

# Work and Pensions Committee

## Oral evidence: Benefit Levels in the UK, HC 1126

Wednesday 14 June 2023

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Members present: Sir Stephen Timms (Chair); Debbie Abrahams; Siobhan Baillie; David Linden; Steve McCabe; Nigel Mills; Selaine Saxby; Sir Desmond Swayne.

Questions 97 - 155

### Witnesses

[I](#): Rt Hon Sir Iain Duncan Smith MP, Secretary of State for Work and Pensions (2010-2016); and Deven Ghelani, Director and Founder, Policy in Practice.

[II](#): Dr Stephen Brien, Chair, Social Security Advisory Committee.

[III](#): Professor Peter Whiteford, Crawford School of Public Policy, Australian National University; and Matthew Oakley, Secretariat, Social Metrics Commission.

Written evidence from witnesses:

[Policy in Practice \(BPI0064\)](#)

[Crawford School of Public Policy, Australian National University \(BPI0044\)](#)

## Examination of witnesses

Witnesses: Rt Hon Sir Iain Duncan Smith MP and Deven Ghelani.

Q97 **Chair:** Welcome, everybody, to this meeting of the Work and Pensions Select Committee and our first evidence session today in our inquiry on benefit levels in the UK. We warmly welcome Sir Iain Duncan Smith MP, the founder of the Centre for Social Justice and the Secretary of State who was responsible for introducing Universal Credit, and Deven Ghelani, founder of Policy in Practice, who worked at the Centre for Social Justice on the plans for Universal Credit.

I will start with a question to you, Sir Iain. We have the lowest headline rate of benefits for 40 years in real terms and, as a proportion of average earnings, probably the lowest level ever and we have very big current demand for food banks. Do you think, as some have argued in written evidence to this inquiry, that we should have some kind of independent advisory body, perhaps looking a little bit like the Low Pay Commission, to advise the Government on what level social security benefits should be set at? Do you think there is a case for doing that?

**Sir Iain Duncan Smith:** I was looking at this question the other day and I thought to myself that in truth we have quite a lot of advice at the moment. There is no shortage in the advice that the Government get. They get it from our colleagues. I was in favour of keeping the £20 uplift and I made that pretty clear and would call that pretty strong advice, and there were a number of my colleagues who felt the same as we came out of the pandemic. The problem is that if you set up extra bodies—we have the Social Security Advisory Committee, which I remember when I was Secretary of State was not backward in coming forward. It covered pretty much all these areas. We talked endlessly about benefit levels in sectoral areas as opposed to across the board.

At the end it all, these are political decisions. Government are elected to make the decisions, to decide on what they set these things at, as we have seen through a Labour Government but also through a Conservative Government, and they set them in accordance with parties. One difference, following the financial crisis, was that the freeze that went in had not been done before, certainly at that time. One of the reasons why I eventually resigned was over the fact that I thought we had gone too far.

The reality is that there is plenty of advice out there. I think that committees of politicians like this and others are what you are elected to do, which is to try to get the Government to do things and to make that case. Advisory groups are as good as the people you stick on them. I am not completely persuaded by the idea that you need another advisory group. If you want we can broaden the remit of the Social Security Advisory Committee. There is no reason why it cannot pick up more of



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that in the low-pay area as well. I am slightly averse to having another advisory committee possibly occasionally clashing with the Social Security Advisory Committee at the same time. As it is there to advise Government, it seems to me that if you want to add to it, you might add it to that committee, not create a new committee.

**Q98 Chair:** From what you have said, you think that the current level is too low. Why has that happened, do you think?

**Sir Iain Duncan Smith:** It is a feature of the economic issues that were around at the time when we first started, going right back to the bank crash and indebtedness and the need to get spending down. This was one of the areas that the Government were very focused on at the time. I was very keen when I came in to change the system because inflating it or cutting it makes little difference at the end of the day to the outcomes for these people other than if they are stuck on benefits then you are sustaining either high or low levels. The key thing is what is the dynamic to people's time through the benefit system, was what I was really about, hence Universal Credit and the changes we made.

The Government decided—it was the coalition Government, not just the Conservative Government—this is the area that they needed to take money out of. There was some criticism in the run-up to previous elections that there was erratic spending on tax credits. If you look at the pattern of spending, a year or two out there would suddenly be a significant amount of money going in and then after that not the same levels and then it would be another erratic point. It was trying to say that using it as a political tool in that way would not be a great idea but, as I said earlier, the amount is down to what the Government see as their priorities and what they intend to spend on it. As I said, when it came to the end of it on spending, I took a different view and that is why I departed.

**Q99 Nigel Mills:** It is 10 years now since the first steps of UC. How do you think it has gone? Is there anything you wish you had done a little differently now?

**Sir Iain Duncan Smith:** I wish I had had more money to get it through. To bring in a reform as big as that—and there is hardly a reform bigger in modern times than Universal Credit for what it was intended to do, what it is—almost invariably means you have to invest more to get the changes done, but at the same time we were reducing spending, so it was very difficult. My arguments constantly were that this will in due course reduce your overall spend because it will add a dynamic to getting people out of their situation and back into work, reducing workless households. That was more of a constantly running row and debate. When I first did it—and the Chairman will know because we talked quite a lot at the time because he was on the Front Bench of the Labour Party talking about the difficulties of doing these things—those two things were the reality.



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If I look back on that with hindsight, one thing we would have done differently was to have been a little more certain that the civil service that was going to bring in this big change had fully understood the nature of what had to be done with the system itself. I had to introduce a red team about a year out from the initial plan, who came to me in, I think, 2012 and said they are using old technology and it is not going to work. This relied for the first time on people accessing it easily. The example is Amazon where you have to get to the point of what you need to do quickly so that you can get things and this didn't work like that. They said it is full of boxy checks and problems and it will snarl up. That is when we had to reset and we went for the digital system. I would have preferred to have been in the position to start with a digital system, which might have meant that some of the delays would not have been quite so long.

**Q100 Nigel Mills:** We have some ambitious estimates of what would happen to spending and fraud and things, but they have not quite come through. Have we seen the flow of people coming through the benefits regime and off earning sufficient not to need benefits? Has that worked as you would have liked it to?

**Sir Iain Duncan Smith:** I think that is working now. The problem is that Universal Credit was encompassing six benefits and two of the critical benefits to that have not gone into UC fully at the moment, which is a bit absurd really. The first is tax credits, where there is still a chunk of people sitting outside of the Universal Credit—therefore, unable to get the benefits of constant support in work. After all, there are no jobs advisers sitting on tax credits but they are in UC. They should have gone in and I think that was a decision by the Treasury not to invest that money to get them in.

The second group is those on sickness benefit. I think I read about this the other day. We discovered at the Centre for Social Justice that of those who are languishing on sickness benefit out of work, around 700,000 admitted that they would like to work but were confused by the system and did not fully feel that they were able to work. That is what UC would help with because it has specialised advisers who could help support them through their journey into work and thus give them that opportunity. If you look at the problems in the growth in claims, mental health is very high and a big chunk of that is depression and anxiety. They are treatable conditions and, in fact, if you are in work and persist in work the chances are that that is also part of the cure. Getting sickness benefit in UC is vital because it is the only part of the system that literally applies support immediately on day one.

I have been arguing about that since I left, which is get them in and get them in as fast as possible, but short-term cuts have led, I am afraid, to a higher cost in due course because they are languishing out of work, many of them are sitting on benefits, and they are not able to improve the quality of their lives. That is my critique at the moment of the most important, vital thing for the Department to get done.



**Q101 Nigel Mills:** I think that when you have been before us you have said that Universal Credit was meant to come with universal support and the two were intertwined, except we kind of untwined them. Do you think what the Government announced in the spring Budget is really universal support and will achieve what you want it to or is it a bit of a pale imitation?

**Sir Iain Duncan Smith:** You need to grab your victories when you can, so I will claim it is good because they have now finally understood it. I have had conversations with a Chancellor who did not have a clue what I was talking about. When I said we needed to have got universal support across, there was a blank stare and this particular Chancellor said, "What are you talking about?" He had been around when I had been talking about it.

The one thing I keep repeating about UC is that it is not just a benefit system. The reality is that for the first time ever it does household income, which is a huge beginning to be able to figure out which households have significant difficulties and now you can target help much better, but you can only do that if all those groups are inside. The second part of it is then universal support, which Lord Freud and I were both very keen on implementing and was designed at the same time—once you understand the household position, which you could not do with the other benefits before but you now have a household income, who is in work, who is not in work, you can begin to understand which are the households that are less likely to be able to get into work even with an application from job advisers.

The point about universal support is that UC spots that and now what do you do with that information? If there is a group of people that will perennially be out of work or in difficulty, how do you do that? The answer is that universal support alongside allows you to take that group of people who need to have other help, maybe for drug addiction, debt counselling. All these things need to be done separately, working with local authorities, small community groups, and put them back into the system once some of their problems have been rectified. For households that have a very poor, low history of outcomes on education, you need to look at how you can get remedial education alongside.

That was the whole point but that would cost more than this. This is a small start to show how you would do it and work it, but that is all it is at the moment. We would need to build on this dramatically if we want to use UC at its best, which is to help change lives, not just to figure out what the benefit number is.

**Q102 Nigel Mills:** Last time you were here you said that the pandemic would not be the right time to deal with the five-week wait. Do you now think there is scope to alleviate that?

**Sir Iain Duncan Smith:** I was never in favour of five weeks. I have to tell you it was a six-week wait when I lost the argument. It was after the



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coalition, if I am quite honest, and someone who shall remain nameless came up with a great wheeze to add an extra two weeks on. It originally was four weeks from the word go. The reason for that is not that you want to keep it longer but the fact is the vast majority of people who fall out of work are almost certainly on monthly payments, so you need a system that basically is set to help them rotate back into work as fast as possible. If there is as little change as possible that helps them come to terms with it and move on out. For those who are not on four weeks, you then put in ways in which you can mitigate that, advances and all the rest of it that we put in. That is the way to do it.

In other words, exceptions are for those who can't rather than the vast bulk. We want them through as quickly as possible with little changes and, as we know, the majority are back in work within six months, but we want as little change in that process. Mirroring by and large work and what happens in work is an important feature of how this interplays with those who are out of work. That is what the four weeks was about, the monthly payment.

The extra two weeks were not something I was particularly keen on and the only point I made at the last hearing was that in the middle of a crisis or chaos of a pandemic it is difficult to start making changes without causing repercussions. I certainly would not resist going back to the original objective.

**Q103 Nigel Mills:** I see what you are saying and maybe we are running out of time, but most people are probably paid monthly rather than four-weekly, although some are paid four-weekly. That would give you a very different structure because rather than having a claim day and you get paid on the anniversary of your claim day, basically, you would pay everybody on the last working day of the month, wouldn't you?

**Sir Iain Duncan Smith:** Yes, but if you have a five and six-week wait, that throws the whole calculation out. That is where you end up in the margins with difficulties, but it was a decision made in Government at the time, as I say, not long before I called it a day for good reason.

**Nigel Mills:** We were hoping Mr Osborne would come and speak to us about it.

**Sir Iain Duncan Smith:** Yes, I would love to hear that.

**Q104 David Linden:** Let's talk about the benefit cap. To what extent is the benefit cap an effective mechanism to encourage individuals into work?

**Sir Iain Duncan Smith:** When it was first introduced I think it had the great effect of getting people to focus on what they might perceive as the fairness of the system, but in practice quite a lot of the groups that would have been on it were not on it in the end, obviously, because of exemptions for people on the disability living allowance, as it was at the time. There was a very small level of groups.



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I think that it had a purpose and it was a reasonable place to be that said to people about the benefit system, "We are not allowing people just to use the benefit system to avoid this work". It was introduced before UC came in and so there was the interplay between them. I personally think that the UC stuff now takes over from all that in a way that makes it less vital, but it is also part of getting people to accept that the benefit system has a purpose. That was, as political as it is, economic but there are a lot of exemptions from it.

**Q105 David Linden:** It is noticeable there that you speak about it in almost the past tense as if the time for the benefit cap has gone now. Is it your view that you are in line with, for example, the Poverty Alliance, which says scrap the benefit cap, it is not really working anymore and, in fact, it is pushing more people into destitution?

**Sir Iain Duncan Smith:** My view is that I don't think it has the scale of negative effect that you are talking about, but I also don't think it has the scale of positive effect that is often trumped about it. With Universal Credit fully in and with all the benefit recipients in that I talked about, sickness and tax credits, most of the work that they are after—because you are now able to spot the households—I keep coming back to this point but the unique bit about Universal Credit is that we know now which are the households that are on benefit or in difficulty. That is what universal support will do in a more positive way, which is try to change their outcomes rather than just do a broad target to say that nobody will earn more than this. By doing that, you be able to achieve the same objective.

**Q106 David Linden:** In the course of this inquiry, we have received quite a lot of evidence that suggests that the benefit cap breaks the link between benefit levels and need. Do you agree with that?

**Sir Iain Duncan Smith:** Yes, to a degree you can say a lot of the benefit system does that anyway because it is making a judgment about what people should have, the argument about whether or not you should have an advisory group to come and tell you what the key areas of people's lives should be valued at and, therefore, what they should get, which I think was the point of the first question. Like all these things, they become political judgments as much as anything else, and Government have to make those decisions. I think that is what will always happen. The key point I keep making about UC is that it allows you to make a better decision and universal support would ultimately negate the need to have that if it was properly implemented.

**Q107 David Linden:** The Committee is looking at benefit levels, things like uprating, and I want to turn now to the uprating policy. Back when you were Secretary of State, did the Department have any clear objectives in mind, relating to subsistence levels or basic need, when it was deciding what the benefit levels should be, including for allowances other than the standard allowance?



**Sir Iain Duncan Smith:** The Department had views about what was necessary and what could be done but, like everything else when you are in Government, you start with an overarching priority, and in this particular case the previous Government had said—I think it was the last Chief Secretary to the Treasury—that basically they had run out of money. Well, that was an overstatement, but the reality is that Government start by what they can afford and then work backwards into where they have to look to see where there are changes. That is very much how this all took off post-2010. It starts with what can we afford and how can we do it. Then the argument from the Department will be that there are certain basic levels that we are at and we don't want to go below them. We should not go below them because they will act as a disincentive and they will also make things tougher for people unnecessarily. There is a balance between whether or not that helps people focus more on work.

Bear in mind that when all that earlier stuff was done, we did not have UC, so this was done across a range of different benefits, which made it much more complex than it should be or could be now. It starts with what the Government think they can afford and then Departments argue about it. You want to have a clear idea of what you think the set and basic rate should be and it is involved also with inflation and so on.

Q108 **David Linden:** One of the things that the Committee hears quite a lot, and you will be aware of as well, is that there is a campaign being run by the likes of the Joseph Rowntree Foundation and Trussell Trust for an essentials guarantee that would prevent deductions from pulling benefits below a certain level. Do you have a degree of sympathy towards that?

**Sir Iain Duncan Smith:** Simply to be able to understand what is needed—how you go about that, as I came back on earlier, I am not convinced that you need other groups to do it. I think all the evidence is there and the facilities within the Department are there to do all that. It has one of the best forecasting units; in fact, it is the key forecasting unit in Government, which Treasury uses the whole time. I remember all that. It is not beyond the wit of man for that process to be if you are concerned and you want to look at basic essentials—the key problem is these will shift around so the debate will still reign as to what we can afford. We can go on trying to get others to say, "This is what you have to pay" but the reality is that the Government will decide on what they can afford and I think that is the key to it.

Inflation, after the first year of the Government I think, went up to 5% at one point before coming down. There was a huge hue and cry about not raising the benefit to 5% because most other people's salaries post the banking crisis had fallen in the private sector. That was a good example of the pressure that took place because the media were all over it, saying this would be deeply unfair if people who are out of work get a higher payment. You can argue that that debate, which is somewhat irrational in



a way because this is looking backwards, not looking forwards, therefore, is the key to the decisions about whether or not you raise it.

I hope I am not being too cynical but I am trying to say that it is all well and good for people to put together a package like that. The question is what the Government think their overarching requirements are within this and whether they will stick to it or not stick to it. These are immutable. They are, in fact, collisions of decision making and that is where the problem arises. I keep coming back to the fact that the Social Security Advisory Committee was constantly talking to us about benefit levels the whole time through and about what we should and should not do and it went across the different benefits.

**Q109 David Linden:** As a Greater London MP you will be aware of regional disparities as well as most folk. Do you think that there is merit in a regional approach to setting benefit levels in the UK?

**Sir Iain Duncan Smith:** We always said that Universal Credit could be administered out of central London in due course by areas themselves. We have some of that in Scotland as well, of course. That was the original possibility and I had a lot of council leaders come to see me about that because they wanted to take charge of it. However, the problem about the levels is that if you go for a regional benefit structure, it begs the question of what you are going to do about salaries because one has to be attached to the other. If you are not a believer in regional pay, having a regional benefit system could create chaos at the end of that if you are not careful. I think that you have to be slightly careful about that.

In fact, I have yet to find somebody who wants to back the idea of regional pay because of the problems that has in a national service like the health service where people move around. If you have a regional benefit system, which may be lower at one end of it but people in pay are getting higher pay, you start to set a gap and disparity that creates a problem in the incentives to be in work or not be in work and what people perceive of as their system. Then it starts moving people away from certain areas. My general view is that without regional pay—which I am not in favour of, by the way—a regional benefit system at benefit levels would be complex to introduce.

**Q110 David Linden:** When I was 11 years old you came to my community in the east end of Glasgow when you were Tory leader.

**Sir Iain Duncan Smith:** That had a big effect, clearly.

**David Linden:** It was interesting because so many of us at the time—in fact, with the benefit of hindsight, people speak about your “Easterhouse epiphany” and that clearly had quite a massive impact on you and you went on to be involved with CSG. There are elements of your politics that I disagree with, but I know you were back at Easterhouse recently. Do you think that 20 years on that lived up to the expectations for them? Do



you think their lives are materially better now as a result of your changes?

**Sir Iain Duncan Smith:** There are lots of changes to Easterhouse, as you know, with the building and rebuilding that is taking place. There are physical changes to the place but I still think there are significant problems in the areas that we are talking about and they come down to a whole myriad of issues. Again, the point I was making earlier on why I was keen on Universal Credit was because I thought that you have a mechanism but what we were not able to do with the benefit system was to understand what the situation was for families and households, so we would only look at individuals. Looking at individuals is fine but it disguises what is going on behind it. Understanding that now gives you a tool to be able to have some effect on what is happening to lives rather than incomes.

I never saw Universal Credit, and hence universal support, as just a benefit system. I saw it as a way of changing lives, of helping those at the bottom end much more to be able to target what you do to change their lives rather than just saying, "Here is a payment for the week for you but we don't know what is happening with anybody else". Now we know that we should be able to say, "This is a family that has been perennially in difficulty, so let's have a look at what the problems are that they face", which are not necessarily just about the amount of money they get each week. If it is drug addiction in a family that is causing real problems of poverty for the kids, we need to deal with that.

That was the whole point about universal support. It works then off what you understand from Universal Credit. The two should be inseparable and as yet they are not. That would be my priority.

Q111 **Debbie Abrahams:** Good morning, both of you. I will start with Sir Iain. I think what you said to Sir Stephen is that it is about political decisions about the level of benefits, the level of social security support that we set, and it would not be appropriate for another independent body to undertake the work of advising the Government on that. To what extent is evidence used in setting decisions around benefit levels? For example, on the change from disability living allowance to personal independence payment, Policy in Practice and various other bodies have done analyses of particularly disabled households where at least one adult and one child have been detrimentally affected, the worst affected household group. Using that as an example, to what extent did you make assessments of the impact on disabled households of the decision, for example, to freeze social security support or to restrict the payment of social security support?

**Sir Iain Duncan Smith:** All that is done every time the debate takes place inside the Department. There is no question but that there will be forecasts of exactly what will happen, which groups will be most affected. The reason for the change to PIP was essentially hugely due to the fact the DLA was not at all good for people with mental health problems and



that was perceived as the growing area. The whole idea behind PIP was to improve contact for those with mental health problems. Forecasts were done, medical people were brought in. I remember a large number of discussions about where these lines should be set. At the end of it all, that gives a shape but like everything else—a bit like the military, I suppose—all plans change on contact. As soon as you start getting evidence about what the difficulties are, you start making changes.

I can give you a very good example. The employment and support allowance, which was brought in by the previous Labour Government, was in itself a pretty hard benefit at the time. In fact, we had six reviews of it while I was sitting there. I am not blaming anybody in particular, but again Government are advised that they can do certain things and then suddenly you have it out on the ground and it does not work in the way that they thought it would work. We instigated six full reviews of it, I remember, each one then easing off some of the more difficult bits, particularly around mental health, for example. I think almost every year we had another review because it still was not right and expensive.

That is why I was so keen to get that inside Universal Credit because it did not function very well. You get a lot of forecasts, people put together what they believe will happen, but my experience now is that it very rarely happens like that. You understand how that will work properly only when you understand how people will react to the changes. That was key to it. Some of the medical checks and so on were modelled a bit around ESA. In hindsight, we needed much more evidence on that to be able to get that correct.

**Q112 Debbie Abrahams:** You mentioned forecasts quite a bit there. Did you forecast the extent that vulnerable claimants would either take their own lives or lose their lives?

**Sir Iain Duncan Smith:** I do not think that that question is part of this because—

**Debbie Abrahams:** With respect, Sir Iain, it is—

**Sir Iain Duncan Smith:** With respect, you cannot forecast what people—

**Debbie Abrahams:** You looked at—

**Sir Iain Duncan Smith:** No, you are forecasting about the changes in how they react in terms of their benefit and what happens to them in work or out of work. These are the things. But there is no way you can forecast how this will affect somebody's mental health because that is a medical decision at the end of the day and people react to things differently. That is the way it is. I do not know that anybody is—

**Q113 Debbie Abrahams:** There are tools, Sir Iain, and different countries use them. The Health in All Policies group—I chair the APPG—has been able to do this analysis.



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Can I understand? I thought you said that you were not looking at individual cases but you would forecast to understand the impact on health. You now say that that did not happen. Was there no analysis, then, of the change, as I mentioned earlier, in the freezing of benefit levels to disabled people for four years and the restriction of operating to 1% for three years and the impact that that would have on households with disabled people and their condition?

**Sir Iain Duncan Smith:** Yes. Exemptions were made as a result of where they believed the more difficult effects would fall. That was what the Department did at the time when this requirement was given to them. Those who are on the employment and support allowance without work requirements were exempted and the same with the DLA. Changes were made even at the time of it because they were the people we thought would be most affected adversely. That is how the change was made.

On the 1%, as I recall, once the inflation level fell it had little effect at all because inflation fell down to about the level if not below where the freeze was at 1%. On that part of the area, it had little monetary change.

Q114 **Debbie Abrahams:** Can I read out the analysis of the Equality and Human Rights Commission? Again, it uses similar tools that we were able to use in the group that I chair. It estimated that households, which I just asked you about, with one disabled adult and one disabled child had an average cash loss between 2010 and 2017 of 13%. What you were saying about exemptions was not the case. That is just over £6,500 a year, or 13%. We now know that one in three disabled people live in poverty, twice the rate of non-disabled people.

I will get back to my original question. To what extent is evidence undertaken? I think you are saying little. You can do it. You can assess the impact that this will have on people. Little was done, particularly in relation to disabled people. I hope perhaps we might include recommendations on that, Sir Stephen.

Devan, if I could briefly turn to you, I know you are at Policy in Practice. Juan Alvarez when he was with you gave evidence to the group that I was working on. You estimated higher levels of deductions in terms of loss of income for disabled people. Are you able to enlighten us on what those were and the potential impact that they had?

**Deven Ghelani:** Yes. Overall, benefit levels over the last decade have fallen by 7.5% in real terms. That is one core fact to take away. What we find is that all these broad numbers hide different individual impacts on different households. That is a combination of both the financial element, which this Committee is focused on, and some of the points you refer to and Iain responded to. It also has, depending on the circumstances of the household, an impact on other areas of people's lives if they are disabled, whether that imposes additional costs or the wider challenges households face and why they might need universal support.



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On producing those estimates, we have done a huge amount of estimates in the last decade, so it depends exactly which ones we are speaking about. The general principle is that Policy in Practice can focus on different groups of households. Sometimes we focus on the most vulnerable. We work with local authorities to look at the administrative data on the lowest-income 40% of households on UC, those most likely to be out of work, those most likely to be on very low earnings. When we analyse that group, which by its nature includes a large proportion of disabled people because they are more likely to be in poverty, as you have just said, we see some slightly different impacts.

The only other point to bear in mind is that the picture has changed a little bit since then as well because of changes to benefit levels. When Juan was with us—

**Debbie Abrahams:** They will not make up for the decimation of the—

**Deven Ghelani:** No, not at all. I am just saying that the estimates change. That is all.

When Juan was with us, I remember in 2015 when cuts were put in place by the coalition Government, there was a general view that social security had been cut to the bone. It was most striking and surprising—I should not be surprised by this anymore but I still am—that there were further cuts to come in 2015 onwards. That was when further freezes came into effect. The approach to austerity continued with a focus on social security above other areas. Perhaps we should not be so surprised by that anymore, but there is always a case to make savings in that area. It is not a sensible case. It is quite short-termist.

Q115 **Selaine Saxby:** Good morning. The Committee has heard that inconsistent uprating policies have contributed to inadequate benefit levels. What are your thoughts on this?

**Sir Iain Duncan Smith:** Inconsistent uprating with reference to what in particular? I want to make sure I get this question right.

**Selaine Saxby:** Literally over the period of time, it has not been consistent in how benefits have lifted up.

**Sir Iain Duncan Smith:** All right. I come back to the original point that I made earlier on. Politicians make these judgments set against what they believe they can do so they will not always be consistent in quite the way that you might think would happen. It is about the priorities.

To follow up on this point, by the time we got to 2015 I had become completely convinced that there was no further scope for reductions. In fact, before that I was beginning to lose arguments. That, for me, led to my resignation. I did not feel that there was realism about some of the impacts of what was taking place because they were seen as political decisions at that point. In the end, that stopped the further cuts. I then argued for changes to uplift them.



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Being obvious about politics, government and priorities, Governments make decisions about their priorities. It does not always mean that they will get their way exactly even if they have a majority on that because Members of Parliament may take a different view. Inconsistency is almost inevitable in a way because it is set around the argument of what is needed against what the Government think can be afforded. Those are the two bits that clash. As I say, sometimes Governments make decisions without trying to think too much about whether that is feasible.

**Q116 Selaine Saxby:** Should the statutory requirement to uprate certain benefits apply to all benefits and the benefit cap?

**Sir Iain Duncan Smith:** The break was with the freeze that took place because it had not been implemented in any shape or form before. That was a break. The Government up until then had always uprated in line with inflation. There had been no change and now the Government continues to uprate in line with inflation.

You will want to see lots of changes made and sometimes you will want to see increased spending in certain key areas. Then you discover that there are issues and problems so you want to change those values as well, maybe for children, maybe for adults. That is where your inconsistencies lie.

**Deven Ghelani:** You need a set of principles and you need to be able to stick to them. You can argue whether the basic premise of uprating, of uprating by CPI, is right or wrong but, over a longer period of time, benefits will fall behind wages, which in a sense will increase relative income poverty because median earnings will go up and benefit rates will stay the same. That has generally been the principle.

There was a period in 2012 when CPI inflation was just above 5% and wages went up by 1%. The political response to that drove subsequent benefit freezes. There was a sense that benefits went up in this year and we needed to bring them back down to the level they were at before for political reasons. As you go forward, you should have stuck to that principle then because, over a long period of time, you go back to the normal pattern.

There is a debate just now. We were all relieved to see benefits go up by inflation. We are dealing with a cost of living crisis right now. The fact that there was even a debate is slightly surprising to me. If it does not go up with prices, people's standard of living will drop. Governments need to be made to say explicitly, through being held to account by this Committee and others, "We are actually saying that benefit levels are too high", which absolutely is not the case.

I mentioned that overall the benefit system is 7.5% less generous in real terms than it was a decade ago. That is on average. Certain households are being impacted much more than that. Effectively, those actions say what the Government feel are appropriate levels of benefits.



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A broader problem I point to is creating the political space to make sure that those on the lowest incomes do not bear the burden of austerity or of not being able to find the money to pay for other things. It can be incredibly short-sighted, particularly when you look at the impact on—I was going to say families with children, but a lot of single people are massively impacted by getting into this position.

If I could make one point about universal support, I completely agree that it is absolutely necessary. People find themselves with these broader challenges. Cuts to social security or people not having enough earlier on can exacerbate or lead to these problems around getting into debt and other challenges. It is not just related to that, but those pressures can exacerbate wider social impacts.

We are doing quite a lot of work on literally drawing the line of the relationship between income and these wider social impacts of policy and practice.

**Q117 Steve McCabe:** Good morning. Iain, as you will know, the Department claims that the wide September-April period is necessary so that they can make any operational changes or any legislative changes can be introduced so that they can then change the benefits for the start of the year. Are they right to say that?

**Sir Iain Duncan Smith:** When it came to the legacy systems, almost certainly it is quite complicated once they start trying to change anything because all sorts of different bits and pieces inside benefits apply to different people and have consequences on them. There is a degree.

With UC now, if it is properly implemented, it is easier to make the changes under Universal Credit than it was under the original legacy systems. It leads you to question whether you would be able to make a shorter period of changes. There is some argument for that, frankly. If the economy is in a fairly volatile state and you see these movements up and down that we have seen quite recently, then I accept that to some degree there is an argument that you can make changes on a shorter timescale that would reflect the nature of where people are at that stage rather than where they might be in six months' time.

I am not trying to box them in, but there is greater flexibility now if you go to UC than there was in the previous benefits, certainly.

**Q118 Steve McCabe:** I assumed that that was your point last year when you called for the uprating. I assumed that you were saying that UC should be more flexible, but you were not doing that and, therefore, you asked for the special event. Was that broadly your thinking?

**Sir Iain Duncan Smith:** The UC offers greater flexibility to make changes, which we were on about. When you have a multiplicity of benefits all doing similar things to each other, you get complexity when you change things. With UC, because they are all in and it is much easier and it is a digital system, which means it is easier to make changes



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because you can see the reflection of what happens through that system when you do, I have argued that it is feasible for them to do it. Does it have to be static, in a sense? No. If there are higher changes over a shorter period, Governments should be able to say, "We will make interim changes because inflation is rising at a higher rate or a faster rate than was anticipated".

**Q119 Steve McCabe:** Was that always your vision for Universal Credit? Apart from the issues about making work pay and so on, which you have explained previously, was it always your vision that you would create a much more responsive and flexible system?

**Sir Iain Duncan Smith:** Yes. The whole point of Universal Credit is that it is not just a benefit system. It is a system that understands what is happening to households. It allows targeting. When a household has significant disability issues, you can start figuring that problem out and you can target support and help much easier than you could previously. The point of universal support is you need, therefore, to use that facility because it could have a big impact on the way that we improve quality of life.

**Q120 Steve McCabe:** When you say that rebates and discretionary payments go in the wrong direction for tackling poverty, what are you telling us?

**Sir Iain Duncan Smith:** The point I make is that—I keep coming back to pretty much the same point—we have to first of all understand what is happening to a household. Once you understand their income and understand what has been happening to them in employment, disability and all these other bits, at that stage you need to have a longer-term process of tackling what is happening to that family to make them bump along within the benefit system but not being able to break out. We need to think of these more in human terms than in just short-term amounts of money that may rectify a short-term problem but do not rectify the perennial problems, which are poor education, drug addiction, debt, dysfunctional family life, that lead to physical problems as well. Once you are into that, you can then start tackling the family problem rather than just the short-term reflection of what is happening externally. That is the point that I am trying to make about this. The benefit system can move now to being much more focused on what happens internally in households.

**Q121 Steve McCabe:** I do not want to put words in your mouth but I want to make sure I have understood what you are telling me. Are you making a case for more predictable, stable payments month upon month, as opposed to these short-term boosts or stimuli? It sounds as if you are saying that may be more disruptive than beneficial to that family system you are describing. Is that a fair way to understand it?

**Sir Iain Duncan Smith:** I am not quite certain I understand what you are asking. I understand that we should be in a better position if we get this right to understand better what is happening to individual households



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rather than groups so that we can start looking at those individual households and targeting support and assistance to them on the basis of their real need. It is structural, too, talking about conditions that may lead them to the positions they are in and trying to change those so that their outcomes become different in due course.

The issue around the structure of it all was meant to reflect the nature of work to make life, therefore, more forecastable and easier for people who fall out of work to go back into work as quickly as possible. It allows you to then see what is left, those who will not react to that. What is needed to change their lives is what you then do with universal support. That is the idea. That is why universal support has to be alongside Universal Credit because, without it, Universal Credit is only half done.

**Chair:** Steve, your question was about the cost of living payments, the three-monthly boosts?

Q122 **Steve McCabe:** Yes. You were critical of energy payments and some of the cost of living payments. You suggested that that was not the best way to tackle poverty.

**Sir Iain Duncan Smith:** Yes. Sorry, my apologies. I thought you were talking about the structure of UC.

Yes, you end up dropping money in the short term. It is like a palliative. It does not actually change the nature of what happens to that family because it will be in the same situation after. You will have to keep on coming up with emergency payments and short-term payments. It should all be part of that single system so that we are able then to deal with the household and its needs rather than constantly saying, "We will add another payment here and another payment there", which is an inefficient way of doing it and nobody quite understands sometimes why they got the money in the first place and what the issue was. It ends up with a peculiar argument.

I remember this on winter fuel payments and things like that. You would ask how flexible they are and the answer was, "They are not flexible at all". The way you pay it is about the spot market rather than the need and you get caught up then in making payments not necessarily based on what they need at that particular time but on what they might have needed or what the market was able to pay six months before. That is why getting it all into one system was critical and to make sure you have a constant payment that targets money at families that need the money for their particular purposes.

**Deven Ghelani:** Universal Credit was introduced to try to simplify social security and, to a certain extent, it has done that. It takes a single application rather than three to access the vast majority of support you are eligible for.



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As a result of austerity and arguably more recently cost of living pressures, we have seen this growing fragmentation of social security or wider support outside of that. A number of problems stem from benefit levels not being high enough. That you have discretionary housing payments and that you have social tariffs is recognition of the fact that it is insufficient to meet the needs of many of these households. We try to streamline access to this. We work with the organisations that are responsible, but the core function of the water companies we work with is to get water to people's houses. For a big energy company, the job is the spot market, buying, selling, getting energy into people's homes. It is not designing targeted, means-tested social security support. It adds a layer of administration and operational expense to getting support to these households, layer upon layer. Universal Credit offers incredible backbone to better target that support. There is a huge opportunity to do some of this with the local authorities to use Universal Credit more effectively across government to ensure that support is proactively targeted to those who need it the most.

I want to emphasise the word "proactively". Mechanisms are in place where energy companies can check if someone is on Universal Credit or pension credit and then apply. But for that, someone has to put their hand up and say, "I think I am eligible for this". With Universal Credit, you have the potential to proactively identify those who are in greatest need, not just through missing out on support but also more generally understanding the level of financial support they are getting relative to the needs of the household. To do that effectively, you need a view of what the household needs.

We put some of these structures in place for local authorities, but it goes back to the principle of the Committee. What level of need should benefit levels be set at? It would be much better overall for benefit levels to cover the core and then there will always be a need for a degree of crisis support or for occasionally schemes to emerge and fade away in response to crises. It feels like it is becoming a steady state and that does not seem sensible.

**Sir Iain Duncan Smith:** Can I just pick up on this? The point I made from the beginning consistently is that Universal Credit with a universal support system beside it gives you that capability to look at the family and household need. There can be a whole issue around the structure and nature of what is going on in the household.

It has been happening going right back to the winter fuel payment. Suddenly we have a problem. Then there were bonuses at Christmas. If you start adding those things together, myriad different payments are made that are now outwith but having an impact on the same people. It is incredibly complex. Even people in the Department find the complexity quite remarkable.



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It is trying to move all that into the idea of targeting much more specifically on need rather than national determination by politicians who think they will get a good headline.

**Q123 Steve McCabe:** I have one last question. We have had quite a lot of evidence from groups that say they think there is not enough parliamentary scrutiny of the uprating of benefits. Is that your view and would you recommend any changes or improvements?

**Sir Iain Duncan Smith:** Parliament has the scope to improve and increase its scrutiny. This Committee, for example, is capable of doing that. The truth is that parliamentary questions are not always as effective as people think they might be. To hold the Government to account, it is wholly possible that Parliament should have more time to look at this. When you think about it, we spend probably less time looking at this than we would at other areas that probably have less impact.

**Q124 Steve McCabe:** The argument is that it is difficult to challenge the benefit uprating. Were we to try to engineer a vote against it, we would end up with no uprating at all. There does not seem to be any opportunity for MPs to say, "That is the wrong payment", the sort of thing you have been suggesting. That is the point I was making. Is there any way we could improve that?

**Sir Iain Duncan Smith:** Yes, but it is in the hands of Parliament to drag the Government here to make that point. You could have more regular debates. Specifically, Parliament needs to have an argument with the Government about that. They need to have effect because lots of things go on in the House of Commons that are debated but nobody ever hears about it because they do not have effect. Effect, ultimately, is some kind of a vote—that is what it amounts to—on specifics. Instead of overall broad-brushing, you want to look at areas and target those areas with decisions and indicative votes. The Government may be less worried about loss of votes rather than the votes becoming clear expressions of Parliament's view about where those things should land, where the costs should land, where the payments should land and that sort of thing. I would not have a problem with that.

**Q125 Chair:** Thank you very much. We have a couple of final points. Siobhan has one to raise. You said earlier that as Secretary of State you were receiving advice from the Social Security Advisory Committee about the level of benefits. Was that the point—

**Sir Iain Duncan Smith:** Not as a specific, but when you would sit down and talk to them and discuss with them and come and see them, which I did regularly, these things would cross over. They were interested in that area, most certainly.

**Chair:** It was not part of their full remit but they would discuss—



**Sir Iain Duncan Smith:** No, but my point all along is that you could make that a more formal process. It certainly was informal and it took place a lot with the Committee as individuals and collectively.

Q126 **Siobhan Baillie:** At the last election the Labour party said in its manifesto that it wanted to abolish Universal Credit. I do not know where the SNP is, but I believe no main political parties will suggest that Universal Credit should be abolished in their manifestos that are coming up. That is in part because the system stood up during the pandemic. I know that a lot of other countries ask our Government questions about how they managed that. As architects of Universal Credit, even though you have been critical friends over the years, you should definitely take credit for that.

However, my sense from being on doorsteps each week is that we have millions of people on out-of-work benefits now, a million job vacancies and a doubling of the welfare benefit budget, and the country is ready for another conversation about welfare and work. I wondered what you would want to see in political manifestos now on welfare and/or on Universal Credit if you were holding the pens.

**Sir Iain Duncan Smith:** My view is that there has been a confusion of impacts between benefit levels and a system that delivers it. For a long period of time, politicians targeted the whole concept of a system as responsible for the benefit levels. I come back constantly to the point that politicians make decisions about what benefit levels should be. That is a fact of life. It is why we elect them and they should stand up and be accountable for that.

The question for us was always how to design a system that delivers that process and those payments more efficiently—but UC was more than that. That point I made was that UC, therefore, is more than just delivering it. It is also understanding more about the recipients and, therefore, where you can do extra added assistance and help, which may get away from some of these constant running additional payments all the time in a broad-brush nature. We want much more targeted help and support.

I am not responsible for anybody's policy these days, certainly not that of other parties. It is not just the pandemic, by the way. The Chair has been involved in this for some time. The recognition of the flexibility was there. There was a fundamental misunderstanding about the issue or the problem. The truth is that I have never been a supporter of a basic minimum income because that just shifts the problem elsewhere. The reason for UC is universal support. If the debate on UC per se is gone and people understand how flexible it is, the debate on universal support should be—all the politicians demand that now we move this in and create this system around Universal Credit because then it completes the process of what you can now do with Universal Credit, how you can target, how you can support and how you can recognise the real need for families, rather than what we perceive from global forecasts.



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I am not here to discuss individual parties' policy positions on it, but that is a recognition of where it is now. It is important to get that right. It is not complete now. We still have a whole bunch of tax credits people sitting outside and we still have a lot of people on ESA, still nothing to do with the system, not getting any support in terms of human advice and so on, and you do not have universal support parked alongside that as well. More is still to be done. I encourage the Government to invest in that. Once they do that, they will have phenomenal flexibility to start targeting support and assistance and improve quality of life. Genuinely, this is all about trying to improve quality of life. It is why I resigned.

**Deven Ghelani:** It is a great question. Thank you. I will build on the two principles Iain outlined there, ending on universal support, and talk about how we go about achieving that.

Sticking with this inquiry on benefit levels, first you have to put some coherence back into the system. Parts of social security have lost connection with the cost of living, which is what they were originally intended to meet. All these elements—housing costs, for example, being capped, the owner occupation charge, the two-child limit—are not setting levels at a level required to meet need, which means that by definition households in that position that are impacted by these cuts have to find money from elsewhere to meet these needs and requirements. Either you say that is okay and tough or you recognise that putting families in that position has some serious knock-on consequences.

Some 40% of households on UC face some kind of deduction, whether that is a third-party attachment or a sanction or the five-week wait. That is a reduction on the level of need that the Government already say households need. Look at that and try to put some coherence back into the system first and foremost.

On elements of universal support, how do you build on it? Exactly as Iain said, you can identify households that struggle. You need to figure out what is most effective at helping them. When you sanction households, why are they not turning up to appointments? What is going on there? What can you do to reduce that, first and foremost? If you try to help people with some of their wider issues and you trial interventions, you can use some of the evidence and data behind Universal Credit to see how effective that intervention has been.

We run this on a small scale with local authorities, but there is potential for DWP or other departments more generally to take this further if they had access to the underlying data. Universal Credit puts that infrastructure in place and it is definitely a step ahead. We would not have been able to do any of this with the legacy system.

**Chair:** Thank you both very much for a helpful and informative session. We are most grateful. That concludes our questions to you, so we would ask you to step down and for our second panellist to come forward and we will put some questions to him. Thank you both. It has been useful

and a good start to our inquiry.

### Examination of witness

Witness: Dr Stephen Brien.

**Q127 Chair:** We welcome Dr Stephen Brien, chair of the Social Security Advisory Committee, who also played an important role in devising Universal Credit. Can I put the first question to you? At the moment, SSAC does not review the regulations that set benefit levels, but we have heard from Sir Iain Duncan Smith—and you were here when he said it—that there is a lot of informal discussion between SSAC and the Department about the levels of benefits. Is the committee able to advise on the adequacy of benefit levels at the moment?

**Dr Brien:** The committee as set up, given its background and structure, is not able to advise on the levels in a de novo way. We have engaged with the Department on specific questions of operating, sometimes, when it comes to regulations as opposed to an order. It gets reviewed by the committee. We have also been having discussions around relative levels of LHA and some more technical questions, but not the fundamental question about the overall level.

**Q128 Chair:** Are you consulted on the regulations that set the levels?

**Dr Brien:** From memory, occasionally operating orders have been brought to the committee for scrutiny. We have an arrangement with the Department where, often, even if it is not formally required, certain regulations are brought to us because our feedback can be of use. As Sir Iain mentioned, there is a grey area where it is informal.

Certainly, since I have been chair, I have not had the conversations that were alluded to in the previous session about the adequacy. It has been very much on the more specific questions brought to us.

**Q129 Chair:** We made the point in the earlier session that evidence has been given to the Committee suggesting that some sort of independent body ought to advise the Government on what the levels of benefits ought to be. If it was decided that an independent body should do that, should SSAC get the job? That is rather what Sir Iain suggested.

**Dr Brien:** Let me split that question into two. Do I think a SSAC-like body could do the job? Do I think SSAC in particular could do the job?

The first thing that any independent body given such a remit needs is a clear mandate. If you go from a broad mandate that says, "Please give us advice on setting a reasonable level of benefits", it becomes difficult for a truly independent committee to exercise that role quasi objectively. If it were to be a mandate that set a direction of travel vis-à-vis maintaining with respect to wages or prices, within that mandate an independent committee could do the job well.



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If I look at, say, the Low Pay Commission, the constitution of that commission in terms of its membership and secretariat support and expertise is somewhat different from SSAC. This is where we need to question whether SSAC as currently constituted could do it. I would suggest two reasons why as currently constituted it could not do it, one easily remedied and one much less so.

The more easily remedied one is that the current skillset of the committee and its background and indeed the size and experience of the secretariat would need to adjust to be able to answer more fundamental socioeconomic questions rather than the more technical regulatory scrutiny questions that we tend to focus on. That is one point.

The second issue, which is much more difficult to remedy, is the extent to which a role of SSAC to judge benefit levels risks contaminating SSAC's ability to act as an impartial adviser on other aspects of government policy and execution. If on the one day I issue a report on behalf of the committee arguing for certain levels of benefit changes that the Government of the day may or may not be comfortable with—and that would be quite a public position—it would be difficult for me the following afternoon to write to or to meet the Secretary of State and give advice on other issues where a certain temperature has risen as a result of a report. A body like SSAC could play a role if given a clear mandate, but it runs the risk of contaminating SSAC's other important responsibilities in terms of being a policy and decision-making auditing body. Those two do not always sit well together.

**Q130 Chair:** Interesting. Thank you. How do you characterise at the moment the influence that SSAC has over DWP policy and regulation?

**Dr Brien:** Our main influence is over the policymaking process as opposed to the political or policy intent of the regulation. I have always made it clear to departmental officials and indeed Ministers that our job as an independent body—that is, a non-political body—is not to challenge the fundamental policy intent of any particular bit of regulation. It is for Parliament and indeed a Committee like this in which there is a political make-up to be the genuine guardians of the policy intent and whether it is appropriate for the public.

However, for a given policy intent—and we often push officials quite hard to make that policy intent as clear as possible—our job is to make sure that the specifics of the regulation, guidance and so on have been well developed in line with that policy intent, that any gaps or omissions are taken care of and that the full consequences of the impacts and the equality impact assessments are well considered in light of that policy intent. This is where we focus on making sure that policy intent is clear and that the delivery of the regulation and the systems is in line with that policy intent, but we take others to be responsible for challenging the underlying intent.

**Q131 Chair:** Does the Department generally do what you suggest?



**Dr Brien:** It has a mixed record, as one would expect. On areas like recommending strengthening of equality impact assessments, considering reviews in light of our formal references, such as on the move to Universal Credit and indeed on many of our independent programmes, we do get quite a lot of responses, albeit sometimes at a lag. Other times we have candid conversations where our advice is recognised but the Department has decided to act in another way. As it should be—we are advisory rather anything else.

Q132 **Nigel Mills:** I cannot think of a polite way to ask you this. It will not be much consolation to people on benefits who are struggling that you have given great advice on the commas and dotting the i's and crossing the t's if the amount they get is nowhere near the right amount. How do you square advising on important but niche aspects of the regime and not saying, "Wait a minute. You are not giving people anything like enough money to live on here"? Is that a bit of a challenge?

**Dr Brien:** It is and it needs to be looked at from our perspective on different timeframes. Following the pandemic, we did some work in conjunction with the Institute for Government, the IfG, on longer-term benefit reforms, the role of the contributory system and so forth. We made observations about the adequacy of benefits and the way in which levels had changed over the years.

We did not want to engage in the direct political debate of what we should do this year, but we wanted to lay out based on our experience what we were seeing from a longer-term perspective so that it was clear that in our view gaps were emerging that should be addressed.

I take issue with the dotting i's and crossing t's bit. Yes, of course, we address many important issues with respect to process, but when we scrutinise particular bits of legislation, we look at a lot of the neglected groups for whom this is important. We make sure that kinship carers are adequately catered for under various bits of regulation, thinking through groups with particular types of disability or those who have educational needs and so on. One big job we do is to make sure that all the more vulnerable groups are adequately considered in all these regulations.

Q133 **Nigel Mills:** Thank you. I was a little provocative, I know. Your remit allows you to look at adequacy and you have done it for the longer term rather than reviewing the annual order. Was your advice that on the current trend benefits are not or will not be adequate? Was that roughly it?

**Dr Brien:** I can refer you back to the report for exactly what we said but let me explain the way we have been thinking about this. That is that day to day, year to year, the Government of the day have a political mandate and are very consciously making decisions about adequacy and have the political authority to do that. Over a multi-year timeframe there is a risk of creep, and what we have found important and helpful for us to do is to focus a lot more on that longer-term structural drift to point out there are



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issues there that have emerged. There has been a set of benefits that perhaps are on the long tail of the small benefits, as we have heard earlier today, that have not been systematically uprated. There have been changes in, say, housing costs around the country that have not been reflected in the way that the LHA's different rental markets have been adjusted, or that when you look at the role of contributory benefits or the standard allowance over a five or 10-year period, the way in which it has moved vis-à-vis earnings has again drifted.

What we are seeking to do is to shine a spotlight on the issues and questions that a Government of the day may not be adequately thinking about as opposed to not challenging them on the very specific question, which they are thinking about, which is what this year's uprating should be. By putting it into a bigger context we can pose some challenges as to how they should think about that more political question.

**Q134 Nigel Mills:** Have you ever looked at the mechanical question of whether an annual uprating in April based on September inflation is a particularly sensible way of doing this, or should we be doing it more than once a year if you have a sudden spike, or should we be trying to use more up-to-date data? Is that something you have ever considered?

**Dr Brien:** It is something as a committee we have commented on informally around discussions. It is certainly something that I would consider within the scope of our remit but not one that we have deliberately researched and analysed.

**Q135 Nigel Mills:** Do you wish you had the impact that Marcus Rashford had? He seemed to be a more powerful adviser to the Government on social security at one stage.

**Dr Brien:** This is where you need to differentiate between a campaigner and an adviser and somebody who has been asked to take an independent role versus somebody who can express personal views. I am sure all of us on the committee have our own personal views, but as committee members, as members of a statutory committee, we act within the remit and in a more collegial way. From that point of view, I think we do have a deeper impact and maybe the world needs both SSAC and Marcus Rashford to be speaking to this space.

**Q136 Selaine Saxby:** Good morning. With your committee, can you explain what is your evidence-gathering strategy and which stakeholders you engage with?

**Dr Brien:** We are in a privileged position to be able to ask the Department for any information we regard as necessary for our work, which gives us a distinct advantage in being able to get access to administrative information. We also through the secretariat conduct, as you would expect, an extensive degree of secondary research.

To your last point, depending on the particular topic we will actively consult with a range of stakeholders from the Child Poverty Action Group



through to many other campaigners and disability organisations. We will also in most cases seek to spend time with work coaches in jobcentres and selectively with small numbers of claimants, so that we can get the full gamut of experience from those who are recipients of benefits, those who are managing it, and those who are advocates and campaigners on behalf of various groups.

**Q137 Selaine Saxby:** You touched there on the relationship with DWP. It is supposed to work under the presumption of openness and transparency. How in practice do information and data-sharing processes between the two bodies work?

**Dr Brien:** I have had no instance where I have felt information has been withheld from us. I have had many instances where I have felt, as I am sure you will have experienced, I would love there to have been more detail and more specificity, but invariably and I think plausibly the reasons why have been mostly about IT systems and what data are gathered, as opposed to any sense of things being withheld from us. I have found officials very candid, open and willing to share.

**Q138 Chair:** As a final point from me, has the committee looked at differences in provision within the four nations of the UK?

**Dr Brien:** We have not considered provision if you were thinking in terms of amounts, but weekly and monthly we are confronted with the need to consider the fact that there are many devolved benefits in Scotland, which causes different levels in different situations. Less so in Wales, but more around the job coaches. Then, of course, in Northern Ireland there is always the question of how the regulations are mirrored there and some of the complexities associated with that.

We are very conscious and cognisant of the need to consider differential impact on regulations in the four different nations, but we have not looked directly at the levels.

**Chair:** That concludes our questions to you. Thank you very much indeed for coming to join us, and on behalf of the Committee thank you to your committee for all its work, which is very valuable.

## Examination of witnesses

Witnesses: Professor Peter Whiteford and Matthew Oakley.

*[This evidence was taken by video conference]*

**Q139 Chair:** That brings us to our final panel. We welcome Matthew Oakley to the Committee Room. Thank you for being here. Virtually, we warmly welcome Professor Peter Whiteford. Can you both introduce yourselves very briefly?



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**Matthew Oakley:** Good morning, everyone. I am Head of the Secretariat for the Social Metrics Commission and the Poverty Strategy Commission, and Director of WPI Economics.

**Professor Whiteford:** Good morning. I am a professor in the Crawford School of Public Policy at the Australian National University, but I have done quite a lot of work over extended periods of time on the UK social security system.

Q140 **Chair:** Thank you very much for joining us. I know it is nine hours later where you are, so we are grateful to you for joining us during your evening.

I will start by asking Matthew Oakley to tell us a little bit about the purpose of the Social Metrics Commission. How important do you think its independent character is to its work?

**Matthew Oakley:** Let me go back eight years now to when Baroness Philippa Stroud set up the commission. The purpose of the commission set up then was to try to cut through what at the time was a quite toxic political debate around the measurement of poverty in the UK. The observation was that for several years in the UK the debate around poverty had been more about whether we should measure poverty and how we should measure it, rather than tackling the poverty that I am sure each of you see in your constituencies and doing something up and down the country.

The main purpose of the commission was to cut through that and create a measure of poverty for the UK that was agreed both by people from across the political spectrum and outside the political spectrum, and building better on what came before it so it was a more accurate measure of poverty for the UK.

In doing that, the independence of the commission and particularly the cross-party nature of it—so bringing people together from all sides of the political spectrum and from outside the political spectrum, data experts, people with expertise of working with people in poverty, people with expertise in social policy—was a key part of the success of the commission. Alongside that was working as an independent body to get views from as many people and as wide a stakeholder group as possible and bringing those to bear in the commission in terms of the evidence that we gave to commissioners and thinking about that. The key purpose was to cut through the politics and get a better measure and, secondly, independence, which is very important.

Q141 **Nigel Mills:** All Governments of all colours have consistently said that there is no objective way of working out what the right level of benefits is. Is that something that you agree with, or do you think there is a way of producing a reliable calculation?

**Matthew Oakley:** I should probably say to start with that I am definitely not wearing an SMC hat here, in that the sole purpose of the commission



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is to talk about poverty measurement. It has been made very clear that we stick to that. I have a personal view, so I will share that. Could you repeat the question very briefly?

**Nigel Mills:** Is there an objective way of working out what the right benefit level would be?

**Matthew Oakley:** I am not sure there is an objective way of doing it, in that there is not a right level. Essentially, this is a political view and a societal view about what we want to achieve with a benefit system. That will vary between different political perspectives and different parts of society. I do not think there is a right answer, but there is an answer that can be set out if you say what it is you want the social security system, the benefit system, to achieve. For me, that is the gap. At the moment we have a social security system that is set up without an underlying basis of what it is that we want it to achieve in the level of living standards it provides for people.

Q142 **Nigel Mills:** I accept we cannot get to a precise pound for every potential scenario, but it does not strike me as being impossible that you can work out how much a single person, a couple, or a couple with two children need to be housed, eat, heat their house and clothed. Those are calculations that have been done by various people—the Joseph Rowntree Foundation I think quite recently has achieved that—which would at least give you a guide to what the minimum is that you need. Is that not a fair enough, relatively straightforward calculation to do?

**Matthew Oakley:** It is, 100%. That calculation can, should and is done fairly regularly.

**Nigel Mills:** Just not by the Government.

**Matthew Oakley:** The underlying point, your first point there, is that you are putting forward a view as to what adequacy means, and that means housing, food on the table, meeting those basic needs. That is a specific point of view around what it is benefits should look to achieve in terms of adequacy. That view will vary significantly across different people, different organisations, and individuals on benefits themselves will have a different view from that. For me, it is tying down that view first about what it is we want the benefit system to achieve. We can then design a way of achieving that in terms of measurement and applying that straightforwardly. The big question, though, is what it is we expect it to achieve for people.

Q143 **Nigel Mills:** Professor Whiteford, do you have insight on Australia and is there a reliable way of working out what the minimum level of benefit should be that might demand some consistent support?

**Professor Whiteford:** I have been a member of an interim Economic Inclusion Advisory Committee that was set up by the Government at the end of last year. Our task was to provide advice to the Government before the most recent Budget on the adequacy of payments. The



approach that we took was that the adequacy of payments can only be defined in the context of the society in which people live so that it is relative to where you are. Our position was not so much that there was one right answer, but that you can look at a wide range of objective measures of living standards. By comparing the answers of these different approaches you might not get a precise number, although we had to come up with a precise number, but you can get an indicative level that everybody should be able to agree on.

We did not have any resources apart from members of the committee. We had secretarial support from our Department of Social Services, but we had no independent research capacity and it was all done over Zoom in the space of a few months. We looked at how benefit levels had changed over time, what the indexation mechanisms were, how they compared with wages, how payments for people of working age compared with payments for people of pension age, how they compared with median incomes and how they compared with much lower than median incomes, so how they compared with people who were in the poorest 10% of the population. We were only looking at payments mainly made to the unemployed. We also looked at how they compared with other countries' payment levels that are members of the OECD.

We had about seven or eight different measures and I suppose not quite triangulated but compared what the outcomes were. I think it is that approach of accepting that there may not necessarily be one right answer, but that there are objective ways of evaluating levels of payments and their adequacy. If you compare the different methods, you will get a space in which payment levels should be, rather than a precise level. Ultimately, of course, Governments must decide on a precise level.

**Q144 Nigel Mills:** Was this an exercise that the Australian Government asked you to do? I think you said that the department was the secretariat you had. Did they accept that the results you produced were reasonable or was this just an exercise that they never really owned?

**Professor Whiteford:** The Government set it up and they only set it up because it was an agreement with an independent Member of our upper House. Our upper House is elected, so they can block legislation. It was as a result of agreement to legislation relating to reform of employment laws, where the senator, as part of getting his vote in the upper House, got the Government to agree to establish this committee.

The Government accepted the report. We have not had any criticism of the methodology. We recommended rather significant increases in our payment rates. There is a very large gap in Australia, as I understand there is in the UK, between the payment levels for people of working age who are unemployed or lone parents, and payments for age pensioners, which is what we call them in Australia. We recommended that payment rates go up by about the equivalent of £120 a fortnight. Our basic payment rates are superficially much higher than they are in the UK, but our assistance with housing costs is very low. When you take account of



housing assistance in the UK our payment levels become about the same, but we provide most of that through the basic payments rather than through the rental assistance.

We recommended an increase of AU\$256 a fortnight, which as I say is about roughly £120 a fortnight. The Government in the Budget that came out two or three weeks after our report was published did increase payments by about the equivalent of a bit less than £20 a fortnight. However, they also reversed a change that had restricted payments to lone parents in the past, and that led to much greater increases in payments for parents of older children. They also increased our rent assistance that goes to people renting in the private rental market, and they also increased assistance for the older, long-term unemployed. It was certainly not what we had asked for, but it was a start, in my view.

**Q145 Siobhan Baillie:** Matthew, with the Social Metrics Commission I understand that the Government were looking at using quite a lot of the work in 2019 and that was paused over the pandemic, and now we have had a renewed, energised agreement in March this year. Can you talk me through how the organisation gathers evidence and the stakeholder engagement to come up with your proposals?

**Matthew Oakley:** First, I hugely welcome that the Government are now taking experimental statistics forward, and I should thank the Committee for its support behind the measure over the last few years. It has been helpful, so thank you all for that.

In terms of how we gather evidence, we have a relatively small secretariat team and it is a complex and difficult area, so we rely very heavily on quite a wide group of stakeholders. There are 40 or so organisations that we call on fairly regularly through an advisory group, and that ranges from people from academia, so academics working in the area, think-tanks, people working on policy, organisations working with people in poverty, through to the charity sector, which is campaigning and working for changes to the system. It is a fairly broad range of evidence.

The bit that we have bolstered most over the last year or so is the participatory research we have taken forward, particularly thinking more here of the Poverty Strategy Commission. That is working with people in poverty to understand their experiences and working with organisations such as The Trussell Trust and ATD Fourth World, which have helped us to facilitate conversations with people in poverty to understand their experiences and what they think about how we are approaching measurement and the responses they might want to see to tackle poverty.

There are a broad range of stakeholders, including people in poverty, which has been fundamental to how we have taken forward the measure and hopefully getting that consensus behind it and then, ultimately, acceptance with the Government.



**Q146 Siobhan Baillie:** I love the mission, to detoxify the poverty debate, because I am regularly told that half my constituency is in poverty or X million children and then trying to work through the figures. I think we do need to target and be very careful about helping those households that absolutely need it. How are you working with the Government and is there an ambition to look constituency by constituency using your metrics in the next year or so, which would be helpful?

**Matthew Oakley:** It is very early days with the Government. This is their thing. They are developing a measure. We can provide advice and independent critique and input, but it is very much their work, and it needs to be.

In terms of the specifics around constituency-level data, that is quite difficult because of the underlying data that the measure is based on. That does not go down to constituency level reliably. There are other measures you can use to do that. That is something that I think the Government and DWP are aware of and thinking about in data collection.

On the politics of it, one of the best things about the measure is that we are not just talking about that headline figure that you have mentioned for your constituency. What we are trying to say is that there is a framework here for thinking about how we can tackle poverty, so not just looking necessarily at the benefits or incomes but looking at mental and physical health, skills and education, looking at how far below the poverty line somebody might be, how long they have been there, looking at the things that we know affect people in poverty, which people in poverty have told us about, and seeing how we can tackle those as well as the financial challenges that people in poverty face. That has been key to getting that wider political buy-in to a measure.

**Q147 Sir Desmond Swayne:** Professor Whiteford, when you make your recommendations about benefit levels, to what extent are those recommendations informed by the Government's fiscal policy and the long-term sustainability of the benefit system, or is your concentration just on need and adequacy?

**Professor Whiteford:** Our concentration was mainly on need and adequacy, but our partner was the Economic Inclusion Advisory Committee, so we looked at a wide range of other areas of policy to do with full employment, for example. One of our members was one of Australia's most prominent labour market economists, and we also looked at a range of other policy areas other than just the level of benefits. Having said that, we were conscious of the cost of our recommendations, but we took our terms of reference to be that we were advising to the best extent possible on the adequacy of payments. We did not cut our cloth to the fiscal situation.

I should add that, as in many other countries, at the moment the fiscal situation in Australia is extremely challenging because of both much higher inflation than in the recent past and a very significant increase in



the Government Budget deficit as a result of the special measures during Covid-19. We are also, of course, entering a period of more rapid growth in population ageing, which has fiscal implications particularly for aged care and healthcare. We did not specifically take account of affordability and sustainability.

Having said that, the Australian social security system is, in fact, more targeted to lower income groups than I think any other country in the OECD, although New Zealand and the United Kingdom are fairly close behind. The cost of our social security system in comparative terms is not high, but having said that, the level of taxation in Australia is also well below the OECD average. If one is concerned about deficits over the long run, as one should be, one needs to balance spending and taxation.

**Q148 Sir Desmond Swayne:** My prejudice is that unemployment is like any commodity; the more you pay for it the more you will have of it. You appear to have come to the opposite conclusion when you say that “unemployment payments have fallen to such an inadequate level that they create a barrier to paid work.” How does that work?

**Professor Whiteford:** The reason for that is that we are able, through a couple of the member organisations that were represented on the advisory committee, to have focus groups with numbers of recipients of social security payments, jobseeker payments, which is our unemployment payment. There were people who said to us—and this also reflects the problems with the healthcare system—that each fortnight they had to decide whether they could pay for their pharmaceutical prescriptions for their health conditions, and that they may not be able to afford to pay for transport costs. As I am sure you are aware, Australia is a large country. For many people public transport is inadequate, so they need to try to run a car. The cost of petrol has gone up and the cost of running a car has gone up. It is about being able to go to places to apply for jobs, because obviously many of our regions are very large. It is the combination of having to deal with particularly healthcare costs and transportation costs that meant that their job search activities were restrained.

I should mention that while our main payment to the unemployed is called jobseeker—there are currently about 900,000 people receiving that payment, or a similar one for younger people—about 400,000 of that 900,000 have a reduced capacity to work. Over the last 15 or so years we have made it much harder for people to get disability payments, so we have had a very large increase in the share of people who are on this jobseeker payment but who have a reduced capacity to look for work because of either caring responsibilities or health responsibilities.

We did not think there was an incentive issue. Professor Jeff Borland, who as I mentioned is one of Australia’s leading labour market economists from the University of Melbourne, calculated that with the increase we proposed the overlap between our payment levels and the workforce would be that you would be getting a payment that would be equivalent



to the bottom 1% of the wage distribution. Our payments are currently less than half the full-time minimum wage. We were not proposing to increase them to the minimum wage, so our payment levels are such—and I think that your payment levels are not dissimilar—that if you are able to get a full-time job you are much better off than on an unemployment payment.

**Q149 Sir Desmond Swayne:** Matthew, there was an identification certainly before the pandemic that poverty levels varied substantially regionally. To what extent would it be feasible and proper to set the rates regionally?

**Matthew Oakley:** The rate of benefits?

**Sir Desmond Swayne:** Yes.

**Matthew Oakley:** There is on the face of it quite a good argument for doing so, potentially. I think we need to assess where those differences in poverty rates come from. For instance, a large part of it would be the cost of housing, which is dealt with separately to some of the benefits we are talking about here directly in this inquiry in terms of the jobseeker levels. I think there is an extent to which already the benefit system does adjust for those differences in costs across the country through the housing system.

Where you think there are differences in the cost of living more generally across different areas, then, yes, there is a good argument for varying rates of benefits across different areas. The details of that would need to be worked through as to how that works. Differences, for instance, between where people live or the labour markets they might be travelling to, to try to find work, would all need to be taken into account. In principle, there is no reason why there should not be.

**Q150 Sir Desmond Swayne:** Your poverty measure includes several things that have been raised with us by a number of our witnesses: debt, social norms, individual circumstances. To what extent could an organisation, a committee, some form of advisory group, armed with your methodology inform Government about the proper levels of benefits?

**Matthew Oakley:** I will go back to my earlier response. There are several questions within that. The first question is, I think, a societal and political question about what we want the benefit system, the social security system, to achieve. If we think that we want the social security system to alleviate, help people avoid, ensure that people are not in poverty or deep poverty, that would then point to the use of a measure such as ours, for instance. Then it would be a fairly straightforward job of seeing how benefits compare to what we think we should be achieving, and then what is the track from there, from where we are, to getting to a place where we are achieving the objective.

For me, those last two points are straightforward compared with the first point of saying and agreeing what it is we want the benefit system to achieve. At the moment we do not have that. We do not have a benefit



system or social security system or legislation that says, "We want the social security system to ensure an adequate standard of living for people who are claiming it or to avoid poverty." That just is not there, and that for me is the first step.

**Q151 Sir Desmond Swayne:** Is this realistic politically that a Government would empower an independent organisation, an arm's length organisation, to advise them on the level of benefit payments? Why would you do that? Why would you hand away that power? It is not just the power to make the recommendation. That then gives the Government the difficulty of being faced with an official group that comes together with a recommendation that we cannot afford fiscally or conflicts with some other policy. The reality is no Government will do that. I would like your answer to that question, but I would also be interested in Professor Whiteford's answer about how they got away with it in Australia.

**Matthew Oakley:** Again, I am sorry to be boring, but I go back to that two-point response. You would need a Government to say, "We think the benefit system should achieve this. To what extent is it being achieved?" You could then see a Government fairly straightforwardly empowering an organisation to say year on year, "Here is your remit. Over, say, 10 years we would like to achieve this in the course of 10 years. We need you to think about the fiscal implications of that. We need you to think about incentives for jobseekers as we get towards that. We need you to think about how that impacts on other groups of claimants." In a similar way to how the Low Pay Commission remit is set to take regard of various elements of the labour market and to ensure that unemployment is not rising, you would have a similar system, saying, "Over 10 years here is advice on how you get to what the Government have decided is an adequate level of benefits".

The Government have the power to say what they think is adequate. They then give the power to a different organisation to say how it would get there. Again, it would take a brave Government, I agree, to say, "We think that adequacy in the social security system looks like this". My personal view is that we are probably not there, and it would probably cost quite a lot of money to get there, so it would be a very brave Government that took that route.

**Q152 Sir Desmond Swayne:** Professor Whiteford, can you give us any insight on the clash of political realities as they played out in Australia?

**Professor Whiteford:** The political realities, if they clashed, were within Government and I am not privy to their thoughts. Having said that, I certainly think that the role of the committee, as it is an interim committee—it is supposed to become a statutory authority of some sort, but there has not been any tabling of the legislation that would make that a statutory authority, so I do not know how that would work. I see what we have been involved with as an advisory function, not supplanting the legislative function.



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It is the responsibility of the Government to make decisions. It is the responsibility of the interim committee and presumably any future body based on it to give advice, to say, "This is what we think is the right answer." Governments would potentially be embarrassed by this, but I do not think that means they have to do it.

To a large extent I think the role of advice about adequacy is about setting targets. There is a lot of evidence that Governments, when they set themselves targets, try to do it. For example, the child poverty pledges by past Australian and British Governments are very important examples of how you can identify when you are making progress only if you have set a target. The role of bodies such as ours, and we will see how that evolves, is to set targets that may be embarrassing for Government, but it is for the Government to make that balancing decision about fiscal affordability, other priorities and the recommendations about adequacy.

I should also mention that a very important thing about benefit adequacy and poverty is its relationship to other services that Government provide. In the Budget, and this had nothing whatsoever to do with our committee, for a lot of people the Government significantly expanded access to what we call bulk billing, which gives completely free at the point of service medical care. Not everybody has that. We have a public-private mix, which is different from yours. It also effectively halved the price of pharmaceuticals for many people. Those two measures will have a very significant impact on the living standards of people on benefits.

In terms of looking at what Governments are achieving, while we emphasise the levels of payment, the level of payment needs to be looked at in the context of the services being provided as well.

**Q153 Debbie Abrahams:** I think most of my questions have been covered by Sir Desmond Swayne, but I will add one. First, to acknowledge what Matthew has said, we need to decide what our social security system is for. We do not have that clarity and I think you are absolutely right about that.

Professor Whiteford, it is lovely to speak with you in your evening time. I spent many happy months at ANU in my 20s, so it is nice to make that connection again. I do not know if we have a copy of the terms of reference of your original committee, but it would be very useful to get hold of that, to see what relevance we might draw from that.

Just imagine that we are going to set up, once we have sorted out what we want our social security system to do, a committee to advise the Government on adequacy levels for social security. What would you recommend to them in terms of how they conduct themselves and for good working relationships and so on, so that as many of your recommendations that you are going to make will be adopted?

**Professor Whiteford:** That is a difficult question to answer in some respects. This committee was established by the Government. I suppose



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it was under the influence of a legislative agreement, as I said, in our Senate. We did not have any financial support—

**Debbie Abrahams:** You had no financial support?

**Professor Whiteford:** The committee's work was entirely unpaid. Also, because of the time constraints, we were not able to conduct any research. The focus groups that we had were organised by two organisations that were represented on the committee, the Australian Council of Social Service, which is like a very large version of the Child Poverty Action Group, which covers the whole social services area, and the Brotherhood of St Laurence, which is a very long-standing religious charity that does a lot of work in the community. All the focus groups were organised by those two bodies.

I think the most important thing, and we raised it, is that an advisory body would need a budget to do much broader consultations across the community and to commission research. We modelled our work on an inquiry that was organised within government, within the predecessor to the Department of Social Services in 2009. A lot of our measures were replications as far as possible of what they had done more than a decade earlier. There were approaches that we could not replicate because it required original research.

There were three areas that we were not able to replicate that I think are very relevant conceptually. The University of New South Wales, which was not part of our committee, or the academics were not, does work on budget standards, which is modelled on the budget standards that were originally developed at the University of York. Those are very specific, built from the ground up budgets for different households. We could not do that because of the time and money constraints.

In the previous review of the pensions more than a decade ago there was original research on the households experiencing financial stress, which again is hard to replicate, and there were also areas of deprivation where there had been academic surveys asking a sample of the public what they would regard as sufficient income for them in their own circumstances and the statistical analysis of it, to identify when people were deprived.

There was a range of research that we could not do because we did not have a budget. I think that if you are setting up an advisory group it does not have to be a massive budget, but I think it needs the capacity to consult with the community and consult with the people affected, and to commission independent research.

As for the process, as I said, we made much stronger recommendations on the payment levels than the Government accepted, but I do not think there are any hard feelings between members of the committee and the Government. I am not sure of that, but we see our role as to provide the best technical advice that we can. We aim to reach consensus about that, but we provide the best advice that we can, and we accept that the



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Government may or may not have other priorities. In my view, what was done was a beginning. There is still a lot more work to be done, but that is how politics works.

**Debbie Abrahams:** It does indeed. Thank you so much for that.

Q154 **Chair:** Professor Whiteford, you have explained to us that the Australian Government were forced by one independent Senator to set the committee up. How would you characterise the attitude of the Government to the committee? Were they very reluctant to do this or were they reasonably comfortable about the idea in the end?

**Professor Whiteford:** The negotiations for that were at the political level and preceded the establishment of the committee. We have had a number of inquiries. For example, the non-Labour Government's coalition, so the previous coalition Government, had set up an inquiry into the social security system led by Patrick McClure, who was the chief executive officer of a large charity in 2014. That committee to the coalition Government recommended the establishment of an advisory committee to provide advice on payment levels. That was not followed through by that Government. All Governments—*[Interruption.]*

**Chair:** We have lost him. We had almost finished. Professor Whiteford, we lost you there for a minute.

**Professor Whiteford:** I do not know quite what happened. I think the Government in Opposition had argued for increases to payment levels. I should mention that the fundamental problem with our benefit system was that, with a couple of exceptions both by the previous Government and this latest increase and some other very small exceptions, the basic issue is that our payments for people of working age have been indexed to prices twice a year since the early 1990s. Since the early 1990s, the living standards and the cost of living in Australia has increased very substantially, and there was full indexation to prices but not any attempt to keep the level of benefits in line with improving community standards.

It is not just that over time the living standards improve. In the early 1990s the internet basically did not exist. There were no such things as mobile phones. There are a range of ways in which the structure of the cost of living has changed dramatically, and our system did not deal with that.

Q155 **Chair:** Can I ask one final thing, as our session is coming to an end? As I understand what you have told us, the intention is that the interim version of the committee that you have served on is going to become a permanent institution. Is that correct?

**Professor Whiteford:** That is my understanding. That is the agreement that was made with Senator Pocock, the independent senator, and the Government.

**Chair:** Very interesting. Thank you very much for joining us, and thank



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you, Matthew, for being in the Committee Room with us. That concludes our session this morning.