

# Chapter 1

## Introduction

1.1 On 9 May 2012 the Senate referred the following documents to the committee for examination and report in relation to its portfolios:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2013.
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2013.
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2013.
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2012.
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2012.<sup>1</sup>

1.2 The committee is responsible for the examination of the following portfolios:

- Health and Ageing;
- Families, Housing, Community Services and Indigenous Affairs; and
- Human Services.

1.3 The committee was required to report to the Senate on its consideration of 2012-2013 budget estimates on Tuesday 26 June 2012.<sup>2</sup>

### Details of hearings

1.4 The committee considered the Portfolio Budget Statements (PBS) 2012-2013 for the Families, Housing, Community Services and Indigenous Affairs portfolio, the Human Services portfolio, and the Health and Ageing portfolio, and the Portfolio Supplementary Additional Estimates Statements 2011-12 for the Families, Housing, Community Services and Indigenous Affairs portfolio, at hearings from 28 May 2012 to 1 June 2012 (inclusive). The hearings were conducted in accordance with the agreed agenda outlined as follows:

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1 *Journals of the Senate*, No. 89, 9 May 2012, p. 2396.

2 *Journals of the Senate*, No. 62, 2 November 2011, p. 1708.

- Monday 30 May 2012 – Families, Housing, Community Services and Indigenous Affairs portfolio
- Tuesday 31 May 2012 – Families, Housing, Community Services and Indigenous Affairs portfolio and Human Services portfolio
- Wednesday 1 June – 2012 Health and Ageing portfolio
- Thursday 2 June 2012 – Health and Ageing portfolio
- Friday 3 June 2012 – Cross Portfolio – Indigenous Matters

1.5 The committee heard evidence from the following Senators:

- Senator the Hon Jan McLucas, Parliamentary Secretary for Disabilities and Carers (representing the Minister for Families, Housing, Community Services and Indigenous Affairs and the Minister for Health and Ageing).
- Senator the Hon Kim Carr, Minister for Human Services.
- Senator the Hon Jacinta Collins, Parliamentary Secretary for School Education and Workplace Relations (representing the Minister for Families, Housing, Community Services and Indigenous Affairs and all relevant Ministers for the Cross Portfolio – Indigenous Matters).

1.6 Evidence was also provided by the following:

- Mr Finn Pratt, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs;
- Ms Kathryn Campbell, Secretary of the Department of Human Services;
- Ms Jane Halton, Secretary of the Department of Health and Ageing;
- Mr David Learmonth, Deputy Secretary of the Department of Health and Ageing;
- Ms Jennifer Taylor, Deputy Secretary of the Department of Education, Employment and Workplace relations; and
- officers representing the departments and agencies covered by the estimates before the committee.

1.7 The committee also considered budget expenditure at a hearing on 1 June 2012 on cross portfolio Indigenous matters pursuant to Resolution of the Senate of 26 August 2008.<sup>3</sup> Explanations relating to the estimates were received from Senator the Hon Jacinta Collins. Officers from the following portfolio Departments were in attendance:

- Families, Housing, Community Services and Indigenous Affairs;
- Health and Ageing; and

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- Education, Employment and Workplace Relations.

1.8 The committee thanks the ministers, departmental secretaries and officers for their assistance and cooperation during the hearings.

### Questions on Notice

1.9 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 27 July 2012.

1.10 Answers to questions taken on notice and tabled documents relating to the committee's hearings will be tabled in the Senate. Consolidated volumes of this additional information may be accessed from the committee's website.

### Hansard transcripts

1.11 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 28 May 2012 to 1 June 2012 (inclusive), 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](http://www.aph.gov.au/senate_ca).

1.12 References to the Hansard transcript are to the proof Hansard; page numbers may vary between the proof and the official Hansard transcript.

### Changes to portfolios, agencies or agency structure

1.13 The committee notes that as a result of the Administrative Arrangements Order (AAO) of 14 December 2011, Affordable Housing was transferred to the Department of Families, Housing, Community Services and Indigenous Affairs from the Department of Sustainability, Environment, Water, Population and Communities. Affordable housing is reported under Outcome 2: Housing; Program 2.2, and includes the National Rental Affordability Scheme; Housing Affordability Fund; and Building Better Regional Cities.<sup>4</sup>

1.14 The committee notes the addition of the following programs to the Department of Families, Housing, Community Services and Indigenous Affairs as a result of the Budget 2012-13:

- Program 5.6: National Disability Insurance Scheme;
- Program 5.7: Early Intervention Services for Children with Disability.<sup>5</sup>

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4 Families, Housing, Community Services and Indigenous Affairs, *Portfolio Additional Estimates Statements 2011-12*, p. 3.

5 Families, Housing, Community Services and Indigenous Affairs, *Portfolio Budget Statements 2012-13*, pp. 111–115.

1.15 Following the *Living Longer, Living Better*<sup>6</sup> Aged Care reform package, the committee notes revisions to the program structure of Outcome 4: Aged Care and Population Ageing<sup>7</sup> in the Department of Health and Ageing:

- Program 4.1: Access and Information
- Program 4.2: Home Support
- Program 4.3: Home Care
- Program 4.4: Residential and Flexible Care
- Program 4.5: Workforce and Quality
- Program 4.6: Ageing and Service Improvement

### **Cross portfolio coordination of programs**

1.16 The committee expresses its ongoing concerns regarding the increasing number of issues with cross portfolio coordination of programs and the effect this is having on estimates processes. The committee has at times found it difficult to ensure accountability during the estimates process. It notes the many occasions on which Senators asked questions of a witness at estimates hearings and were advised that the matter was being handled by a different department.

### **Procedural issues**

1.17 The following procedural issues during the committee's hearings were noted.

#### ***Grounds for not answering questions***

1.18 During hearings of the Families, Housing, Community Services and Indigenous Affairs portfolio there were a few disputes regarding not answering questions on the grounds of deliberations of, or advice to, government.<sup>8</sup> The committee notes that in her opening statements, the Chair drew particular attention to the order of the Senate of 13 May 2009<sup>9</sup> which explicitly rejects reliance on such grounds for not providing an answer to a question. The committee also notes that no formal claims were made for public interest immunity. Departments should be aware of and adhere to the order of the Senate of 13 May 2009.

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6 Families, Housing, Community Services and Indigenous Affairs, *Portfolio Budget Statements 2012-13*, pp. 111–115.

7 Health and Ageing, *Portfolio Budget Statements 2012-13*, pp. 119–121.

8 See 'Cross Outcomes/Corporate Matters' at 2.3 for further discussion of the grounds for not answering questions.

9 *Journals of the Senate*, No. 68, 13 May 2009, pp. 1941–1942.

### ***Adverse Reflections***

1.19 The committee had one instance of potentially adverse reflections regarding a person involved in programs of the Department of Health and Ageing. The committee provided the person with the Hansard and an opportunity to respond. The date for the receipt of a response to the allegations was 21 June 2012 and no response was received.

### ***Corrections to Portfolio Budget Statements***

1.20 On Tuesday 29 May the Department of Health and Ageing tabled, out of sitting, extensive corrections to its Portfolio Budget Statements. The secretariat circulated the corrections to Senators on 29 May.

### ***National e-Health Transition Authority***

1.21 The committee invited the National e-Health Transition Authority to appear during the Health and Ageing hearings on Outcome 10, Health System Capacity and Quality, Program 10:2, e-Health Implementation. The National e-Health Transition Authority carries out Government-sponsored activity, but it is not an agency of the Department of Health and Ageing.

