

The Senate

Community Affairs
Legislation Committee

Budget estimates 2019–20

May 2019

© Commonwealth of Australia 2019

ISBN 978-1-76010-971-4

Secretariat

Ms Jeanette Radcliffe (Committee Secretary)

Mr Michael Finch (Research Officer)

Ms Carol Stewart (Administrative Officer)

PO Box 6100
Parliament House
Canberra ACT 2600

Phone: 02 6277 3515

Fax: 02 6277 5829

E-mail: community.affairs.sen@aph.gov.au

Internet: www.aph.gov.au/senate_ca

This document was produced by the Senate Community Affairs Committee Secretariat and printed by the Senate Printing Unit, Parliament House, Canberra.

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website: <http://creativecommons.org/licenses/by-nc-nd/3.0/au/>

MEMBERSHIP OF THE COMMITTEE

45th Parliament

Members

Senator Lucy Gichuhi, Chair	South Australia, LP
Senator Rachel Siewert, Deputy Chair	Western Australia, AG
Senator Wendy Askew	Tasmania, LP
Senator the Hon Lisa Singh	Tasmania, ALP
Senator Dean Smith	Western Australia, LP
Senator Murray Watt	Queensland, ALP

Senators in attendance

Senators Askew, Carol Brown, Farrell, Gichuhi, Griff, Lines, Martin, McAllister, O'Neill, Patrick, Polley, Siewert, Singh, Dean Smith, Spender, Storer, Urquhart, Watt.

TABLE OF CONTENTS

Membership of the Committee	iii
Abbreviations	vii
Chapter 1.....	1
Overview.....	1
Referral of documents	1
Portfolio oversight	1
Hearings.....	1
Questions on notice	2
Hansard transcripts	3
Report structure	3
Chapter 2.....	5
Key issues.....	5
Health Portfolio hearing—5 April 2019.....	5
Social Services Portfolio hearing—5 April 2019.....	6
Department of Human Services—10 April 2019	10
Appendix 1	11
Hansard index for issues not reported in Chapter 2.....	11
Appendix 2.....	15
Departments and agencies called to the committee's hearings	15
Appendix 3.....	17
Tabled documents and additional information	17

ABBREVIATIONS

committee	Senate Community Affairs Legislation Committee
CHHP	Community Health and Hospitals Program
CHSP	Commonwealth Home Support Program
DHS	Department of Human Services
DoH	Department of Health
DSS	Department of Social Services
<i>Hansard</i>	<i>Proof Committee Hansard</i>
MHR	My Health Record
MRFF	Medical Research Future Fund
MRI	Magnetic resonance imaging
NDIS	National Disability Insurance Scheme
OCI	Online Compliance Initiative
OMP	Other Medical Practitioners
PBAC	Pharmaceutical Benefits Advisory Committee
scheme	National Redress Scheme for Institutional Child Sexual Abuse

Chapter 1

Overview

1.1 The Senate Community Affairs Legislation Committee (committee) examined the proposed 2019–20 Budget expenditure for the Health Portfolio and the Social Services Portfolio, including the Department of Human Services (DHS), at public hearings held on 5 and 10 April 2019.

1.2 This report outlines the key issues considered by the committee during its examination of the proposed 2019–20 Budget expenditure.

Referral of documents

1.3 The Senate referred the following documents to committees for examination and report:

- particulars of proposed additional expenditure in respect of the year ending on 30 June 2020;
- particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2020; and
- particulars of proposed additional expenditure in relation to the Parliamentary Departments in respect of the year ending on 30 June 2020.¹

1.4 The 2019–20 Budget papers and Portfolio Budget Statements were tabled in the Senate on 2 April 2019.²

Portfolio oversight

1.5 The committee is responsible for examining the proposed expenditure of the department and agencies within the Health Portfolio and the Social Services Portfolio (including DHS).³

Hearings

1.6 The Senate resolved that the committee's 2019–20 Budget estimates hearings were to be scheduled on 5, 10 and 11 April 2019 and if required, on 12 April 2019.⁴ At 8.29am on 11 April 2019, the Governor-General of the Commonwealth of

1 *Journals of the Senate*, No. 141, 2 April 2019, p. 4815.

2 *Journals of the Senate*, No. 141, 2 April 2019, p. 4815.

3 *Journals of the Senate*, No. 2, 31 August 2016, p. 75–76; *Journals of the Senate*, No. 84, 12 February 2018, p. 2668.

4 *Journals of the Senate*, No. 133, 29 November 2018, p. 4327.

Australia issued a proclamation proroguing the 45th Parliament.⁵ As a result of the prorogation, the committee's estimates hearing scheduled for 11 April 2019 did not proceed.

1.7 At its hearing on 5 April 2019, the committee examined outcomes and agencies of the Health Portfolio and the Social Services Portfolio (including DHS). Ministers of those portfolios were represented by Senator the Hon. Nigel Scullion and Senator the Hon. Mitch Fifield.⁶ Evidence was also provided by senior officers of those portfolios, led by the secretaries of the portfolio departments:

- Ms Glenys Beauchamp PSM, Department of Health (DoH);
- Ms Kathryn Campbell AO, CSC, Department of Social Services; and
- Ms Renée Leon PSM, DHS.⁷

1.8 The committee considered all outcomes of the Health Portfolio, and all outcomes of the Social Services Portfolio bar Outcome 4: Housing, which was discharged without questions.

1.9 At its hearing on 10 April 2019, the committee further examined the outcomes of the Health Portfolio. Minister Scullion represented the ministers of the Health Portfolio and evidence provided by senior DoH officials, led by Ms Beauchamp. All outcomes of the Health Portfolio were considered during the hearing, bar Outcome 1: Health System Policy, Design and Innovation which was discharged without questions.

1.10 The committee thanks the ministers and officers who provided evidence at, and support for, the committee's estimates hearings.

Questions on notice

1.11 The committee agreed that senators should lodge their written questions with the committee secretariat no later than 18 April 2019 for referral to the relevant portfolio department for response. The committee fixed 30 May 2019 as the date by which answers to questions on notice should be returned to the committee.⁸

1.12 Answers to questions on notice are published on the committee's estimates webpage on receipt.⁹

5 Parliament of Australia, *Prorogation of the 45th Parliament and Dissolution of the House of Representatives*, https://www.aph.gov.au/About_Parliament/House_of_Representatives/About_the_House_New_s/Prorogation_of_the_45th_Parliament_and_Dissolution_of_the_House_of_Representatives (accessed 6 May 2019).

6 *Committee Hansard*, 5 April 2019, pp. 1, 71.

7 *Committee Hansard*, 5 April 2019, pp. 1, 71–73.

8 *Committee Hansard*, 5 April 2019, p. 1.

9 See https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ca.

Timeliness of answers from the 2018–19 Additional Budget estimates

1.13 The Senate resolved that responses to questions taken on notice at the 2018–19 Additional Budget estimates hearings should be returned to committees no later than 29 March 2019.¹⁰

1.14 The committee asked 646 questions on notice for the 2018–19 Additional Budget estimates and answers were provided as follows:

- Health Portfolio—of the 314 questions taken on notice, 130 answers were provided by the due date, 68 answers were provided after the due date and 116 answers remain outstanding as of 14 May 2019;
- Social Services Portfolio—responses to all of the 240 questions taken on notice were provided by the due date; and
- DHS—responses to all of the 92 questions taken on notice were provided by the due date.

1.15 The committee notes the vast majority of the questions taken on notice by DHS were provided in advance of the due date and the committee thanks DHS for providing these answers as they became available.

Hansard transcripts

1.16 A verbatim record of the committee's hearings is made via the *Committee Hansard*.¹¹ The *Committee Hansard* is published on the estimates webpage.

1.17 References in this report are to the proof *Committee Hansard*. Page numbers may vary between the proof and the final versions of the *Committee Hansard*.

Report structure

1.18 This report is structured as follows:

- Chapter 1—provides an overview of the conduct of the committee's 2019–20 Budget estimates hearings;
- Chapter 2—reports on the key issues considered by the committee during the hearings;
- Appendix 1—Hansard index for issues not reported in Chapter 2;
- Appendix 2—Departments and agencies called to the committee's hearings; and
- Appendix 3—Tabled documents and additional information.

10 *Journals of the Senate*, No. 139, 13 February 2019, p. 4638.

11 The *Committee Hansard* is published online at:
https://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ca/2018-19_Additional_estimates.

Chapter 2

Key issues

2.1 At the 2019–20 Budget estimates hearings, the Senate Community Affairs Legislation Committee (committee) considered matters relating to the expenditure and operations of the Australian Government for the Health Portfolio and Social Services Portfolio, including the Department of Human Services (DHS).

2.2 The key issues considered by the committee during the hearings are reported in this chapter. Key issues reported include references to the *Committee Hansard*, which provides a verbatim record of the evidence received by the committee.

2.3 Other matters considered at the hearing, but not incorporated in this chapter are included in an index to the *Committee Hansard* at Appendix 1.

Health Portfolio hearing—5 April 2019

Whole of portfolio / Corporate matters

- Total amount of Australian Government hospital funding, as shown in graphs published on the Department of Health (DoH) Health Funding Facts website and the context of the website's development.¹
- Changes to DoH staffing levels through staff transfers, voluntary redundancies and the engagement of contract workers.²

Outcome 6: Ageing and Aged Care

- Work undertaken by DoH to support a transition of the Commonwealth Home Support Program (CHSP) and monetary contributions made by CHSP participants.³
- Availability of home care packages, including: the rollout of additional packages; the level of additional packages; and the number of older Australians waiting to access a home care package.⁴

Outcome 1: Health System Policy, Design and Innovation

- Work undertaken by the Council of Australian Governments to improve patients' access to public reporting of hospital and clinical performance information.⁵

1 *Proof Committee Hansard (Hansard)*, 5 April 2019, pp. 3–8.

2 *Hansard*, 5 April 2019, pp. 8–13.

3 *Hansard*, 5 April 2019, pp. 13–16.

4 *Hansard*, 5 April 2019, pp. 16–22.

5 *Hansard*, 5 April 2019, pp. 22–23.

- The My Health Record (MHR) system, particularly regarding the operations of the Practice Incentives Program and whether MHR records have been created without consent.⁶

Outcome 2: Health Access and Support Services

- The Australian Government's approach to eating disorder measures, particularly the quantum and source of funding allocated to eating disorder programs and the locations and functions of treatment facilities.⁷
- Expansion of youth mental healthcare services provided through the headspace network, particularly regarding funding amounts and the decision making processes for determining the locations of headspace centres and satellite services.⁸
- Work undertaken to develop a national alcohol strategy and funding and initiatives of the Whole-of-Government Drug Strategy.⁹

Outcome 3: Sport and Recreation

- 2019–20 Budget funding to implement reforms as part of the Government Response to the Review of Australia's Sports Integrity Arrangements.¹⁰
- Processes for approving and announcing Australian Government grants for sporting facilities made under the Community Sport Infrastructure Grants program.¹¹

Outcome 4: Individual Health Benefits

- Number of applications made by magnetic resonance imaging (MRI) service providers to become Medicare-eligible and the location of units announced by the Government as receiving MRI Medicare eligibility.¹²

Social Services Portfolio hearing—5 April 2019

Whole of portfolio / Corporate matters

- Lower than projected rate of participants entering the National Disability Insurance Scheme (NDIS) and the process by which a variation in the estimated NDIS expenditure for 2019–20 Budget was made.¹³

6 *Hansard*, 5 April 2019, pp. 25–27.

7 *Hansard*, 5 April 2019, pp. 33–40.

8 *Hansard*, 5 April 2019, pp. 33–40.

9 *Hansard*, 5 April 2019, pp. 48–52.

10 *Hansard*, 5 April 2019, pp. 48–52.

11 *Hansard*, 5 April 2019, pp. 59–61.

12 *Hansard*, 5 April 2019, pp. 64–66.

13 *Hansard*, 5 April 2019, pp. 74–83.

-
- Support provided by the Department of Social Services (DSS) relating to a decision of government to extend the energy assistance payment to additional income support payments, including the Newstart Allowance.¹⁴
 - Involvement of DSS in preparing for the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, including funding allocated to support the work of advocacy organisations.¹⁵

Outcome 1: Social Security

- 2019–20 Budget measure to expand the Single Touch Payroll system, particularly how the expanded system is expected to operate to make income reporting through DHS easier.¹⁶

Outcome 2: Families and Communities

- Operation of the National Redress Scheme for Institutional Child Sexual Abuse (scheme), particularly the processing of applications to the scheme by DSS.¹⁷
- Funding and programs of the Fourth Action Plan 2019–2022 of the *National Plan to Reduce Violence against Women and their Children 2010–2022*, including funding for the prevention and reduction of violence against women and children with Aboriginal and Torres and Strait Islander backgrounds, and expanded emergency accommodation.¹⁸

Outcome 3: Disability and Carers

- Process of transitioning people from other disability support services to the NDIS, particularly regarding the challenges which are causing delays in transition and the time taken for people to commence receiving support services through the NDIS.¹⁹
- Funding provided for new carer services under the Integrated Carer Support Service regional delivery partner program.²⁰

Department of Human Services

- Replacement of a significant information technology system used for processing child support payments, including an external review of that

14 *Hansard*, 5 April 2019, pp. 85–90.

15 *Hansard*, 5 April 2019, pp. 90–94.

16 *Hansard*, 5 April 2019, pp. 94–97.

17 *Hansard*, 5 April 2019, pp. 103–105.

18 *Hansard*, 5 April 2019, pp. 105–110.

19 *Hansard*, 5 April 2019, pp. 110–115.

20 *Hansard*, 5 April 2019, pp. 117–119.

process undertaken by Deloitte Australia and the challenges that have complicated the replacement.²¹

- Debts raised by the Commonwealth Government under the Online Compliance Initiative (OCI), including updated figures on the number and value of debts raised and the process by which DHS reviews an OCI debt.²²

Health Portfolio hearing—10 April 2019

Whole of portfolio / Corporate matters

- Expenditure, timing and content of Australian Government advertising and information campaigns within the Health Portfolio, particularly for health information campaigns active in the lead up to, and through, the 2019 election period, and the context of a letter sent by the Australian Government which made reference to a political party.²³

Outcome 6: Ageing and Aged Care

- Timing of a decision of government regarding allocation of funding for home care packages in the 2019–20 Budget, with particular reference to a media report suggesting the number of home care places may have been reduced during budget preparation.²⁴
- Work being done to minimise the use of physical and chemical restraints in residential aged care facilities.²⁵
- Older Australians waiting to access home care and residential aged care, and the number of people who have passed away whilst waiting for access to aged care supports.²⁶
- Matters relating to the My Aged Care website, including: operating costs; usability of the website by consumers, including those who may not be confident using technology; and development of an improved website to launch midway through 2019.²⁷

21 *Hansard*, 5 April 2019, pp. 121–125.

22 *Hansard*, 5 April 2019, pp. 127–130.

23 *Hansard*, 10 April 2019, pp. 3–12, 43, 47–49.

24 *Hansard*, 10 April 2019, pp. 12–25.

25 *Hansard*, 10 April 2019, pp. 27–29, 38–39.

26 *Hansard*, 10 April 2019, pp. 29–32, 43.

27 *Hansard*, 10 April 2019, pp. 35–38, 39.

Outcome 2: Health Access and Support Services

- Breakdown of funding allocated for health services in Tasmania, particularly funding for outreach programs provided by the Tasmania Government on behalf of the Commonwealth and funding for elective surgeries.²⁸
- Out-of-pocket costs borne by people being treated for cancer, including the amount of costs; the types of treatments and services being accessed and paid for by cancer patients; interstate variation of costs; and related recommendations of the Ministerial Advisory on Out-of-Pocket Costs.²⁹
- Funding for eating disorder clinics, particularly the process of establishing funding agreements with service providers and Primary Health Networks.³⁰
- Access to youth mental health services, including: workforce constraints effecting headspace services; strategies for managing wait times for access to therapy sessions; and decision making processes for establishing headspace centres or satellites in certain locations.³¹

Outcome 3: Sport and Recreation

- Particulars of certain grants approved under the Community Sport Infrastructure Grant Program.³²
- Administration of the National Recreational Hunting and Sports Shooting Survey 2019 conducted at the request of the Minister for Sport.³³

Outcome 4: Individual Health Benefits

- Increases to the cost of some private health insurance products and the impact of recent private health insurance reforms.³⁴
- Prevention of the listing of glucose monitor FreeStyle Libre on the National Diabetes Services Scheme due to unsuccessful price negotiations.³⁵

Outcome 5: Regulation, Safety and Protection

- Regulation of transvaginal (urogynaecological) surgical mesh devices, including limited circumstances in which those devices may be used and the Australian Government response to the recommendations from the Senate Community Affairs References Committee's inquiry into the number of

28 *Hansard*, 10 April 2019, pp. 51–57.

29 *Hansard*, 10 April 2019, pp. 57–65.

30 *Hansard*, 10 April 2019, pp. 77–81.

31 *Hansard*, 10 April 2019, pp. 82–97.

32 *Hansard*, 10 April 2019, pp. 102–106.

33 *Hansard*, 10 April 2019, pp. 106–109.

34 *Hansard*, 10 April 2019, pp. 110–111.

35 *Hansard*, 10 April 2019, pp. 112–113.

women in Australia who have had transvaginal mesh implants and related matters.³⁶

- A review of chemical scheduling for cosmetic and fragrance ingredients and roles of the Australian Government entities responsible for chemical substances.³⁷

Senator Lucy Gichuhi
Chair

36 *Hansard*, 10 April 2019, pp. 113–115.

37 *Hansard*, 10 April 2019, pp. 116–117.

Appendix 1

Hansard index for issues not reported in Chapter 2¹

Page no.

Friday, 5 April 2019

Health Portfolio

Cross portfolio outcomes / Corporate matters

Expenditure on advertising and information campaigns 12

Outcome 6: Ageing and Aged Care

Home care package wait times 22

Outcome 1: Health System Policy, Design and Innovation 22

Autism strategy 23, 45, 66

Outcome 2: Health Access and Support Services 28

Funding allocated under the 2019–20 Budget measure: Prioritising Mental Health 28

Adult mental health centre trial program 30, 44, 54–55

Funding for psychosocial support programs 30

Psychological treatment services in residential aged care facilities 32

Electronic cigarettes and the National Tobacco Strategy 46

Availability of GPs in regional locations 47

Perinatal Health and Wellbeing Program 52

Outcome 3: Sport and Recreation 56

Sport Industry Growth Plan 57

Sporting Schools program funding 57

Community Street Soccer Program 57

Sport 2030 plan 59

Equestrian Australia 63

Outcome 4: Individual Health Benefits 64

2019–20 Budget measure: Better distribution of Medical Practitioners 66

Pharmaceutical Benefits Scheme special pricing arrangements 68

1 Hansard page numbers referred to in this appendix are based on proof Hansards. Page numbers may vary slightly between the proof Hansard and official Hansard transcripts.

Outcome 5: Regulation Safety and Protection..... 69

Action Plan for Medical Devices 64

Social Services Portfolio**Outcome 1: Social Security..... 94**

Income support for seniors 97

Outcome 2: Families and Communities 94

Initiatives funded under Program 2.1 99

Review of the coordination and funding of financial counselling services
across Australia 101

Funding for grants programs 101

Outcome 3: Disability and Carers 110Opening statement, Mr Robert De Luca, Chief Executive Officer,
National Disability Insurance Agency 110

Pricing of National Disability Insurance Scheme support items..... 116

Department of Human Services 120

Government consideration of privatising Australian Hearing 121

Single Touch Payroll system 124

e-invoicing 124

GovPass digital ID..... 125

Distribution of letters on behalf of other Commonwealth Departments 126

Centrepay..... 130

Wednesday, 10 April 2019***Health Portfolio*****Outcome 6: Ageing and Aged Care 13**

Availability of home care packages 13

Future merger of the Commonwealth Home Support Program and the
Home Care Packages Program 25Establishment of a risk-based compliance and information sharing
system in the Aged Care Quality and Safety Commission 32

Mandatory reporting in residential aged care..... 33

Compliance framework for the Home Care Program 33

Chemical restraint and inappropriate use of antibiotics 34

Implementation of the aged care workforce strategy 34

Preparatory work for the introduction of serious incident response scheme	35
Commonwealth Home Support Program extension funding	39
Severe Behaviour Response Teams	43
Improvements to payment administration arrangements for home care packages	43
Outcome 2: Health Access and Support Services.....	47
Menzies Multiple Sclerosis Flagship Program funding	55
Funding and location of eating disorder clinics	55
Development of the next version of the National Alcohol Strategy	65
National Action Plan for the Health of Children and Young People	69, 77
Workforce Incentive Program	70
Tobacco donations received by a political party	71
Risks associated with potentially allocating Commonwealth funds to an anti-tobacco investment organisation	73
Process for developing the National Strategic Approach to Maternity Services.....	74
Adult mental health centre trial program	93
Borderline Personality Disorders	97
Outcome 3: Sport and Recreation	99
Costs associated with implementing the Government Response to the Review of Australia's Sports Integrity Arrangements	99
Development of a sports industry growth plan	99
Outcome 4: Individual Health Benefits	109
Medicare Benefits Schedule review	109
MBS fee structure for non-vocationally registered medical practitioners	109
Outcome 5: Regulation, Safety and Protection.....	113
Establishment of a Pelvic Floor Surgery Clinical Quality Registry.....	113

APPENDIX 2

Tabled documents and additional information

Tabled documents

Health Portfolio, 5 April 2019

- Department of Health—Table: Pharmaceutical Benefits Advisory Committee (PBAC) recommended listings/amendments not yet listed
- Department of Health—Table: Community Health and Hospitals Program (CHHP) allocation, MYEFO and Budget 2019–20 by year
- Department of Health—Table: CHHP Announced Projects as at midday 4 April 2019
- Department of Health—CHHP – Allocation by Program Group – including National Partnerships
- Department of Health—Medical Research Future Fund (MRFF) Ten Year Investment Plan
- Department of Health—Advertising and information campaigns
- Department of Health—AUSTENDER records registered between 1 July 2018 and 4 April 2019
- Department of Health—Medical Research Future Fund (MRFF) grant recipients awarded/under negotiation (current as at 4 April 2019)
- Department of Health—In-reach psychological services for residents of residential aged care facilities implantation overview: information provided by PHNs as at 31 January 2019
- Department of Health—Youth mental health funding 2011–12 to 22–23
- Department of Health—Expiring grants for the financial years 2018/19 and 2019/20 as at 4/4/2019

Social Services Portfolio, 5 April 2019

- Department of Social Services—Extended funding amounts by DSS program at the state and territory level and by activity at national level up to 30 June 2020 (Tables A and B)
- Department of Social Services—Advertising campaigns 2018–19
- National Disability Insurance Agency—Opening Statement – Robert De Luca, CEO, NDIA

Department of Human Services, 5 April 2019

- Department of Human Services—Tables: Response to Senator Watt's request on behalf of Opposition Senators: processing times; application numbers; telephony average wait times
- Department of Human Services—Tables: Telephony report 2017–18 and 2018–19 (as at 28 Feb 2019)

Health Portfolio, 10 April 2019

- Senator Watt—Media article: Concern about 'missing' 10,000 aged care places, Phillip Coorey, *Financial Review*, 6 April 2019
- Senator Polley—Media article: Thousands affected by at-home care delay, Rick Morton, *The Australian*, 9 April 2019
- Senator Watt—Letter from the Australian Government – free '45 year' life check
- Department of Health—Australian Government – Tasmanian Health Plan
- Department of Health—Cost of existing and new My Aged Care website
- Department of Health—Community Health and Hospital Program (CHHP) announced projects as at midday 9 April 2019
- Department of Health—Briefing paper: Sports Integrity Taskforce, National Integrity of Sport Unit, Government Response to the Wood Review 'Safeguarding the integrity of Sport' [as redacted by Department]
- Department of Health—Table: Modified Monash Model and State breakdown of practitioners not enrolled in Other Medical Practitioners (OMP) Program

Additional information***Social Services Portfolio***

- Department of Social Services—Cashless Debit Card and income management summary (received 4 April 2019).

APPENDIX 3

Departments and agencies called to the committee's hearings

Health Portfolio

- Department of Health
- Australian Digital Health Agency
- Sport Australia

Social Services Portfolio

- Department of Social Services
- National Disability Insurance Agency
- Department of Human Services
- Australian Hearing