The Senate

# Community Affairs Legislation Committee

Budget estimates 2003-04

June 2003

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ISBN 0 642 71254 9

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# Membership of the Committee

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| Senator Sue Knowles, Chairman | LP, Western Australia |
| Senator Brian Greig, Deputy Chair | AD, Western Australia |
| Senator Kay Denman | ALP, Tasmania |
| Senator the Hon Bill Heffernan | LP, New South Wales |
| Senator Gary Humphries | LP, Australian Capital Territory |
| Senator Steve Hutchins | ALP, New South Wales |

# Senate Community Affairs Legislation Committee

## Report on Budget Estimates 2003-2004

1.1 On 13 May 2003 the Senate referred the following documents to the Committee for examination and report in relation to the portfolios of Health and Ageing and Family and Community Services:

- particulars of proposed expenditure for the service of the year ending on 30 June 2004
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2004.

1.2 The Committee has considered the budget expenditure of the portfolios set out in their respective Portfolio Budget Statements 2003-2004 and related budgetary documents. Explanations relating to the estimates were received from Senator the Hon Kay Patterson, Minister for Health and Ageing, Senator the Hon Amanda Vanstone, Minister for Family and Community Services and Senator the Hon Eric Abetz, Special Minister of State and officers from the portfolio Departments at hearings held on 2 to 5 June 2003. The Committee expresses its appreciation for the assistance of the Ministers, Ms Jane Halton, Secretary DoHA, and Mr Mark Sullivan, 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 is 21 July 2003.

1.4 The Committee discussed many of the expenditure revisions and information contained in the Portfolio Budget Statements. These discussions are detailed in the Committee's *Hansard* transcripts of 2, 3, 4, and 5 June 2003, 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 Committee's web pages at http://www.aph.gov.au/senate_ca

1.5 The Committee discussed a range of issues with both portfolio departments.

# Issues

## *Health and Ageing portfolio*

1.6 The Health and Ageing portfolio was questioned at length on the budget initiative titled 'A Fairer Medicare – Better Access, More Affordable'. Amongst issues discussed in detail in relation to the package were the General Practice access scheme; bulk billing both for concession card holders and others; the safety net for concession card holders; gap payment between Medicare rebate and doctor's fee; increased remuneration for doctors; assistance for general practices to employ a practice nurse or allied heath worker; options for private health insurance to insure against out of hospital medical expenses; additional medical school places and GP training program places.[1]

1.7 The Fairer Medicare package also has provision for an additional 234 medical school places to be created each year from 2004. The Committee was advised that the places will be distributed across medical schools around Australia. Students who take up these medical places will be 'bonded' to areas of workforce shortages for a minimum of six years. This will be of particular value to outer-metropolitan and rural and regional areas. The Minister also announced at the time of the estimates hearings that the Government had given an in principle agreement to two new medical schools in Western Australia and Queensland.[2]

1.8 There was also extensive debate with the Therapeutic Goods Administration (TGA) on matters relating to pharmaceutical products, particularly truth-in-labelling issues; regulation of complementary medicines; the Pan Pharmaceuticals recall, including breaches of code of good manufacturing practice, the processes involved in auditing and identifying problems, the actions undertaken and procedures of recall.[3]

1.9 When questioned regarding a recent case of BSE reported in Canada, TGA advised the Committee that they were reviewing those therapeutic goods which may have beef products originating from Canada. TGA will do a risk assessment on individual products and stated that TGA's general policy is to avoid using material which is sourced from countries which have reported BSE, so they will be investigating the re-sourcing of those materials identified as sourced in Canada'.[4]

1.10 The Committee also discussed with TGA the status of a report on an internal review of audit and licensing of good manufacturing practice referred to as the Corcoran review. A copy of the report was provided to the Committee together with a

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1 *Committee Hansard* pp.CA5-46, 53-67.

2 *Committee Hansard* pp.CA58-59, 535-537

3 *Committee Hansard* pp.CA165-208.

4 *Committee Hansard* pp.CA207-208.

progress report on the implementation of the recommendations contained in the report.[5]

1.11 Other population health and safety issues discussed with DoHA included blood products and the National Blood Authority[6]; vaccines and immunisation programs, particularly pneumococcal and meningococcal[7]; the HIV Aids strategy[8]; SARS, including advice to GPs[9]; anti-smoking campaigns, tobacco advertising and the national tobacco strategy.[10]

1.12 A number of matters were raised in relation to hearing services, particularly for services provided for Aboriginal and Torres Strait Islander (ATSI) peoples. A range of issues relating to other ATSI health issues were also discussed with the Committee.[11]

1.13 In response to questions concerning assistance with medical expenses for victims of the Bali bombings the Committee was advised that a program of assistance and guidelines had been developed by the Health Insurance Commission (HIC) to meet the out-of-pocket expenses of victims of the terrorist attack.[12]

1.14 The Committee discussed the construction of the replacement reactor at Lucas Heights with the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), with the focus being on safety issues.[13]

1.15 Matters relating to genetically modified foods were raised with the Office of Gene Technology, in particular the inspection of research sites, licences for the importation of genetically modified grain, and cost recovery.[14]

1.16 Progress on negotiations with the new Australian Health Care Agreements was considered, with the Minister indicating that she was waiting for the States to advise 'how much they are going to spend in the first year and what their rate of growth will be'.[15]

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5 *Committee Hansard* pp.CA134-135, 161-165.

6 *Committee Hansard* pp.CA47-52.

7 *Committee Hansard* pp.CA.214-226.

8 *Committee Hansard* pp.CA226-228.

9 *Committee Hansard* pp.CA229-230.

10 *Committee Hansard* pp.CA230-243.

11 *Committee Hansard* pp.CA99-124.

12 *Committee Hansard* pp.CA534-535.

13 *Committee Hansard* pp.CA229-230.

13 *Committee Hansard* pp.CA141-161.

14 *Committee Hansard* pp.CA208-212.

15 *Committee Hansard* pp.CA84-86.

1.17 Issues were raised with DoHA relating to community pharmacy agreements, particularly in the Karratha area, and the activities of the Australian Community Pharmacy Authority.[16]

1.18 Matters were also raised with the National Health and Medical Research Council (NHMRC) concerning research conducted under a particular grant and the alleged misuse of funds and breaching of requirements in the performance of the grant.[17]

1.19 The Committee discussed a range of aged care matters with DoHA, including issues relating to nursing home accreditation standards. In particular the Committee raised with the Department problems relating to Tangerine Lodge nursing home in Melbourne and was advised that some very serious failures and breaches had been identified. A recent audit of Tangerine Lodge identified that the home failed to meet 33 of the 44 accreditation standards. As a result of these findings Tangerine Lodge had its funding withdrawn during the time of the estimates hearings.[18]

### *Family and Community Services portfolio*

1.20 In the Family and Community Services portfolio there was extensive debate with Centrelink on the enhanced information technology capabilities measure which provides for additional funding of $312 million over five years. The Committee was advised that the initiative involved:

> putting in place the additional infrastructure to support new service delivery options to enhance the access that we have available for our citizens, to enrich the quality of services that we have, to continue to enhance security and privacy considerations for our citizens and to create an environment within Centrelink to support our staff as they provide services to our citizens.[19]

The Committee discussed with Centrelink details of the various aspects of the proposed IT project, including the rolling out program and the anticipated administered savings from increased efficiency of Centrelink operations which were expected to result from the measure. [20]

1.21 Disability Support Pension (DSP) payments under the Australians Working Together package, with the change of focus of the reviews from medical to work capacity, were discussed with the Committee. Details of the planned enhancement of the present process of reviewing Disability Support Pension (DSP) payments with the introduction of service update reviews were provided to the Committee. The updated

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16 *Committee Hansard* pp.CA91-98.

17 *Committee Hansard* pp.CA491-498.

18 *Committee Hansard* pp.CA245-260, 504-525.

19 *Committee Hansard* p.CA264.

20 *Committee Hansard* pp.CA263-271

review system would provide for a considerable increase in the number of reviews – from 89,000 under the current review system to 150,000. FaCS advised that this would provide a far more targeted system and involve the use of face-to-face interviews and phone contact to help ensure DSP recipients receive their correct entitlement.[21]

The Committee was further advised that:

> As part of the new review process, if Centrelink identified that someone could usefully benefit from going not just to an external medical provider but to an external work capacity provider, there is an ability in the system to say, 'This person wants to do something and we need to work through their barriers and look at the best interventions. Maybe a referral to an external work capacity assessor would be useful for this individual.'[22]

1.22 FaCS and Centrelink were questioned in relation to the process of family assistance reconciliation. The Committee was informed that the method of calculating the reconciliation result had been revised to more accurately reflect the overall net outcome for families who have a reconciliation. Family Tax Benefit (FTB) and Child Care Benefit (CCB) overpayments were also discussed in detail.[23]

1.23 An independent evaluation of the Men and Family Relationships services program had been recently released and results showed that the program was seen to be highly successful. The Committee was advised that:

> The interesting information coming out of the evaluation was that, if you tailor services to meet the needs of men so that you remove some of the obstacles in mainstream services, men will access those services. They appreciate the quality of the service, they refer it to other men in similar circumstances and they say that it has improved their relationships with their partners.[24]

1.24 The Committee discussed Child Care Benefit (CCB) expenditure and entitlements and requested a number of statistics to be provided.[25] Issues concerning child care services were debated in some detail, particularly unmet demand for child care places in long day care and family day care, and the allocation of places.[26]

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21 *Committee Hansard* pp.CA273-280.

22 *Committee Hansard* p.CA277.

23 *Committee Hansard* pp.CA293-298.

24 *Committee Hansard* p.CA337.

25 *Committee Hansard* pp.CA391-395.

26 *Committee Hansard* pp.CA396-413.

1.25 Issues in housing support included rent assistance and access to affordable housing, including housing for Indigenous peoples.[27]

1.26 Negotiations with the Commonwealth-State Housing Agreement were also raised with FaCS advising that the Victorian and Western Australian Ministers had announced that they will be signing the agreement and that the indication from other States was that their position would be advised in the near future.[28]

1.27 An update was provided on negotiations for the Commonwealth, State and Territory Disability Agreement. The Minister advised that significant progress had been made. Western Australian and Victorian Ministers had signed and agreement had been obtained from South Australia and the Northern Territory.[29]

1.28 The Committee requested information on the Ministerial Council on Gambling and why the Council had not met for some time. The Minister advised that although more regular meetings had been planned, due to a number of factors outlined to the Committee, this had not been possible.[30]

1.29 Matters discussed with the Australian Institute of Family Studies (AIFS) included the Institute's research projects, the new Australian Centre for the Study of Sexual Assault, and the National Child Protection Clearinghouse.[31]

## Other issues

1.30 A number of other important administrative and process issues involving both portfolios were raised during the estimates discussions and are detailed in the *Hansard* transcripts of evidence.

Senator Sue Knowles
Chairman

June 2003

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27 *Committee Hansard* pp.CA424-432.

28 *Committee Hansard* p.CA433.

29 *Committee Hansard* pp.CA463-464.

30 *Committee Hansard* pp.CA452-454.

31 *Committee Hansard* pp.CA440-451.