

Senate Community Affairs Committee

Report on Budget Estimates 2007-2008

1.1 On 9 May 2007 the Senate referred the following documents to the Committee for examination and report in relation to the portfolios of Families, Community Services and Indigenous Affairs; and Health and Ageing:

- particulars of certain proposed expenditure in respect of the year ending on 30 June 2008
- particulars of proposed expenditure in respect of the year ending on 30 June 2008
- particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2007
- particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2007.

1.2 The Committee has considered the budget expenditure of the portfolios set out in their respective Portfolio Budget Statements 2007-2008 (PBS) and Portfolio Supplementary Additional Estimates Statements 2006-07. Explanations relating to the estimates were received from Senator the Hon Nigel Scullion, Minister for Community Services, and Minister representing the Minister for Families, Community Services and Indigenous Affairs and Senator the Hon Brett Mason, Parliamentary Secretary to the Minister for Health and Ageing, and officers from the portfolio Departments at hearings held from 28 to 31 May 2007.

1.3 The Committee expresses its appreciation for the assistance of the Ministers; Dr Jeff Harmer, Secretary, Department of Families, Community Services and Indigenous Affairs (FaCSIA), and Ms Jane Halton, Secretary, Department of Health and Ageing (DoHA); and the officers who appeared before it.

1.4 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 2007.

1.5 The Committee discussed many of the expenditure proposals and information contained in the Portfolio Budget Statements and Supplementary Additional Estimates Statements. These discussions are detailed in the Committee's *Hansard* transcripts of 28, 29, 30 and 31 May 2007, copies of which will be tabled in the Senate. *Hansard* transcripts of the estimates proceedings are also accessible on the Committee's website at http://www.aph.gov.au/senate_ca. Answers to questions taken on notice and tabled documents relating to the Committee's hearings will be tabled separately in the Senate. Consolidated volumes of this additional information may be accessed from the Committee's website.

Procedural matters

Consideration of estimates relating to proposed supplementary additional expenditure together with budget expenditure

1.6 The measures contained in the Portfolio Supplementary Estimates Statements 2006-07 for both portfolios covered almost all Outcomes and were listed separately on the program against the relevant Outcomes. Where expenditure for the two budgetary years related to similar issues the Committee tended to seek information spanning both years.

Provision of answers relating to Additional Estimates 2006-07

1.7 The Committee is pleased to acknowledge DoHA's efforts in providing timely answers relating to additional estimates. Over 60 per cent of answers were received by the due date, with all of the remaining answers being provided three weeks prior to the commencement of the budget hearings. This greatly assists the Committee in preparing for the hearings.

1.8 Although FaCSIA did not provide any answers to questions on notice by the due date of 30 March 2007, around 70 per cent were provided to the Committee in the following two weeks. The remaining 44 answers were provided in the week prior to the budget hearings, the lateness of which creates difficulties for Senators preparing for hearings. The Departmental Secretary explained that 'we have done our best in the tight time frame, in a period when the department was extremely busy with budget matters'.¹

Portfolio Budget Statements

1.9 Committee members expressed frustration at difficulties they experienced in utilising the Portfolio Budget Statements to locate or track different aspects of expenditure. Often they found that the PBS did not reflect expenditure changes of interest to them. For example, it is difficult to track expenditure on a particular program from year to year when there have been changes to outcomes, or when transitional arrangements have been put in place. On occasions officers made reference to other documents for further information including Budget Paper 2, Budget Measures 2007-08, for disaggregation of some figures or to the Intergenerational Report. Having to compare information across a number of documents makes it very demanding for Senators to gain a complete picture of what is happening with particular programs and outcomes.

1.10 The following exchange gives an example of the difficulties in pursuing information on underspending and rephasing. Senator Crossin sought information from FaCSIA as to why an amount of \$60 million, which was a reduction in the

1 *Committee Hansard*, 28.05.07, pp.CA14-15.

estimates for the Community Housing and Infrastructure Programme (CHIP), did not appear in the PBS. FaCSIA provided the following explanation for the non-inclusion:

Mr Knapp – Because that decision was not made in time to be included in here, it does not appear in the rephasings page that appears later in the document.

Mr Jennaway – That is correct; that \$60 million is only in here insofar as it is a revised estimate for this financial year, showing the reduction, in that smaller number, for 2006-07. These are only estimates of expenditure in total, and so what happens to it subsequently ... is subject to a decision by the minister for finance at this stage. It will not show up, in a sense, in documents until that decision has been made. In all likelihood you will then see it in the additional estimates document, which we will table later in the year.

Senator CROSSIN – ... The \$60 million is not actually accounted for in this PBS then?

Mr Jennaway – No.

Mr Knapp – The amount for 2007-08 does not appear in this document.

Senator CROSSIN – And it is not showing either in the 2006-07 actual? You have just told me the \$232.053 million does not include the \$60 million.

Mr Jennaway – Correct.

Senator CROSSIN – If in fact you get approval to roll over that \$60 million, there will be an absolute, categorical guarantee that the expenditure will be \$372 million for CHIP in the next financial year?

Mr Jennaway – I would not want to say absolutely categorically because it may not represent new money that is being allocated to us, in which case there would be a note in the text that would explain it. So that \$60 million will either be in the table or it will be observable in the document in text.

Dr Harmer – That is a technicality, Senator. There will be a \$60 million addition to the current estimate for CHIP in 2007-08 which will be available for expenditure in that year.

Mr Jennaway – In that sense it would show as a movement of funds.

...

Senator CROSSIN – ... Let us get this absolutely clear then: it is currently only under consideration by the minister that that \$60 million will roll over next year – you do not have a firm commitment to go ahead and allocate and use that yet. Is that right?

Dr Harmer – We are quite confident but we have not yet got the approval.²

1.11 In response to a request for forward estimates of the numbers of anticipated recipients for social security benefits, FaCSIA again advised the Committee that forward estimates were not published by sub-program because they reveal the parameters calculated by Treasury that Treasury is not prepared to have released. However, FaCSIA pointed to an appendix in the Government's *Intergenerational Report 2007* (p.93) that contained a table of spending projections of major components of Australian Government spending from 2006-07 to 2046-47 which provided an indication of forward estimates.³

2 *Committee Hansard*, 28.05.07, pp.CA89-90.

3 *Committee Hansard*, 29.05.07, pp.CA4-6.

Revisions to Portfolio Structure and Outcomes 2007-2008 from 2006-07

1.12 Minor changes were made to the Portfolio Structure and Outcomes 2007-08 compared with 2006-07 as follows:

Families, Community Services and Indigenous Affairs Portfolio	
Outcomes	Revisions
Outcome 2 Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community	Addition of Output Group 2.0 – Appropriations applicable across Outcome 2

Health and Ageing Portfolio	
Outcomes	Revisions
Former Outcome 14 – Health and Medical Research	Replaced by the National Health and Medical Research Council (NHMRC) agency
Outcome 14 Biosecurity and Emergency Response	Formerly Outcome 15
National Institute of Clinical Studies (NICS) agency	Deleted - NICS was incorporated into the NHMRC

Issues

Families, Community Services and Indigenous Affairs portfolio

1.13 A range of questions dealing with cross portfolio and corporate matters were raised. These included FaCSIA's operating deficit, funding for advertising campaigns, staffing levels, including the number of Indigenous staff employed in the Department, Indigenous Coordination Centres (ICCs) and the operation of the ICCs.⁴

1.14 FaCSIA was extensively questioned regarding their input and response to the Australian National Audit Office (ANAO) audit report *Distribution of Funding for Community Grant Programmes*.⁵ ANAO concluded that FaCSIA's administration of the approval process for Volunteer Small Equipment Grants (VSEG) Round One 2004 fell below the standard expected of Australian Government agencies in administering grant programmes. With regard to one-off grants to community organisations ANAO

4 *Committee Hansard*, 28.05.07, pp.CA5-16.

5 ANAO Audit Report No 39 2006-2007.

concluded that, with the exception of the approval process, FaCSIA had generally administered these grants in line with relevant legislation and guidelines.⁶

1.15 Dr Harmer advised the Committee that very substantial reforms had been made across all of the areas that ANAO had been critical, such as transparency, guidance to staff and promulgation of the grants process.⁷ Exchanges continued at length on the audit report findings, with detailed information being sought, particularly on the approval process and distribution of grants which it was argued favoured certain electorates.⁸

1.16 The Tiwi Land Council provided information to the Committee about the Council's role in providing legal advice and support to the traditional landowners in their negotiations for the Commonwealth to use their land. The processes involved people agreeing to the Memorandum of Understanding and the signing of the document relating to the 99-year lease proposal over the township of Nguuu to assist Indigenous home ownership; the Minister's press release and media coverage of the issue were discussed at length. Questions were also asked about forestry and the exporting of logs.⁹

1.17 A wide range of questions were asked of FaCSIA relating to Indigenous housing including the expanded Australian Remote and Indigenous Accommodation (ARIA) program, the Community Housing and Infrastructure (CHIP) program, and National Aboriginal Health Strategy (NAHS) projects. The Committee was advised of the Home Ownership on Indigenous Land (HOIL) program and progress with housing provision in Wadeye, Wudapuli and Nama. The employment of Indigenous people in the construction of housing and municipal services was also discussed.

1.18 However, difficulties were experienced by the Committee in obtaining detailed information about particular housing issues due to the crossover of responsibility between FaCSIA and Indigenous Business Australia (IBA), which is in the Employment and Workplace Relations Portfolio and is responsible for housing service provision. To assist the Committee FaCSIA undertook to obtain from IBA answers to a number of questions.¹⁰

1.19 Aboriginal Hostels Limited (AHL) informed the Committee about the current situation regarding provision of hostel accommodation for Aboriginal peoples, AHL staffing levels and staff conditions of employment.¹¹

6 ANAO Audit Report No 39 2006-2007, p.24.

7 *Committee Hansard*, 28.05.07, pp.CA22.

8 *Committee Hansard*, 28.05.07, pp.CA19-41; 29.05.07, pp.CA20-22.

9 *Committee Hansard*, 28.05.07, pp.CA42-55; 59-71.

10 *Committee Hansard*, 28.05.07, pp.CA71-91; 105-106; 109-119.

11 *Committee Hansard*, 28.05.07, pp.CA95-100.

1.20 Issues relating to housing affordability, including the National Affordable Rental Incentive (NARI) proposal, rent assistance, housing research, the Commonwealth-State Housing Agreement, and services under the Supported Accommodation Assistance Program (SAAP) were the subject of detailed questioning.¹²

1.21 The Indigenous Land Corporation (ILC) provided information about the level of income received to date from the Indigenous Land Fund and the amount expected in the current year, and the ILC's land acquisition and management program.¹³

1.22 The Committee questioned FaCSIA on expenditure and progress with the petrol sniffing reduction initiative, in which subject the Committee has a particular interest as follow-up to the recommendations of the Committee's former inquiry and report.¹⁴

1.23 A number of questions were asked of FaCSIA relating to support for the aged, including the seniors concession allowance, travel concessions, telephone allowance, utilities allowance, fraud and compliance measures relating to real estate assets and the assessment procedures. The Committee also sought information on the pension bonus scheme, the Greek social security agreement and special benefits.¹⁵

1.24 Issues relating to support for people with disabilities were questioned extensively. In particular, the Committee Chair asked FaCSIA about the progress being made with the Government response to the Committee's report on the funding and operation of the Commonwealth State/Territory Disability Agreement. FaCSIA responded that:

Advice to government around a response to the Senate committee report is progressing concurrently. There is not necessarily a dependence between a response from state and territory ministers and response to the Senate inquiry.¹⁶

1.25 The Committee Chair commented:

I would like to express the hope that you would take back to the minister, Dr Harmer, or Minister Scullion, the very strong view of this committee that the recommendations about increased support for people with disabilities and their families that arose out of that report, are very much

12 *Committee Hansard*, 28.05.07, pp.CA119-137.

13 *Committee Hansard*, 28.05.07, pp.CA100-105.

14 *Committee Hansard*, 28.05.07, pp.CA106-107; Senate Community Affairs References Committee report *Beyond petrol sniffing: renewing hope for Indigenous Communities*, June 2006.

15 *Committee Hansard*, 29.05.07, pp.CA6-20.

16 *Committee Hansard*, 29.05.07, pp.CA23-24; Senate Community Affairs Committee report on Funding and operation of the Commonwealth State/Territory Disability Agreement, February 2007.

matters that the committee wants to see addressed and hopes will be taken very seriously.¹⁷

1.26 Senators also asked a wide range of questions on other disability matters. Included in these discussions was the tracking of unspent funds against the 2006-07 budget, the Commonwealth State/Territory Disability Agreement, unmet need, differentials in service delivery, and business services. FaCSIA also advised the Committee on progress with the National Disability Advocacy Program, evaluation of the Commonwealth Disability Strategy, and the young people in nursing homes project.¹⁸

1.27 Mental health issues were extensively covered, including the number of Departmental people specifically working on mental health programs, funding of programs and moneys expended on programs, respite services, family relationship services, community-based programs, carers, personal mentors, services in remote areas, and education campaigns.¹⁹

1.28 Information was sought about the support being provided for carers, including respite support for carers of young people with a severe and profound disability, the carers' one-off bonus payment, carer allowance and payments. Special disability trusts were also discussed in some detail.²⁰

1.29 FaCSIA informed the Committee with regard to Family Tax Benefit recipients, payments and reconciliations. Family relationship services and child support reforms were also included in discussions.²¹

1.30 Funding of programs relating to youth, the National Youth Roundtable, and Reconnect were discussed. A number of women's issues were also discussed, including superannuation and other workforce matters, support for victims of people trafficking and the Women's Safety Agenda, Lifeline and the Women's Leadership and Development Program.²²

1.31 Child care issues discussed included the numbers of children in child care, child care benefit, the child care management system, child care services support program, JET child care, and the child care tax rebate.²³

17 *Committee Hansard*, 29.05.07, p.CA24.

18 *Committee Hansard*, 29.05.07, pp.CA24-50.

19 *Committee Hansard*, 29.05.07, pp.CA51-73.

20 *Committee Hansard*, 29.05.07, pp.CA74-88.

21 *Committee Hansard*, 29.05.07, pp.CA89-96.

22 *Committee Hansard*, 29.05.07, pp.CA98-125.

23 *Committee Hansard*, 29.05.07, pp.CA126-140.

Health and Ageing portfolio

1.32 Estimates for DoHA commenced with the Committee asking questions on the total expenditure on health for the whole of government and future projections outlined in the Intergenerational Report.²⁴

1.33 The Committee discussed at length a wide range of population health matters. DoHA informed the Committee on progress with the implementation of the bowel cancer screening program, the meningococcal C vaccination program and the reported reactions to the Gardasil vaccine and DoHA's oversighting of possible reactions to the vaccine. Questions were also asked relating to the funding allocation and grants issued under the Healthy School Communities program, as well as the children's national nutrition and physical activity survey and well-being plan.²⁵

1.34 Pregnancy counselling issues, including the pregnancy helpline, client confidentiality and privacy protocols, and advertising material, which have been the subject of lengthy debate at former estimates hearings and during the Committee's inquiry into the Transparent Advertising and Notification of Pregnancy Counselling Services Bill 2005, were again discussed in some detail.²⁶

1.35 Information was sought on health promotion advertising campaigns, including the anti-obesity initiative, funding for health messages relating to chronic diseases, smoking trends and tobacco control. The National Illicit Drug Strategy was also discussed.²⁷

1.36 The Australian Institute of Health and Welfare provided information about the cost and affordability of dental treatment, expenditure on dental health and dental services.²⁸ The Medicare allied health and dental care initiative was also discussed in detail.²⁹

1.37 Details of the management of the sale of the Therapeutic Goods Administration building were provided to the Committee. TGA's fees and charges to industry and drug registration were also discussed.³⁰

1.38 DoHA provided information on the collection of Medicare statistics relating to GP consultation numbers and the published data, bulk billing rates, MRI services and locations, and the Professional Services Review funding.³¹

24 *Committee Hansard*, 30.05.07, pp.CA5-10.

25 *Committee Hansard*, 30.05.07, pp.CA11-32.

26 *Committee Hansard*, 30.05.07, pp.CA33-46.

27 *Committee Hansard*, 30.05.07, pp.CA47-46; 62-63.

28 *Committee Hansard*, 30.05.07, pp.CA49-51.

29 *Committee Hansard*, 30.05.07, pp.CA77-88.

30 *Committee Hansard*, 30.05.07, pp.CA55-61.

1.39 A range of pharmaceutical services matters were raised, including the reform of the Pharmaceutical Benefits Scheme (PBS) and expected savings from price reductions, the brand premium, National Prescribing Service, the Pharmaceutical Benefits Advisory Committee and the cost recovery policy, Aboriginal medical services, and generic medicines.³²

1.40 A number of questions were asked relating to progress with rural and remote health programs and services,³³ as well as in the areas of health and medical workforce shortage and medical and dental training places and placement.³⁴

1.41 Details of funding for hearing services and research were provided by DoHA, and hearing services provision and the voucher system discussed.³⁵

1.42 Aged care matters were subjected to considerable questioning. Included in discussions were unspent funding on programs, community aged care packages, restructuring of subsidies and supplements, accommodation bonds, the community care and subsidies review, aged care approvals for residential care places, allocation of bed licences and fire safety certification. The aged care workforce, abuse in aged care facilities, and the audit of aged care facilities were also discussed.³⁶

1.43 Information was provided on a number of topics relating to mental health, including mental health services in rural and remote areas, the drought initiative, telephone counselling, the Better Access to Psychiatrists, Psychologists and General Practitioners measure, the National Suicide Prevention Strategy, defence force and veterans' mental health issues, the GP referral care plan, evaluation funding, links between illicit drugs and mental illness, measures to increase the number of mental health nurses and allied mental health workers.³⁷

1.44 Included in discussions relating to private health insurance were the private health insurance advertising campaign, mailout of a letter by Medicare Australia to people under 31 years of age who do not have private health insurance, and Lifetime health cover.³⁸

1.45 A number of Indigenous health issues were discussed including expenditure for Indigenous health programs, a new nurse-led home visiting service for mothers, babies and young children; progress being made with the trachoma treatment program,

31 *Committee Hansard*, 30.05.07, pp.CA67-75.

32 *Committee Hansard*, 30.05.07, pp.CA89-107.

33 *Committee Hansard*, 30.05.07, pp.CA109-125.

34 *Committee Hansard*, 30.05.07, pp.CA125-141.

35 *Committee Hansard*, 30.05.07, pp.CA142-148.

36 *Committee Hansard*, 31.05.07, pp.CA6-53.

37 *Committee Hansard*, 31.05.07, pp.CA54-87.

38 *Committee Hansard*, 31.05.07, pp.CA87-94.

the petrol sniffing prevention program and the Bringing Them Home program. Information was also provided on the quality health standards initiative and CDEP jobs.³⁹

1.46 DoHA provided details of expenditure across a large number of cancer programs. Cancer Australia also provided an update on matters such as progress being made by the agency and the Centre for Gynaecological Cancers, and cancer research.⁴⁰

1.47 Senators questioned the National Health and Medical Research Council (NHMRC) and expressed concern regarding the consultation and submission processes for the draft ethical guidelines on the use of assisted reproductive technology in clinical practice and research 2004 (as updated in 2007). Senator Patterson stated that she expected to see considerable changes to the original guidelines.⁴¹

1.48 The timeframe for the Australian Health Care Agreements and outcomes of capability audits of the health system's preparedness for terrorist attacks were also discussed.⁴²

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

Senator Gary Humphries

Chairman

June 2007

39 *Committee Hansard*, 31.05.07, pp.CA94-110.

40 *Committee Hansard*, 31.05.07, pp.CA111-126.

41 *Committee Hansard*, 31.05.07, pp.CA111-129.

42 *Committee Hansard*, 31.05.07, pp.CA130-135.