SENATE COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ADDITIONAL ESTIMATES 2000-2001 REPORT

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REPORT

Introduction

1.1 On 30 November 2000 the Senate referred the following documents to the Committee for examination and report in relation to the portfolios of Health and Aged Care, and Family and Community Services:

- particulars of proposed additional expenditure for the service of the year ending on 30 June 2001 [*Appropriation Bill (No. 3) 2000-2001* and *Appropriation Bill (No. 4) 2000-2001*].

1.2 The Committee has considered the additional expenditure of the portfolios set out in their respective Portfolio Additional Estimates Statements 2000-2001 and related budgetary documents. Explanations relating to the estimates were received from Senator the Hon Amanda Vanstone, Minister for Family and Community Services, and Minister representing the Minister for Health and Aged Care and officers from the portfolio Departments at hearings held on 19 and 20 February 2001. The Committee expresses its appreciation for the assistance of the Minister, Mr Andrew Podger, Secretary, DHAC and Dr David Rosalky, Secretary, DFaCS, and the officers who appeared before it.

1.3 In accordance with Standing Order 26, the Committee has agreed that the date for submission to the Committee of written answers or additional information relating to the expenditure was 16 March 2001.

1.4 The Committee discussed many of the expenditure revisions and information contained in the Portfolio Additional Estimates Statements. These discussions are detailed in the Committee's *Hansard* transcripts of 19 and 20 February 2001, copies of which will be tabled in the Senate. *Hansard* transcripts of the estimates proceedings are also available on the Internet at http://www.aph.gov.au/hansard/senate/commttee/comsen.htm Volumes of Additional Information received by the Committee containing answers to questions taken on notice and tabled documents relating to the Committee's hearings, will also be tabled separately in the Senate and be accessible on the Internet at http://www.aph.gov.au/senate_ca

Answers to questions taken on notice

1.5 In its reports in March 2000 for the Additional Estimates 1999-2000 and June 2000 for Budget Estimates 2000-2001, the Committee expressed strong dissatisfaction at the continuing lateness of the provision of answers to questions taken on notice by the Department of Health and Aged Care, particularly the questions which related to aged care.

1.6 The Committee was pleased to acknowledge DHAC's much more timely response to the provision of answers to questions relating to the Supplementary hearing held on 22 November 2000 and thanked the Department for its improved performance.[1] However, the

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1 *Committee Hansard,* 19.2.01, p.4.

Committee notes that the answers to questions relating to aged care followed the previous pattern of being among the last to be provided. One Senator commented that the answers 'have become less informative, less fulsome, and a range of statistics is now being denied that was previously provided'.[2]

1.7 One issue upon which the Committee was still waiting for a response, and which had previously been discussed with DHAC, related to the release of market research material on private health insurance. The Departmental Secretary explained to the Committee that the reason that it had not been provided with the material requested was because the guidelines which govern the release of research results were still being reviewed.[3]

1.8 The Committee acknowledges and thanks the Department of Family and Community Services and Centrelink for their continued efforts in the timely provision of answers to questions taken on notice at the estimates hearings.

Portfolio Additional Estimates Statements

1.9 The Committee sought clarification from DHAC in relation to a number of issues referred to in the additional estimates statements, particularly about what appeared to be significant underspending and to describe what was actually meant by 'reversal of rephasing'.[4]

1.10 The Department advised that:

> It is generally explained for each of the outcomes what that relates to under the individual outcome tables, but it is to do with a phasing of pattern of expenditure that was agreed at the 2000-01 budget and for reasons of changes in expenditure – either underspending or identified areas of spends – it has now been reversed. So it is a way of indicating on the books that that pattern of phasing of the money has changed.[5]

1.11 DHAC also advised that the final end of financial year figures for the actual expenditure would appear in the financial statements of the Department's annual report.[6] The Departmental Secretary explained the process to the Committee as follows:

> The annual report will reflect 1999-2000 and we will be referring back to the 1999-2000 budget – that is, May 1999. In May 2000, in that budget for 2000-01, the government announced a rephasing which included some changes in spending in 1999-2000, which affected 2000-01. So our annual report may not pick up what happened in May 2000. It will be referring to the May 1999 budget. So the actual tracking of every decision may not be exactly in the annual report. But what you are seeing is a tracking from the May budget last year to the additional estimates, and we are trying to make sure that the tracking is right in those documents.[7]

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2 *Committee Hansard,* 20.2.01, p.133.

3 *Committee Hansard,* 19.2.01, p.4.

4 *Committee Hansard,* 19.2.01, p.5.

5 *Committee Hansard,* 19.2.01, p.5.

6 *Committee Hansard,* 19.2.01, pp.6-7.

7 *Committee Hansard,* 19.2.01, pp.6-7.

1.12 Some Senators commented that they had also experienced difficulties with the budget documentation for the Family and Community Services portfolio in determining the actual expenditure on child care in a particular year because 'every figure was different'.[8]

Performance reporting

1.13 The Committee encountered some difficulties in its examination of performance outcomes, particularly in the area of aged care in the Health and Aged Care portfolio. One of the main concerns was that although residential care waiting times is a key performance measure[9] DHAC was unable to provide the Committee with figures for average waiting times for entry into high and low residential care. The format provided previously had included a breakdown by region.[10] The Department advised the Committee that 'the information is derivable but in the view of the department it does not adequately reflect the experience of entry periods for people in the system'.[11]

1.14 After considerable debate on the matter the Departmental Secretary undertook to take the request for the provision of the information on notice and explained the difficulties to the Committee as follows:

> When an indicator becomes less useful, there is an issue of whether you keep producing it with caveats or whether you put your efforts into identifying a new set of indicators that more usefully represent what is happening in a monitoring device. The concern the department has is that this particular indicator has started to become a questionable indicator of the performance of the program in this area. We need to think about whether there is a better way of monitoring the concerns that some people have that the period between being assessed and getting into a nursing home is too long. That is clearly a problem for some people and we ought to be monitoring that. But, for others, the period is in fact governed by their own desire for staying out of the nursing home for longer and utilising other services and for looking at choice. We need to think more clearly about the issue.[12]

1.15 DHAC was also questioned regarding the changed format to the information on providers relating to the allocation of residential places in the 2000 allocation round compared to that which was made publicly available in previous years.[13] This provider information had previously included a breakdown by State, aged care planning region, as well as the provider's address, and whether the allocation was for high care or low care beds.[14] The Department advised that when the public announcement of allocation was made on 12 January 2001 Government Senators and Members were provided with the more detailed information and this would be made available to the Committee.[15]

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8 *Committee Hansard,* 19.2.01, p.7.

9 Commonwealth Department of Health and aged Care, Annual Report, 1999-2000, p.325.

10 *Committee Hansard,* 20.2.01, p.132.

11 *Committee Hansard,* 20.2.01, p.132.

12 *Committee Hansard,* 20.2.01, p.133.

13 *Committee Hansard,* 20.2.01, pp.133-36, 139-42.

14 *Committee Hansard,* 20.2.01, p.133.

15 *Committee Hansard,* 20.2.01, pp.134, 139.

Issues

1.16 The Committee discussed a range of issues with both portfolio departments. A considerable amount of time was spent on aged care issues in the Health and Aged Care portfolio and both portfolios were questioned at length on issues relating to IT outsourcing contracts. A number of important administrative and process issues were raised in these discussions which are detailed in the *Hansard* transcripts of evidence.

Senator Sue Knowles
Chairman

March 2001