taxpayers' funds being spent, in apparent breach of advertising guidelines, to send a letter to hundreds of thousands of Australians from the Deputy Leader of the Liberal Party? Shouldn't the Liberal Party be paying for that?

Senator Fawcett: Well, as I said before, Senator Watt, this is a budget measure about a program to connect people with information that will help them as they make the transition into their ageing—

Senator WATT: I don't have a problem with that. Why did it have 'Liberal Party' on it?

Senator Fawcett: The other comment I would make is that the secretary has already highlighted that this does not necessarily come under the definition—I'm not an expert in that
area, but the secretary has made the point it does not necessarily come under an advertising campaign, because it is a budget measure.

Senator WATT: You don't think that's advertising? You don't think that's a campaign? 600,000 letters—that's not a campaign?

Ms Leon: Senator Watt, I'm not certain, but I think that the guidelines are administered by the Department of Finance.

Senator WATT: So it's their fault?

Ms Leon: No, it's not a question of fault. But, in terms of the interpretation of what's a campaign, the people who really have to be asked that are the Department of Finance.

Senator WATT: No, I asked the minister. Shouldn't the Liberal Party refund this money?

CHAIR: Senator, I will take the call.

Senator WATT: Three million dollars in taxpayers' funds on top of yesterday, with $100,000 in taxpayers' funds. Why is the government rorting taxpayers' money to run an election campaign?

Senator Fawcett: I reject the premise of your question, Senator Watt. Again, this is a budget measure aimed at providing information to a part of our population which is a growing percentage of our population.

Senator WATT: And that's fine.

Senator SINGH: Why does it say 'Deputy Leader of the Liberal Party' on it, if it's a government budget measure? It's not a Liberal Party measure.

Senator WATT: Why put a Liberal logo? Why not make it blue and yellow?

CHAIR: Senator Watt and Senator Singh, I'm going to call Senator Martin.

Senator WATT: It's clearly political advertising.

Senator MARTIN: Just some clarification on who actually paid for the letters—the health department has provided funding of $3.1 million, was it?

Ms Leon: So, we were provided funding—the human services department was funded in the budget measure to send out the letters.

Senator MARTIN: To facilitate—

Ms Leon: Yes.

Senator MARTIN: When we start talking about stuffing envelopes and paying for postage et cetera, it was the health department that actually paid for that to occur, not your department. You facilitated the—

Ms Leon: No, it was us who paid for it, I have to say, because we were funded for it.

Senator MARTIN: Where does the $3.1 million go then?

Ms Leon: So, it's come into our budget.

Senator MARTIN: Yes. Specifically for?

Ms Leon: For these letters, but then some of that money will have gone to the third-party mailing house that actually puts the letters in envelopes—that's not done in the department.
Senator MARTIN: So the funding originated from the Department of Health for specific—

Ms Leon: It originates from the budget.

Senator MARTIN: Specifically for that letter.

Ms Leon: It was a health package in the budget, but funding was allocated—some to the Department of Health for a whole range of other measures; and this $3.16 million was allocated to the Department of Human Services. So, it's appropriated to us, but it's for the production of and the sending out of the letters with the right names and addresses because we have the database of everyone who's—

Senator MARTIN: I understand that, but the $3.1 million comes from the health department. Therefore they've actually funded you to be able to facilitate it.

Ms Leon: It's come from the budget.

Senator MARTIN: Thank you.

CHAIR: Senator Siewert.

Senator SIEWERT: Thanks. I want to go to the issue related to deceased people, the answer to the question of online compliance intervention, the number of deaths of recipients of various notifications related to online compliance and the answer to my question HS28SQ18000176.

Senator WATT: In the meantime, could we get a copy of the opening statement that you read out before as well.

Senator SIEWERT: Yes, that would be useful, thank you. I've certainly had correspondence from people who have been working with families and have reliable information that at least five people have taken their own lives, and their families directly relate it to having received correspondence related to online compliance. Have you been notified of any people—

Ms Leon: I have seen media reports, Senator, where that connection has been made. I think it's important to acknowledge at the outset that, whenever a person takes their own life, it's a terrible tragedy and we completely feel for both the person but, of course, for the people who love them, who've been hurt by the loss of someone they love in those circumstances. And so, I do want to acknowledge that when we talk about this there isn't any sense in which we don't fully recognise the pain that it causes for someone to take their own life and the pain that that causes the people close to them. I think it's also been evident from some at least of the media reports that, as with many cases of suicide, it's always difficult to be crystal clear about what causes someone to take their own life because, by definition, they're not here really to tell you any more about it. So, there is always some risk in to attributing a particular causality between an event and a suicide. We just ought to recognise that in relation to these. Of course we understand that some of our customers are already vulnerable people. Many of our customers might have a mental health condition already. Some of them have already attempted suicide at earlier times in their lives and some of them might, for reasons unrelated to the debt, already be under some personal pressure and then the debt adds to that pressure. In all of those kinds of circumstances, causality is difficult to establish—what exactly caused a person to take their own life? Where a person says something that indicates to us that they
are contemplating self-harm, when they are talking to us, we always refer them to our social workers. In relation to our debt recovery work, we have a number of social workers who are dedicated to that part of the department's work. As well, there is the ability, if needed, to refer people to the broader network of social workers, of which we have about 700 across the department, to provide access to crisis support, and refer people to counselling or assistance with whatever else might be causing their stress.

So we don't accept that we haven't done our best to look after the needs of vulnerable people when we are aware of their vulnerability. As you know, in relation to online compliance, unlike all of our other debt recovery work, we have exempted vulnerable people from the online compliance initiative and we've established a separate staff-assisted process that we're piloting to manage debt recovery for the income data matching, which doesn't require them to go online. They have a staff-assisted process, so that we're able to assess if there is any need for additional help. I know that there have been people who have died after receiving a debt notice, but, because we have a lot of customers, I'm afraid to say that there are always some who are dying for a range of reasons.

Senator SIEWERT: I have a number of questions that I want to ask around this.

Ms Leon: It's not just in relation to online compliance. People might die some time after having a claim rejected, but that is not necessarily because their claim was rejected; it is because, at any one time across the department, some percentage of our clients, every year, do die.

Senator SIEWERT: I appreciate that. I understand and appreciate that you can't necessarily allocate causation. However, the fact remains that there have been people whose families think there is an association. So my question is, as it relates to those particular circumstances: have you had contact from family members of people who consider that there is an association with the online compliance system?

Ms Leon: As far as I'm aware, there haven't been any online compliance initiative matters about which families have contacted us to assert that they think that the person's suicide was precipitated by the receipt of a debt notice. I'm happy to take on notice—

Senator SIEWERT: Could you take on notice—

Ms Leon: whether there have been individual cases and what action the department has taken, to the extent we can do so without compromising the privacy of individuals.

Senator SIEWERT: Thank you. That would be appreciated.

Ms Leon: I may have to answer it in a general way rather than in relation to specific cases.

Senator SIEWERT: Yes, I don't want to know about specific cases. I want to know if you've looked into it and the results of that. In terms of the answers I have received and the
data, as I said, I accept that there are people who pass away who are on income support regardless of whether they have had a compliance notice. I am concerned though around these figures. Have you looked into or investigated any further the details behind these figures? Have you compared them to death rates for these cohorts—but not just the death rates, because these groups of people may have particular circumstances that the online process has triggered? Have you looked further into the detail of these statistics?

**Ms Leon:** We have looked at the statistics. Across our whole cohort of customers obviously a very large number are age pensioners, so you would expect that there is a higher death rate amongst the elderly than amongst the population at large. So the overall death rate for our whole customer base is necessarily skewed a bit by the age pension.

**Senator SIEWERT:** But if you take those out—

**Ms Leon:** If you take out the age pension, I can tell you that the payment that is most relevant for income matching, for example, is Newstart. The death rate across the whole Newstart cohort in that same period is 0.63 per cent, whereas for people who have died after receiving an income data-matching review letter the death rate is 0.2 per cent. I know that this doesn't tell you anything about the individual cases, but it does suggest that there is not an elevated death rate—in fact, to the contrary—amongst people who have received an income data-matching letter. For disability support pension—and again this is a cohort that has a higher death rate than the general population—the death rate is 4.56 per cent. Of course, we would be concerned if we were seeing unusual or excessive death rates amongst customers who have received a debt notice, but in fact the death rates are lower than for the general cohort of Newstart or DSP recipients.

**Senator SIEWERT:** Sorry, can you give me the DSP one?

**Ms Leon:** For the period that you had asked in the question, which is from 1 July 2016 to 31 October 2018—the same period we were providing you with data about the death rate amongst income data-matching customers—the death rate of customers on DSP was 4.56 per cent for DSP as a whole cohort and the death rate amongst Newstart customers was 0.63 per cent.

**Senator SIEWERT:** Yes, but what was it for DSP?

**Ms Leon:** Not for people who have received debt notices but for those on DSP as a whole it was 4.56 per cent.

**Senator SIEWERT:** Yes, but then you compared it to the Newstart one.

**Ms Leon:** No. These are just two. For DSP the death rate was 4.56 per cent. For Newstart it was 0.63 per cent—that's the whole cohort. For customers who died during that period who had received an income data-matching review letter it was 0.2 per cent.

**Senator SIEWERT:** That's for all of the cohort?

**Ms Leon:** That's right.

**Senator SIEWERT:** Sorry, I thought you were saying that for Newstart.

**Ms Leon:** No; that is for all. Out of the 925,000 assessments that were issued during that period, 2,030 customers passed away, which is a death rate of 0.2 per cent. It's not to say that we are not troubled that people die; it's just to recognise that their death rate is not particularly elevated. In fact, it is less than the death rates amongst relevant other cohorts.
Senator SIEWERT: Except you're only comparing that to the overall number of letters that were sent out and, as I've understood what you've said, not to the subsequent escalation of debts.

Ms Leon: If we were only to compare a category of people who have—when you say escalation of debts, what do you mean?

Senator SIEWERT: I mean escalation of the process. You send out a letter, a 'please explain your employment discrepancy'—

Ms Leon: I'm just finding out what that data is. I think I've understood your question. We may have that at the table.

Senator SIEWERT: It's as we're going through the 'I'm going to contact you and send you my employment data', and then the process occurs.

Ms Leon: Yes. I'm not a mathematician, but there will start to be some questions of statistics and comparisons here, because, if I very closely define the category of people down to people who are already feeling stressed, then I'll have to really compare that with a category of Newstart recipients who are feeling stressed about something. We'll start to end up without getting like to like.

Senator SIEWERT: I want to get to the vulnerable cohort in a minute.

Ms Leon: But, while we're here, I'll see if we can find out about ratios of debt. The 2,030 number is a subset. That is the total number of people who died who are within the 925,000 assessments. To give you the subset of assessments that have received a debt notice, I will also have to find out of those what percentage died, and we don't have that at the table, I'm sorry.

Senator SIEWERT: That's where I wanted to go to: to understand just how the process has impacted on a person we need to understand how many steps the people have been through as well, so we're comparing, as you said, like with like. Could you take that on notice?

Ms Leon: We'll have to take it on notice.

Senator SIEWERT: I wanted to go to the 663 people who have a vulnerability previously marked—

Ms Leon: Which question on notice is this?

Senator SIEWERT: This is the same one. Of the 2,030, there are 663 who had vulnerabilities marked. In your comment earlier, you said that letters didn't go out to, or that was a separate process to, those that are vulnerable.

Ms Leon: At the very beginning of the process, the people with vulnerability indicators were not excluded, but during the process we have since excluded them—yes.

Senator SIEWERT: I'm trying to talk about the data that is here and the number of people with vulnerabilities who received letters. It seems to me that those with vulnerability indicators are potentially more vulnerable, obviously, to stress, anxiety and depression associated with this process. So I'm particularly interested in the breakdown of those figures, if you're able to, to provide what their vulnerabilities were—obviously, not identifying individuals—
Ms Leon: We'll take that on notice.

Senator SIEWERT: and the number of people with those particular vulnerabilities, and also where they were in the process. Was it that they had just received an accounts payable notice? Where were they through the process?

Ms Leon: We'll see what we can do. It will just depend on how fine-grained the categorisation is at each stage of the process. If we have that, yes, we can give it to you. I should say, of course, that it's quite possible that there is an elevated risk of suicide or other forms of death, in any event, amongst people with a vulnerability indicator—

Senator SIEWERT: Yes! I—

Ms Leon: whether or not they've received a debt.

Senator SIEWERT: Yes, I accept that. But, given that people are already vulnerable, I think it's fair to say that receiving and being anxious about a debt that they don't think they owe could also contribute to that anxiety—would you not agree?

Ms Leon: I can't speak for the people who are anxious as to what's precipitating their anxiety. I can say that throughout the history of welfare debt recovery, we have always still had to pursue debts from people with vulnerability indicators. So integrity measures apply whether a person has a vulnerability indicator or not. But we have processes to support people throughout their dealings with DHS, whether that's at the application stage or at the integrity stage. If people are expressing thoughts of self-harm or other inabilities to cope that's why we have our national network of social workers, whose job it is to support people. And we do train all of our staff in recognising the signs that someone might need extra help and support.

Senator SIEWERT: Okay. Ms Leon, it seems to me that the department is in denial about the stress and anxiety that robo-debt has caused. People feel far more pressure in the way that these debt notices are now being applied. It's the fact that they're the ones who have to go and find all the evidence and have all the stress. I can personally attest to this in terms of the number of people who have contacted me and who are extremely distressed about not being able to find their records and about incorrect notices. So, yes, I understand what you said about ongoing compliance being undertaken, but this is a significant jump up. Do you acknowledge that?

Ms Leon: It's an increase in the number of people who are sent income-matching reviews every year, because we now have the ability to data-match with the tax office in much greater numbers. That certainly has increased the volume of identification of debt since we began data-matching with the ATO on a mass basis, rather than on a manual basis.

I think it ought to be recognised that the department has responded quite actively to the concerns that customers expressed about the difficulty of the process, because we've engaged in user-centred design with our customers to redesign the portal to make it easier. We've changed the process so that many people can get assistance—

Senator SIEWERT: I know what you've done.

Ms Leon: when they call us, rather than having to do it online. So we are responding to the fact that people said they find this very difficult, and we're trying to support them, whether they've got a vulnerability indicator or not, to make the process easier, while recognising that, for anyone, getting notified that you might have a debt might well be stressful. So we're trying
to make both the online system and the staff assistance system as helpful as possible to get people through that.

CHAIR: Senator Siewert, we'll come back to you. Senator Smith?

Senator DEAN SMITH: This is not, in any way, to take away from the seriousness of what we're talking about, thematically, but it is important, I think, to be clear about whether there is causation. I'm not a statistician, but I'll come to that in a moment. You said that you had seen media reports. On the basis of that, is that why the department went and collated or did an investigation in addition to the question on notice from Senator Siewert?

Ms Leon: The death rate numbers?

Senator DEAN SMITH: Yes.

Ms Leon: I think there was a combination of both the question on notice and the media reports that made us make sure that there wasn't an undue correlation between involvement in the debt-recovery process and death rate.

Senator DEAN SMITH: Right. We know that 2,030 people of the 925,000 recipients of the review letters were deceased over that period. How many families of those individuals corresponded with the department to alert them, discuss with them, raise their concerns, that a family member or friend might have become deceased as a result of this particular initiative?

Ms Leon: We don't think there have been any but we have taken it on notice—to have a look at whether there are any that the officers at the table aren't aware of.

Senator DEAN SMITH: Thank you. How many federal parliamentarians provided you with information and evidence, that had been brought to their attention as a result of constituent inquiries, in regard to this matter?

Ms Leon: None, that I'm aware of.

Senator WATT: Can I just say, we had a lengthy Senate inquiry into this, which a number of us were heavily involved in, where many examples were presented by us at those hearings.

Ms Leon: Yes.

Senator DEAN SMITH: Presented to the committee at the hearings?

Senator WATT: And to the department.

Senator SIEWERT: And to the department.

Ms Leon: Cases of people taking their own lives.

Senator WATT: Yes, that was absolutely raised.

Senator DEAN SMITH: My question goes not to whether issues were raised but whether or not information was provided to the department and whether or not the department took that information and investigated those specific instances. I didn't participate in the inquiry.

Ms Leon: The officers at the table aren't aware of the particular cases that you're referring to, Senator. But we have taken on notice to—

Senator DEAN SMITH: No, sorry. Was that Senator Smith, Senator Siewert or Senator Watt? I'm not aware of any cases.
Ms Leon: The matters that were raised before the inquiry. I can say of any matters that were raised in the inquiry, in general terms, the department would always respond to and look into any particular instances that were raised with us. But we aren't aware of instances that have been raised with us where the income data-matching processes have been drawn to our attention as having caused someone's suicide.

I think we all need to be careful in having this conversation—to the extent that since we aren't able to draw conclusions about causality I also don't want to, potentially, be responsible for creating an enhanced narrative in the public domain that might lead people to think that suicide is an appropriate response to the stress of receiving a debt notice. We all have to take it very seriously and I would like to ensure that we aren't, inadvertently, adding to the kind of anxiety that has led Senator Siewert to raise the questions with us today.

Senator DEAN SMITH: I think everyone is taking it seriously, and I think tone will dictate the seriousness with which senators are addressing the issue. I'm interested in understanding some other information. What do we know about the average or median debt level of the 2,030?

Mr Storen: The debt raised in relation to the recipients who were later recorded as deceased—the average debt was $2,377 and the median was $1,248.

Ms Leon: I should say that there isn't any evidence before us of how many of those people died of natural causes or otherwise. The majority of those will not have been people who took their own lives. I just want us to not think that we're talking about 2,000—

Senator SIEWERT: No-one at all has implied that—nobody.

Ms Leon: I just wanted to make sure that that's right.

Senator DEAN SMITH: I'm not going to draw any conclusions from the evidence or the responses to the questions I ask; that will be for others. But it will inform my private view. What do we know about the age breakdown of the 2,030?

Ms Leon: We have the age breakdown in brackets.

Senator DEAN SMITH: I've just seen that the information is—

Ms Leon: Yes, it's in the question on notice.

Senator DEAN SMITH: But because that has not been tabled I do want it on the record.

Senator SIEWERT: It is. No, that's a question on notice. That's tabled.

Senator DEAN SMITH: I want it in the Hansard record.

Ms Leon: There were 102 recipients between 16 and 25, 327 recipients between 26 and 35, 347 recipients between 36 and 45, 466 recipients between 46 and 55, 536 recipients between 56 and 65, 251 recipients between 66 and 80 and one recipient who was between 81 and 100.

Senator DEAN SMITH: My last question goes to the gender breakdown.

Ms Leon: Of those, 637 were female and 1,393 were male.

Senator DEAN SMITH: I just want to confirm that you said in your evidence that, when looking at the Newstart cohort, for want of a better word, the rate of deceased was 0.63 per cent and, then, for the Disability Support Program, the rate of deceased was 4.56 per cent.

Ms Leon: That's correct.
Senator DEAN SMITH: The 2,030 of the 925,000 represents 0.2 per cent.

Ms Leon: That's right.

Senator DEAN SMITH: Thank you very much.

Senator SIEWERT: Since we've decided that we are going to reaffirm evidence, I'll reaffirm that that's purely against that full number.

Ms Leon: Yes, Senator.

Senator SIEWERT: It's not against the various breakdowns of the sections of the process. So we actually don't yet have those figures, do we?

Ms Leon: We've taken that on notice.

Senator SIEWERT: You've taken that on notice.

Ms Leon: Yes, Senator.

Senator SIEWERT: So that 0.02 per cent will potentially change once you actually compare it to the numbers that have been going through the various stages of the process.

Ms Leon: We've taken that on notice.

Senator SIEWERT: Yes. Thank you.

Ms Leon: And, of course, none of us at the table have the kind of knowledge that the Department of Health might have about what the death rates for all those age cohorts either. So it may well be that that is a perfectly typical spread of death.

Senator SIEWERT: Yes. But that's my question, and that's been my point all along: I have not been drawing causation. I've never inferred that these people—

Ms Leon: There has been a lot of media reporting that has strongly implied causation, and I think it is a dangerous path to go down for the sake of people who might be vulnerable and who might be triggered by that assertion.

Senator SIEWERT: What I'm trying to establish is: what level of investigation has been undertaken to establish if there is an association here? And we can only do that with the breakdown of the data. You can't just do a gross, across-the-board analysis to drill down into this data, which is why I'm asking these questions and asking for further information and asking whether the department has actually done that drilling down into the data, instead of just doing the overarching comparison to the 925,000. Has the department drilled down into the data, particularly for those who are vulnerable, for that group of people who were getting letters prior to the cessation of the letters going out to those who are vulnerable?

Has the department looked at what their vulnerability indicators are and what stage of the process they were in so there can be some analysis done of whether there is a level of association. It may not be causation, but there could be an association that's contributed to somebody's feeling of ill health, for example, or an association with some other vulnerability that could have contributed to it. That's what we're trying to find out.

Ms Leon: We've taken that on notice, but I think I also gave evidence at a prior hearing that we don't know the cause of death of our customers. Of that 2,000, unless someone has specifically drawn to our attention that the person took their own life, we won't know whether that was the cause of death or there was another cause.
Senator SIEWERT: I've heard what you've said. I have quite a few questions that I will put on notice in terms of more data. In terms of the change in approach, I've had some information that indicates there has been another change in the way that online compliance letters are getting sent out. Has another area of the program started?

Ms Leon: Is this in relation to vulnerable customers or generally?

Senator SIEWERT: No, just more broadly in the online compliance section.

Mr Storen: I can talk to that. We've talked previously about how, in February 2017, we introduced a more improved portal for the digital interaction by customers. In December 2018 we implemented another generation of online digital tools for customers to interact in this space. The initiations that started to occur very late November 2018 and early December 2018 directed customers to a different portal than the one we'd been using since February 2017. This portal has been built on more user-acceptance testing, customer experience and so forth, to facilitate customers being able to update their earnings details a lot more easily. We've also implemented a range of questions at the front end of the process to see if we can reduce the impost on a customer and finalise the review without too much information. That started in late 2018.

Senator SIEWERT: What do you mean they don't have to give as much information, because this is part of the whole problem?

Mr Storen: Some of the challenges, and I won't rehash all the hearings—

Senator SIEWERT: Yes, let's not.

Mr Storen: You will recall the challenges that the department and customers have when we have overlapping earning periods with different income support periods. The processes, up until the new system, required compliance officers and customers to work through each Centrelink settlement period to allocate earnings to those periods et cetera. We've implemented a range of questions to try and identify those customers where it's a lot clearer that, for instance, an earnings period may have stopped and they may have commenced study part way through a financial year. If a customer can be clear about those dates, we can move the review on faster.

Senator SIEWERT: I should say first, have you changed the wording of the letters again?

Mr J McNamara: Yes. The initial letter that we sent out is a new letter, and the outcome letter we send is also new. We have changed both letters.

Senator SIEWERT: Can you give us copies of those letters tonight?

Mr J McNamara: Yes, we can. I don't think that's a major issue.

Senator SIEWERT: Can I read you some wording that I've been sent, because, quite frankly—

Ms Leon: Is this wording from us or from a customer?

Senator SIEWERT: I don't know.

Ms Leon: I just want to know that we're not disclosing anyone's customer details.

Senator SIEWERT: No. They're all blanked out. It's fine. It reads: 'We have reassessed your disability support pension. You were paid more than you were entitled to and you need to pay the money back. Why you owe money: the correct amount of your earnings was not
taken into account in the payment made to you from'—and there are dates listed. It said: 'This means you have been overpaid'—and it lists a substantial amount of money—'and we are therefore required to recover this amount.' It goes on with more details. Is that a letter that you would—

**Mr J McNamara:** That's not from this program. That could be from this department but that's not from the income compliance program.

**Senator SIEWERT:** It could be from the department?

**Mr J McNamara:** I don't know; we'd have to look at it, but that's not an income compliance outcome letter.

**Senator SIEWERT:** I'm pretty certain—I'll double check—that there's no—

**Mr Storen:** Is there a telephone contact number?

**Senator SIEWERT:** Yes, there is. I found this so incredible that I went and checked the telephone number to make sure that it wasn't bogus, and it is your telephone.

**Ms Leon:** But is it the number that's especially established for the income compliance measure?

**Senator SIEWERT:** It's Centrelink. I'd need to go back. Frankly, I was checking that it was a Centrelink one.

**Ms Leon:** If you can provide us the letter, we'll be able to tell you the source and circumstances.

**Senator SIEWERT:** I'll get a copy during the break. If I got that in a letter—no introduction, no nothing.

**Ms Leon:** Also, we don't know if that person had been interacting with us about this matter or not.

**Senator SIEWERT:** Fair enough, but it seems a pretty dramatic way of starting it. What you're saying is it didn't come from the online compliance section but it may have come—

**Ms Leon:** It's not the same as the text of the letters that we send in relation to online compliance.

**Senator SIEWERT:** But it could have come in relation to another program?

**Ms Leon:** From some other part of the debt recovery work.

**Senator SIEWERT:** I'll provide it during the break. I know that my colleagues want to ask some questions.

**Senator WATT:** Chair, the next batch of questions will probably take more than two or three minutes, so, if you'd like to break early, we could come back a bit early, if that works for everyone.

**CHAIR:** In that case we will break for 15 minutes.

**Proceedings suspended from 21:12 to 21:25**

**CHAIR:** Senator Martin, you have the call.

**Senator MARTIN:** Ms Leon, following on from Senator Dean Smith's line of questioning, I'd be interested to find out the geographical details of those 2,030.

**Ms Leon:** I will see if the relevant officers can come back to the table.
Senator MARTIN: You can take it on notice, if you wish.
Ms Leon: We don't have that with us at the committee, but I'm happy to take it on notice. I take it you mean by state and territory?
Senator MARTIN: Yes, please.
Ms Leon: Yes, we can certainly do that on notice.
Senator MARTIN: If you can expand—I don't want to know that it's 50 in Victoria et cetera. Do you have postcodes?
Ms Leon: That will depend on how many there are in each postcode or area. Our usual practice across government is not to disclose where the numbers are less than 10 because of the risk of identifying who the people are.
Senator MARTIN: I understand that. I don't need names, just the numbers in specific areas, regions—
Ms Leon: We'll take it on notice and see what we can provide.
CHAIR: Senator Siewert?
Senator SIEWERT: This is the letter that I was reading from before. I don't know if you can do it now—
Ms Leon: What is the question that you wanted to ask?
Senator SIEWERT: Is this a new letter that's going out? I double-checked, and both numbers go to the employment confirmation—
Ms Leon: We'll have to check. If anyone present is able to confirm, we'll get back to you, but otherwise we'll take it on notice to confirm what the nature of the letter was and the circumstances of its being sent.
Senator SIEWERT: Thank you.
Senator WATT: We have some questions about robo-debt as well. I'll start at a bit of a higher level, about the savings generated and estimated versus actual. I just want to make sure that I'm comparing apples with apples. We've referred to a couple of questions on notice that you had previously answered about costs incurred administering the robo-debt process and savings generated, but they are getting a little bit dated in a couple of cases. The ones I have are SQ18-000199, which was answered in December last year, and SQ18-000054, which was from about April last year, from memory. You may have updated figures to work from rather than relying on those. The whole robo-debt initiative arose out of a few separate announcements made by government going back to the 2015-16 budget?
Ms Leon: Yes.
Senator WATT: I think there was an announcement made then, then there was a further announcement made in the 2015-16 MYEFO and another one made in the 2016-17 MYEFO. That's right?
Ms Leon: That's right.
Senator WATT: My recollection is that, for each of those announcements and the savings that those announcements were expected to generate, the savings were partly from what became known as robo-debt but that there were other initiatives as well.
Ms Leon: That's right.

Senator WATT: I just want to hone in on the robo-debt aspects. My understanding is that across those three announcements the expected savings from what become known as robo-debt was $1.3 billion—is that correct?

Mr J McNamara: No. I think, in fiscal terms, one of them was about $1.3 billion.

Senator WATT: One of the robo-debt measures?

Mr J McNamara: One of the income compliance measures was $1.3 billion. You are right: there are over three and they're parts of budget measures, so they're not easy to see.

Ms Leon: Yes, the budget measures and the MYEFO measures had a number of initiatives in those figures of which one was robo-debt, but they also, I think, included other income matching and income compliance measures.

Senator WATT: What I basically want to do is compare what the expected savings are from the robo-debt measure to the other income compliance measures. I'm interested in where we're up to in the achievement of those savings, and, separately, what costs have been incurred in administrating the robo-debt initiative.

Ms Leon: Some of that we'll be able to do at the table but some of it we'll probably have to take on notice.

Senator WATT: Okay.

Ms Leon: I can say that the savings estimate over the life of the combined income data matching measure across the 2015-16 budget and the 2015-16 MYEFO and the 2016-17 MYEFO and, most recently, the adjustments made in the 2018-19 budget, which carried it forward for another year, is $4 billion. But that's still got some forward years to go. As at 31 December 2018, we had identified $1.5 billion.

Senator WATT: When you say that you've identified that much, is that the money that's been sought to be repaid?

Mr J McNamara: That's the money we've raised. It's the debts we've raised.

Ms Leon: The debt we've raised.

Senator WATT: When you say raised that means sending someone a letter saying, 'We think you have been overpaid; please pay us their money back'?

Mr J McNamara: It's the outcome letter at the end of the process, yes.

Ms Leon: Yes.

Senator WATT: But it doesn't mean that the money has actually been repaid.

Mr J McNamara: No.

Ms Leon: Of the $1.5 billion, about a third has been paid.

Senator WATT: So about $500 million?

Mr J McNamara: Yes.

Ms Leon: About a third is under a repayment arrangement. As you'd know, for current customers especially we enter into payment arrangements, taking a small amount out of each of their pay. The remaining—approximately a third—still have to have payment arrangements developed.

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Senator WATT: I might just call that outstanding.
Senator SIEWERT: Have they been confirmed? Has that $1.5 billion been all the way through all the processes of appeal and all that?
Mr J McNamara: People can appeal at any stage.
Senator SIEWERT: Okay.
Ms Leon: That means we've raised a debt for it.
Senator SIEWERT: It doesn't necessarily mean it's going unchallenged?
Ms Leon: It doesn't mean they might not appeal.
Senator SIEWERT: Okay. Thanks.
Senator SINGH: How much has been recovered?
Ms Leon: About a third of all of the debts raised has been repaid, a third are under repayment arrangements and a third are awaiting the establishment of repayments.
Senator WATT: Can we break these figures down year by year, starting with the expected savings? You've said it's a total of $4 billion.
Ms Leon: There'll be some complexity about this that might require us to take it on notice. I'm not sure that we'll have it. Also because the expected saves and the phasing of them have been adjusted over some of those budget years. That is partly because, as you may recall, there was a period where we slowed down on the debt recovery against what had been forecast while we redesigned the process. That year had to have its projected savings moved forward in the program and rephased until we had done the redesign and ramped back up to capacity. Secondly, in the most recent budget we readjusted the costs and the saves because the original measure was costed on the assumption that the great bulk of the work would be done online without staff involvement, and we have now applied more staff support and involvement to it, which has just changed the mix of costs and time.
Senator WATT: I understand.
Ms Leon: It means that the original costing will have changed over time.
Senator WATT: With respect, can I cut a deal?
Ms Leon: Yes.
Senator WATT: If we try and be really focused with our questions, can we get really focused answers? We haven't got a lot of time—that's all.
Ms Leon: Sure. We can take on notice what the projected spend and save is year by year.
Senator WATT: How many years was that $4 billion figure you quoted across?
Ms Leon: It's always across the forward estimates.
Senator WATT: So over four years?
Ms Leon: Yes, but since the beginning of the program, the forward estimates have moved forward, if you see what I mean. So it's probably now over—
Mr J McNamara: It's been since 1 July 2015.
Senator WATT: So that was when it commenced?
Ms Leon: That's right.
Mr J McNamara: So the life of the measure will be the end of the current forward-estimates period.

Senator WATT: So it's from the financial year beginning 1 July 2015, so that's 2015-16, 2016-17, 2017-18 and 2018-19?

Ms Leon: But now we have a couple more years of forward estimates.

Senator WATT: I understand that, but we're currently in the 2018-19 year, so that's a good comparison point. By the end of this financial year, it was initially expected to recover $4 billion?

Ms Leon: I think 'initially expected' is going to be a different number to 'now expected'. That's what we have to—

Senator WATT: Because things have changed?

Ms Leon: That's right.

Senator WATT: What I'm just trying to work out is: where we have got to compared to where we thought we would be at the start. At the start, 2015-16, it was expected that by 30 June this year it would have recovered $4 billion. The most recent data you have is from 31 December 2018, and as at that point you'd recovered $500 million, with a further $500 million in agreements to repay and with a further $500 million having been raised but negotiations are still underway?

Ms Leon: Yes. The part that I think we may need to correct on notice is what the original forecast was over what time, because the $4 billion is what the current forecast is as at the 2018-19 budget. So we will have to take on notice what it was at different points.

Senator WATT: So it might have been a bit less?

Mr Storen: The $4 billion runs up to the last forward-estimates year, which is 2022-23, and started at 1 July 2015.

Senator Fawcett: I think what the department is saying is that they'll take on notice your question, which was about when the program first started, what the target was and what we have achieved by the estimated target, which was mid this year.

Senator WATT: Is this partly because some of the measures didn't actually commence, for instance, until the 2016-17 year or later, perhaps?

Ms Leon: It is partly because things didn't commence immediately, but it's also because we did pause the program for a period. So there wasn't any debt raised or very low amounts of debts raised during a period, and then we've changed the cost structure as well and the method. The number of reviews we expect to complete and the cost of doing so has changed, so we'll have to give to you on notice what it was originally and what's changed over the course of those budget measures to what it is now.

Senator WATT: Okay.

Mr Storen: The other clarifying thing is that the $4 billion or the calculation we'll give you is in fiscal balance, which is actually debt expected to be raised. It's not amounts recovered or underpayments. We just need to make that clear.
Senator WATT: I understand. There are some adjustments to be made, but, in broad terms, it was expected that over the first four years of the robo-debt measures it would save and claw back $4 billion?

Ms Leon: No, that's the part that we've had to take on notice, because that $4 billion is what the current save is, which includes where we are in the 2018-19 budget. So we will have to take on notice what the original expected save was.

Senator WATT: If you can do that, that would be great. Given that the $4 billion figure actually runs out to—did you say 2022-23?

Mr Storen: That's correct.

Senator WATT: What portion of that $4 billion would be expected to be collected by the end of this financial year?

Ms Leon: That's what we'll have to take on notice.

Senator WATT: You don't know that?

Ms Leon: No.

Senator WATT: You must have some idea. These are built into budgets and this is built into the government's overall budget.

Ms Leon: Yes, but we just haven't got the 2015-16—the 2015-16 budget's now quite awhile away for us.

Senator WATT: Yes. I can see Mr Storen and Mr McNamara trying to work this out.

Mr J McNamara: So, you're after the underlying cash number?

Ms Leon: No, projections.

Senator WATT: What I really want to know is: in the time that this measure has been up and running, what has it been expected to generate in savings? That will be a portion of that $4 billion—that would be my expectation—with the remainder being collected in the next two or three financial years. And then what I want to be able to do is compare what's actually being raised and recovered, and we've got those figures, in broad terms—$500 million, $500 million and $500 million. Are you able to give me the expected figure up until the 2018-19 year?

Ms Leon: We'll be able, on notice, to give you what the originally expected figure was, which will be different to what the now expected figure is.

Senator WATT: Okay. I don't think I can push that any further.

Ms Leon: But we'll take that on notice.

Senator WATT: In terms of costs incurred in administering this program, I think the most recent information we got was one of these questions on notice—number—

Mr J McNamara: It was No. 41.

Senator WATT: I've got one that's No. 199 of 2018, and that was tabled on 6 December 2018, so it's probably fairly up to date. At that point in time the department had spent $72 million in 2015-16, $110 million in 2016-17 and $193 million in 2017-18. Do you have any further updates up to 31 December, or anything like that?
Mr J McNamara: No, I don't. Broadly we have about the same amount of money in 2018-19 as we had in 2017-18. It's slightly higher, but we couldn't tell you at the point—it's broadly around the $200 million mark for 2018-19.

Senator WATT: So, to be clear: those costs that I've just read out to you were incurred in generating the expected $4 billion in savings—they're not for other things as well?

Mr J McNamara: No. They're the costs we've incurred to generate the $1.5 billion we've done to date.

Senator WATT: So, that's a total of about $375 million, I think—actually, probably more once you include 2018-19, so probably over $400 million spent—

Ms Leon: I think you're right that it's about $375 million, as at the end of 2017-18.

Senator WATT: So by now it's probably over $400 million.

Ms Leon: And we've generated $1.5 billion in savings.

Senator WATT: But you've only actually got $500 million in the door.

Ms Leon: Yes, but the Commonwealth budget doesn't run on a cash basis; it runs on an accrual basis.

Senator WATT: Yes. You've got agreements to repay more, but the money that's come in the door is $500 million.

Ms Leon: Debt owing to the Commonwealth counts towards the fiscal balance.

Senator WATT: Sure, but if we're talking in the real world out there, there's $500 million that's actually being recovered, with agreements for more. You've spent $400 million in doing so. So, at this point it's actually recovered only $100 million in savings—with more to come. That's correct?

Ms Leon: On a cash basis.

Senator WATT: On a cash basis. I suppose I'm just concerned that there's been a litany of terrible stories—I remember meeting Mr McNamara and Ms Musolino at the Senate inquiry—to so far have actually recovered $100 million. Does that meet your expectations?

Ms Leon: You'd be aware that even outside the income data matching measure the volume of debt raised across social security programs is always much greater than the volume of cash repayment, partly because a lot of our customers are on low incomes so they can't realistically repay—

Senator WATT: But don't you think that would have been known at the outset?

Ms Leon: Yes, but it's not a reason to allow the integrity of the welfare program to deteriorate because our customers can't necessarily repay what they owe immediately. It's still important to the integrity of the program that if people have been overpaid then the department is required, by law, to seek to recover it.

Senator WATT: I just think there are a lot of people out there who have either had this happen to them or have watched it and feel that it's been an incredibly blunt, indiscriminate approach, with a lot of people hurt, debt collectors sent in and all the rest of it. This targets a group who, as you say, are very likely to struggle to repay their debts, and to date we've got $100 million to show for it in net terms.
Ms Leon: So the policy of successive governments has been to recover social security debt where it's been overpaid.

Senator WATT: That is true, but it's only this government that chose the robo-debt measures. No other government did it in that manner.

Ms Leon: There hasn't been the capacity in the past to identify discrepancies at such scale, because we didn't have the technology in the past to do it.

Senator WATT: No, and some might argue that the evidence we've seen shows that there might still not the capacity to do it in a way that is accurate and fair.

Ms Leon: Well, we've put a lot of effort into—

Senator WATT: I don't doubt that.

Ms Leon: designing the process in a way that will enable people to advise us of their income in a way that's most convenient for them. We heard that people found it difficult to get pay slips, for example, from employers from a long time ago, so now we accept bank statements, which most people can get more easily.

Senator WATT: And I recognise adjustments were made—

Ms Leon: So we are endeavouring to make it easier.

Senator WATT: partly in response to the Senate inquiry, I might say. I think Senator Singh had some robo-debt questions as well.

Senator SINGH: To follow on from that, Ms Leon, particularly on what you related in the requirement with pay slips and the like, in the last few days you'd be aware of a lot of scrutiny in the media on Centrelink and its robo-debt program. Are you aware of some of the media reports?

Ms Leon: We always follow what's in the media about the department, Senator.

Senator WATT: I'm glad someone in government does.

Senator SINGH: One, a couple of days ago, describes Centrelink as:

… duping welfare recipients into providing documents dating back to 2010 without which it is unable to prove claims for what it alleges to be overpayment of benefits.

You're asking for individuals to find, as you say, bank statements, pay slips, going all the way back nearly a decade now, to 2010.

Ms Leon: I think we only go back seven years. So, when it began, in 2015, 2010 would have been within scope. But the officers at the table advise that the span is a seven-year span.

Senator SINGH: Well, from 2010 until—

Mr Storen: If there were a case out there where we were seeking information for 2010, we probably initiated the review in 2016 and have been asking for the information from that review initiation.

Senator SINGH: How many claims would be in that category going back to 2010?

Mr Storen: We are largely through the claims that were initiated in 2016-17. I don't have the details of that particular media case. They don't tell us which particular case it is for us to follow-up, to check it. I am more than happy to do that if we have the details.
Senator SINGH: I wanted to know how many claims you've got that are dating back to 2010.

Mr Storen: It would be reviews from 2016-17 related to a data-match year of the 2010-11 earnings year.

Senator SINGH: How many?

Mr Storen: I'll take that on notice.

Senator SINGH: So it wouldn't be around the 1.5 million people mark?

Ms Leon: I think we've only initiated—

Mr J McNamara: We've initiated a million reviews now over the life of the measure.

Ms Leon: That sounds like a number that's all of the measures.

Senator SINGH: I'm referring to an article by Gavin Silbert QC, a member of the Victorian bar, that was in the Herald Sun two days ago. He claims that there are 1.5 million people that you were targeting to claw back $4.6 billion in the overpayments, and that this is going back to 2010 and that you have destroyed records and are entirely dependent on information obtained by the ATO. Therefore, that is why you're asking for pay slips and all of the details from the recipients—because you don't have the details anymore. Is that correct?

Mr Storen: The evidence we talked about earlier said that we'd initiated 925,000 assessments for the life of the program from 1 July 2016 up until 31 October 2018. So that's one piece of evidence we have previously given that's out there in the public.

Ms Leon: So there aren't 1.5 million reviews that have been initiated, and they certainly don't all go back to 2010.

Mr J McNamara: Senator, as we've explained before and how the reviews work is that what we have is what the customer has given us on record, and what we have from the tax office is information that is different to what the customer has told us on record, so our compliance review process is to reconcile those two processes. It is not because we don't have information; it's because we have information that is inconsistent between what the customer has told us at that time and what the tax office is now telling us, so we have to reconcile the two. That is essentially what the compliance review does. We do that with the customer.

Senator SINGH: But, if you're talking about a period over that many years, you're only relying on the tax office now; what about your records from the past? Don't you have them anymore?

Ms Leon: We're relying on the match between our records, which we still have, and the tax office records, and where there's a difference between what the customer told the tax office they earned and what they told us they earned we ask the customer to explain the discrepancy. If they do explain it—for example, in the example that one of the officers gave earlier, that they were working for part of the year and studying for part of the year—then they've explained it.

Senator SINGH: Just looking at pay slips, is it reasonable to imagine that Australians that were undertaking casual work in 2010 have still kept their pay slips?

Ms Leon: That's why we now accept bank statements as well, because usually people can access, even electronically, their bank records, even if they haven't kept paper records.
Senator SINGH: Is it true that in many cases the provision of these documents—pay slips, bank statements and the like—results in the elimination of the amount claimed or a substantial reduction?

Ms Leon: When we first write to people, we ask them to explain the discrepancy and, of course, if they can explain it, then nothing else will occur. We don't raise a debt, because they've explained it.

Senator SINGH: If they don't have their pay slip—

Ms Leon: Or bank statements or any other evidence.

Senator SINGH: Well, how is that not a breach of Centrelink's duty to act as a model litigant?

Ms Leon: We aren't litigating at that stage. We're asking them whether they can explain their earnings for the year when they told us a different amount. We're not in litigation with them.

Senator SINGH: You're saying if someone, from 2010, no longer has their pay slips and that information—

Ms Leon: Or bank statements.

Senator SINGH: you are going to pursue it.

Ms Leon: We ask them to provide us the best information they can, and people have found that bank statements are much easier to get a comprehensive record of than some people found was possible to do with older pay slips.

Senator SINGH: So you would say that in that instance you're not taking unfair advantage of your superior power in litigation if you were to continue to pursue that—

Ms Leon: We're not in litigation.

Senator SINGH: No, but how do you continue to raise the debt then?

Ms Leon: All these are administrative processes. When we write to a customer, we give them an opportunity to update their income—

Senator SINGH: This is a very strange methodology.

Ms Leon: and to provide us with information about when they earned it so that we can match it against when they were paid benefits.

Senator WATT: Could I just check one thing about all these savings figures. I get the point that it's been adjusted along the way, but am I right that the original announcement made in the 2015-16 budget was projecting $1.7 billion in savings over five years, but that wasn't entirely about robo-debt. Do you know what the robo-debt figure was there over four years?

Ms Leon: I don't know that we'll have that with us.

Mr J McNamara: You're asking about the 2015-16 budget?

Senator WATT: Yes. You don't have a breakdown of the $1.7 billion?

Mr J McNamara: I think $1.5 billion of it, in fiscal terms, was income data matching.

Senator WATT: So $1.5 billion over five years?

Mr J McNamara: I'd have to take that on notice.
Senator WATT: I don't know why it would be five. Let me have a look. Having a look at the budget papers it does talk about five years. I don't know why that would be. So $1.5 billion over five years.

Mr J McNamara: I've only got $1.5 billion. I don't know over what period.

Senator WATT: What about the announcement in MYEFO 2015-16 that was a total of $694.8 million. Do you know how much was for robo-debt there?

Mr J McNamara: I'd have to take that on notice, because when it got to the MYEFO measure—not that we run the program that way—it broke into PAYG data matching and tax return data matching, so there are separate figures that we would add together now as one measure, but I think they were separated in the original announcement. There are two figures at that point and then when it gets to the 2016-17 MYEFO there are three different figures, because we introduce asset data matching as well. So it becomes quite messy that's all. But we can take that on notice and put that all out. I think we've done that before so we can outline all that.

Senator WATT: We have a few questions about labour hire and the Serco contracts and things like that. Are you happy for us to move on to that?

Senator SINGH: Can I just finish by getting clear in my head, with those individuals who may not have payslips, or be able to find bank slips or bank statements or whatever, how can you prove that they owe anything?

Ms Musolino: Administrative decision making involves using the best information we have available to make the best decisions we can. At any point in the process customers can bring forward more information, or if we undertake a review and they look at it and say, 'We're missing something. There's more information', they can bring that forward at any time. They can seek a review by the department. They can seek external review. Every time they have more information they can bring it forward and we can remake that decision.

Senator SINGH: But what if they don't? Aren't these debts unprovable without the welfare recipients' bank statements and payslips?

Ms Musolino: It's an administrative decision, so it's made based on the best information available, and that's the information the department has—what we have from the tax office and anything the customer can provide to us to support our decision.

Senator SINGH: Those customers have to pay to get the bank slips no doubt?

Ms Musolino: Most customers can get bank statements online free of charge. Where customers experience difficulty obtaining bank slips or other documentation we will assist them.

Senator SINGH: You will assist?

Ms Musolino: If they've taken reasonable steps to try and obtain that information and they're having problems we can assist them.

Senator SINGH: Assist them how?

Ms Musolino: It depends on the circumstances. We look at it on a case by case basis but we look at the information they can provide.
Mr Storen: We have various powers we could apply to assist the customer, which could include approaching the bank ourselves and using our legislative powers. As Ms Musolino says, if a customer demonstrates they've tried to work through the information we will work with them. It's not just payslips, there are things called employment termination certificates and there are other pieces of documentation that we can work with a customer to locate and arrive at an outcome for a review.

Senator WATT: Just to clarify, these saving figures that I keep harping on about, whether they are raised or recovered, the expected savings is what is built into your department's budget and the overall government budget, that's right?

Ms Leon: It's not built into the department's budget—

Senator WATT: Into the overall government bottom line—

Ms Leon: It's built into the bottom line. We don't keep the money.

Senator WATT: No. But the expectation is that you raise $4 billion. Until we actually get the results and see whether that's right or wrong, that $4 billion saving is what goes into the overall government budget.

Ms Leon: Into the bottom line, yes.

Senator WATT: Into the bottom line. Okay, thanks.

Senator SIEWERT: I have a whole lot of other questions for a robo-debt that I'm going to put on notice. But while I think about it, and in following up what Senator Singh was just asking, how many debts have been negotiated down as a result of the provision of information?

Ms Leon: They're not negotiated. We do recalculate the debt if people provide us with more information. There's the question of debts and then there's the question of, at an earlier stage, where there's been a potential discrepancy identified.

Senator SIEWERT: The people that contact me see it as negotiation. I've actually lost count of the number of people who've said, 'I've actually given up arguing with Centrelink. I've got it down to under a certain amount and I'm just paying it, even though I don't think I owe it.' That's why I call it negotiation, because to them it is a negotiation.

Ms Leon: We're applying a legislative framework so we're not just bargaining about people's debts. We are giving people an opportunity to provide information to see whether they have a debt and, at any point, as Ms Musolino said, either before we issue an accounts payable or at any point after that, a customer can provide more information, and we will recalculate what they might owe.

Senator SIEWERT: They're tired by the time they get to that point. They're tired and fed up. I want to move on. Can I move on to call centres and calls? Do you have the summary that you have been producing?

Ms Leon: I do.

Senator SIEWERT: Are you able to table that, please?

Ms Leon: I can.

Senator SIEWERT: Can you take us through this. Having only just seen it, the average speed of answer is now 16 minutes?
Mr Jackson: That is the previous year.

Senator SIEWERT: That is the previous year, so it is 15.27.

Ms Leon: For 2018-19, as at 31 January, the average speed of answer is 15 minutes 27.

Senator SIEWERT: I will come back to that because I have not had a chance to look at it. But I did want to look at that and then ask you some questions about the report that the ANAO, the Auditor-General, tabled, as I understand, today, which relates to management of smart centres, Centrelink telephone services and follow-up. They've made a number of recommendations and I'd like to ask about those because it actually then relates directly to the average speed of answer in terms of the 15 minutes 27. They talk about what can impact on the speed in paragraph 19 of the report, which says:

Reporting to the executive does not provide full insight into the overall customer experience such as the time spent waiting before customers abandon calls or the number of calls answered within specific time frames. This information would support Human Services to continue improvements in the telephony channel and the transition to digital services.

I'll come back to those other points shortly. Could you respond to that, because it seems to me, reading that, it casts doubt over the accuracy of 15 minutes 27?

Ms Leon: I don't think the ANAO was casting doubt over the accuracy of it.

Senator SIEWERT: They weren't; I am.

Ms Leon: Well, the ANAO found the data, the ASA, is an accurate and verifiable piece of data. They've tested our systems and—I don't have the exact words that they used but—they found that that was replicable, which means that it's accurate. What they don't like about it is that it doesn't tell you everything. As we've discussed here before, averages conceal a lot more detail, and they think there ought to be more detail; that would make it more meaningful, for example, to say how many calls wait how much time. Of course, that would be a fuller picture. So they're not say that there's anything inaccurate about the ASA but it doesn't give you as full a picture of customer experience as if, for example, you said how many calls were answered within five minutes and how many were answered in 10 and so on. Of course, that's undeniable. But they didn't say there was anything inaccurate about the ASA. I don't think there's anything inaccurate about it.

Senator SIEWERT: They then go on to say;

Human Services external reporting of telephone service performance is not appropriate as it does not provide a clear understanding of the service a customer can expect. The average speed of answer indicated does not consider the various possible outcomes of calls such as abandoned calls.

Ms Leon: They are only an average.

Senator SIEWERT: Exactly. But it doesn't then give an accurate picture of the customer experience?

Ms Leon: The customer experience is made up of many components and I think I've said we are reviewing our KPIs to cover those. So, for example, average speed of answer doesn't tell you anything about whether the customer got their question answered, which often is more important to their satisfaction than whether it was 16 minutes. And so we find that people are often unsatisfied that they've waited a long time but, when they get their question answered, they say it was worth it. So customer experience comprises a range of measures which are about getting my question resolved, how long it took, whether the person was polite
and helpful and professional on the phone. We do measure all of those and we are looking to develop KPIs that will more comprehensively measure customer experience.

Senator SIEWERT: You haven't addressed the issue around abandoned calls, which is where the intense frustration of people comes in.

Ms Leon: Yes. I understand that. We've talked about abandoned calls here before. Some of those could be abandoned because they got their question answered listening to the recorded message and some could have been abandoned because of frustration, but we don't know the proportions of those. Obviously what we would like is to not have people waiting a length of time that might make them abandon.

Senator SIEWERT: So the department is going to include further analysis of that data?

Ms Leon: I don't know whether we can tell why someone abandons a call yet. We can survey people about their experience if they get through, but it is difficult to know, when they abandon, what the reason for that was because, by definition, we haven't spoken to them.

Mr Jackson: If I may, also for abandoned calls, we do know that 40 per cent of people who abandon a call do so within the first five minutes, which would suggest that potentially it is not necessarily frustration after five minutes; it may be that they were able to find what they wanted through the IVR and the likes of that, which has been mentioned before.

Ms Leon: But we don't know because we haven't spoken to them. So our focus is on measures that will better measure and report on the whole customer experience, which includes the time they wait, the nature of the interaction they have when they talk to us and whether their query was resolved.

Senator SIEWERT: Can I go on to the other issues articulated in this report—the issue around the conclusion in terms of the development of the two channel strategies and the comment:

Human Services does not have appropriate mechanisms in place to monitor and report on the effectiveness of its transition to digital services, with only one high-level performance measure in place.

Ms Leon: There are two different questions in that. Do you want to talk about the channel strategy?

Senator SIEWERT: Yes.

Ms Leon: There were two different channel strategies—

Senator SIEWERT: You developed one and then abandoned that, and you have now developed another one.

Ms Leon: The first channel strategy was developed towards the end of 2016. By 2017 it was apparent that, because of the significant technological change we were going through, we would need to update the channel strategy. So it wasn't that we abandoned it so much as that we had to revise it. That was what we decided then—to develop a new one. We developed the new one, which was adopted in 2017. It's the new one that we're operating under now.

Senator SIEWERT: So that's—

Ms Leon: That's the second channel strategy.

Senator SIEWERT: the second one that doesn't have appropriate mechanisms in place to monitor and report on the effectiveness of the transition?
Ms Leon: Part of what we're doing as we move to more online services is working out what the best metrics are to see whether that's an effective transition. So we agree with them that our transition to digital does need more measures than just a percentage of transactions.

Senator SIEWERT: Yes. What's the time frame for developing that?

Ms Leon: Over the next 12 months.

Senator SIEWERT: When we did the jobactive inquiry—I know that's a different department—one of the issues—

Ms Leon: It's my former department, Senator.

Senator SIEWERT: Yes. One of the issues that came up there was the issue around transition to digital services as it relates to mutual obligations. In terms of that transition, when you talk about digital services, does that include that whole bundle of digital strategy?

Ms Leon: It won't include any digital services that another department is providing. So if the Department of Jobs and Small Business has digital interactions with jobseekers, we won't be counting that.

Senator SIEWERT: It's their online reporting.

Ms Leon: Yes. We are endeavouring to assist customers to use digital services wherever they can.

Senator SIEWERT: You have the trials happening?

Ms Leon: That's right. We're increasingly providing the facility for online reporting. So we've probably gone through here on other occasions that we've already significantly increased the number of things that students can do online. As we transform jobseeker payments, age pension and all the other payments, we will seek to increase the number of activities that a customer can complete online. As we do that, we have to develop better metrics of whether that's working, both so that we can report to the parliament about it but also so that we can identify whether our digital service is meeting the needs of our customers or whether we need to refine it.

Senator SIEWERT: It also says in the report:
The Department has implemented improvements to monitoring and reporting arrangements, which will provide the Department's executive—

It basically says, as I understand it, that a lot of the work you're going to be doing around the performance and the transition to digital strategy is going to be contained in the new budget. You're going to require additional resources.

Ms Leon: No, we are—

Senator SIEWERT: That's my question.

Ms Leon: No, we aren't looking for additional resources to do our KPI review; we're doing that ourselves.

Senator SIEWERT: No, I mean in order to deliver the new strategy.

Ms Leon: We've already received substantial budget funding for the transition to digital. That's the Welfare Payment Infrastructure Transformation program, which is funding the department over seven years to transform its services to more digital. We aren't seeking money for that. We're implementing that over a seven-year period that we are now halfway
through. For the Channel Strategy, we're not going to the budget seeking additional resources for that. That's just about how we direct our traffic to the most effective mechanism for people getting their needs met.

Senator SIEWERT: So you're not seeking any further funding to improve your performance?

Ms Leon: No. We're always seeking to improve our performance, but we aren't going to the budget with a Channel Strategy measure.

Mr Jackson: If I can add to one of your earlier comments, another thing about the new Channel Strategy is that the earlier one was purely to do with Centrelink, basically. The new one also picks up all aspects of what the department does, so it's a whole of department channel strategy, picking up the various work that happens in health, Medicare and other aspects of the department. There is a lot of cross-pollination between the two. It's more holistic. Another part of it too is that, through the development changes of the new Channel Strategy, it's reported to myself as chair of the customer delivery committee. But now it's a standing agenda item on the executive committee agenda once every month. I believe it's chaired by the secretary.

Ms Leon: So we have oversight of it at an executive level.

Senator SIEWERT: For the other—

Ms Leon: For all of it. For the Channel Strategy.

Senator SIEWERT: You're the responsible department for all of the other departments, is it?

Ms Leon: No, it's because this department has within it Centrelink, Medicare, child support, compliance—we have a whole range of channel interactions, so our new Channel Strategy covers all of that.

Senator SIEWERT: What is the comment in terms of this report where it says, 'Any changes are expected to be in place to support the 2019-20 budget portfolio statements'?

Ms Leon: That's because KPIs are in the budget. So our KPI of 16 minutes, for example, is a measure that's published in the budget. The PBS includes our performance measures.

Senator SIEWERT: In other words, you have to have the strategy in place by then?

Ms Leon: We are working towards having some revised KPIs for the 2019-20 budget, recognising that it will require agreement with the policy agencies for whom we deliver these services, because they are the agencies who actually determine what the service level ought to be.

Senator SIEWERT: I've got one other area, but I think it then also relates to where you're going with Serco. I'm not sure if you're aware of some of the issues, the comments that were made in the report about training. The report makes some comment around training for Human Services permanent staff and makes some comments around training that appear to me to be different for irregular and interim employees.

Mr Jackson: The training that's provided to our service providers, of which Serco is one, is identical to that provided to all of our other call centre operators. In fact, the training is actually done by our own DHS call centre staff, our subject matter experts, who train the outsourced providers. We're very comfortable and confident that the level of expertise that
they're trained in is equivalent to it. There is a reference where it talks about our IIEs—our casuals. Because they are not APS staff directly under the enterprise agreement—I'll have to potentially be guided by someone from HR—the training they can get is identical when it comes to how to be trained to do your job, but the way we manage their ad hoc training is done on a more ad hoc manner. That's an observation that is there as a possibility. In practice, we are very comfortable that we do train all our IIEs and all our providers fully as needed.

Senator SIEWERT: Paragraph 3.28 talks about coaching and they say:

... however this varies between sites and sometimes between teams within the same site. Interviews with staff and site leadership indicated a broad range of capabilities across the team leader cohort in terms of coaching and development of staff. This variation presents a potential risk that the coaching and development requirements of Irregular and Intermittent Employees are not adequately addressed.

Ms Leon: You'd appreciate that across the workforce of more than 30,000 people, most of whom are APS3s and 4s, the people who are team leaders are mostly APS5s and 6s. There are a lot of them, and we recognise that they have a significant leadership role, including their responsibility for the training and development of staff below them. Of course we provide online and centralised training for all of our staff, but their local manager is the best person for coaching and guiding. To supplement their capabilities in that respect this year we have developed a program called Learn2Lead for all of our team leader level, so that we can progressively put all of those team leaders through more detailed development of their own capabilities as coaches and as managers of people. It is a big task across an organisation of this size to train all the front-line managers more effectively in that coaching and leading capability, but it's something that we have committed to this financial year.

Senator SIEWERT: This makes particular reference to 'irregular and interim employees'. The staffing model that you are now operating—

Ms Leon: Irregular and intermittent employees are not the outsourced employees. They're our own staff, but they're employed on a casual basis.

Senator SIEWERT: So they're getting different training to the call centre staff, although these are in call centres?

Ms Leon: They're not getting different training, but as you'd appreciate, if you're not here full time then you are not necessarily getting training at the same time and in the same way as the people who are here full time. Ms Brill or Mr Jackson might want to talk about it. We have a rostered environment. Our full-time staff have built into their rostered hours how much training they're going to have. But for casuals it has to be a different arrangement because they're casual. You can't say, 'Of your 35 hours a week you're going to spend this many minutes on training' because they're not rostered on on a regular basis. But as Mr Jackson said, recognising that they're casuals, we nevertheless do invest in their training.

Mr Jackson: And as part of our quality—

Senator SIEWERT: I'm just being pinged. Could you give me that on notice what you were going to say?

Mr Jackson: Very, very quickly, it basically says that where someone is training we do a lot more quality checking, up to 100 per cent of the time. As they reach different proficiency rates it drops out. If someone is regarded as fully proficient, then their training levels to change. As someone becomes very high-performing, their level of training and their quality...
checking drops off as well. If someone is new, they get a lot more quality checking. If
someone is very experienced, they get less, if that makes sense.

Ms Leon: That's whether they're a casual or not.

Mr Jackson: Correct.

Senator MARTIN: Ms Leon, I notice that the government has invested in an additional
2,750 operators. I presume, if you can just clarify or expand, that this is one of the reasons
why the busy signal has improved, the waiting time has improved and the transfer rates
improved? Does that link in?

Ms Leon: We have been onboarding progressively some outsourced delivery partners. We
expect to be up to 2,750 by April this year. As they reach proficiency, they are taking over
more and more of the calls on our main business lines. That's certainly helping us to drive
down busy signals and answer more calls and also to free up our experienced staff to
undertake claim processing, which has also helped us to drive down the wait times for people
to get their claims processed. So it is certainly helping us to improve our performance. We
also have undertaken a lot of reform across our telephony channel, including condensing 145
separate queues into eight, which means that people are mostly getting their calls dealt with
by the first person who answers the phone rather than having to be transferred to another
operator for parts of their call. That has meant that we are having fewer busy signals and more
people are getting their call answered and dealt with by the first person they speak to.

Senator MARTIN: I'm trying to recall what you said with regard to caller satisfaction
rates. They would be up with regard to this as well?

Ms Leon: That's right. Eighty per cent of customers are saying that they got their call
resolved in that first call.

Mr Jackson: We also monitor complaints, and the complaints regarding call wait times
have dropped to 10.8 per cent.

Senator MARTIN: From what?

Mr Jackson: I don't think we have it broken up purely on call wait times. The secretary
might have.

Ms Leon: We have complaints where the phone service is the reason. I've got what the
figures are now. I just don't know that I have the comparison with the previous year. Here we
go. In 2016-17, complaints about a phone service, which is usually about how long it took or
that they couldn't get through, amounted to 27,410. I'm sorry, I just don't have the data now.
Perhaps I could take that on notice for you, Senator: the figures over time—complaints about
phone wait times.

Senator MARTIN: And how they've reduced. Thank you, Chair.

Senator WATT: Just sticking with the Serco contracts, and I'll really try to zip through
these quickly, given we haven't got a lot of time left: am I right that the Serco pilot called
'Centrelink call centre enhancements' has been completed?

Mr Jackson: Yes.

Senator WATT: When was that completed?
Ms Leon: Strictly speaking, the pilot was funded for two years. You probably would no longer describe it as a pilot because we've since conducted an evaluation and moved into implementation. But, strictly speaking, it was funded under the title of a pilot for the two years.

Senator WATT: Those were DHS funds that were essentially outsourced to Serco to run that pilot?

Ms Leon: We were funded for the pilot.

Senator WATT: But Serco ran it?

Ms Leon: Serco were answering the calls, but they were funded by DHS—

Senator WATT: The department?

Ms Leon: Yes.

Senator WATT: Which was funded by government?

Ms Leon: That's right.

Senator WATT: That pilot was assessed by KPMG?

Ms Leon: That's correct.

Senator WATT: When did you receive the KPMG report?

Mr Horsley: That would have been in February 2018.

Senator WATT: What was the cost of that?

Mr Horsley: We engaged KPMG to do more than just a review of the pilot. We engaged them to be an adviser for us when we went through the procurement process and we set up the engagement with Serco. They had extensive experience in that field and had been advising ATO in a similar exercise.

Senator WATT: Can you table that report?

Ms Leon: The report was part of a cabinet decision-making process, Senator, so, no, we can't.

Senator WATT: So, even though Australians have paid for that report, there's no way they can see what it actually said?

Ms Leon: I think we have traversed this here before—

Senator WATT: Yes, but I was hoping that, with time having elapsed—

Ms Leon: but, where it's cabinet-in-confidence, usually ministers don't table documents that have been for the purposes of cabinet decision-making.

Senator DEAN SMITH: That's not a new revelation. I think Senator Fifield tabled documents in the Senate in late December claiming that they were cabinet-in-confidence, or there was cabinet confidentiality.

Ms Leon: Yes.

Senator WATT: Just in terms of escalation of complaints: last time around, I think it was, the department said that one of the reasons complaints had increased significantly in the most recent financial year was not the 48 million unanswered calls but:
We actually made it a lot easier for people to complain by including the facility on our public website, …

Ms Leon: I think we said that would have made it easier to complain. I don't think that we attributed all the additional complaints to that.

Senator WATT: No, sure. But that was a factor—

Ms Leon: I think we acknowledged that in the year where we had a lot of busy signals that would undoubtedly make more people complain.

Senator WATT: Through questions on notice, the department disclosed that there were nearly 20,000 complaints escalated to 31 October 2018, and that puts the department on track to hit about 67,000 escalated complaints for 2017-18. It's not just a matter of people finding it easier to complain because something has changed on the website, is it? There's something that people are complaining about.

Ms Leon: What people have complained about most in the last year have been call wait times and processing delays. That's why we're putting so much effort into bringing down call wait times and bringing down claim-processing times.

Senator WATT: Does the department track the number of complaints that arise when contact is first had with labour hire or Serco staff, as opposed to DHS staff?

Ms Leon: Yes.

Senator WATT: Do you have some figures on that? The number of relative complaints?

Ms Leon: Yes.

Mr Horsley: Yes, we do. So—

Senator WATT: Again, just because of time, could you table those instead of reading them out, if you've got them handy?

Mr Horsley: Certainly, yes.

Senator WATT: Thanks.

Senator SINGH: I want to go to something we traversed at last estimates, in relation to instances where labour hire staff have accessed accounts, files or data unlawfully or unethically. The question was asked, and the department has come back and said that, yes, the department has mechanisms in place to detect and act on unauthorised access to records by all staff, including labour hire staff. On how many occasions did labour hire staff access data in unlawful and/or unethical ways?

Ms Leon: Of the labour hire staff that we've engaged, there have been—this is since 29 January, 2018—13 cases of unauthorised access, which is approximately 0.6 per cent of the labour hire workforce. Of the 13 cases, 10 of those staff then ceased their assignment with the department as a result of the unauthorised access and the remaining three staff had already ceased their work with the department when we detected their unauthorised access.

Senator SINGH: That's from January to January? You said from January 2018, until when—

Ms Leon: That's as at the time this briefing was finalised, which was early February. But, yes, January to January is close enough.
Senator SINGH: Can you provide how many times that was staff accessing their own data and how many times it was accessing other people's data?

Ms Leon: We probably can, but I'll have to take that on notice.

Senator SINGH: Okay. Am I right in saying that the department holds data on people that is particularly sensitive and private, and that this data should be kept fairly secure?

Ms Leon: Yes, and that's why we train all of our staff, whether contractors or APS staff, that they must not inappropriately access the records of anyone other than the customer that they're serving. Regrettably, despite that training and despite the clear warnings people receive that we will monitor their access to the system and that unauthorised access will be detected, a small proportion of both our own staff and contracted staff nevertheless fail to resist the temptation and then find that appropriate monitoring detects them and that disciplinary consequences follow.

Senator SINGH: You've mentioned 13 staff that were terminated, I presume—

Ms Leon: They ceased their assignment with the department. Whether they are still employed with the labour hire company is a matter for the labour hire company. They may simply put them on assignment with another organisation, but they're no longer working in the department.

Senator SINGH: You just mentioned that sometimes department staff also breach conduct unethically or unlawfully.

Ms Leon: I'm afraid so.

Senator SINGH: How many of those have been terminated?

Ms Leon: I am not sure if I have it, but there are officers from Human Resources here who might have that.

Senator SINGH: Also, how many have been warned?

Ms Kelley: From 1 July 2018 to 31 December 2018, there were 66 Australian Public Service staff. Of those 66 breaches, seven of the APS employees were terminated.

Senator SINGH: Okay. In relation to the 13 cases that were working for the labour hire that breached their conduct, you said they worked for the labour-hire company and therefore they no longer are doing this DHS work, but could they be repurposed through the labour-hire firms into other DHS work?

Ms Leon: I don't believe so, but I will take on notice for you what systems we have in place to make sure that the labour-hire company doesn't just send them back to us under another guise. Labour-hire companies, of course, are keen to maintain their relationship and their reputation with us, so I would think the incentives would be all the other way for them to ensure that they're providing with us a workforce that meets our needs, not to send us people who we've already reported have behaved inappropriately.

Senator SINGH: All right.

Senator WATT: Could I ask a number of questions about the department's handling of the recent Townsville floods? Again, at the outset I want to recognise the efforts that your department and its staff have made in assisting a very great number of people who have been
affected. In particular, I notice you've got a number of your own staff who have suffered from
the floods, being residents of Townsville.

**Ms Leon:** Including some who have lost everything.

**Senator WATT:** Absolutely. It's a catastrophic outcome for many, many people. So I do
want to acknowledge the effort, but it probably won't surprise you that there have been some
complaints, and it's obviously my obligation to raise some of those things and see if we can
get some resolution. I'm also interested in comparing the that the department has taken and the
government has taken compared to the other really major disaster in recent years in that part
of the world: Cyclone Yasi. We are getting some reports that there has been a difference in
approach taken, and I'm interested in why. My understanding is that, after Cyclone Yasi in
2011, again there were a large number of extra staff flown up to Townsville. Do you have any
figures on how many were flown up?

**Ms Leon:** During Yasi?

**Senator WATT:** Yes.

**Ms Leon:** We certainly wouldn't have them with us. I can see whether any of the officers
who might have been with us then would know, but—

**Senator WATT:** In the interests of time, why don't you take it on notice. Where were they
were set up? What were their hours? Does anybody know what sort of arrangement was
taken?

**Mr Jackson:** We'll take it on notice.

**Senator WATT:** Do you know whether at the time they had security clearance to process
any claims?

**Ms Leon:** I think Yasi is going to predate all of us at the table.

**Senator WATT:** Could you take all of that on notice. Do you now have figures about the
number of extra DHS staff who have been sent up to Townsville?

**Ms Leon:** The great thing these days is that we have a national network so you can
actually provide claim processing without sending anyone to Townsville.

**Senator WATT:** Yes, but you have sent additional staff up, haven't you?

**Ms Leon:** We relocated staff from within Townsville. For example, of Townsville's Smart
Centre people we relocated some of those into the service centre to provide more people in
the service centre, and we relocated people from non-customer-facing work like compliance
into recovery centres as a point of contact.

**Senator WATT:** So these were Townsville based employees who were essentially
reassigned.

**Ms Leon:** That's right. But the processing of claims was conducted by telephone. We
didn't need to relocate anyone.

**Senator WATT:** Okay, so no extra staff were sent to Townsville because there were other
ways—

**Ms Leon:** Mr Jackson went.

**Mr Jackson:** I actually relocated there for eight days.
Senator WATT: Okay, so one.
Ms Leon: And I went there for a couple of days myself as well.
Senator WATT: Okay. But, aside from people in a managerial role, there were no extra staff and it was managed largely via the phones?
Mr Jackson: That's correct.
Senator WATT: I understand that there were some extra hubs set up to assist people with—
Ms Leon: They were set up by the state government recovery centres, which put all those kinds of support services together, including DHS.
Senator WATT: So did non-DHS staff, whether it be state government staff, contractors or anyone else, play a role in managing and processing claims for payments?
Ms Leon: No.
Senator WATT: It was only DHS staff?
Ms Leon: That's correct.
Senator WATT: And they had all the relevant security clearances?
Ms Leon: Yes. They were all our own regular staff who either had the training or we retrained.
Senator WATT: And no labour hire, contractors or casuals? They were all direct employees?
Ms Leon: There would have been casuals.
Senator WATT: But still DHS employees?
Ms Leon: That's right.
Senator WATT: Do you have any figures on how long it's taking on average from someone submitting a form to that being processed in Townsville?
Ms Leon: They don't have to submit a form. The whole thing is done on the phone. Most of them are done within the day. So the claim is processed while they're on the phone and the money gets into their account on the same day. That's for the vast majority.
Senator WATT: Do you sort of keep track of how you're going in performance terms?
Ms Leon: Yes.
Senator WATT: Can you give me some figures on that?
Ms Leon: As at 20 February, so as at the end of yesterday, we had received 79,096 claims for the disaster recovery payment and we had finalised 73,878 of those.
Senator WATT: Those claims were being submitted pretty much from the time of the flood—3 February?
Mr Jackson: The DRA was announced on 4 February.
Senator WATT: So from that time on?
Mr Jackson: Correct. We did actually receive some calls ahead of the DRA being announced because people were expecting it, so there were some early adopters. But we actually could not start processing the claims until 4 February.
Senator WATT: Can flood-affected people in Townsville and surrounds actually walk into a Centrelink office to have their disaster recovery payment claim processed there?

Ms Leon: If they walk in, the triage at the front of the Townsville centre will take them to the disaster side of the centre and then put them on the phone to ring to have their claim done. The people doing that get through straightaway and it's processed on the phone while they're there.

Senator WATT: But there is a 1800 number that people call; is that correct?

Mr Jackson: 1802266.

Senator WATT: My paper said '180', but I thought that was a typo.

Mr Jackson: No, it is actually correct.

Senator WATT: There you go. I'm old school. So people can go into an office and be escorted to pick up the phone and use the same phone line. We're getting an increasing number of complaints from small businesses who I understand are not eligible for category C, which is a $75,000 grant or a grant up to $75,000.

Ms Leon: That's not us.

Senator WATT: Who's that?

Mr Jackson: I'd have to take it on notice.

Senator WATT: Is it another department?

Ms Leon: It could be a state one.

Senator WATT: I thought it was a federal one.

Mr Jackson: We're just bringing someone to the table who will know the answer to that. Anecdotally from having been in the recovery centres where a lot of these people came, people were coming there to see the state government primarily and we were there. Frequently we would have someone on the phone and their money in the bank while they were still waiting to see the state government. It was literally happening that quickly that some people would put their claim in and the money would turn up in their bank 35 minutes later.

Senator WATT: Ms Lees, do you have a bit of information about category C?

Ms Lees: The category C small business funding is Commonwealth government funded but it's paid to the Queensland state government, to the Queensland Reconstruction Authority, who administer the payments.

Senator WATT: So the Commonwealth is really just the funding source?

Ms Lees: Correct.

Senator WATT: Eligibility is determined by the state government?

Ms Lees: No, the parameters of eligibility are determined by the Department of Home Affairs.

Senator WATT: Okay. I know we probably should have asked this to them, but, given you're here, in very simple terms, what does a small business need to prove to qualify?

Ms Lees: I don't have that information. That would be something that the Department of Home Affairs would need to answer.
Senator WATT: Could you please have a chat with your Home Affairs colleagues, if you're the right—can someone in DHS—

Ms Leon: We can take it on notice and just transfer it to Department of Home Affairs.

Senator WATT: Yes. I'm not as interested in getting an answer to a question on notice as I am about trying to get the problems fixed. We are getting a lot of complaints from small businesses who are being excluded. I think that's because of an interpretation of eligibility criteria. So I'd just ask, again, that the Commonwealth take a bit of a compassionate approach here. We're talking about many people with small businesses who don't have flood insurance. I've been through this in Brisbane. People take out what they think covers them for floods, but it turns out that it doesn't. They're not insured and they're not getting a Commonwealth payment, so could we just be a bit compassionate about that?

Ms Leon: We can pass that on to our colleagues at Home Affairs.

Senator WATT: That would be appreciated. In terms of the processing of payments, more generally, my understanding is that in 2011, after Cyclone Yasi, there were more generous eligibility requirements than exist now to access the disaster recovery payment.

Ms Leon: Again, Home Affairs would have the history on the policy of what has been very variable over a number of disasters, I think. But the policy of eligibility is held by Home Affairs.

Senator WATT: You administer the payments.

Ms Leon: That's right.

Senator WATT: And you are the agency that requires documents and evidence to be produced, in order to qualify for a payment.

Ms Leon: If that's required. Whether or not documentation's required also depends on whether the policy settings require it. But I can say, in relation to the flooding in Townsville, that we are not delaying people's payments while they come in with evidence.

Senator WATT: Do you know what the documents required in 2011, after Cyclone Yasi, were and how that compares to now?

Ms Leon: We'd have to take on notice what the Yasi issue is.

Senator WATT: Okay. We're getting complaints that it's a lot tougher now than it was in 2011.

Ms Leon: Since we don't require people to produce any documentation, at the moment, it's hard to see how it could be tougher than Cyclone Yasi.

Senator WATT: For any form of payment?

Ms Leon: For the disaster recovery payment. People need to tell us that they have met the criteria, which is that they've had water over their floorboards. If they have, they're eligible for the payment.

Senator WATT: What evidence do they need to provide?

Ms Leon: They don't have to provide evidence. We are doing, of course, some back checking about that. If they say they had water over the floorboards at an address that we later identify was not in a flood zone, that might lead us to question the veracity of their claim. But, in order for people to claim, they are not required to submit evidence.
Senator WATT: Okay.

Mr Jackson: For the disaster recover allowance, there is paperwork required. Ms Lees might be able to give more detail.

Senator WATT: Is this the small business one?

Ms Leon: No, the allowance is the ongoing income support.

Ms Lees: To demonstrate loss of income.

Senator WATT: To your knowledge, has the level of evidence required now changed from what happened in 2011 after Yasi?

Ms Lees: Not, to my knowledge, relating to the disaster recovery allowance.

Senator WATT: Could you take that on notice for us, though?

Ms Lees: Yes.

Senator WATT: Thanks. I understand on 7 February the Prime Minister—you probably remember there were a lot of complaints coming through about people having mould in their houses as well as flooding or, sometimes, rather than flooding. Initially, mould was excluded, I think. You couldn't claim a payment if you'd experienced mould. But that was changed.

Ms Leon: I don't think it has been changed.

Ms Lees: No, it hasn't been changed.

Ms Leon: I think it's only inundation that is the criteria.

Senator WATT: I thought on 7 February the Prime Minister changed the payments to allow for payments for mould.

Ms Leon: The Prime Minister changed or announced a change on the 6th, I think. The previous criterion had been at least 25 per cent damage, and the Prime Minister announced that the criterion would now be if water was over the floorboards.

Senator WATT: Yes, but nothing further around mould.

Ms Leon: There hasn't been any change, in relation to mould.

Senator WATT: So, for anyone whose house hasn't been inundated but because of the level of dampness around their house has mould, there's no form of payment available for that?

Ms Leon: No.

Mr Jackson: That's correct.

Senator SINGH: Mould can be very toxic. It can make a home uninhabitable.

Ms Leon: We don't own the policy. We are implementing the eligibility criteria that are set by the agency that owns the policy.

Senator WATT: Okay. I'll have to go back and have a look at this, but my understanding is that the Prime Minister did make a public statement on the 7th that mould would be covered. But there's nothing on your website about that, and what you're saying is that to your knowledge it hasn't happened. We might go back and check what the Prime Minister said.

I also understand that people in Townsville who live in two-storey houses aren't receiving a disaster recovery payment because water did not go over their floorboards or cover their interior place of residence. However, as you may know, in many Queenslander-style homes,
the downstairs is often used as a laundry and entertainment area, so fridges, washers and lots of appliances have been destroyed, but these residents aren't eligible because it didn't reach the floorboards on the top level.

**Mr Jackson**: No.

**Senator WATT**: Not correct?

**Mr Jackson**: Not correct.

**Senator WATT**: So people in that situation should be getting payments?

**Ms Leon**: Yes.

**Mr Jackson**: As you quite rightly point out, the majority of people who have high-set houses use the bottom area as a living area. It's no different from anywhere else.

**Senator WATT**: Yes, I do it in my own house.

**Senator SINGH**: In relation to the mould, I understand that the Assistant Minister for Home Affairs, Linda Reynolds, after speaking with the LNP candidate for Herbert, Phillip Thompson, confirmed that mould-affected houses would receive the payment.

**Ms Leon**: I'm not aware of that.

**Mr Jackson**: I'm not aware of that.

**Senator WATT**: That's never been communicated to your department?

**Mr Jackson**: We only rely on the actual authority that we're given, which is the signed authority that comes from—

**Ms Leon**: It's an instrument.

**Mr Jackson**: It's an instrument—

**Senator WATT**: A determination?

**Ms Leon**: That's right.

**Senator SINGH**: So the quote from this candidate Phillip Thompson is incorrect? He said, 'If your home has been impacted by water into your wall that has caused mould, then you're entitled to the payment.'

**Ms Leon**: The instrument that we are acting on doesn't refer to mould; it refers to inundation by water.

**Senator SINGH**: So this candidate is misleading—

**Ms Leon**: I haven't seen what you're quoting from.

**Senator SINGH**: It's just a news article, but it's quoting this particular candidate.

**Senator Fawcett**: Senator Singh, you are as aware as I am that sometimes what a candidate or a member says and what is reported may not be exactly the same thing.

**Senator WATT**: Or a candidate even.

**Senator Fawcett**: That's what I'm saying—a candidate or a member. Sometimes journalists don't get that exactly right.

**Senator WATT**: That is one possibility. We've run out of time, but I do have a number of complaints we have received that I might pass on to you. Is there a particular person I should be passing them on to, to try and get them resolved?
Ms Leon: Mr Jackson is responsible.

Senator WATT: I'll give you one example, because I know Senator Siewert is pretty keen to ask you some questions as well. A gentleman by the name of Kevin—I won't give his surname—has a two-storey house. Water came through the bottom floor. He was nine days without power. There was damage to a hot-water system. He lost a fridge, freezer and numerous belongings. There was mud throughout the bottom of the house, and it is now suffering mould. Apparently he's been told to give more information due to the area underneath his house not being enclosed. Does that sound right?

Mr Jackson: It doesn't. In that situation I'd be pretty confident that the $1,000 has been paid. There may have been some confusion with the state government's requirements, because it has an additional payment of $180 for various things. So, there may be some confusion between what is a state and what is a Commonwealth responsibility, and we did see a lot of that up there.

Senator WATT: There have been a lot of complaints from people whose houses may not have been impacted by water but who lost power for a significant period of time and therefore their fridge shut off and they lost all their food and perishables. They're not eligible for payments, are they?

Mr Jackson: No.

Senator WATT: That hasn't always been the case.

Ms Leon: I think over a range of disasters in the past there's been quite a bit of variability about what the eligibility criteria have been, but they are all matters for Home Affairs.

Senator SIEWERT: Could I go back to the call list. I know we haven't got time to go over all of them, but I specifically want to look at the income management calls. I realise you've got the very high number of busy calls 'to be confirmed' and 'under investigation', but it still points to a significant increase in inquiries about the BasicsCard and BasicsCard balances. It's gone up from 200,000-odd to over 650,000. Do you have any indication as to why there has been, basically, more than a tripling of calls to that line?

Mr Jackson: The increase is an increase in the number of successful calls.

Senator SIEWERT: Yes.

Mr Jackson: So that's a good thing.

Senator SIEWERT: Yes, but on that line you've also got busy signal of 811,000, which I know is under investigation.

Mr Jackson: Yes. Just to clarify that, we obviously prepare this as late as we can, and we went through and ratified every single number we got to. We think that's higher—in fact, significantly higher—than it should be, but we just did not get a chance before that.

Senator SIEWERT: Also, when you look at the number of other calls, you see they remain about the same. The number that were answered, the number that were abandoned—the wait time has dropped.

Mr Jackson: Ms Brill has an answer for you.

Ms Brill: You'll notice on the BasicsCard inquiry for 2018 that successful calls have gone up between 2018 and 2019—
Senator SIEWERT: Yes, that's what I mean.

Ms Brill: but the actual answered calls are very similar. The reason the successful calls have gone up is that we've been taking a lot more calls. We classify calls that are resolved in the IVR as also successful, and we've been offering additional IVR options for our BasicsCard.

Senator SIEWERT: IVR is the audio—

Ms Brill: It is integrated voice recognition. For instance, a customer can call that line and check how much is on the card. They go into the integrated voice recognition system, the IVR, before they queue to speak to someone. They can push a button and check how much is on their card. We're finding that our customers are really enjoying that. They don't have to speak to a customer officer. They get their question answered in the IVR.

Senator SIEWERT: Which is good, but I don't see how that accounts for the significant increase in the number of calls.

Ms Brill: I think it's symptomatic of the fact that we've made it easier, so customers can now call quite easily and check their balance.

Senator SIEWERT: There are a lot of people ringing?

CHAIR: Senator, you have three minutes.

Ms Brill: To check their balance, for instance—

Mr Jackson: Rather than coming in.

Ms Brill: they're doing their check in the IVR rather than waiting for a customer service officer. They can check every second day, or every day if they want to, without even speaking to anyone.

Senator SIEWERT: Thank you. Can I very quickly go back to the smart centres Centrelink telephone report. We were talking about it not being clear what the impact of other measures was in terms of addressing customer service, particularly in the call centres. The report says 'is not appropriate as it does not provide a clear understanding of the service a customer can expect' but it also, in its findings, talks about the other issues that need to be taken into consideration to have a full picture of the customer service. What I'm interested in is where that then intersects with the Serco report. The Serco report claims that fixing the Serco process, the new call centres, was successful, when this report says there are a whole lot of other issues that are involved in delivering that outcome.

Ms Leon: That's consistent with the evidence we've given at successive estimates. We've always said that it's not possible to attribute the improvement in performance to just one thing in isolation. It's the combination of extra people on the phones, the changes we've made to the queue structure, the technical improvements we're making in the background. I don't think we've ever asserted that it was only because of the additional—

Senator SIEWERT: The minister has very strongly asserted—

Ms Leon: I think the minister said that the additional capacity had contributed to our ability to bring down busy signals.

Senator SIEWERT: And the point is: we can't tell because we can't get access to the Serco report.
Ms Leon: The Serco report was not asking that question. I think I said here that, since the original Serco number was only 250, by itself it of course couldn't tackle all of the unmet demand, and no-one would think that it did. What the evaluation sought to do was to see whether we could effectively onboard outsourced partners and see whether their performance would be effective at answering our calls. That was reported on in the evaluation and the government has since proceeded to bring on more outsourced delivery partners. Having up to 2,750 extra people on the phone certainly helps us with managing demand. You wouldn't find that in the KPMG report, because we didn't have the 2,750 then.

Senator SIEWERT: I'm being pinged again.

CHAIR: Yes. It being 11 pm, that concludes the committee's examination of the Social Services portfolio, including the Department of Human Services. I thank the minister and the officers for their attendance, as well as Hansard, broadcasting and secretariat staff. Senators are reminded that written questions on notice should be provided to the secretariat by 1 March 2019. Officers are reminded that answers to questions on notice taken should be returned by 29 March 2019.

Committee adjourned 23:01