The Senate

Community Affairs Legislation Committee

Additional Estimates 2016–17

March 2017

ISBN 978-1-76010-547-1

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

Membership of the Committee
45th Parliament

Members

Senator Jonathon Duniam, Chair	Tasmania, LP
Senator Rachel Siewert, Deputy Chair	Western Australia, AG
Senator Sam Dastyari (to 15 February 2017)	New South Wales, ALP
Senator Linda Reynolds CSC	Western Australia, LP
Senator the Hon. Lisa Singh (from 15 February 2017)	Tasmania, ALP
Senator Dean Smith	Western Australia, LP
Senator Murray Watt	Queensland, ALP

Senators in attendance

Senator Bilyk, Senator Brown, Senator Cameron, Senator Dastyari, Senator Di Natale, Senator Dodson, Senator Duniam (Chair), Senator Farrell, Senator Griff, Senator Hinch, Senator Kakoschke-Moore, Senator Leyonhjelm, Senator Lines, Senator McCarthy, Senator O'Neill, Senator Paterson, Senator Polley, Senator Pratt, Senator Reynolds, Senator Rice, Senator Rhiannon, Senator Roberts, Senator Siewert (Deputy Chair), Senator Singh, Senator Smith, Senator Sterle, Senator Urquhart, Senator Watt, and Senator Xenophon.

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Abbreviations

ACAT	Aged Care Assessment Team
ASADA	Australian Sports Anti-Doping Authority
ASC	Australian Sports Commission
ATSI	Aboriginal and Torres Strait Islander
CDBS	Child Dental Benefits Schedule
CEO	Chief Executive Officer
committee	Senate Community Affairs Legislation Committee
DOH	Department of Health
DTA	Digital Technology Agency
DHS	Department of Human Services
DSS	Department of Social Services
FHA	Farm Household Allowance
FSANZ	Food Standards Australia and New Zealand
FTB	Family Tax Benefit
Hon.	Honourable
KPI	Key Performance Indicator
MBS	Medical Benefits Schedule
MSAC	Medical Services Advisory Committee
NAHA	National Affordable Housing Agreement
NDIA	National Disability Insurance Agency
NHMRC	National Health and Medical Research Council
PAES	Portfolio Additional Estimates Statements

PIP	Practice Incentives Program
QoN/s	Question/s on Notice
WPIT	Welfare Payment Infrastructure Transformation Program

Chapter 1

Introduction

1.1 On 9 February 2017 the Senate referred the following documents to the Senate Community Affairs Legislation Committee (committee) for examination and report:

- particulars of proposed additional expenditure in respect of the year ending on 30 June 2017 [Appropriation Bill (No. 3) 2016-2017];
- particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2017 [Appropriation Bill (No. 4) 2016-2017]; together with the
- Final Budget Outcome 2015–16.[1]

Portfolio coverage

1.2 In accordance with a resolution of the Senate on 31 August 2016 the committee is responsible for the examination of the expenditure and outcomes of the following portfolios:

- Health; and
- Social Services (including Human Services).[2]

Portfolio Additional Estimates Statements 2016–17

1.3 The Portfolio Additional Estimates Statements (PAES) 2016–17 for the Health Portfolio and the Social Services Portfolio (including Human Services) were tabled in the Senate on 9 February 2017.[3]

Health Portfolio

1.4 The Health Portfolio's PAES for 2016–17 provides information on the revised estimates for the portfolio and highlights the Australian Government's health reform agenda focusing on: strengthening mental health care; delivering a better health system; fighting cancer; supporting older Australians; supporting communities and improving health and wellbeing of Australians and boosting health and medical research.[4]

1.5 The 2016–17 PAES for the Health Portfolio notes the following changes to Ministerial responsibilities for the portfolio:

> On 24 January 2017, the Hon Greg Hunt MP was sworn in as the Minister for Health and Minister for Sport; the Hon Ken Wyatt AM, MP as the

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1 *Journals of the Senate*, No. 26—9 February 2017, pp. 888–889.

2 *Journals of the Senate*, No. 2—31 August 2016, p. 75.

3 *Journals of the Senate*, No. 26—9 February 2017, p. 889.

4 *Portfolio Additional Budget Statements 2016–17: Health Portfolio*, pp. 8–11.

Minister for Aged Care and Minister for Indigenous Health; and the Hon Dr David Gillespie MP as Assistant Minister for Health.[5]

1.6 The Health Portfolio's PAES also noted that from 30 June 2016 the National Health Performance Authority was abolished and its functions transferred to the Australian Institute of Health and Welfare, the Australian Commission on Safety in Health Care and the Department of Health.[6]

Social Services Portfolio (including Human Services)

1.7 The Social Services Portfolio's PAES for 2016–17 notes proposed changes to expenditure since the publication of 2016–17 Portfolio Budget Statements. The PAES proposes additional appropriations for the portfolio of $168.470 million and $79.928 million in Appropriation Bill No. 3 and Appropriation Bill No.4 respectively.

1.8 The Social Services' PAES also noted changes to Ministerial responsibility for the portfolio, with Senator the Hon. Zed Seselja sworn in as Assistant Minister for Social Services and Multicultural Affairs on 19 July 2016.

1.9 The Social Services (Department of Human Services) PAES for 2016–17 provides information on proposed additional expenditure of $155.8 million in Appropriation Bill (No. 3) 2016-17 and $79.1 million in Appropriations Bill (No. 4) 2016-17. In the PAES the Department of Human Services notes the transfer of $0.7 million of appropriations to the Digital Transformation Agency (DTA) under section 75 of the *Public Performance and Accountability Act 2013*, following the transfer of responsibility for the myGov strategy from DHS to DTA on 1 July 2016.[7]

Estimates hearings

1.10 On 8 November 2016 the Senate resolved that Additional Estimates hearings for the committee would occur on 1 and 2 March 2017.[8] Accordingly the committee considered particulars of additional expenditure of portfolios as follows:

- Health Portfolio—1 March 2017; and
- Social Services Portfolio (including Human Services)—2 March 2017.

1.11 The committee heard evidence from the following Ministers:

- Senator the Hon. Fiona Nash, Minister for Local Government and Territories, Minister for Regional Communications and Minister for Regional Development (representing the Minister for Health);
- Senator the Hon. Scott Ryan, Special Minister of State and Minister Assisting the Prime Minister for Cabinet (representing the Minister for Social Services); and

5 *Portfolio Additional Budget Statements 2016–17: Health Portfolio*, p. 2.

6 *Portfolio Additional Budget Statements 2016–17: Health Portfolio*, p. 2.

7 *Portfolio Additional Budget Statements 2016–17: Social Services Portfolio (Department of Human Services)*, p. 4.

8 *Journals of the Senate*, No. 13—8 November 2016, pp. 411–412.

- Senator the Hon. Zed Seselja, Assistant Minister for Social Services and Multicultural Affairs.

1.12 Evidence was also provided by the following department secretaries who were accompanied by officers of the portfolio departments and agencies:

- Mr Martin Bowles PSM, Secretary, Department of Health;
- Ms Kathryn Campbell CSC, Secretary, Department of Human Services; and
- Mr Finn Pratt AO PSM, Secretary, Department of Social Services.

1.13 The committee extends its appreciation to the Ministers and officers of the departments and agencies who assisted the committee in its conduct of the 2016–17 Additional Estimates hearings.

Questions on notice

1.14 In accordance with Standing Order 26(9)(a), the committee agreed that the date for the return of answers in response to questions placed on notice from the Additional Estimates 2016–17 hearings would be 21 April 2017.

1.15 Answers to questions on notice are published as they become available on the committee's website: http://www.aph.gov.au/senate_ca.

Hansard transcripts

1.16 Committee Hansard transcripts document the estimates proceedings and are accessible on the committee's website: http://www.aph.gov.au/senate_ca.

1.17 An index of topics raised during the proceedings by Committee Hansard page number is available at Appendix 2.

1.18 In this report references to the Committee Hansard are to the proof transcripts. Page numbers may vary between the transcripts of the Proof Hansard and the Official Hansard.

Chapter 2
Health Portfolio

Department of Health

2.1 This chapter outlines the key issues examined during the committee's 2016–2017 Additional Estimates hearing for the Health portfolio.

2.2 Outcomes of the Department of Health (DOH) and entities within the Health Portfolio were called on in the following order:

- Cross Portfolio Outcomes/Corporate Matters;
- Australian Institute of Health and Welfare;
- Outcome 4: Individual Health Benefits;
- Outcome 2: Health Access and Support Services;
- Food Standards Australia and New Zealand (FSANZ);
- Outcome 6: Ageing and Aged Care;
- Outcome 5: Regulation, Safety and Protection;
- Outcome 1: Health System Policy, Design and Innovation;
- National Health and Medical Research Council (NHMRC);
- Outcome 3: Sport and Recreation;
- Australian Sports Anti-Doping Authority (ASADA); and
- Australian Sports Commission (ASC).

Whole of Portfolio/Corporate Matters

2.3 Proceedings commenced with questions on the distribution of continuous glucose monitoring devices (CGMDs) by the Government following an election promise made in 2016.[1] Mr Andrew Stewart, Deputy Secretary, Health Benefits Group, provided information to the committee on progress made within DOH regarding CGMDs:

> We are at the moment working with the minister and the office towards a date, which will be quite soon. I can tell you about significant progress that has been made. The Medical Services Advisory Committee has selected the kind of product which meets the terms of the election commitment and is effective. The department is in the final stages of negotiating deeds with companies for supply. The systems required to underpin the arrangement with community pharmacists to supply the material are under preparation and expected to be completed quite soon.[2]

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1 *Proof Committee Hansard*, 1 March 2017, p. 6.

2 *Proof Committee Hansard*, 1 March 2017, p. 6.

2.4 Dr John Skerrit, Deputy Secretary, Health Products Regulation Group, provided information to the committee on access to medicinal cannabis in Australia and the processes by which medical practitioners can be authorised to prescribe medicinal cannabis. Dr Skerrit reported that there are currently 23 authorised providers of medical cannabis in Australia.[3]

2.5 In response to questions from the committee on the global overview of health expenditure DHO provided the following information, summarising a more extended response:

> In 2016-17 we are budgeting approximately $90 billion. I will break that up against some of the major issues: the MBS $22.9 billion, the PBS $11.6 billion, private health insurance $6.4 billion—[rebate]… the National Health Reform hospitals is $17.9 billion, aged care is $17.4 billion and there are a range of others that make up the balance of $90 billion. If I look at the MBS, from 2015-16 to now—we are still talking about budget because obviously we have not finished the 2016-17 year—it is growing by 4.4 per cent. The PBS is four per cent, PHI is four per cent, the hospitals is 4.2 per cent—and that changes as we go out over the forward estimates as well—and aged care is 7.7 per cent.[4]

2.6 The committee sought evidence on the costs associated with dispute resolution between the Commonwealth and Philip Morris regarding the plain packaging of tobacco products in Australia. Mr Martin Bowles PSM, Secretary, DOH, informed the committee that DOH would not provide a response at present, as DOH did not wish to risk prejudicing ongoing dispute resolution processes.[5]

2.7 Australia's new Chief Medical Officer (CMO), Professor Brendan Murphy, responded to questions regarding DHO's consideration of the potential effectiveness of taxing sugar-sweetened beverages.[6]

2.8 The committee heard evidence on voluntary redundancies in DOH and Mr Bowles provided the following context:

> We are looking to meet our budget targets for the 2017-18 year. I do not have a specific number of voluntary redundancies in that context, but we are looking at a whole range of issues like natural attrition and other things that happen when people get promoted and the like. One of the interesting things that we have seen in the department in recent times is that our attrition rate, people leaving the department, has dropped quite dramatically—because they all love coming to work in Health these days! It has actually dropped from 12.4 to 7.6. We have a range of programs that cease on a regular basis, and we have to match that to the dollars we spend and the staff we use. We are looking at is to get down to what we would

3 *Proof Committee Hansard*, 1 March 2017, p. 9.

4 *Proof Committee Hansard*, 1 March 2017, p. 14.

5 *Proof Committee Hansard*, 1 March 2017, p. 17.

6 *Proof Committee Hansard*, 1 March 2017, p. 18.

> call our affordable staffing level for the 2017-18 year, and one of the mechanisms we will use is voluntary redundancies.[7]

2.9 In response to further questioning on the number of DOH's voluntary redundancies, Mr Bowles said:

> My assessment around voluntary redundancies is that it will be less than 200 and may be around 150, but we do not know yet and I do not want to be quite as definitive as putting a number on it at this point, because if we see attrition rates change, if we see some of the non-ongoings finish at different points in time, we may be able to reduce that, but it will be dependent.[8]

2.10 The committee queried whether DOH had given consideration to the health consequences of applying the GST to fresh produce.[9]

Australian Institute of Health and Welfare

2.11 The committee questioned the Australian Institute of Health and Welfare (AIHW) on its report on veterans' suicide from late 2016. In particular, the committee sought clarification of AIHW's procedures regarding collection of data from other entities used to produce AIHW's reports and the subsequent restrictions on the use of the data.[10]

Outcome 4: Individual Health Benefits

2.12 The committee sought clarification of the operations of the Medical Benefits Schedule (MBS) Review Taskforce. DOH advised that:

- the taskforce will examine all 5700 items on the MBS and to date has examined 57 per cent of items;
- the taskforce is currently supported by 17 clinical committees—with a further 17 committees expected to be established—that are currently comprised of 450 clinicians and supported by working groups; and
- funding for the taskforce, along with the Medical Services Advisory Committee (MSAC), is approximately $34 million over two years.[11] [12]

2.13 DOH could not provide a date by which the MBS Review Taskforce was expected to complete its review, however advised they were continuing to work with the chair of the committee as to the pace with which the new committees would be established.[13]

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7 *Proof Committee Hansard*, 1 March 2017, p. 19.

8 *Proof Committee Hansard*, 1 March 2017, pp. 19–20.

9 *Proof Committee Hansard*, 1 March 2017, p. 8.

10 *Proof Committee Hansard*, 1 March 2017, p. 10.

11 *Proof Committee Hansard*, 1 March 2017, pp. 23–24.

12 *Proof Committee Hansard*, 1 March 2017, pp. 28–29.

13 *Proof Committee Hansard*, 1 March 2017, p. 23.

2.14 The committee heard evidence on DOH's consultation with the medical community regarding changes to the skin care items on the MBS and MSAC's role in recommending changes from an evidence-based, clinical perspective. DOH' officers informed the committee of changes to a range of skin services items and noted that 57 skin items have been consolidated into a new schedule, which primarily impacts on the MBS.[14]

2.15 The committee sought clarification on the treatment options for people with hearing loss should the National Disability Insurance Agency (NDIA) set a different minimal hearing loss threshold level from that currently set by DOH.[15]

2.16 Senators questioned DOH on a range of health care insurance matters, including: the operating arrangements for the payment of the health care rebate to insurers; the administrative and approvals processes by which an entity is accredited as health care insurer; and the increased costs of private health insurance premiums in Australia from 1 April 2016.[16] The issue of increased health insurance premiums was also revisited later in the hearing.[17]

2.17 Senators queried DOH on delays with its review of the Life Savings Drugs Program (LSDP). The committee heard evidence on the criteria by which drugs are funded through the LSDP and specifically inquired into the status of the drug VIMIZIM, used to treat Morquio A syndrome, which is currently waiting for evaluation to be included in the LSDP.[18] Senators further examined LSDP funding arrangements.[19]

2.18 The committee received evidence on the administrative mechanisms available to review health care insurance policies, the role of DOH and the Australian Competition and Consumer Commission (ACCC) in advising government on private health insurance policy matters, and the rates of private health insurance coverage amongst the Australian population.[20]

2.19 The committee discussed the conditions of the government's proposed changes to the Child Dental Benefits Schedule (CDBS). The committee also received evidence of the utilisation rates of the CDBS, the associated proposed expenditure for the scheme and the methods used by DOH to communicate information to the public on the CDBS.[21]

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14 *Proof Committee Hansard*, 1 March 2017, pp. 24–25.

15 *Proof Committee Hansard*, 1 March 2017, pp. 30–32.

16 *Proof Committee Hansard*, 1 March 2017, pp. 34–39.

17 *Proof Committee Hansard*, 1 March 2017, pp. 49–51.

18 *Proof Committee Hansard*, 1 March 2017, pp. 34–43.

19 *Proof Committee Hansard*, 1 March 2017, p. 44.

20 *Proof Committee Hansard*, 1 March 2017, pp. 46–48.

21 *Proof Committee Hansard*, 1 March 2017, pp. 52–59.

2.20 The committee finalised its examination of Outcome 4: Individual Health Benefits with questions on bulk billing rates.[22]

Outcome 2: Health Access and Support Services

2.21 The committee sought clarification of the location of suicide prevention trial sites in Australia and the information used in deciding where to establish trial sites. Ms Natasha Cole, First Assistant Secretary, Health Services Division, provided the following information on trial site locations within the Primary Health Networks (PHNs):

> In terms of locations more specifically within those PHNs, Perth South is basically the Mandurah region. Brisbane North is just Brisbane North—it is a fairly contained geographical region. North Coast New South Wales is, again, the whole of that region. North Western Melbourne is, essentially, North Western Melbourne. Northern Queensland is centred around the Townsville region. Country WA has two—one is focused in the Kimberley region and one is focused in the Mid West region. Tasmania has not been determined yet, but we believe it will be largely in the north-west region at this stage. The regional South Australia one, we think, will be around Whyalla, that kind of region, but it has not yet been finally determined. Northern Territory is Darwin. With Western New South Wales we are thinking it will be the north-west New South Wales region, but it has not yet been completely determined. And we think it will be Central Queensland and Wide Bay, those two regions, rather than the Sunshine Coast region within that PHN.[23]

2.22 Ms Cole explained that, in providing advice regarding the location of suicide prevention trial sites, DOH had considered relevant demographic data together with the capability of the communities concerned. Ms Cole clarified that:

> Although an area can have notionally a very high suicide rate, because it is done on deaths per 100,000, if that community is very small it is probably not able to sustain a suicide prevention trial in and of itself. So there were two factors considered there. The third factor that was considered is there is a fair bit of activity on this issue by state governments and non-profit organisations as well, particularly the Black Dog Institute in New South Wales, who are running four trials in that state. We did not obviously recommend that there be overlapping trials by a state government and a Commonwealth government or by a non-profit organisation—in this case, the Black Dog Institute—and the Commonwealth.[24]

2.23 The committee inquired more broadly into the provision of mental health services through PHNs, particularly in relation to the mental health care reforms announced by the Government in November 2016. DOH reported that each of the 32 PHNs undertakes a needs assessment as part of the reforms process and this

22 *Proof Committee Hansard*, 1 March 2017, pp. 61–64.

23 *Proof Committee Hansard*, 1 March 2017, p. 64.

24 *Proof Committee Hansard*, 1 March 2017, p. 68.

assessment is submitted to DOH for inclusion in health commission plans, which are used to align the requirements of PHNs with a flexible funding pool. The committee subsequently expressed concern that certain existing mental health programs were not subject to continuity of funding under the arrangements of the mental health reforms. The committee broadly discussed proposed appropriations for mental health services.

2.24 Senators queried DOH's actions to address the rising rates of obesity in Australia. Dr Wendy Southern PSM, Deputy Secretary, National Program Delivery Group, provided the committee with the following information:

> There is a range of programs and measures which are administered by the department. There is the health star rating system on packaged and processed foods, which is about helping people to make healthier choices when choosing across a particular product line in a supermarket. One of the outcomes of the health star rating system is that some food companies have chosen to reformulate their foods to make them healthier and get a higher star rating. Minister Gillespie chairs the Healthy Food Partnership, which is a partnership between government, food industry representatives and public health experts particularly looking at doing particular streams of work around food reformulation, around portion size and around communications to the broader public about healthy eating. That work is underway. There are the national dietary guidelines which exist. The healthy weight guide is a website maintained by the health department, which includes steps and tools to encourage physical activity and healthy eating to maintain a healthy weight.[25]

2.25 The committee considered other matters including:

- whether DOH would be providing a response to recommendations arising from a recent report by CRANAplus on the remote health workforce;[26]
- DOH's administration of the *Tobacco Plain Packaging Act 2011*, including the number of noncompliance complaints received by DOH and the subsequent follow-up action taken;[27]
- the state of negotiations related to the funding of Mersey Community Hospital in north-west Tasmania, including when funding negotiations would be resolved and the funding options explored during the negotiations;[28]
- DOH's implementation plan for the National Diabetes Strategy 2016–2020;[29]
- administration of the National Cancer Screening Register and the involvement of Telstra as a significant service delivery partner;[30]

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25 *Proof Committee Hansard*, 1 March 2017, p. 97.

26 *Proof Committee Hansard*, 1 March 2017, p. 80.

27 *Proof Committee Hansard*, 1 March 2017, p. 88.

28 *Proof Committee Hansard*, 1 March 2017, p. 92.

29 *Proof Committee Hansard*, 1 March 2017, p. 99.

- the funding arrangements of Non-Government Organisation Treatment Grants Program and the Substance Misuse Service Delivery Grants Fund;[31]
- particulars of the Health Care Homes reform including the program's proposed commencement date;[32] and
- the Aboriginal and Torres Strait Islander (ATSI) community concerns in relation to the review of payments under the Practice Incentives Program and DOH's commitment to work with the ATSI community.[33]

Food Standards Australia New Zealand

2.26 The committee was presented with information on commercial milk formula for children over twelve months of age and infant formula for children less than twelve months of age. In particular, the committee heard how Food Standards Australia New Zealand (FSANZ) refers matters of milk formula compliance to the state and territory authorities responsible for enforcing the Food Standards Code.[34]

2.27 Senators also inquired into the composition of FSANZ's advisory committee for genetically modified foods.[35]

Outcome 6: Ageing and Aged Care

2.28 The committee questioned DOH on an apparent decline of the number of Aged Care Assessment Team (ACAT) assessments and a purported increase in wait times for assessments to occur. DOH clarified the characteristics of the ACAT assessment process, namely the agreements in place with states and territories for the provision of ACAT assessments, the tiered approach to the prioritising assessments and DOH's Key Performance Indicator (KPI) reporting for ACAT assessments.[36]

2.29 The committee discussed the means by which DOH may improve access to mental health care services for people in residential aged-care. DOH acknowledged that there are issues in this area and noted that they are being addressed to some extent through the MBS review process. [37] DOH took a number of related questions on notice (QoNs).

2.30 Senators also made inquiries into:

- DOH's efforts address to Alzheimer's in Australia and were particularly interested in the timing of the availability of places in the Short-Term

30 *Proof Committee Hansard*, 1 March 2017, p. 100.

31 *Proof Committee Hansard*, 1 March 2017, p. 109.

32 *Proof Committee Hansard*, 1 March 2017, p. 113.

33 *Proof Committee Hansard*, 1 March 2017, p. 120.

34 *Proof Committee Hansard*, 1 March 2017, p. 122.

35 *Proof Committee Hansard*, 1 March 2017, p. 123.

36 *Proof Committee Hansard*, 1 March 2017, pp. 124–126.

37 *Proof Committee Hansard*, 1 March 2017, pp. 126–127.

Restorative Care Program (STRCP) and the distribution of STRCP places;[38] and

- the financial circumstances of younger Australian's with permanent disabilities living in aged care facilities, namely that 85 per cent of the pension that these individuals receive is paid in fees to the aged care facility.[39]

Outcome 5: Regulation, Safety and Protection

2.31 The committee continued its questioning on medicinal cannabis in Australia. In response to a question on the application process for a doctor seeking to become an approved prescriber of medicinal cannabis, Dr Skerrit provided the committee with the following explanation:

> As a consequence of federation, doctors have to apply to the state or territory that they are in. The requirements differ by state and territory, and that is something the Commonwealth cannot control, much as we would sometimes like to. They also have to apply to the Therapeutic Goods Administration. That is in the case of individual patients who have the Special Access Scheme. An Authorised Prescriber can apply for a whole group of patients, even 100 or more. That is a much more streamlined scheme. I should read a correction in: I think I said this morning we had 23 Authorised Prescribers, and I think we are now up to 24. We would very much like more doctors to use that pathway, because it then enables that clinician to provide the medicine to a wider group of patients under their care without having to request on a patient-by-patient basis.[40]

2.32 Dr Skerrit clarified actions taken by DOH to improve the knowledge base for medicinal cannabis among general practitioners, the process by which patients can be approved to be prescribed medicinal cannabis and the processing lag times associated with the Commonwealth and state and territory entities tasked with administering the approvals process.[41]

2.33 The committee also sought information in relation to the production of the vaccine Bexsero by GlaxoSmithKline and the associated supply issues in Australia.[42]

National Health and Medical Research Council

2.34 Professor Anne Kelso, Chief Executive Officer (CEO), National Health and Medical Research Council (NHMRC) provided information to the committee on NHMRC's consideration of proposals for targeted research into Myalgic Encephalomyelitis and Lyme-like illness in Australia. Professor Kelso outlined the challenges associated with examining these research proposals and informed the committee of NHMRC's intent to seek expert advice to consider the proposals.

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38 *Proof Committee Hansard,* 1 March 2017, p. 129.

39 *Proof Committee Hansard,* 1 March 2017, p. 132.

40 *Proof Committee Hansard,* 1 March 2017, p. 133.

41 *Proof Committee Hansard,* 1 March 2017, p. 133.

42 *Proof Committee Hansard,* 1 March 2017, pp. 137–138.

Professor Kelso assured the committee that whilst there is no specific forward timeline for review of the Myalgic Encephalomyelitis and Lyme-like illness research proposals, the proposals are still in consideration.[43]

Australian Sports Anti-Doping Authority

2.35 The committee heard evidence on ASADA's current and anticipated staffing levels, in addition to information on progress made with consideration of the review of ASADA's funding model.

2.36 The committee noted Mr McDevitt's contract as ASADA's CEO expires in early May 2017 and the committee wished Mr McDevitt all the best in his future endeavours.

Australian Sports Commission

2.37 The committee welcomed Ms Kate Palmer, CEO of the Australians Sports Commission (ASC) and congratulated her on new role as CEO. The committee:

- requested that the ASC take a number of questions on notice in relation to the details of meetings attended by the former Minister for Sports, the Hon. Susan Ley MP, specifically in relation to the 2018 Gold Coast Commonwealth Games;[44] and
- questioned funding matters pertaining to the Southern Stars cricket team, Deaf Sports and the Special Olympics.[45]

43 *Proof Committee Hansard*, 1 March 2017, p. 139.

44 *Proof Committee Hansard*, 1 March 2017, p. 141.

45 *Proof Committee Hansard*, 1 March 2017, pp. 145–147.

Chapter 3

Social Services Portfolio (including Human Services)

Department of Human Services

3.1 This section contains the key issues covered during the committee's 2016–2017 Additional Estimates hearing for the Social Services Portfolio (Department of Human Services).

Department of Human Services

3.2 Proceedings commenced with an opening statement from Ms Kathryn Campbell CSC, Secretary, Department of Human Services (DHS). Ms Campbell's statement highlighted recent achievements of DHS and provided the following context for DHS's controversial online compliance initiative (OCI):

> Turning to the online compliance initiative, ensuring the integrity of the welfare system is a key focus for the Australian government and for the Department of Human Services. The government considers that Australians expect the welfare payment system to be fair. This means that people should receive payments for which they eligible—no more and no less. Data matching is not new; it is a longstanding approach used to detect potential noncompliance since the 1990s. It helps define potential overpayments by, for example, comparing a person's taxation records against income reported to the department. People have always been responsible for providing the department with correct information.[1]

3.3 Ms Campbell presented the committee with information related to DHS' administration of the OCI including: the number of assessments initiated and completed; the recourse available to be people subject to discrepancy or debt notices, streamlined access to online systems, the use of relevant legislation to 'correct the record when a person publicly makes claims that does not accord with [the department's] records';[2] and matters related to DHS' funding, staffing and training.

3.4 The issue of the disclosure of personal information held by DHS was a significant and reoccurring theme throughout the hearing and the committee heard:

- the personal details of an individual welfare recipient were provided by DHS to the Minister for Human Services and a journalist from *The Canberra Times* and;[3]
- information released in regards to the individual was protected information and was released under exception provided by 'section 202 subsection (2) of the *Social Security Administration Act 1999* and section 162 of the *A New Tax*

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1 *Proof Estimates Hansard*, 2 March 2017, p. 6.

2 *Proof Estimates Hansard*, 2 March 2017, p. 7.

3 *Proof Estimates Hansard*, 2 March 2017, p. 9.

System (Family Assistance) (Administration) Act 1999'.[4] The committee was informed that it was in the professional opinion of senior legal officers in DHS that the disclosure was lawful;[5] and

- clarification of the process taken by DHS in considering to the release of the protected information:

> When we look at each case, first of all, I ask: have we made a mistake? Is this something that we have done that is incorrect? Should we be in contact? We call it service recovery, where we go out to the individual and try and determine whether we are able to rectify their issues. We know that that sometimes happens. Our first instinct on every one of these occasions is to determine whether there has been a mistake, whether there are other circumstances. That is our first reaction.
>
> We then look to determine whether or not someone has made a statement, the factual nature of it and whether we can resolve it. In this case, the recipient had made a number of claims which were unfounded. It was in the opinion of officers that this was likely to concern other individuals—that they may see this and think that they too had erred and not met their commitments—so that is why we felt it was appropriate to release the information, so that people knew that it was important for them to file their tax returns and tell us about changes in their circumstances. In this case, our data said that that had not occurred and that is why we had been chasing debt.[6]

3.5 The committee also considered other matters including:

- progress made with capability development of myGov service. In response the committee heard the following evidence:

> Just to give you some information around myGov and myGov performance over the last couple of months: in January, we had 11.1 million customers who are now registered with myGov; 7½ million of those are using the two-factor authentication. We have, on average, about 6,400 new accounts every day, and almost 250,000 people sign in to myGov every day—myGov is obviously, as the committee knows, not just for the Department of Human Services; it also supports other member agencies. And almost 50 per cent of those who are members have more than one account. One of the big facilities or capabilities of myGov is the use of electronic mail, and from March 2014 to date we have actually had 175 million mail messages stored within the myGov mail account. One of the big-ticket items, if you would, is that we had peak log-ins of around 663,000 log-ins on one day[7]

- actions taken by the DHS to address family and domestic violence. The committee was informed that DHS has launched its family and domestic

4 *Proof Estimates Hansard*, 2 March 2017, p. 11.

5 *Proof Estimates Hansard*, 2 March 2017, p. 17.

6 *Proof Estimates Hansard*, 2 March 2017, p. 21.

7 *Proof Estimates Hansard*, 2 March 2017, p. 25.

violence strategy for 2016–2019 relating to DHS' staff and is also proactively addressing issues of family and domestic violence in its client base;[8]

- the issue of overpayments made by DHS as a result of own-fault issues, such as administrative and systems errors. The committee sought further clarification of the per cent of debts raised by DHS that were subsequently determined to result from of own-fault issues;[9]
- call wait times associated with people trying to contact Centrelink. The committee heard how calls to Centrelink are managed DHS' production of call data and the capability of DHS to respond to automated calls and denial-of-service-attacks;[10]
- the process for the registration of newborn babies for Medicare. DHS assisted the committee with following information on the current registration process:

> registration of a newborn is one of the few processes remaining in Medicare that you have to do face-to-face. Although, in particular urgent or extreme circumstances, we make arrangements. But, generally speaking, it requires attendance at a service centre, with particular documents. There is a form to be filled out, and if all of the material is there at the first attendance, the enrolment can be completed on the spot. And although it takes some time for a card to be issued from the time of the enrolment being completed, a number is issued. In most cases, a person is added to a card, and services can be received on the basis of that addition from the time of the completion of the registration. The card itself takes several weeks to be posted, but it is effective immediately. The thing that sometimes causes delay is if there is some sort of information lacking from the material provided;[11]

- a trial conducted by DHS in 2016 with DTA and Gold Coast Hospital which tested the potential for parents to register their newborns electronically and DHS' examination of further means to enable electronic registration;[12] and
- operations of the CDBS and outstanding questions from senators were provided as written QoNs due to time constraints.[13]

Department of Social Services

3.1 This section contains the key issues discussed during the committee's 2016–2017 Additional Estimates hearing for the Social Services Portfolio. The committee did not examine matters under Whole of Portfolio/Corporate Matters of DSS and proceeded straight to questions on Outcome 4: Housing.

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8 *Proof Estimates Hansard*, 2 March 2017, pp. 26–27.

9 *Proof Estimates Hansard*, 2 March 2017, pp. 28–29.

10 *Proof Estimates Hansard*, 2 March 2017, pp. 30–31.

11 *Proof Estimates Hansard*, 2 March 2017, p. 38.

12 *Proof Estimates Hansard*, 2 March 2017, p. 38.

13 *Proof Estimates Hansard*, 2 March 2017, pp. 44–45.

3.2 Areas of the portfolio were called to provide evidence in the following order:

- Outcome 4: Housing;
- Outcome 1: Social Security;
- Outcome 3: Disability and Carers; and
- Outcome 2: Families and Communities.

Outcome 4: Housing

3.6 The committee received an update on developments related to the National Affordable Housing Agreement (NAHA) since the previous estimates and heard specific information on the interrelation between income and housing stress and the impact of budget decisions on the operations of NAHA. The committee explored DSS' involvement with the 'bond aggregator taskforce' and the decision to terminate the National Housing Supply Council, and Commonwealth Rent Assistance.[14]

3.7 The committee sought clarification of how recent funding announcements for the National Partnership Agreement on Homelessness (NPAH) will affect the priorities of NPAH, noting the committee had previously received evidence at Budget Supplementary Estimates 2016–17 that the Commonwealth could not dictate how NPAH funding is spent. DSS explained:

> … we do not have any hard levers to compel the states to spend that money on it. We do require that 25 per cent of funding under the NPAH goes to priority groups and that includes women and their children escaping violence and also includes young people who are homeless.
>
> We require within the project plans that states and territories have to submit under the NPAH that they indicate to us where that money is being spent, how it is being spent but we do not have any hard levers to make changes to the amount of the money or the settings under the NPAH, if we feel the money is not being directed adequately. However, the states and territories are having very active discussions about how that money can be used more usefully so we have indicated to the states and territories the strong interest from our ministers in making sure that some of those outcomes that have been going backwards in terms of homelessness, particularly that have been going backwards for women and children escaping violence, are rectified so there is a great interest in what can do done even within the current settings under the transitional NPAH to improve that situation—things like better integration of services, better measurement, better reporting, linking up with some of the services that go directly to addressing the problems of homelessness for those women and children. But we do not actually have any compulsion levers under the current NPAH through which we are able to make those changes.[15]

14 *Proof Estimates Hansard*, 2 March 2017, pp. 52, 58–61.

15 *Proof Estimates Hansard*, 2 March 2017, p. 63.

Outcome 1: Social Security

3.8 The committee commenced its examination of Outcome 1: Social Security on the topic of the amendments to the family tax benefit (FTB). The committee requested Mr Finn Pratt AO PSM, Secretary, DSS, clarify the policy objectives of the FTB. Mr Pratt responded:

> The purpose of family tax benefit is to assist families and parents with the costs of properly bringing up children and ensuring that they are able to have as good a start to life as possible and to enjoy a proper education and, in due course, more positive outcomes in life as contributors in the Australian society.[16]

3.9 Mr Pratt also clarified the policy objectives behind the government's proposed amendments to FTB:

> There are a range of objectives. One is to ensure that there is a proper funding source for the childcare measures which the government is pursuing, which is also aimed at assisting families, parents and children, with similar sorts of outcomes to those I mentioned in relation to the family payment scheme. Also, it would contribute to budget repair.[17]

3.10 The committee went on to examine other matters including:

- the number of families who may be adversely affected by reductions through amendments to either FTB A or FTB B;[18]
- child support policy as it relates instances of parents in contravention of a judicial parenting orders;[19]
- conditions of the reassessment of people receiving the Disability Support Pension;[20] and
- DSS' administration of the Try, Test and Learn fund (TTL) and the activities being pursued by DSS under the fund.[21]

Outcome 3: Disability and Carers

3.11 The committee examined the implementation and administration of the National Disability Insurance Scheme (NDIS) by the National Disability Insurance Agency (NDIA) including:

- the operating model, evaluation and funding of NDIS trial sites in Western Australia, in particular the dichotomy of responsibility of the Commonwealth and WA government in administering the NDIS;[22]

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16 *Proof Estimates Hansard*, 2 March 2017, p. 67.

17 *Proof Estimates Hansard*, 2 March 2017, p. 67.

18 *Proof Estimates Hansard*, 2 March 2017, pp. 69–75.

19 *Proof Estimates Hansard*, 2 March 2017, pp. 75–77.

20 *Proof Estimates Hansard*, 2 March 2017, pp. 83–85.

21 *Proof Estimates Hansard*, 2 March 2017, pp. 88–92.

- the review of funding for peak disability bodies and the participation of those bodies in the funding review process;[23]
- skills development and independence training for young Australians living in nursing home facilities and the process by which young people in aged care can receive improved care and expedited transition from aged care facilities;[24]
- administrative arrangements for people requiring long-term rehabilitation following acquired brain injuries;[25]
- participation rates in the NDIS and the associated increase in demand for NDIA services, including call centre wait times, the development of NDIA's virtual assistant 'Nadia' to assist with client service delivery and the particulars of the shared service agreement between the NDIA and DHS;[26]
- the continuity of particular care programs to support children with disabilities who are not eligible for the NDIS;[27] and
- funding arrangements for the Specialist Disability Accommodation strategy.[28]

Outcome 2: Families and Communities

3.12 Under Outcome 2: Families and Communities the committee began questioning DSS on the implementation and prospective continuation of the cashless welfare card (CWC) trial. In particular senators examined:

- the processes taken by DSS to evaluate the CWC trial and the availability of data to support the review and subsequently produce a progress report;[29]
- the prospective decision of government to continue the CWC in the current trial site location or extend the trial to other locations and consultation with the trial site community leaders, the potential trial site community of Geraldton and other communities which have approached DSS;[30]
- the functionality of the CWC and potential charges incurred by users of the card;[31] and
- consideration of CWC holders' personal circumstances, such as engagement with support services.[32]

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22 *Proof Estimates Hansard*, 2 March 2017, pp. 97–102.

23 *Proof Estimates Hansard*, 2 March 2017, p. 106.

24 *Proof Estimates Hansard*, 2 March 2017, p. 107.

25 *Proof Estimates Hansard*, 2 March 2017, pp. 108–109.

26 *Proof Estimates Hansard*, 2 March 2017, pp. 113–116.

27 *Proof Estimates Hansard*, 2 March 2017, p. 117.

28 *Proof Estimates Hansard*, 2 March 2017, pp. 118–119.

29 *Proof Estimates Hansard*, 2 March 2017, pp. 120–122.

30 *Proof Estimates Hansard*, 2 March 2017, pp. 123–125.

31 *Proof Estimates Hansard*, 2 March 2017, pp. 123–124.

3.13 The committee sought clarification of DSS' role in addressing issues of domestic violence. The committee was presented with evidence on:

- the issues around the reporting of the rates of domestic violence and the quality of available data;[33] and
- matters relating to the 1800RESPECT service, including the conditions of a recent EOI process for continued service delivery, call handling procedures and processes for complaints handling.[34]

Response to a question on notice provided by DSS in February 2015

3.14 In response to a question on notice from Supplementary Estimates 2014–15 DSS presented a document to the committee which inadvertently disclosed personal information. DSS has provided correspondence to the Senate requesting that the document held by the Senate Table Office be amended to remove the personal information.

Recommendation 1

3.15 **The committee recommends that an order of the Senate be made to replace the document with a revised document which removes the disclosed personal information. The revised document should not materially alter the substance of DSS' response to the committee.**

Senator Jonathon Duniam

Chair

32 *Proof Estimates Hansard*, 2 March 2017, p. 126.

33 *Proof Estimates Hansard*, 2 March 2017, pp. 130–133.

34 *Proof Estimates Hansard*, 2 March 2017, pp. 133–136.

Appendix 1

Departments and entities that appeared before the Committee[1]

Health Portfolio

- Department of Health
- Australian Institute of Health and Welfare
- Food Standards Australia and New Zealand
- National Health and Medical Research Council
- Australian Sports Anti-Doping Authority
- Australian Sports Commission

Social Services Portfolio (including Human Services)

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

1 This document has been prepared based on the Department of Finance's *Flipchart of Commonwealth entities and companies* under the *Public Governance, Performance and Accountability Act 2013* as at 1 July 2016, https://www.finance.gov.au/sites/default/files/pgpa_flipchart.pdf?v=2 (accessed 22 March 2017)

Appendix 2

Index to Hansard Transcripts[1]

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Wednesday, 1 March 2017

Health Portfolio

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

Thursday, 2 March 2017

Social Services Portfolio (Department of Human Services)

Social Services Portfolio