

Senate Community Affairs Legislation Committee

Report on Budget Estimates 2009-2010

1.1 On 12 May 2009 the Senate referred the following documents to the Committee for examination and report in relation to the portfolios of Families, Housing, Community Services and Indigenous Affairs; and Health and Ageing:

- particulars of proposed expenditure in respect of the year ending on 30 June 2010
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2010.

1.2 The Committee has considered the budget expenditure of the portfolios set out in their respective Portfolio Budget Statements 2009-2010 (PBS). Explanations relating to the estimates were received from Senator the Hon Jan McLucas, Senator the Hon Penny Wong, and Senator the Hon Mark Arbib representing the Minister for Families, Housing, Community Services and Indigenous Affairs and Senator the Hon Jan McLucas, Parliamentary Secretary to the Minister for Health and Ageing and officers from the portfolio Departments at hearings held from 1 to 4 June 2009.

1.3 The Committee also considered budget expenditure at a hearing on 5 June 2009 on cross portfolio Indigenous issues pursuant to Resolution of the Senate of 26 August 2008.¹ Explanations relating to the estimates were received from Senator the Hon Jan McLucas. Officers from the following portfolio Departments were in attendance:

Attorney-General's

Education, Employment and Workplace Relations

Families, Housing, Community Services and Indigenous Affairs

Health and Ageing

Human Services

Prime Minister and Cabinet

Treasury.

1.4 The Committee expresses its appreciation for the assistance of the Ministers, Departmental Secretaries and the officers who appeared before it.

1.5 In accordance with Standing Order 26, the date for submission to the Committee of written answers to questions or additional information relating to the expenditure is 30 July 2009.

1 *Journals of the Senate*: No.22 – 26 August 2008, p.683.

1.6 The Committee discussed many of the expenditure proposals and information contained in the PBS. These discussions are detailed in the Committee's *Hansard* transcripts of 1 to 5 June 2009, copies of which will be tabled in the Senate. *Hansard* transcripts of the estimates proceedings are also accessible on the Committee's website at http://www.aph.gov.au/senate_ca. Answers to questions taken on notice and tabled documents relating to the Committee's hearings will be tabled separately in the Senate. Consolidated volumes of this additional information may be accessed from the Committee's website.

Procedural matters

Cross portfolio Indigenous issues

1.7 To assist both the Committee and portfolio departments the Committee conducted the cross portfolio Indigenous issues hearing in a similar but slightly more streamlined program format to the previous hearing. Themes and issues were again listed for consideration across portfolios and this approach has proven to be a satisfactory way for Senators to seek information on cross portfolio matters. The Committee acknowledges and appreciates the assistance of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in coordinating portfolios to enable the hearing to be conducted in this manner.

Public interest immunity claims

1.8 On several occasions during the hearings the issue of public interest immunity was raised or implied, and the question taken on notice for further investigation as to whether the information requested could be provided. The Committee will be keeping a close watch on the responses that are provided to ensure that they are in conformity with the Order of the Senate dated 13 May 2009 relating to public interest immunity claims.

Provision of answers relating to Additional Estimates 2008-09

1.9 The Committee acknowledges the Departments' efforts in providing answers to a large number of questions on notice relating to the additional estimates. The Department of Health and Ageing (DoHA) provided approximately two-thirds of the answers by the due date, and the majority of the remaining answers during the following month.

1.10 FaHCSIA was not able to provide any answers to the very large number of questions on notice by the due date, however the majority of answers were progressively provided from the end of April to mid May. Most of the few remaining answers were provided in the weeks leading up to the budget estimates hearings, and the remaining two answers post hearings.

Revisions to Portfolio Structure and Outcomes 2009-2010 from 2008-09

1.11 As outlined in the portfolios' PBS, from the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis, which

replaces the former output group structure. Some revisions to portfolio Outcomes were necessary following the Operation Sunlight Outcome Statements Review.

1.12 The 15 Outcomes within the Health and Ageing Portfolio Structure were unchanged from the previous year, although there were some minor changes in Divisional responsibility. Two new agencies were established, the Australian Organ and Tissue Donation and Transplantation Authority and the National Breast and Ovarian Cancer Centre.

1.13 Significant changes were made to the Families, Housing, Community Services and Indigenous Affairs Portfolio Outcome structure. The four outcome structure was replaced with a seven outcome structure. This involved a considerable number of changes which were detailed in a transition table in FaHCSIA's PBS.² The Committee was also provided with a clearly set out Outcomes and program structure translator which mapped the former output groups to the program structure and was of considerable assistance to Senators. FaHCSIA advised the Committee on the rationale behind the change and the advantages of the new seven-outcome structure over the former four outcomes. The seven outcomes were now more closely linked with the way FaHCSIA engages with clients, and allows for greater transparency and management efficiencies.³

1.14 During the hearings the Committee Chair called the programs within Outcomes which assisted Senators to focus their questioning on matters within the programs. Generally, the revised PBS structure provided for a more streamlined approach to consideration of the budget estimates and the hearing process.

Issues

Families, Housing, Community Services and Indigenous Affairs portfolio

1.15 The Committee asked a range of questions covering corporate and cross-outcome matters which included staff numbers, staff superannuation schemes, paid parental leave, ex-gratia payments, media-monitoring service, consultancies, national agreements and national partnership agreements.⁴

1.16 Discussions covering a wide range of housing matters spanned a large amount of the hearing time. The majority of Senators' questions related to affordable housing, housing assistance and prevention of homelessness. Under these thematic headings matters discussed included the National Rental Affordability Scheme, Housing Affordability Fund, homeless people in regional and rural areas, social housing,

2 FaHCSIA PBS, pp.33-38.

3 *Committee Hansard*, 1.06.09, pp.CA6-7.

4 *Committee Hansard*, 1.06.09, pp.CA4-17.

housing designs and standards, rent assistance, partnership agreements, and supported accommodation.⁵

1.17 Senators sought information on a number of issues relating to women. The Equal Opportunity for Women in the Workplace Agency (EOWA) provided answers to questions relating to leadership and development programs, funding and grants. Questions were also asked of the Office for Women which covered the women's safety agenda, respectful relationships programs, helpline and other support initiatives, and measures to reduce violence against women. Parental and maternity leave were also discussed.⁶

1.18 The Committee's inquiry into children in institutional care, titled *Forgotten Australians*, and the recent report of the Commission to Inquire into Child Abuse in Ireland was discussed. FaHCSIA was asked what work was being undertaken 'around overseas experience and current practice in Australia in terms of institutions and the development of same'. The Committee was informed that overseas reports and other research material of this nature were used to build up a research and analytic base for use in briefing government.⁷

1.19 Questions relating to family support included the family relationship services program; communities for children program; paid parental leave scheme; family tax benefit; payments under the Economic Security Strategy; parenting payment; child support payment; protecting Australia's children initiative, and the responding early assisting children program.⁸

1.20 Senators sought information on matters relating to seniors that covered income support, allowances, concessions and services. Issues concerning age pensioners which were discussed at length included the Economic Security Strategy bonus, reciprocal social security agreements, pension reform package, indexation, taper rates, transitional safety net, pension bonus scheme, work bonus, increase in age eligibility for a pension, possible impact on the disability support pension (DSP) as a result of increase in the pension age, impact of loss of investment income due to the economic crisis, and the pension review. The Committee was also informed with regard to a number of supplements such as the utilities, telephone and pharmaceutical allowances, Commonwealth seniors health cards, and the self-funded retirees' supplement. Questions were also asked in relation to the national reciprocal transport agreement, eligibility for seniors' cards varying between States, and the broadband for seniors program.⁹

5 *Committee Hansard*, 1.06.09, pp.CA18-63.

6 *Committee Hansard*, 1.06.09, pp.CA63-83.

7 *Committee Hansard*, 1.06.09, p.CA84.

8 *Committee Hansard*, 1.06.09, pp.CA85-122.

9 *Committee Hansard*, 2.06.09, pp.CA2-54.

1.21 In relation to disability and carer matters FaHCSIA answered a number of questions concerning the DSP and carer payments, and Australian disability enterprises. Programs and services relating to the helping children with autism package and young people in residential aged care were also canvassed in some detail. Disability trusts were discussed at length, particularly with regard to the Government's response to recommendations in the Committee's report titled *Building trust: supporting families through disability trusts*. Senators sought detailed information on progress being made with some of the responses to the recommendations, as well as clarification of some aspects of the Government's response. Further matters discussed included a national disability insurance scheme, outside school hours care for teenagers with a disability, the national companion card, disability parking scheme, print disability services program, personal helpers and mentors program, carers assisted through the community-based program and mental health issues in rural areas.¹⁰

1.22 Senators also asked questions regarding national compacts with the not-for-profit sector, volunteer management and volunteer grants programs, income quarantining trials in Western Australia, social inclusion, and Victorian bushfire assistance and recovery.¹¹

Health and Ageing portfolio

1.23 The Committee sought information relating to a number of corporate issues and matters which cross outcomes, including the organisational structure, staffing numbers, the number of people with disabilities employed, parental leave, and superannuation entitlements. Media monitoring, FOI requests, performance of State hospitals, the National Health and Hospitals Reform Commission, Health and Hospitals Fund, and human gene patenting were also included in discussions.¹²

1.24 A range of questions were asked by Senators relating to sporting matters. The Australian Sports Commission (ASC) informed the Committee regarding action being taken to encourage more people into sport to improve their physical and mental health, which included Indigenous sport and recreation programs. A number of questions were asked concerning the Crawford review, active after-schools communities program, sport and recreation facilities grants, programs and funding for women in sport. Senators also sought an update on the status of Taekwondo Australia and discussed the impact and uncertainties of this sport currently not having a recognised body. Questions were also asked regarding sports funding, codes of behaviour and community leadership. The Australian Sports Anti-Doping Authority (ASADA) provided information on funding and anti-doping programs and measures.¹³

10 *Committee Hansard*, 2.06.09, pp.CA54-106.

11 *Committee Hansard*, 2.06.09, pp.CA108-124.

12 *Committee Hansard*, 3.06.09, pp.CA5-20.

13 *Committee Hansard*, 3.06.09, pp.CA20-40.

1.25 Private health insurance matters were discussed at length. Included in debate were the current levels and forward estimates for private health insurance membership, proposed changes to the private health insurance rebate, Medicare levy surcharge thresholds and lifetime health cover, and future premium increases. The possible impact on the public hospital and public dental system and allied healthcare providers of people dropping or downgrading hospital or general treatment cover was also discussed. The Private Health Insurance Administration Council (PHIAC) provided information concerning the private health insurance industry.¹⁴

1.26 The Chief Medical Officer (CMO) and officers involved with biosecurity and emergency response matters provided the Committee with a comprehensive and informative overview of the H1N1 influenza 09 (Swine flu) infection outbreak and response. This included detailed information relating to the outbreak, virulence of the organism, and measures activated under the National Action Plan for Human Influenza Pandemic to contain and control the spread of the virus. Testing for swine flu, quarantine measures, severity, and treatment options were also discussed. The Committee was also informed regarding the status of the national medical stockpile, agreements for further supply of influenza vaccine, including an order for a human swine flu vaccine being development by CSL. Answers were also provided to a number of concerns that were raised by Senators in relation to the pandemic. The Minister, Senator McLucas, and the Committee Chair commended and thanked the CMO and officers, who were also managing the operation of the 24-hour a day national incident room, for attending at such a busy time to inform the Committee and public of the current situation and the procedures actioned.¹⁵

1.27 Population health matters discussed included the public health education and research program; funding for preventative health and treatment; Preventative Health Taskforce; initiatives to lower tobacco use and to reduce obesity levels; marketing campaign to combat obesity; gastric banding; the Australian Better Health Initiative; bowel, breast and cervical screening programs; the National Binge Drinking Strategy; national immunisation strategy; and Naltrexone implants.¹⁶

1.28 Senators asked questions of the Therapeutic Goods Administration (TGA) relating to complementary medicines, the baseline assessment survey, audits of drug manufacturers that are approved for imports into Australia, and evaluation of applications to extend the shelf-life of drugs.¹⁷

1.29 Food Standards Australia New Zealand (FSANZ) provided answers relating to Bisphenola A (BPA) found in polycarbonate plastic products such as baby bottles.

14 *Committee Hansard*, 3.06.09, pp.CA40-44, 66-86.

15 *Committee Hansard*, 3.06.09, pp.CA45-66.

16 *Committee Hansard*, 3.06.09, pp.CA87-104, 112-113.

17 *Committee Hansard*, 3.06.09, pp.CA104-111.

Food labelling and labelling on wine bottles and other alcoholic beverages were also included in discussions.¹⁸

1.30 Matters discussed under Acute Care programs included details of Treasury's responsibility for funding and policy arrangements for Special Purpose Payments (SPPs) and DoHA's responsibility for the national healthcare agreement. Questions also covered the Health and Hospitals Fund, hospital accountability and performance programs, elective surgery waiting lists, public dental services in rural and remote areas, Commonwealth Dental Health program, teen dental program, review of the national blood arrangements, improving transfusion services, and indemnity for midwives.¹⁹

1.31 The National Blood Authority provided information on initiatives to improve the appropriateness of blood usage and reduce wastage, including programs for the education of practitioners working in the blood area and programs for improving communications with practitioners to improve the sharing of knowledge and to stimulate best practice. The new blood manufacturing site which will provide fresh blood products to Victoria and Tasmania was also discussed, as well as the plasma fractionation and product distribution contract with CSL.²⁰

1.32 The CEO of the recently established Australian Organ and Tissue Donation and Transplantation Authority provided details of the establishment, structure and operation of the Authority, appointment of the advisory council and Authority staff. Further answers were provided regarding organ donation and the importance of family awareness and consent to the donor's wishes, funding for community awareness and marketing, and access to the patient assisted travel scheme for donors and recipients.²¹

1.33 A large number of questions were asked relating to aged care matters, including the continence aids assistance scheme, level of care being provided to residents of aged-care facilities, funding for an increase in numbers of high-care residents, ratio of staff to residents, increased cost of care, and funding for nursing staff. Matters raised in the Senate inquiry into residential and community aged care were also discussed as well as the complaints investigation scheme, expenditure on palliative care, review of the allocation process, aged care approvals process, and the aged care workforce.²²

1.34 Cancer Australia agency was asked to provide an overview of staffing and operation of the agency. The linkages between Cancer Australia and other cancer organisations were discussed as well as the likely long-term impact on the cost of

18 *Committee Hansard*, 3.06.09, pp.CA114-118.

19 *Committee Hansard*, 3.06.09, pp.CA119-132, 135-136.

20 *Committee Hansard*, 3.06.09, pp.CA133-135.

21 *Committee Hansard*, 3.06.09, pp.CA136-140.

22 *Committee Hansard*, 4.06.09, pp.CA5-14, 31-67.

research relating to gene patent issues, and the cancer prevalence and survival data published jointly with the Australian Institute of Health and Welfare (AIHW).²³

1.35 The National Breast and Ovarian Cancer Centre also provided the Committee with an outline of their organisation's operations and outcomes, including current projects. The Centre reported that they were very pleased with the improvement in awareness of ovarian cancer, and the evidence had been reviewed in relation to best practice in follow-up for a woman who had been diagnosed with breast cancer.²⁴

1.36 Senators sought information from the National Health and Medical Research Council relating to their research funding and the guidelines and system used for allocating grants. The review of the public health research funding, and Naltrexone implant clinical trials were also included in discussions.²⁵

1.37 Information was sought from DoHA relating to implementation of the national e-health strategy, funding for diabetes research, Lift for Life strength training program for people with diabetes, and the National Partnership for Health Infrastructure.²⁶

1.38 Discussions relating to mental health issues included the demand and provision of mental health services in rural areas, the national suicide prevention strategy, National Mental Health Youth Foundation providing mental health services for young people, funding for mental health services, the mental health workforce, including the mental health nurse incentive program. Other mental health issues discussed included the Victorian bushfires mental health response package, the status of the Government response to the Committee's recommendations in the report of the inquiry into mental health services, action taken to combat stigma in mental health, and the alleged use of electroconvulsive therapy on teenagers.²⁷

1.39 Health workforce questions covered the number of GPs, general surgeons and dentists per head of population in rural and regional areas, RAMUS Scheme graduates, initiatives to overcome the shortage of rural workforce health professionals, specialist medical services in rural areas, and overseas trained medical practitioners. The national men's health strategy, nurses re-entering the workforce under the Bringing Nurses Back into the Workforce program, the General Practitioner Rural Incentive Program, the remote areas classification system, and allied health professionals were also discussed.²⁸

23 *Committee Hansard*, 4.06.09, pp.CA15-20.

24 *Committee Hansard*, 4.06.09, pp.CA21-23.

25 *Committee Hansard*, 4.06.09, pp.CA24-30.

26 *Committee Hansard*, 4.06.09, pp.CA68-79.

27 *Committee Hansard*, 4.06.09, pp.CA80-90.

28 *Committee Hansard*, 4.06.09, pp.CA91-102.

1.40 Senators sought information on a range of pharmaceutical matters. The more efficient use of chemotherapy drugs, payment of benefits, and the consultation process was discussed in some detail. PBAC approval process for listing of Avastin on the PBS, limitation of palliative care drugs on the PBS. Progress with the Fifth Community Pharmacy Agreement, customer medicine information, fee for dispensing of medicines in Aboriginal communities, PBS cost recovery, insulin pumps, Improving Maternity Services Package and eligible midwives' access to the PBS were also included in discussions.²⁹

1.41 With regard to access to medical services, questions were asked relating to Medicare Benefits Schedule fees for cataract surgery, Positron Emission Tomography (PET) services and location of scanners, Magnetic Resonance Imaging (MRI) services in Tasmania, cancer support services for Launceston Hospital, training and education for a range of professions involved in radiation oncology.³⁰

1.42 The Professional Services Review agency informed the Committee about Medicare compliance audits and issues relating to medical practitioners' inappropriate practices.³¹

1.43 Primary care questions included the GP Assist (Tasmania) program, progress being made with Super Clinics becoming operational and their locations, and the Practice Incentives Program for general practice. The General Practice Education and Training agency confirmed to the Committee that all funded training places to address workforce shortages had been filled. The program also included training in Indigenous health.³²

1.44 Rural health matters which were discussed included proposed changes from the RRMA classification system to ASGCRA which may impact on the Gawler, SA and Sunshine Coast, Qld areas. The consultation process is continuing so as to allay concerns. Senator Adams was advised that the Australian Health Ministers Advisory Council taskforce had not yet reported on the Patient Assisted Travel Scheme (PATS). The Committee was also informed on the development of a replacement to the Healthy Horizons initiative for improving the health of rural, regional and remote Australians; and progress being made with the Medical Specialist Outreach Assistance program, and the Rural Women's GP Service.³³

29 *Committee Hansard*, 4.06.09, pp.CA103-119.

30 *Committee Hansard*, 4.06.09, pp.CA120-128.

31 *Committee Hansard*, 4.06.09, pp.CA129-131.

32 *Committee Hansard*, 4.06.09, pp.CA131-140.

33 *Committee Hansard*, 4.06.09, pp.CA141-145.

Cross portfolio Indigenous issues

1.45 Senators sought answers to Indigenous issues questions from various portfolio Departments and agencies under the thematic headings detailed on the hearing program. The majority of questions were on a wide range of issues relating to the Northern Territory Emergency Response and the Closing the Gap initiative, which included the consultation process for future directions for the Response, conformity with the Racial Discrimination Act, and welfare reform matters such as income quarantining, CDEP, and school attendance trials. The Indigenous Business Australia agency informed the Committee with regard to home loans and home ownership on Indigenous lands, the Outback Stores subsidy and evaluation of stores.³⁴

1.46 Many housing questions were asked by Senators relating to remote Indigenous housing, the Strategic Indigenous Housing and Infrastructure Program (SIHIP), land tenure and leasing, and the Alice Springs town camps.³⁵

1.47 Indigenous health matters discussed included life expectancy data, dental services, foetal alcohol syndrome, petrol sniffing, trachoma, asthma, and dialysis.³⁶

1.48 A range of Indigenous employment services were discussed, including the new Community Employment Development Projects (CDEP) which will be implemented in remote areas and the community support program operating in regional and urban areas.³⁷

1.49 Senators asked questions relating to education matters, including the Improving School Enrolment and Attendance through Welfare Reform Measures (SEAM) project in the NT, children and family centres, and funding for Indigenous children from the NT to attend boarding schools in Perth.³⁸

1.50 Other more general Indigenous issues discussed included establishment of the Indigenous Healing Foundation, exposure to asbestos across the Wallaga Lake community, the suicide prevention project at Narrogin, and income management in the Cape York area.³⁹

1.51 Questions relating to law and justice matters covered demands being placed on legal service providers in the NT and the impact on the justice system, police presence and provision of police stations, native title claims and native title bodies.⁴⁰

34 *Committee Hansard*, 5.06.09, pp.CA5-23.

35 *Committee Hansard*, 5.06.09, pp.CA30-44.

36 *Committee Hansard*, 5.06.09, pp.CA44-51.

37 *Committee Hansard*, 5.06.09, pp.CA52-58.

38 *Committee Hansard*, 5.06.09, pp.CA59-68.

39 *Committee Hansard*, 5.06.09, pp.CA24-29.

40 *Committee Hansard*, 5.06.09, pp.CA68-73.

1.52 In addition to the above issues a number of administrative and process issues were discussed during the estimates hearings and these are detailed in the *Hansard* transcripts of evidence.

Senator Claire Moore
Chair
June 2009