

The Senate

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Community Affairs  
Legislation Committee

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Budget estimates 2011–12

July 2011

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# Membership of the Committee

## Members

Senator Claire Moore, Chair	ALP, Queensland
Senator Rachel Siewert, Deputy Chair	AG, Western Australia
Senator Judith Adams	LP, Western Australia
Senator Sue Boyce	LP, Queensland
Senator Carol Brown	ALP, Tasmania
Senator Mark Furner	ALP, Queensland

## Senators in attendance

Senator Claire Moore (Chair), Senator Rachel Siewert (Deputy Chair), Senator Judith Adams, Senator Sue Boyce, Senator Mark Furner, Senator Anne McEwen, Senator the Hon Jan McLucas, Senator the Hon Eric Abetz, Senator Chris Back, Senator Corey Bernardi, Senator Catryna Bilyk, Senator Michaelia Cash, Senator Mathias Cormann, Senator Trish Crossin, Senator Alan Eggleston, Senator Fierravanti-Wells, Senator Mitch Fifield, Senator Scott Ludlam, Senator Fiona Nash, Senator Stephen Parry, Senator Marise Payne, Senator the Hon Nigel Scullion, Senator John Williams, Senator Nick Xenophon

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# Chapter 1

## Introduction

- 1.1 The committee is responsible for the examination of the following portfolios:
- Health and Ageing;
  - Families, Housing, Community Services and Indigenous Affairs; and
  - Human Services (following a resolution of the Senate on 29 September 2010).<sup>1</sup>
- 1.2 On 10 May 2011 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 2012; and
  - particulars of certain proposed expenditure in respect of the year ending on 30 June 2012.
- 1.3 The committee was required to report to the Senate on its consideration of 2011-2012 budget estimates on 5 July 2011.

### Details of hearings

1.4 The committee considered the Portfolio Budget Statements (PBS) 2011-2012<sup>2</sup> for all portfolios at hearings from 30 May 2011 to 3 June 2011 (inclusive). The hearings were conducted in accordance with the agreed agenda outlined as follows:

Hearing date	Portfolio
Monday 30 May 2011	Health and Ageing portfolio
Tuesday 31 May 2011	Health and Ageing portfolio
Wednesday 1 June 2011	Families, Housing, Community Services and Indigenous Affairs portfolio
Thursday 2 June 2011	Families, Housing, Community Services and Indigenous Affairs portfolio and Human Services portfolio
Friday 3 June 2011	Cross Portfolio – Indigenous Matters <sup>3</sup>

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1 *Journals of the Senate*: No. 2, 29 September 2010, pp 88–89.

2 See "Changes to portfolios, agencies or agency structure" at 1.12 - 1.13 for clarification on PBS 2011-2012 and agreed agenda structure.

3 See further information on Cross Portfolio – Indigenous Matters at 1.7.

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 Health and Ageing and the Minister for Families, Housing, Community Services and Indigenous Affairs in the Department of Families, Housing, Community Services and Indigenous Affairs outcome 5).
- Senator the Hon Mark Arbib, Minister for Sport, Minister for Indigenous Employment and Economic Development and Minister for Social Housing and Homelessness (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:

- Ms Jane Halton, Secretary of the Department of Health and Ageing;
- Mr David Learmonth, Deputy Secretary of the Department of Health and Ageing;
- 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;
- Mr Robert Griew, Associate 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 3 June 2011 on cross portfolio indigenous matters pursuant to Resolution of the Senate of 26 August 2008.<sup>4</sup> Explanations relating to the estimates were received from Senator the Hon Mark Arbib. Officers from the following portfolio Departments and agency were in attendance:

- Families, Housing, Community Services and Indigenous Affairs;
- Health and Ageing; and
- Education, Employment and Workplace Relations.

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

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## 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 22 July 2011.<sup>5</sup>

## Hansard transcripts

1.10 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 30 May 2011 to 3 June 2011 (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). 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.

1.11 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

1.12 All departments within the committee's portfolio have indicated various changes to outcome and program structures in their 2011-2012 Portfolio Budget Statements. The most significant of these is the integration of Centrelink and Medicare Australia into the Department of Human Services from 1 July 2011.<sup>6</sup> This integration will result in all programs currently being delivered by Centrelink and Medicare Australia being delivered by the Department of Human Services from that date.<sup>7</sup>

1.13 Based on the potential complexities of these structural changes, the committee decided that the budget estimates hearings on 30 May 2011 to 3 June 2011 (inclusive) proceed in accordance with each department's outcome and program structures from the 2010-2011 Portfolio Budget Statements. This approach also assisted Senators, to a certain extent, with identifying where to ask questions during hearings.

## Cross portfolio coordination of programs

1.14 The committee expresses its 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

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5 See "Procedural issues" at 1.16 for further discussion on answers to Questions on Notice.

6 Pending passing and commencement of the *Human Services Legislation Act Bill 2011* (Cth)

7 *Budget; Portfolio Budget Statements 2011-2012; Budget Related Paper No. 1.11; Human Services Portfolio*, pp 3-6.

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**

1.15 There were few procedural issues during the committee's hearings however the following were noted.

#### ***Late answers to Questions on Notice***

1.16 During hearings of the Families, Housing, Community Services and Indigenous Affairs portfolio on Wednesday 1 June 2011, the committee asked the Department of Families, Housing, Community Services and Indigenous Affairs for an explanation in relation to late answers from the additional estimates round held in February 2011. Mr Finn Pratt, Secretary of the department, responded as follows:

Yes, there is a reason. I am not sure that there is an excuse. We had a large number of questions on notice to answer. It was during a very busy period, around the budget, and I apologise on behalf of the department that we were late in getting so many of those answers in. We will attempt to do much better next time.<sup>8</sup>

1.17 The Chair of the committee responded:

That is an ongoing issue, and we have these discussions at most estimates. One of the things we have suggested in the past is if there is a delay, and people in the department see that there will be one because of workload and other issues, if you could let the committee know rather than just going through until the end. It is something to think about. We have raised it on a number of occasions with a number of departments. I just think that possibly could be one thing to consider within the department.<sup>9</sup>

#### ***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. The committee notes that no formal claims were made for public interest immunity and that responses continued to be provided. However departments should be aware of and adhere to the order of the Senate on 13 May 2009 which explicitly rejects reliance on such grounds for not providing an answer to a question.

1.19 During hearings of the cross portfolio – Indigenous matters on Friday 3 June 2011, issues were raised in relation to proceedings before the Federal Court in which

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8 *Proof Estimates Hansard*, 1 June 2011, p.26.

9 *Proof Estimates Hansard*, 1 June 2011, p.26.

the Northern Land Council had an interest. The Chair drew attention to the rights of Senators to ask questions even where matters were before a court.

***Portfolio complexity***

1.20 The complexity of outcome and program arrangements, as mentioned above, did see the Department of Health and Ageing (DoHA) offer to provide the committee with a 'mud map' in future to assist in identifying where questions should be asked. The committee appreciates the patience shown by officers in providing direction to appropriate program areas and looks forward to receiving this information.



# Chapter 2

## Health and Ageing Portfolio

### Department of Health and Ageing

2.1 This chapter contains the key issues discussed during the 2011-2012 budget estimates hearings for the Health and Ageing portfolio.

2.2 The committee heard evidence from the department on Monday 30 May 2011 and Tuesday 31 May 2011. Areas of the portfolio were called in the following order:

- Whole of Portfolio/Corporate Matters
- Australian Institute of Health and Welfare
- Mental Health
- Aged Care and Population Ageing
- Health System Capacity and Quality
- Cancer Australia Agency/National Breast and Ovarian Cancer Centre
- National Health and Medical Research Council
- Access to Medical Services
- Professional Services Review Scheme
- Health Workforce Capacity
- Health Workforce Australia
- Primary Care
- Population Health
- Food Standards Australia New Zealand (FSANZ)
- Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- Australian National Preventive Health Agency
- Rural Health
- Private Health
- Access to Pharmaceutical Services
- Biosecurity and Emergency Response
- Acute Care
- Australian Organ and Tissue Donation and Transplantation Authority
- Hearing Services

2.3 The committee also heard evidence from the National e-Health Transition Authority (NEHTA) under the department's "Health System Capacity and Quality" area.

### ***Whole of Portfolio/Corporate Matters<sup>1</sup>***

2.4 At the 2010-2011 additional estimates, the committee asked about post-flood and cyclone initiatives in the department and how these impacted on staff and buildings. The committee commenced proceedings by requesting an update on the department's people and property issues.<sup>2</sup> Ms Jane Halton, Secretary of the Department of Health and Ageing, responded that employees have now returned to work and the department is fully operational.

### ***Council of Australian Government (COAG) Heads of Agreement – National Health Reform***

2.5 On 13 February 2011, the COAG at its 30<sup>th</sup> meeting agreed, under a Heads of Agreement, that every Australian government sign a full National Health Reform Agreement by 1 July 2011. Accordingly the department was asked numerous questions about this including timeframes, current discussions between Commonwealth, state and territory governments and the pending passage of legislation relating to this agreement.

2.6 The committee expressed a great deal of interest in authorities that would be created under the new agreement including the:

- (a) National Performance Authority
- (b) Independent Hospital Pricing Authority
- (c) Local Hospital Networks
- (d) Medicare Locals

2.7 Senators raised concerns about how these new authorities would interact with each other particularly around governance arrangements and the interaction of the Commonwealth with state and territory governments. The department confirmed that negotiations are currently taking place around these issues.<sup>3</sup>

### ***Australian Institute of Health and Welfare<sup>4</sup>***

2.8 The committee indicated particular interest around definitions of terms such as 'hospital' and 'hospital bed'. The department's secretary, Ms Halton, indicated their

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1 *Proof Estimates Hansard*, 30 May 2011, pp 6-29

2 *Proof Estimates Hansard*, 30 May 2011, p. 6.

3 *Proof Estimates Hansard*, 30 May 2011, p. 24.

4 *Proof Estimates Hansard*, 30 May 2011, pp 30-35



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'fervent hope to have a standard national definition' however noted the 'degrees of difficulty' associated with producing a 'definition as applies internationally'.<sup>5</sup>

2.9 In addition, the committee raised the issue of measuring and defining unmet need. The authority advised that they 'will be doing a bit more work with the jurisdictions around the definition of unmet need'.<sup>6</sup>

### ***Mental Health***<sup>7</sup>

2.10 The department was asked questions in relation to mental health, particularly in the areas of completion of 2006-2011 COAG mental health measures, expanding the Early Psychosis Prevention and Intervention Centre (EPPIC) model, flexible care packages to patients with severe mental illness, suicide prevention and budget measures contained in the 2011-2012 Portfolio Budget Statement (PBS).

2.11 The most discussed of the budget measures was Better Access. Questions on this measure focused on allied mental health professionals Medicare registrations and treatment sessions with patients classified in the mild to moderate illness category. Questions were also asked of the department on the tender process involved with the Better Access evaluation, monitoring the impact of quality care and changes to rebates and complaints regarding the changes to Better Access.

2.12 The department was further asked why the new National Mental Health Commission is being established under the Department of Prime Minister and Cabinet. The department's secretary, Jane Halton, explained to the committee that this is because mental health is seen as a whole-of-government issue and that 'to put it in health would be to downgrade the significance of the other areas'.<sup>8</sup>

### ***Aged Care and Population Ageing***<sup>9</sup>

2.13 The department was questioned on networks of one-stop shops across Australia, Medicare Locals and how they fit in with aged care, consumer directed care packages, young people in nursing homes and the Aged Care Assessment Program.

2.14 The committee showed great interest in different aged care assessment tools and how current assessment processes are being criticised for not effectively dealing with ageing persons with a disability. The department replied that they 'have been progressing with putting in place a more consistent assessment tool across the Aged Care Assessment Program'.<sup>10</sup> The department further advised they are currently

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5 *Proof Estimates Hansard*, 30 May 2011, p. 31.

6 *Proof Estimates Hansard*, 30 May 2011, p. 32.

7 *Proof Estimates Hansard*, 30 May 2011, pp 35-62

8 *Proof Estimates Hansard*, 30 May 2011, p. 56.

9 *Proof Estimates Hansard*, 30 May 2011, pp 62-74

10 *Proof Estimates Hansard*, 30 May 2011, p. 71.

putting together a toolkit incorporating three core assessment tools which will be used by aged care assessment teams. The department did not indicate a timeframe within which this toolkit would be implemented.

2.15 Following up from last estimates, the department was asked about continence aids program and the issue that some holders of Department of Veterans Affairs pensioner concession cards had missed out on this program. The department confirmed that all affected clients have now received their payments.<sup>11</sup>

### ***Access to Medical Services***<sup>12</sup>

2.16 The department was asked a variety of questions relating to Medicare including the review of existing Medicare Benefits Scheme (MBS) items, nurse practitioners and midwives with Medicare provider numbers and continuity of services to Medicare clients following changes announced as a part of the 2011-2012 budget.

2.17 In relation to Medicare service delivery, the department was asked what arrangements are in place for formal accountability. Ms Halton advised the committee that in relation to service delivery, Medicare is accountable to its Minister and to the Parliament.<sup>13</sup> Ms Halton confirmed there are no other bodies in place (except for the Auditor-General) to assess performance.<sup>14</sup>

2.18 The committee further asked questions relating to the Commonwealth Dental Health program (CDHP), specialist services with telehealth, the targeted assistance 2011-2012 budget measure and the diagnostic imaging review and the 2011-2012 budget announcements on this area.

2.19 The committee discussed diagnostic imaging in terms of changes to licence categories, MBS eligibility and Magnetic Resonance Imaging (MRI) machines in both regional and metropolitan areas. The department confirmed that the budget reflects the focus on MRI's showing additional expenditure in this area.<sup>15</sup>

### ***Professional Services Review***<sup>16</sup>

2.20 The committee asked the agency a variety of questions in relation to processes, practices and transparency of the agency and its decisions. In return the agency gave evidence of the types of matters it has recently dealt with and its interactions with Medicare who refer matters to the agency.

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11 *Proof Estimates Hansard*, 30 May 2011, p. 73.

12 *Proof Estimates Hansard*, 30 May 2011, pp 95-103

13 *Proof Estimates Hansard*, 30 May 2011, p. 100.

14 *Proof Estimates Hansard*, 30 May 2011, p. 100.

15 *Proof Estimates Hansard*, 30 May 2011, p. 102.

16 *Proof Estimates Hansard*, 30 May 2011, pp 103-109

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### *Primary Care*<sup>17</sup>

2.21 The committee discussed Aged Care Access Incentives under the Practice Incentives Program (PIP) for general practitioners. The department expressed that this area is 'one of the real fault lines in primary care'.<sup>18</sup>

2.22 The department was asked about the maternity services review particularly regarding the maternity services plan which was formally released a few weeks prior to the estimates hearing. The department was also asked about collaborative arrangements between midwives and general practitioners, funding for maternity units in rural areas and how the maternity services plan interacts with the health reform framework. The department confirmed that 'the new governance arrangements under the health reform framework are not explicitly articulated in the maternity services plan'.<sup>19</sup>

### *Medicare Locals*

2.23 The department provided figures regarding the total funding for Medicare Locals. Current divisions of general practice receive around \$85 million in a full funding year which will transfer to Medicare Locals. On top of this, Medicare Locals will receive \$175 million core funding in a full funding year. This department clarified this will be the funding base for Medicare Locals once divisions of general practice funding ceases.<sup>20</sup> The funding for divisions of general practice is due to cease on 30 June 2012.<sup>21</sup>

2.24 The committee also discussed the transition of divisions of general practice to Medicare Locals and how this will affect the provision of programs. The department explained that 26 different programs currently run through divisions of general practice with additional programs announced in the 2011-2012 budget to run alongside these. The department advised that where there is a Medicare Local in place, these programs will run through them. Pending a Medicare Local covering a geographic area, programs will run through the division of general practice.<sup>22</sup>

2.25 The committee further asked about the funding formula for Medicare Locals. The department advised that they do not know yet what this formula would be however they gave an assurance that the formula would take into account rural and remote issues.<sup>23</sup>

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17 *Proof Estimates Hansard*, 31 May 2011, pp 5-33

18 *Proof Estimates Hansard*, 31 May 2011, p. 6.

19 *Proof Estimates Hansard*, 31 May 2011, p. 10.

20 *Proof Estimates Hansard*, 31 May 2011, p. 19.

21 *Proof Estimates Hansard*, 31 May 2011, p. 16.

22 *Proof Estimates Hansard*, 31 May 2011, p. 13.

23 *Proof Estimates Hansard*, 31 May 2011, p. 17.

### *GP Superclinics*

2.26 The department tabled a document, provided to them after the 2010-2011 additional estimates round, presenting a status update on GP Superclinic sites. The Committee queried the accuracy of the timetables for completion of work for some GP Superclinics. On the issue of infrastructure, the committee asked about the budget commitments for GP Superclinics relating to allocations for new and refurbished buildings.

2.27 The department was asked to provide feedback in relation to the burden GP Superclinics are removing from local hospitals. The department advised that such information is not yet available. The Committee further sought information about the planned evaluation of GP Superclinics and whether the evaluation would include the effect on patient numbers at local private practices.

2.28 There was discussion on the scope of GP Superclinics with the department indicating that 'each clinic will have a very specific focus on preventative health measures targeted at their local population'.<sup>24</sup>

2.29 In relation to the interaction of Medicare Locals and GP Superclinics, the department advised that 'the superclinics in a particular area will be one of the providers that they (Medicare Locals) will need to take account of and include in their planning'.<sup>25</sup>

### *Population Health*

2.30 The department provided the committee with an overview of the 'Measure up' campaign called 'Swap it, don't stop it', a campaign intended to encourage 'positive healthy changes in behaviour to contribute to a reduction in the prevalence and impact of chronic disease'.<sup>26</sup> The department provided a breakdown of the current 'media buy' for the campaign which accounts for approximately \$10.3 million of their budget.<sup>27</sup> The department indicated an evaluation of the campaign would commence in mid-June 2011. The committee intends to follow up the subject at future hearings.

2.31 Following up from questions at additional estimates, the committee asked about sudden cardiac death and the availability of statistics and further information on this topic. The department advised that it does not have access to such data and outlined some of the difficulties involved with collection of same.

2.32 The department provided the committee with a document outlining the status of Freedom of Information (FOI) requests relating to tobacco companies and the

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24 *Proof Estimates Hansard*, 31 May 2011, p. 21.

25 *Proof Estimates Hansard*, 31 May 2011, p. 28.

26 *Proof Estimates Hansard*, 31 May 2011, p. 40.

27 *Proof Estimates Hansard*, 31 May 2011, p. 41.

proposed plain packaging laws. The document contained details of the number of requests received, requests received by other department and agencies, the status of each request and any Administrative Appeals Tribunal (AAT) or Federal Court matters relating to these requests.

*Therapeutic Goods Administration (TGA)*

2.33 Questions were asked of the TGA in relation to the regulation of joint replacement medical devices, particularly ASR hip joints. Senators expressed concern about the timeliness of recalls in response to reviews of data about the success of particular devices. The TGA responded that:

Australians need to be aware that we have the ability in Australia, perhaps better than anywhere else in the world, to pick up when these sorts of devices are running into problems. That is why action arising from the ASR hip failures occurred in Australia faster than anywhere else in the world.<sup>28</sup>

2.34 The committee also discussed the review of breast imaging devices and the existence of any watchdog to ensure that devices removed from the market after review are not continuing to be used. The TGA advised that:

ultimately the oversight of the ongoing use of those devices does not rest with the TGA ... (however, they) have gone to significant lengths to make the relevant authorities aware that there may be an issue that they need to continue to watch or to take action on.<sup>29</sup>

2.35 The committee also asked about the TGA transparency review currently underway. TGA advised that this review will 'come up with a set of recommendations about how (they) might enhance the transparency of regulatory processes and decision making'.<sup>30</sup>

*Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)*

2.36 The committee discussed the National Radiation Dose Register and the provision of worker's radiation dose records by operators of uranium mines across Australia. The agency clarified that 'at this stage the dose register is only funded for the incorporation of data from the uranium mining industry'.<sup>31</sup>

2.37 The committee expressed interest in the agency's involvement in the continuing nuclear emergency at Fukushima in Japan. The agency brought a presentation with them on this issue to show the committee however, due to time constraints, were unable to show this. Accordingly the committee agreed that a

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28 *Proof Estimates Hansard*, 31 May 2011, p. 34.

29 *Proof Estimates Hansard*, 31 May 2011, p. 37.

30 *Proof Estimates Hansard*, 31 May 2011, p. 38.

31 *Proof Estimates Hansard*, 31 May 2011, p. 59.

briefing be arranged for interested Senators at a time to be advised, after the estimates hearings finished.

### ***Access to Pharmaceutical Services***

2.38 The committee raised various issues relating to the Federal Government's announcement to defer the listing of seven new medicines and a vaccine on the Pharmaceutical Benefits Scheme (PBS) irrespective of approval of these medications by the independent Pharmaceutical Benefits Advisory Committee (PBAC). All PBAC recommendations are now to be reviewed by cabinet.

2.39 The department was asked about timeframes for the deferral and the pharmaceutical expertise of Cabinet and Ms Halton advised that she was not aware of a timetable and that 'the Minister indicated that it would depend on when the budget was in a position to be able to accept those listings.'<sup>32</sup> Ms Halton further clarified the budgetary position stating 'I think the suggestion is that this would be able to be reconsidered potentially when the government comes back to a budget surplus'.<sup>33</sup>

### ***National e-Health Transition Authority (NEHTA)***

2.40 The Committee spent some time seeking to quantify the outcomes and products that NEHTA has created since its inception. Mr Peter Fleming, Chief Executive Officer (CEO), advised that they have built, and are in the process of implementing, the Healthcare Identifier (HI) service. Mr Fleming also noted that a lot of work has been done around secure messaging standards and the National Product Catalogue which currently has 130,000 items in it.<sup>34</sup>

2.41 The committee discussed NEHTA's three year plan which Mr Fleming confirmed 'goes out to where our funding ceases' (i.e. middle of June 2012).<sup>35</sup> Mr Fleming stated that they are on track with this plan.<sup>36</sup>

2.42 Mr Fleming was further asked if it will be possible to implement all of NEHTA's current projects under e-health by July 2012. He replied by stating that 'all of our projects are tracking to their critical path. All activities that we expect to be delivered at certain times are being delivered within those time frames'.<sup>37</sup>

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32 *Proof Estimates Hansard*, 31 May 2011, p. 87.

33 *Proof Estimates Hansard*, 31 May 2011, p. 88.

34 *Proof Estimates Hansard*, 30 May 2011, p. 77.

35 *Proof Estimates Hansard*, 30 May 2011, p. 78.

36 *Proof Estimates Hansard*, 30 May 2011, p. 78.

37 *Proof Estimates Hansard*, 30 May 2011, p. 79.

## Chapter 3

### Families, Housing, Community Services and Indigenous Affairs Portfolio

#### Department of Families, Housing, Community Services and Indigenous Affairs

3.1 This chapter outlines key issues discussed during the 2011-2012 budget estimates hearings for the Families, Housing, Community Services and Indigenous Affairs portfolio.

3.2 The committee heard evidence from the department on Wednesday 1 June 2011 and Thursday 2 June 2011. Areas of the portfolio were called in the following order:

- Cross Outcomes/Corporate Matters
- Seniors
- Women
- Equal Opportunity for Women in the Workplace Agency (EOWA)
- Community Capability and the Vulnerable
- Housing
- Families and Children
- Disability and Carers

#### *Cross Outcomes/Corporate Matters<sup>1</sup>*

3.3 The committee commenced proceedings with discussions on the following topics:

- the good health payment made to SES officers;
- contracts to provide a Media Manager to service the expert panel advising on Indigenous recognition in the Constitution and short-term staffing in the Minister's office after the budget;
- progress on a trial of iPads;
- information technology security, blocking of access to social media sites except where it is required for work purposes and monitoring of internet usage by staff;

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1 *Proof Estimates Hansard*, 1 June 2011, pp 3-22

- how the department would approach costing any policy proposal from the opposition, an independent or minor party;
- the cost impact of the Fair Work Australia decision regarding wages paid to social, community and disability sector workers; and
- initiatives taken by the department to recruit, train and support employees with a disability.

3.4 The department was asked about costings done in relation to proposals to freeze indexation of family tax benefits which were provided to the Minister immediately before the caretaker conventions commenced. The secretary took on notice a question relating to whether the Prime Minister had sought this information but flagged that there may be a public interest ground for not revealing this information or any other information about policy options the government was considering.<sup>2</sup>

3.5 The committee further sought advice provided by the department to the Multi-Party Climate Change Committee. The department refused to provide the brief on the basis that it amounted to advice to government. No clear public interest ground for withholding the brief was articulated and Senators did not press the request for the brief.

### ***Women***<sup>3</sup>

3.6 The committee discussed the Australian Government Panel of Gender Experts which the department described as 'a source of expertise for departments to use when they want to consider gender impact'.<sup>4</sup> In relation to evaluating the effectiveness of the panel, the department indicated they 'will do some surveying ... across the Commonwealth of how people have used it (the panel) to see if it is a useful thing to continue'.<sup>5</sup>

3.7 The committee asked about the 40 per cent gender target on government boards. The department referred the committee to the *Women on Australian Government Boards Report* which indicates overall representation of 33.9 per cent.<sup>6</sup> The department expressed a 'need to ensure that there are no different interpretations of that definition [of an Australian government board] that is causing any level of confusion'.

3.8 The department was questioned on the White Ribbon Workplaces program. The department indicated that, to date, they have paid \$150,000 to the White Ribbon

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2 *Proof Estimates Hansard*, 1 June 2011, p. 14.

3 *Proof Estimates Hansard*, 1 June 2011, pp 26-47

4 *Proof Estimates Hansard*, 1 June 2011, p. 27.

5 *Proof Estimates Hansard*, 1 June 2011, p. 28.

6 *Proof Estimates Hansard*, 1 June 2011, p. 30.



foundation for which they 'only recently finalised ... negotiations of the funding agreement.'<sup>7</sup> The department went on to explain the milestones and formation of reference group for this program.

3.9 The committee discussed the changes announced in relation to legislation relevant to this area as well as the Equal Opportunity for Women in the Workplace Agency (EOWA). The department advised that 'the nature of the amendments is the new name and focus on things like gender equality'.<sup>8</sup> Further discussions were had around drafting of amendments to legislation, and advisory groups.

### ***Equal Opportunity for Women in the Workplace Agency (EOWA)***<sup>9</sup>

3.10 The committee acknowledged the appointment of Ms Helen Conway as Director of EOWA effective 27 April 2011. Ms Conway expressed that her 'priority at the moment is to make sure business as usual continues under the existing legislation...[whilst preparing] to implement the new legislation, which involves undertaking some new responsibilities...'<sup>10</sup>

3.11 The committee discussed some of the changes under the new legislation including development of a new educational program, a new online system and a name change to 'Workplace Gender Equality Agency'. The agency confirmed the existence of 'new funding to enable it to effect the transition and operate under the new regime'<sup>11</sup> which amounts to \$11.2 million over four years, effective 1 July 2011.<sup>12</sup>

### ***Community Capability and the Vulnerable***<sup>13</sup>

#### *Income Management*

3.12 The committee sought an update on income management in the Northern Territory. The department provided the committee with a reference sheet containing facts and figures on this issue.<sup>14</sup>

3.13 The committee discussed the breakdown of budget figures relating to expenditure on the income management measurement since it took effect on 1 July 2010. The department explained that 'the majority of funding...goes directly to the

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7 *Proof Estimates Hansard*, 1 June 2011, p. 33.

8 *Proof Estimates Hansard*, 1 June 2011, p. 37.

9 *Proof Estimates Hansard*, 1 June 2011, pp 47–56

10 *Proof Estimates Hansard*, 1 June 2011, p. 47.

11 *Proof Estimates Hansard*, 1 June 2011, p. 51.

12 *Proof Estimates Hansard*, 1 June 2011, p. 51.

13 *Proof Estimates Hansard*, 1 June 2011, pp 56–82

14 *Proof Estimates Hansard*, 1 June 2011, p.56.

Human Services portfolio for Centrelink service delivery'. In relation to the department's portion, as at 31 April 2011, \$1.051 million of the \$1.267 million appropriated had been spent. The department clarified that this funding comprised communications, evaluation and voluntary income management incentive payments.<sup>15</sup>

3.14 The department explained to the committee that there are two parts to the income management scheme:

- approved money management course for which 812 people have registered. Of this, 415 people have completed the course, 335 are still participating and 62 have withdrawn.
- matched savings for which savings can be undertaken over any period of time. To date there are four people who have availed themselves of this scheme.<sup>16</sup>

3.15 The committee further sought clarification of the budget allocation of \$117.5 million over five years for the extension of the five income management trials. The department advised the bulk of this allocation is for service delivery. The department detailed its portion of this allocation and explained that the funding would comprise 'financial counselling and money management services, funding for evaluation, funding for the matched savings payment and the voluntary income management payment and departmental staff'.<sup>17</sup>

### ***Housing***<sup>18</sup>

3.16 The committee expressed interest in figures relating to construction and planning for social housing and stage two of the Social Housing Initiative. The department was asked questions on site selection and targets for this initiative to which the Minister for Social Housing and Homelessness, Senator the Hon Mark Arbib, reminded the committee that the 'primary responsibility for housing rests with the states'.<sup>19</sup>

3.17 Minister Arbib also advised that currently the numbers of homes that have been delivered include 14 200 from the stimulus package, 3 500 from the National Rental Affordability Scheme (NRAS) and 1 200 from the National Partnership Agreement on Social Housing (from which there are another 577 to come).<sup>20</sup>

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15 *Proof Estimates Hansard*, 1 June 2011, p.58.

16 *Proof Estimates Hansard*, 1 June 2011, pp 59–60

17 *Proof Estimates Hansard*, 1 June 2011, p.68.

18 *Proof Estimates Hansard*, 1 June 2011, pp 82–106

19 *Proof Estimates Hansard*, 1 June 2011, p.85.

20 *Proof Estimates Hansard*, 1 June 2011, p.85.

3.18 Minister Arbib further noted the department's appreciation of the pressure on housing and, on the issue of affordability, the department referred to the National Affordable Housing Agreement (NAHA) as a 'broader agreement that contemplates reform across the affordability sector'.<sup>21</sup>

3.19 The committee questioned the department on the National Partnership Agreement on Mental Health being led by the Department of Health and Ageing (DoHA). The department indicated the significance of their involvement is 'in relation to homelessness ... (as) evidence suggests that up to 70 per cent of people who are homeless may have a mental health issue.' The department stated that, in conjunction with DoHA, it intends to 'bind the health and hospital system better around support for homeless people'.<sup>22</sup>

3.20 The committee also discussed the Australian Bureau of Statistics' (ABS) current review of the methodology for calculation of homelessness. The department outlined advice from the ABS that 'the purpose of the review is to move towards a methodology that is transparent, consistent and repeatable that (the department) can use over time to track progress against the homelessness targets'.<sup>23</sup> The department could not indicate whether the methodology would be fixed in time for the upcoming census however they noted that, even if the methodology is produced after the census this year, ABS 'will go back and readjust the datasets back to the time the original methodology was first used'.<sup>24</sup>

### ***Families and Children***<sup>25</sup>

3.21 The department was questioned on details disclosed in a *Sunday Herald Sun* article<sup>26</sup> relating to the budget measure to freeze the indexation of the annual supplement for families eligible for Family Tax benefit A and B. This led to discussions on a related FOI request from News Limited and the processing of this request, part of which the department advised is 'still under consideration'.<sup>27</sup>

3.22 The committee requested various figures in relation to the Family Tax benefit. The department indicated that the Centrelink green book contains all of the threshold figures and outlines 'at what point the family tax benefit is reduced'.<sup>28</sup> The department

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21 *Proof Estimates Hansard*, 1 June 2011, p.85.

22 *Proof Estimates Hansard*, 1 June 2011, p.86.

23 *Proof Estimates Hansard*, 1 June 2011, p.97.

24 *Proof Estimates Hansard*, 1 June 2011, p.99.

25 *Proof Estimates Hansard*, 2 June 2011, pp 3-36

26 Samantha Maiden, 'Prime Minister Julia Gillard kept tax squeeze under wraps', *Sunday Herald Sun*, 29 May 2011, <http://www.heraldsun.com.au/news/more-news/prime-minister-julia-gillard-kept-tax-squeeze-under-wraps/story-fn7x8me2-1226064715573>

27 *Proof Estimates Hansard*, 2 June 2011, p. 9.

28 *Proof Estimates Hansard*, 2 June 2011, p. 13.

also agreed to provide the committee with a table, with the committee Chair suggesting the department look at 'whether there is a data set that lists these numbers that we could get as a table.'<sup>29</sup>

3.23 The department answered questions relating to the 25 My Time for Grandparents peer support groups budget measure. Minister Arbib informed the committee that it was Grandparents Australia Incorporated who advised 'that 25 was a good number to start with'.<sup>30</sup> The department qualified that 'the 25 sites are not final yet...and [are] due to be finalised very soon'.<sup>31</sup> In relation to criteria for determining the 25 groups, the department expressed their primary consideration as 'a concentration of informal and formal grandparent carers'.<sup>32</sup>

### ***Disability and Carers***

3.24 The committee discussed the Disability Support Pension (DSP), of which, as at March 2011, 812 790 Australians are in receipt.<sup>33</sup> The committee asked about the budget measure to introduce work participation requirements for recipients of the DSP aged under 35. The department explained the rationale for identifying this age group as 'choosing a group who without assistance, intervention and contact might face a very long period on income support, on the pension'.<sup>34</sup> The department confirmed that the cost of this measure is \$92.8 million over four years from which the Department of Education, Employment and Workplace Relations (DEEWR) is allocated \$30.4 million for services and Centrelink (under the Department of Human Services) is allocated \$67.8 million to be expended on 'conducting the interviews with the clients and any systems changes that were required'.<sup>35</sup>

3.25 The department was questioned about the National Disability Advocacy program and whether there was indexation in relation to their funding. The department advised that 'there was an indexation exercise undertaken' however the 'efficiency dividend cancelled out the indexation factor' and accordingly advocacies were offered a 'constant price this year'.<sup>36</sup> The department noted that they are currently negotiating with advocacies in relation to contracts as this is the first year they have asked services to provide 'performance targets for the number of clients they will see'.<sup>37</sup>

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29 *Proof Estimates Hansard*, 2 June 2011, p. 9.

30 *Proof Estimates Hansard*, 2 June 2011, p. 18.

31 *Proof Estimates Hansard*, 2 June 2011, p. 16.

32 *Proof Estimates Hansard*, 2 June 2011, p. 16.

33 *Proof Estimates Hansard*, 2 June 2011, p. 37.

34 *Proof Estimates Hansard*, 2 June 2011, p. 39.

35 *Proof Estimates Hansard*, 2 June 2011, p. 39.

36 *Proof Estimates Hansard*, 2 June 2011, p. 51.

37 *Proof Estimates Hansard*, 2 June 2011, p. 52.

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3.26 Senator the Hon Jan McLucas, Parliamentary Secretary for Disabilities and Carers, commented on the advocacy program by stating 'we very much value the role of advocacy that we fund and we are very keen to work with (advocacy groups) to move to this new quality assurance system'.<sup>38</sup>

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38 *Proof Estimates Hansard*, 2 June 2011, p. 53.



# Chapter 4

## Human Services Portfolio

### Department of Human Services

4.1 This chapter contains the key issues discussed during the 2011-2012 budget estimates hearings for the Human Services Portfolio.

4.2 The committee heard evidence from portfolio departments on Thursday 2 June 2011. Areas of the portfolio were called in the following order:

- Corporate Operations and Enabling Services
- Human Services
- Child Support
- Medicare Australia
- Centrelink

4.3 The committee commenced proceedings by welcoming Ms Kathryn Campbell, Secretary, Department of Human Services who informed the committee that these would be the last estimates hearings for Centrelink Chief Executive Officer (CEO) Ms Caroline Hogg who retires on 6 July 2011. The Chair of the Committee also acknowledged these estimates hearing as the last for Mr John Wadeson, Deputy Chief Executive Officer, ICT Infrastructure.

4.4 The committee acknowledged these last appearances with the following:

Ms Hogg and Mr Wadeson, on behalf of the committee I would like to thank you for your work for Senate estimates and also on numerous Senate inquiries, audit inquiries and legislation committees. Thank you so much for your patience, your professionalism and your ability to get back to senators, some of whom are asking their very first questions, which is very difficult. I am in a particular position because I have worked with both Ms Hogg and Mr Wadeson in the past. I think they have both been my bosses at different times in the past as well, so it has been of particular interest to sit here in the Senate process. All of us want to pay tribute to your work and also to the ongoing growth and professionalism of Centrelink. Thank you very much.<sup>1</sup>

4.5 The committee asked Medicare Australia about the post-disaster process in which the whole of the Human Services portfolio has been involved, and its impact on the network. The committee asked about the 840 remote access booths' implementation, operation, and some closures. The agency advised that people requiring assistance:

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1 *Proof Estimates Hansard, 2 June 2011, p. 118.*

...could visit a Medicare or Centrelink Office. At the moment we are working on a program of expanding opportunities for people to get their claims by bringing Medicare services into Centrelink sites. In addition is the Easyclaim service, and many doctors' surgeries make this available, and where we now have some online claiming available. There is a fairly broad suite of opportunities.<sup>2</sup>

4.6 The committee continued with queries about assistance provided to people in rural and remote communities. Senator the Hon Mark Arbib advised:

I have been informed by Minister Plibersek's office that if any member or senator is concerned about their local community her office is very happy to sit down with them and discuss the circumstances around each community, assisting them in informing their communities and ensuring that the communities understand what alternative options are available.<sup>3</sup>

Overall there has been a big decline in the amount of people using this service. Ninety-nine per cent of customers across-the-board are not using access points anymore.....services have been improved and rolled out using technology, but there is always the phone.<sup>4</sup>

4.7 The committee sought information from the department about access to broadband services to regional areas. Senator Arbib noted:

The program that you are talking about is a FaHCSIA program, which is Broadband to Seniors. They provide kiosks for seniors. In many of these areas there would be kiosks. I think the program is \$10 million over four years. The government has been rolling out services to communities in regional areas and we taken into account the views of local residents.

## **Corporate Operations and Enabling Services**

4.8 The committee asked the department a series of detailed questions related to budget expenditure. The department took a number of questions on notice, regarding access of parental leave by departmental staff, expenditure on research and the nature of research undertaken and by whom, and expenditure on legal costs.<sup>5</sup>

4.9 The committee questioned the department about the amount allocated in the budget to create a single website and a common phone number. The department noted:

...that we exist, at the moment, on three separate IT systems and three separate telephone systems, and there are quite large changes that are required to standardise that across the portfolio. Some of the hardware we

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2 *Proof Estimates Hansard, 2 June 2011, p. 64.*

3 *Proof Estimates Hansard, 2 June 2011, p. 65*

4 *Proof Estimates Hansard, 2 June 2011, p. 66.*

5 *Proof Estimates Hansard, 2 June 2011, pp. 68-69.*



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use now is a legacy hardware, which is quite mature and would need to be upgraded.<sup>6</sup>

4.10 The department further advised the committee:

....basically the transition is not just about forming the single phone and website; it is actually about all of the contents that come together. The strategy is basically to be looking at a series of life events on the websites.<sup>7</sup>

4.11 The committee requested further information about the breakdown of how the funding was being spent on this project, including any subcontractors.<sup>8</sup>

4.12 The committee then asked about the department's monitoring of staff that have access to sensitive information and misconduct investigations during the financial year. The department advised that the department has a range of compliance measures in place. The department added that:

One of the things that we do, because we understand we have sensitive information available, is proactively monitor access to customer records. So, for example we can check at any point in time who is accessing what information electronically.<sup>9</sup>

## **Child Support**

4.13 The committee discussed a media report alleging the Child Support Agency was lobbied to overturn a travel ban on a man after he failed to meet child support payments. The department advised:

I assume that sometimes representations are made. They might be made regularly but the circumstances in which a DPO [departure prohibition order] is issued and the circumstances in which we are required to issue a departure authorisation certificate or lift the DPO are set out in legislation.<sup>10</sup>

4.14 The committee questioned officers about the number of overpayments, the number of debts and recovery processes and complaints about debt enforcement.

## **Medicare Australia**

4.15 The committee asked Medicare Australia about the basis on which the CEO determines which cases should be referred to the Professional Services Review. The agency advised that:

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6 *Proof Estimates Hansard, 2 June 2011, p. 70.*

7 *Proof Estimates Hansard, 2 June 2011, p. 70.*

8 *Proof Estimates Hansard, 2 June 2011, p. 70.*

9 *Proof Estimates Hansard, 2 June 2011, p. 73.*

10 *Proof Estimates Hansard, 2 June 2011, p. 75.*

Professional Services Review is focused on what is called inappropriate practice. It is based on assessing that as a peer review process...we do not have a role to make that assessment merely to identify potential concerns that might go to that territory. We do that in a number of ways. The primary one is to look at the claiming profile of medical practitioners and we are able to monitor all of the claiming profiles of medical practitioners.<sup>11</sup>

4.16 The committee continued questioning the agency on the processes, administration, and funding of the Professional Services Review. Questioning then moved to the number of Medicare staff engaged in communications, media, public affairs and public relations and access of personal information by Medicare staff.<sup>12</sup>

4.17 The committee asked a series of questions about funding for and access to the Better Access Initiative. The agency advised:

Some of those assumptions around that particular budget measure have been developed with our colleagues at the Department of Health and Ageing. There are a number of individual services that are offered underneath the initiative, as well as group therapy sessions. Under this particular measure, the number of individual sessions, which is currently 18, will be reduced to 10 and the numbers of group sessions are currently at 12 and they will be reduced to 10, so there has been a slight reduction.<sup>13</sup>

4.18 Senators asked officers about registration issues in relation to Australian Health Practitioner Regulation Agency (AHPRA). The agency advised that:

We gave evidence in December and then in the recent Senate inquiry. We have not seen an increase at all in the December figures. Any increase in the deregistration had not been showing up in our figures....<sup>14</sup>

4.19 The committee continued with questioning on service billing and requested some statistics. Further questions were asked about auditing of practitioners in relation to Medicare billing and other compliance issues.<sup>15</sup>

## **Centrelink**

4.20 The Chair sought an update on Centrelink infrastructure and personnel post the floods. The agency advised that:

....the office at Goodna was completely destroyed.....it was a matter of two weeks or something before the whole place was operational again....Apart

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11 *Proof Estimates Hansard, 2 June 2011, p. 77.*

12 *Proof Estimates Hansard, 2 June 2011, pp. 80-82.*

13 *Proof Estimates Hansard, 2 June 2011, p. 83.*

14 *Proof Estimates Hansard, 2 June 2011, p. 85.*

15 *Proof Estimates Hansard, 2 June 2011, pp. 86-88.*

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from that, infrastructure wise, I do not think there are any other lingering issues.<sup>16</sup>

With respect to staffing, the agency stated:

We had about 2,500 business-as-usual staff....moved on to the flood response.....the staff are enormously proud of the response that they have had from the Australian community and,....the respect through their efforts that the organisation has achieved in the first half of this year. I think that has been unprecedented.<sup>17</sup>

4.21 The committee asked about allegations in a media article of Centrelink staff calling mothers campaigning to win back the carers allowance for parent of children with Type 1 diabetes. The agency stated:

It is not uncommon practice for us that, when we see customers reporting their distressed circumstances in the paper, we ring them to make sure that they understand the decision made about their situation, what appeal rights they have and any other assistance that we can offer them.<sup>18</sup>

4.22 The committee asked about the number of complaints lodged against Centrelink staff to which the agency replied:

Up to March, we have had 35,459 general complaints. For the same period last year, it was 37,938.<sup>19</sup>

4.23 The agency went on to explain the procedure to get the complaint figures. The committee asked officers whether they were familiar with the Commonwealth Ombudsman's annual report of 2009-10 and whether Centrelink was taking any action to address the findings. The agency responded stating:

What we have agreed to do now is to actually run a different process, again a two-tiered approach, and this is mainly because of the costs of a full appeal approach for every case, when we could probably fix it up quite quickly if there is a genuine error on our part.<sup>20</sup>

4.24 The committee referred to the Australian National Audit Office (ANAO) report 33 of 2010-11 concerning the protection and security of electronic information held by Australian Government agencies and asked whether Centrelink uses the same data security system as Medicare Australia. The agency stated:

We work closely with DSD (Defence Signals Directorate) in this space. We are always upgrading and working on ways of countermeasures to these

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16 *Proof Estimates Hansard, 2 June 2011, p. 88.*

17 *Proof Estimates Hansard, 2 June 2011, p. 89.*

18 *Proof Estimates Hansard, 2 June 2011, p. 89.*

19 *Proof Estimates Hansard, 2 June 2011, pp. 90-91.*

20 *Proof Estimates Hansard, 2 June 2011, p. 92*

sorts of attacks. DSD has the view that we do everything that is appropriate for the security threats we face.

4.25 The committee asked a series of questions about the level and number of staff appointed by Centrelink working on issues of fraud, the number of tip-offs received by the public and number of claims substantiated, and the amount recovered as a result of fraud investigations.<sup>21</sup>

4.26 The committee followed up on earlier questioning about grandparents advisers asking for a definition and job description of what a grandparent adviser is, what they do, and if that will vary with the establishment of the 25 My Time for Grandparents peer groups and the details of any interaction between the two of them. The agency advised that:

Since November 2010 we have been trialling this approach. This is something we have been doing in an ad hoc way for many years.....It is largely working with grandparents in that area [who become carers but not custodians] and looking at other ways of connecting them to services and provision and support.....What I am not aware of is how it connects with the....FaHCSIA funded initiative mentioned in the budget papers.....<sup>22</sup>

4.27 The committee asked the agency about participation reports provided by JobSearch providers and the applied rate of failures. The agency responded by advising:

There is a number of cases where Centrelink has no choice but to reject. Examples of that would be when a job seeker is no longer on an income support payment or there has been a change in their circumstances. So, if we take those out, what we call, discretionary cases, the applied rate is at about 57 per cent. That is where we look at the cases where Centrelink actually has to make a decision.<sup>23</sup>

4.28 The committee followed up on the new welfare reform processes and the new trial sites or pay space locations. The committee noted that quite a lot of money was allocated to Centrelink for some extra staff, particularly social workers and people to work in the ten locations. The agency advised:

... the national initiatives will cover off resource changes for our portfolio and they will also be in those 10 locations. In terms of the specifics, there was the \$38 million that was provided for the 10 locations that was in this portfolio's budget statements, and that is to cover the community innovation through collaboration, I think is the one you would be referring to. Within that it is funding that provides for 10 Commonwealth coordinators, and they would be public servants employed by this portfolio. There is funding for community facilitators and that would be used flexibly,

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21 *Proof Estimates Hansard, 2 June 2011, pp. 94-95.*

22 *Proof Estimates Hansard, 2 June 2011, p. 98.*

23 *Proof Estimates Hansard, 2 June 2011, pp. 99-100.*

but again it would be funding for approximately 10 and they would be in the community.<sup>24</sup>

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24 *Proof Estimates Hansard, 2 June 2011, p. 107.*



# Chapter 5

## Cross Portfolio Matters

5.1 This chapter contains the key issues discussed during the 2011-2012 budget estimates hearings for cross portfolio Indigenous matters.

5.2 The committee heard evidence from portfolio departments on Friday 3 June 2011. Areas of the portfolio were called in the following order:

- Department of Families, Housing, Community Services and Indigenous Affairs
- Outcome 7 - Indigenous
- Indigenous Business Australia
- Northern Land Council
- Department of Education, Employment and Workplace Relations
- Department of Health and Ageing
- Office of Aboriginal and Torres Strait Islander Health
- Regulatory Policy and Governance Division
- Pharmaceutical Benefits Division
- Ageing and Aged Care Division
- Health Workforce Division
- Primary and Ambulatory Care Division
- Acute Care Division
- Mental Health and Chronic Disease Division
- Business Group
- Office of Aged Care Quality and Compliance
- Medical Benefits Division

5.3 The Chair advised that the program had been grouped into themes and issues related to the portfolios of Families, Housing, Community Services and Indigenous Affairs; Education, Employment and Workplace Relations, particularly the employment area; Health and Ageing and Centrelink as an agency of the Human Services portfolio.<sup>1</sup>

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1 *Proof Estimates Hansard, 3 June 2011, p. 3.*

## Closing the Gap

5.4 Proceedings commenced with questions to FaHCSIA related to Closing the Gap. The committee asked about the National Indigenous Reform Agreement and some of the Closing the Gap targets. Mr James, Branch Manager, Performance and Evaluation, explained that 'in terms of interim targets, we have had discussion in this committee about the so-called trajectories. These had been agreed across jurisdictions and were provided to the COAG Reform Council (CRC) just before Christmas.' The CRC was due to report on 8 June and would include some assessment against the trajectories.<sup>2</sup>

5.5 The committee then asked about where it could find information in relation to expenditure against the different measures under Closing the Gap. Ms Halbert, Acting Deputy Secretary advised that a comprehensive Indigenous Expenditure Report had been released recently. Mr James advised that this report could be found on the Productivity Commission website and is the most comprehensive ever collection of spending.<sup>3</sup>

5.6 The committee asked some general questions about the interaction between FaHCSIA and the Coordinator-General for Remote Indigenous Services. Senator Arbib responded by stating, 'overall, I would say that we have a robust relationship with the Coordinator. We certainly take on board any criticism that he has and work towards ensuring that we meet our obligations'.<sup>4</sup>

5.7 The committee then moved on to ask about the baseline maps for remote service delivery communities and the scope of the local implementation plans.<sup>5</sup> Mr James advised that all but four baseline maps had been provided to communities. These four baseline maps yet to be provided are for the Cape York Welfare Reform Communities.<sup>6</sup>

5.8 Senators then posed questions to FaHCSIA about the Cape York Plan relating to its long term future and progress towards the plan's evaluation process. The committee then moved on to query the selection of specific Cape York Plan communities as part of the remote service delivery national partnership. Mr Tongue, Deputy Secretary, responded stating that the selection of the communities as part of the remote service delivery national partnership was an interaction between the federal government and the state and territory governments.<sup>7</sup>

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2 *Proof Estimates Hansard, 3 June 2011, p. 4.*

3 *Proof Estimates Hansard, 3 June 2011, p. 8.*

4 *Proof Estimates Hansard, 3 June 2011, p. 9.*

5 *Proof Estimates Hansard, 3 June 2011, p. 9.*

6 *Proof Estimates Hansard, 3 June 2011, p. 10.*

7 *Proof Estimates Hansard, 3 June 2011, p. 12.*



5.9 Questions to FaHCSIA then moved on to the Alice Springs Transformation Plan with particular emphasis on the problem of overcrowding and tenancy agreement terms and conditions. Mr Coffey, Branch Manager, Alice Springs Transformation Plan, advised that there was an indication that the housing rollout had reduced the overcrowding for tenants as a result of tenancy reforms. In addition, Mr Coffey noted that this has been complemented by the opening of the visitor park in February 2011 as there is now a safe and affordable accommodation option for visitors to Alice Springs.<sup>8</sup> In relation to the tenancy agreement terms and conditions, Mr Coffey advised that it was a matter for the Northern Territory Department of Housing.<sup>9</sup>

### **Indigenous Housing**

5.10 The committee commenced questioning of FaHCSIA on the Indigenous Housing issue raising concern over the management of the budget for the Wadeye package by the Northern Territory Government and Commonwealth oversight of the expenditure and implementation. Senator Scullion queried the Department about its arrangements with the Northern Territory Government for providing information 'to say that the Commonwealth taxpayers' money has been spent properly and appropriately.'<sup>10</sup> Ms Gumley, Group Manager, Office of Remote Indigenous Housing, advised that it is a Northern Territory Government (NTG) contract and that NTG officials are bound to the equivalent of the Commonwealth Financial Management Act. Ms Gumley also indicated that performance indicators for the funding were contained in the agreement and there are robust committee arrangements with all states and territories which meet monthly in the Northern Territory. Ms Gumley advised that there were also 15 staff embedded in the NTG team which enabled the Department to have better visibility and involvement in making sure outcomes from the program were delivered in line with the August 2009 report.<sup>11</sup>

5.11 The Chair expressed the committee's desire to get clear information about progress on housing issues, particularly in relation to works at Wadeye, concluding the discussion:

...I think this is the third separate time in these estimates that these issues have come up...I do not think it falls under the standard notice in terms of coming back by the date we have given. I think it is more urgent. I will leave that with you as to if we can get a comment back from your office to the committee. We would like to have a report back to the committee about the Wadeye visit and what you have seen.<sup>12</sup>

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8 *Proof Estimates Hansard, 3 June 2011, p. 12.*

9 *Proof Estimates Hansard, 3 June 2011, p. 13.*

10 *Proof Estimates Hansard, 3 June 2011, p. 15.*

11 *Proof Estimates Hansard, 3 June 2011, pp. 14-16.*

12 *Proof Estimates Hansard, 3 June 2011, p. 22.*

5.12 The department agreed and provided the committee with an update on Wadeye on 24 June 2011.

5.13 The committee then moved on to questions about Queensland Indigenous housing issues. The committee questioned what had been done to improve the underperformance in Queensland, asked for details of reporting mechanisms and a for a current status report. The committee then moved on to the issue of the Home Ownership on Indigenous Land (HOIL) Program and asked further questions related to responses provided by the Department to Questions on Notice, the current status of the Program and its funding.

### **Northern Land Council (NLC)**

5.14 A range of questions were asked by the committee about the proposed national radioactive waste dump in the Muckaty Land Trust Area in the Northern Territory. The NLC explained that this matter was currently the subject of court proceedings. Senator Arbib acknowledged that '...Mr Hill accepts that he must answer questions, but at the same time he needs to be very careful given there is a court case in play.'<sup>13</sup> Mr Levy, Principal Legal Officer, went on to say that 'evidence was given about the site, which is approximate to but not part of the nominated land. ... – that if people wanted to challenge [what was said in previous committee hearings and in the report] the appropriate place was the court'.<sup>14</sup>

5.15 The committee continued with questions about the policies of the Land Northern Council relating to public announcements by the NLC. Senator Scullion raised concern about the NLC as a Statutory Authority publicly calling for the sacking of Minister Snowden and Senator Crossin. Senator Scullion asked specifically whether 'whether the NLC have a communications plan that regulates or stipulates the process of the Northern Land Council making public announcements'.<sup>15</sup> Mr Hill, Chief Executive Officer, explained that 'the full council has given powers to the executive council to seek and direct both me and the chairman to represent the NLC with regard to media and public statements'.<sup>16</sup>

5.16 The committee's questioning of the NLC concluded with the topics of their involvement in consultations about the possible creation of a Katherine Regional Land Council in the Northern Territory and the new approach taken by the government on township leases.<sup>17</sup> With respect to the new land council, Mr Hill advised that 'we have undertaken a consultative process to advise people that there is an application before the minister. It is our statutory responsibility to advise people of the process

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13 *Proof Estimates Hansard, 3 June 2011, p. 27.*

14 *Proof Estimates Hansard, 3 June 2011, p. 28.*

15 *Proof Estimates Hansard, 3 June 2011, p. 32.*

16 *Proof Estimates Hansard, 3 June 2011, p. 32.*

17 *Proof Estimates Hansard, 3 June 2011, pp. 27-38.*

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involved for the creation of a new land council under the *Aboriginal Land Rights (Northern Territory) Act 1976*. The process we have been involved in is purely consultation. People are seeking information in regard to the process.<sup>18</sup> In relation to the new approach on township leases, Mr Hill stated:

there are a couple of concerns. There is still a bit of toing and froing between the Northern Land Council and the department regarding the long-term benefits it will derive for traditional owners and, importantly, to the wider community, such as Wadeye or Maningrida, but part of our discussions will be to create corporations for traditional owners for them to look at investment profiles, to be part of the community's grown and share the wealth.<sup>19</sup>

## **Employment and Economic Development**

5.17 Senators commenced questioning DEEWR about the Indigenous Youth Career Pathways program. The Committee then moved on to questions about Indigenous Opportunities Policy including Indigenous Training, Employment and Supplier Plans, an update on the Australian Employer Covenant figures, Community Development Employment Program (CDEP) and Indigenous Employment Program (IEP) participants in the Strategic Indigenous Housing and Infrastructure Program (SIHIP) and the Aged Care Workforce Fund related to training strategies for Aboriginal and Torres Strait Islander Peoples.<sup>20</sup>

## **Health Issues**

5.18 The committee asked DoHA about suicide prevention programs and funding in the Kimberley, the establishment of Early Psychosis Prevention and Intervention Centres (EPPIC) and progress of Headspace Centres in developing Aboriginal and Torres Strait Youth strategies. The committee then moved on to discuss the funding allocation and participants of the Indigenous Marathon Project.<sup>21</sup>

5.19 The committee also asked questions in relation to the Commonwealth and state contributions to the cost of delivering health services in the Torres Strait for Papua New Guinea nationals. Concern was also raised as to whether this constituted a state or federal health issue. The committee also raised concerns about transition arrangements following the closure of health clinics in the Torres Strait from 30 June 2011.<sup>22</sup>

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18 *Proof Estimates Hansard, 3 June 2011, pp. 34-35.*

19 *Proof Estimates Hansard, 3 June 2011, p. 37.*

20 *Proof Estimates Hansard, 3 June 2011, pp. 39-48.*

21 *Proof Estimates Hansard, 3 June 2011, pp. 48-54 and 60.*

22 *Proof Estimates Hansard, 3 June 2011, pp. 51-52.*

5.20 The committee returned to aged care and mental health issues and asked a series of questions about the Aged Care Workforce Fund and the targeted training strategies for Aboriginal and Torres Strait Islander peoples. A discussion was held about the transfer of funding from the domestic violence referral points project at DoHA to FaHCSIA's anti-domestic violence program. DoHA took on notice to liaise with FaHCSIA to provide a comprehensive response to the budget information which showed budget savings as a result of the funds transfer.<sup>23</sup>

5.21 Senators then returned to the issue of the Indigenous Suicide Prevention Strategy and requested an update on the development of the strategy. Ms Harman, First Assistant Secretary, Mental Health and Chronic Disease Division, advised that discussions had taken place with the Australian Suicide Prevention Advisory Council (ASPAC) on 2 March and 'it had a really good discussion about the strategy and how we should take it forward....out of that ASPAC put together a wonderful discussion paper which summarised the approach that we should be taking, based on their expertise.'<sup>24</sup> Ms Harmon noted that the discussion paper '...is not yet a public document at this stage. It was discussed and tabled at that Indigenous Youth Forum' held in April.<sup>25</sup> Ms Harman went on to say 'we might mention this to ASPAC and see if they have any objection to us circulating it more widely.'<sup>26</sup>

5.22 The committee asked about the operation of the new consolidated program that incorporates the Stolen Generation and Bringing Them Home Funding, the development of Men's Sheds and like organisations or activities into Indigenous areas.<sup>27</sup>

5.23 The committee queried whether there were enough dialysis units to satisfy the need in the Pilbara, especially the Eastern Pilbara. Ms Powell, First Assistant Secretary, OATSIH, noted that there was a Central Australian Renal Study which is looking at services of dialysis in Central Australia, which will have implications for other remote areas, but that dialysis is primarily a state responsibility. Ms Powell further advised that there was a capital works project funded through the Health and Hospitals Fund in Western Australia called Bringing Renal Dialysis Closer to Home in Remote WA and said details were still being negotiated.<sup>28</sup>

5.24 The committee went on to ask a range of questions in relation to the incidence of HIV in Indigenous communities, particularly in the North West, the rates of STDs, funding for stage 2 of the Lililwan Project in Fitzroy Crossing, general alcohol issues

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23 *Proof Estimates Hansard, 3 June 2011, pp. 54-56.*

24 *Proof Estimates Hansard, 3 June 2011, p. 56.*

25 *Proof Estimates Hansard, 3 June 2011, p. 57.*

26 *Proof Estimates Hansard, 3 June 2011, p. 57.*

27 *Proof Estimates Hansard, 3 June 2011, pp. 59-60.*

28 *Proof Estimates Hansard, 3 June 2011, pp. 61-62.*

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related to the Northern Territory. A discussion was then held about Opal distribution to the goldfields.<sup>29</sup>

5.25 In conclusion, the committee asked about the situation of recruiting and retaining all types of staff in remote locations specifically in the area of Aboriginal Medical Services. Ms Powell noted while the Department funds Remote Area Health Corps (RAHC) to train and recruit temporary medical staff to come in to work at a variety of remote localities within the Northern Territory, it is a problem all over the country.<sup>30</sup>

**Senator Claire Moore**  
**Chair**

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29 *Proof Estimates Hansard, 3 June 2011, pp. 62-66.*

30 *Proof Estimates Hansard, 3 June 2011, pp. 66-67.*



# Appendix 1

## Departments and agencies under the Committee's oversight<sup>1</sup>

### **Families, Housing, Community Services and Indigenous Affairs Portfolio**

- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- Equal Opportunity for Women in the Workplace Agency (EOWA)

### **Health and Ageing Portfolio**

- Department of Health and Ageing (DoHA)
- Australian National Preventive Health Agency (ANPHA)
- Australian Organ and Tissue Donation and Transplantation Authority
- Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- Cancer Australia
- National Blood Authority
- National Health and Medical Research Council (NHMRC)
- Private Health Insurance Ombudsman
- Professional Services Review Scheme

### **Human Services Portfolio**

- Department of Human Services (DHS)

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1 This document has been prepared based on the Department of Finance and Deregulation's *Chart of 105 Agencies under the Financial Management and Accountability Act 1997 (FMA Act)* as at 1 July 2011, <http://www.finance.gov.au/publications/flipchart/docs/FMACACFlipchart.pdf>





## **Appendix 2**

### **Commonwealth Authorities and Companies under the Committee's oversight<sup>1</sup>**

#### **Families, Housing, Community Services and Indigenous Affairs Portfolio**

- Anindilyakwa Land Council
- Central Land Council
- Indigenous Business Australia
- Indigenous Land Corporation
- Northern Land Council
- Tiwi Land Council
- Torres Strait Regional Authority
- Wreck Bay Aboriginal Community Council
- Aboriginal Hostels Limited
- Outback Stores Pty Ltd

#### **Health and Ageing Portfolio**

- Australian Institute of Health and Welfare
- Food Standards Australia New Zealand
- Health Workforce Australia
- Private Health Insurance Administration Council
- Australian Commission on Safety and Quality in Health Care
- Aged Care Standards and Accreditation Agency Ltd
- General Practice Education and Training Limited
- National Breast and Ovarian Cancer Centre

#### **Human Services Portfolio**

- Australian Hearing Services (Australian Hearing)

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1 This document has been prepared based on the Department of Finance and Deregulation's *Chart of 86 bodies under the Commonwealth Authorities and Companies Act 1997 (CAC Act)* as at 1 July 2011, <http://www.finance.gov.au/publications/flipchart/docs/FMACACFlipchart.pdf>



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