

The Senate

Community Affairs
Legislation Committee

Budget estimates 2012–13

June 2012

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Membership of the Committee

Members

Senator Claire Moore, Chair	ALP, Queensland
Senator Rachel Siewert, Deputy Chair	AG, Western Australia
Senator Carol Brown	ALP, Tasmania
Senator Mark Furner	ALP, Queensland
Senator Bridget McKenzie	NP, Victoria
Senator Dean Smith	LP, Western Australia

Senators in attendance

Senator Claire Moore (Chair), Senator Rachel Siewert (Deputy Chair), Senator Chris Back, Senator Cory Bernardi, Senator Catryna Bilyk, Senator the Hon Ron Boswell, Senator the Hon George Brandis, Senator Carol Brown, Senator the Hon Kim Carr, Senator Michaelia Cash, Senator the Hon Richard Colbeck, Senator the Hon Jacinta Collins, Senator Trish Crossin, Senator Richard Di Natale, Senator Sean Edwards, Senator Concetta Fierravanti-Wells, Senator Mitch Fifield, Senator Mary Jo Fisher, Senator Mark Furner, Senator Gary Humphries, Senator Scott Ludlam, Senator John Madigan, Senator Bridget McKenzie, Senator the Hon Jan McLucas, Senator Stephen Parry, Senator Marise Payne, Senator Lee Rhiannon, Senator the Hon Nigel Scullion, Senator Arthur Sinodinos, Senator Dean Smith, Senator Glenn Sterle, Senator Larissa Waters, Senator John Williams, Senator Penny Wright, Senator Nick Xenophon

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Chapter 1

Introduction

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

- Particulars of proposed expenditure in respect of the year ending on 30 June 2013.
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2013.
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2013.
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2012.
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2012.¹

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

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

1.3 The committee was required to report to the Senate on its consideration of 2012-2013 budget estimates on Tuesday 26 June 2012.²

Details of hearings

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

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

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

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

1.5 The committee heard evidence from the following Senators:

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

1.6 Evidence was also provided by the following:

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

1.7 The committee also considered budget expenditure at a hearing on 1 June 2012 on cross portfolio Indigenous matters pursuant to Resolution of the Senate of 26 August 2008.³ Explanations relating to the estimates were received from Senator the Hon Jacinta Collins. Officers from the following portfolio Departments were in attendance:

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

3 *Journals of the Senate*, No. 22, 26 August 2008, p. 683.

-
- Education, Employment and Workplace Relations.

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

Questions on Notice

1.9 In accordance with Standing Order 26, the date for submission to the committee of written answers to questions or additional information relating to the expenditure is 27 July 2012.

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

Hansard transcripts

1.11 The committee discussed many of the expenditure proposals and information contained in the PBS. These discussions are detailed in the committee's *Hansard* transcripts of 28 May 2012 to 1 June 2012 (inclusive), copies of which will be tabled in the Senate. *Hansard* transcripts of the estimates proceedings are also accessible on the committee's website at http://www.aph.gov.au/senate_ca.

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

Changes to portfolios, agencies or agency structure

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

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

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

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

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

1.15 Following the *Living Longer, Living Better*⁶ Aged Care reform package, the committee notes revisions to the program structure of Outcome 4: Aged Care and Population Ageing⁷ in the Department of Health and Ageing:

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

Cross portfolio coordination of programs

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

Procedural issues

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

Grounds for not answering questions

1.18 During hearings of the Families, Housing, Community Services and Indigenous Affairs portfolio there were a few disputes regarding not answering questions on the grounds of deliberations of, or advice to, government.⁸ The committee notes that in her opening statements, the Chair drew particular attention to the order of the Senate of 13 May 2009⁹ which explicitly rejects reliance on such grounds for not providing an answer to a question. The committee also notes that no formal claims were made for public interest immunity. Departments should be aware of and adhere to the order of the Senate of 13 May 2009.

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

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

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

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

Adverse Reflections

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

Corrections to Portfolio Budget Statements

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

National e-Health Transition Authority

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

Chapter 2

Families, Housing, Community Services and Indigenous Affairs Portfolio

Department of Families, Housing, Community Services and Indigenous Affairs

2.1 This chapter outlines key issues discussed during the 2012-2013 budget estimates hearings for the Families, Housing, Community Services and Indigenous Affairs portfolio.

2.2 The committee heard evidence from the department on Monday 28 May and Tuesday 29 May 2012. Areas of the portfolio and agencies were called in the following order:

- Cross Outcomes/Corporate Matters
- Social Security Appeals Tribunal
- Seniors
- Women
- Equal Opportunity for Women in the Workplace Agency (EOWA)
- Disability and Carers
- Housing
- Families and Children
- Australian Institute of Family Studies
- Community Capability and the Vulnerable

2.3 The hearing began with an acknowledgement of the passing of Senator Adams, noting her contributions to this committee's estimates hearings.¹

*Cross Outcomes/Corporate Matters*²

2.4 Proceedings commenced with Senator Fifield asking Mr Finn Pratt, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs about the existence and transmittal of a charter letter from the Prime Minister to the Minister and whether Mr Pratt had received that letter. Mr Pratt and the Parliamentary Secretary, Senator the Hon Jan McLucas, both declined to advise whether the Prime Minister had sent a charter letter to Minister Macklin or whether Minister Macklin had

1 *Proof Estimates Hansard*, 28 May 2012, p. 3.

2 *Proof Estimates Hansard*, 28 May 2012, pp. 3–28.

provided that letter to Mr Pratt.³ Neither Mr Pratt nor the Parliamentary Secretary made any claim for public interest immunity, but Mr Pratt and Parliamentary Secretary McLucas did undertake to provide an answer on notice.⁴ Senator Fifield requested a private meeting to discuss the options available to the committee to ensure that an answer was provided.⁵ Back in session, Senator Fifield indicated that he would move a motion in the Senate that the letters be produced.⁶

2.5 The committee also discussed the following items:

- The content of Government advertising for the Clean Energy Future package;
- Media and social media monitoring by the department;
- Funding for the Communities for Children program
- Whether the department had provided advice to the environment department about the social impacts of major projects;
- The portability of various Government payments following legislative changes due to begin on 1 January 2013.

*Seniors*⁷

2.6 Senator Fierravanti-Wells asked about the pension advance payment option and a question was put on notice about the circumstances under which someone may be denied the advance option.⁸ Proposed changes to the eligibility criteria for the Commonwealth Seniors Health Card were also discussed with further questions taken on notice.⁹

2.7 Senator Siewert raised the issue of portability (see also 2.4 above) as it related to people of pensionable age. The working life residency budget initiative, grandfathering provisions, exemptions, and the timeframes for the application of the new legislative changes were discussed. There was also discussion about the timing of a person's decision to go overseas for a period of greater than six weeks in light of the legislative changes due to begin on 1 January 2013. Ms Wilson, Deputy Secretary, explained that one of the factors influencing the rule changes was a desire:

3 *Proof Estimates Hansard*, 28 May 2012, pp. 3–7, 43, 54–56.

4 *Proof Estimates Hansard*, 28 May 2012, pp. 7, 37, 56.

5 *Proof Estimates Hansard*, 28 May 2012, p. 55.

6 *Proof Estimates Hansard*, 28 May 2012, p. 56.

7 *Proof Estimates Hansard*, 28 May 2012, pp. 28–38.

8 *Proof Estimates Hansard*, 28 May 2012, pp. 29–30.

9 *Proof Estimates Hansard*, 28 May 2012, p. 30.

to bring us into line with other OECD countries, which generally require between 35 and 45 years working life residence to receive full pension overseas.¹⁰

2.8 Senator Furner sought evidence on how recent pension increases compared with the last five years of the Howard government and the relative levels of pensioners living in poverty compared to that period.¹¹

Women¹²

2.9 Senator Cash questioned the Office for Women about the policy rationale behind the government's decision to exclude superannuation from the Paid Parental Leave scheme. It emerged that the Productivity Commission report on the Paid Parental Leave scheme recommended that superannuation be included. Mr Pratt would not be drawn on the policy rationale other than to say that:

The government does not always accept every recommendation from the Productivity Commission.¹³

2.10 The Office for Women took on notice several questions from Senator Cash about the financial literacy and management programs, the timeframes for the Status of Personal Safety Survey, the data tracking The Line campaign, and a breakdown of advertising spending on The Line.

2.11 Senator Rhiannon questioned the Office for Women about their input into affordable housing including the National Affordable Housing Agreement, the National Partnership Agreement, the National Rental Affordability Scheme and the Social Housing Initiative; the Productivity Commission's report *Caring for Older Australians*; and both the Rural Women's Alliance and the Empowerment of Rural Women.

Equal Opportunity for Women in the Workplace Agency (EOWA)¹⁴

2.12 The agency clarified that the Australian Standard on Gender Inclusive Job Evaluation and Grading is a voluntary standard and that the standard is being promoted and used by EOWA. Senator Cash placed several questions on notice around staff contracts and pay rates. The secretariat received a substantial number of written questions on notice from Senator Cash for the Office for Women and EOWA.

10 *Proof Estimates Hansard*, 28 May 2012, p. 32.

11 *Proof Estimates Hansard*, 28 May 2012, p. 35.

12 *Proof Estimates Hansard*, 28 May 2012, pp. 38–49.

13 *Proof Estimates Hansard*, 28 May 2012, p. 42.

14 *Proof Estimates Hansard*, 28 May 2012, pp. 49–54.

*Disability and Carers*¹⁵

2.13 The new National Disability Insurance Scheme was the prime topic of discussion under this outcome.¹⁶ Parliamentary Secretary McLucas noted that the Government had made a commitment of \$1 billion over four years to begin a staged roll-out of the scheme with two launch sites ready to begin on 1 July 2013. Senator Fifield pointed out that the Productivity Commission envisaged \$3.9 being spent over four years.¹⁷

2.14 There was a lengthy discussion about the timeframes for the roll-out and the ongoing negotiations with the states and territories about the financial contributions that are being sought from them and the potential implications of departing from the Productivity Commission funding timeline. At various stages of the discussion, the Parliamentary Secretary and several departmental officers emphasised that they had been working intensively with the states and territories across numerous issues, but Mr Pratt did not divulge the rationale behind the \$1 billion budget figure for stage one.¹⁸

2.15 The potential need for complementary legislative change across jurisdictions was also traversed. The Department advised that while complementary legislation may well be necessary for the entity, they did not have a definitive answer as to whether it would be required for the launch sites.¹⁹

2.16 The committee also sought reassurance that the government was engaging with the full spectrum of disability organisations over the design of the scheme. The Parliamentary Secretary reassured the committee that the government is:

very aware of the need for people with disability, and the range of disabilities that are existing in our community, to have a place in the process, not only in expert groups and in the advisory group but in our engagement strategy. Through the National Disability and Carer Alliance, we will include everything that is absolutely essential.²⁰

*Housing*²¹

2.17 Senator Payne sought a progress update on the Social Housing Initiative. Mr Innes, Group Manager, Housing, indicated that the completion rate is above the original program expectations.²²

15 *Proof Estimates Hansard*, 28 May 2012, pp. 54–89.

16 *Proof Estimates Hansard*, 28 May 2012, pp. 61–89.

17 *Proof Estimates Hansard*, 28 May 2012, pp. 62–63.

18 *Proof Estimates Hansard*, 28 May 2012, p. 83.

19 *Proof Estimates Hansard*, 28 May 2012, pp. 73–76.

20 *Proof Estimates Hansard*, 28 May 2012, p. 82.

21 *Proof Estimates Hansard*, 28 May 2012, pp. 89–110.

2.18 Senator Ludlam inquired about the schedule for the renegotiation of the National Affordable Housing Agreement (NAHA). The department advised that there was no specific schedule, but that the Minister was negotiating with key stakeholders.²³

2.19 Senator Ludlam noted that the National Rental Affordability Scheme (NRAS) had 'achieved a pretty high level of energy and water efficiency and other kinds of household sustainability initiatives in the NRAS build'. Senator Ludlam sought to establish, on notice, the magnitude of the energy and water savings for rental tenants under the NAHA and NRAS schemes.²⁴

*Families and Children*²⁵

2.20 Senator Bernardi questioned officers about the decision to provide early funding to Communities for Children service providers.²⁶ There was also discussion about the decision to bring forward \$90 million in funding from the 2012-13 financial year to the 2011-12 financial year.²⁷ The additional funds are contained in the Portfolio Supplementary Additional Estimates Statements 2011-12.²⁸

2.21 The committee discussed changes to Family Tax Benefit and established that an estimated 43,000 young people under the age of 21 who have completed secondary school will no longer be eligible for either Family Tax Benefit or Youth Allowance. The officers explained that the primary income support would be from their families and that details on the income test would be better directed to the Department of Education, Employment and Workplace Relations.

2.22 Senator Bernardi raised concerns about the schoolkids bonus and its relationship to school attendance. Parliamentary Secretary McLucas expressed the view that money given to families to prepare for school would be likely to increase school attendance, particularly amongst vulnerable families.²⁹

22 *Proof Estimates Hansard*, 28 May 2012, pp. 92–93.

23 *Proof Estimates Hansard*, 28 May 2012, pp. 93–96.

24 *Proof Estimates Hansard*, 28 May 2012, p. 97.

25 *Proof Estimates Hansard*, 29 May 2012, pp. 2–38.

26 *Proof Estimates Hansard*, 29 May 2012, pp. 3–6.

27 *Proof Estimates Hansard*, 29 May 2012, p. 7.

28 Families, Housing, Community Services and Indigenous Affairs, *Portfolio Supplementary Additional Estimates Statements 2011-12*, p. 9.

29 *Proof Estimates Hansard*, 29 May 2012, p. 22.

Australian Institute of Family Studies³⁰

2.23 The Institute explained key areas of their research including adoption, child support, separation and divorce. Professor Hayes, Director of the Australian Institute of Family Studies undertook to provide on notice research and statistics about the family impacts of mental health problems, substance abuse, family violence, gambling and money management problems.

Community Capability and the Vulnerable³¹

2.24 Senator Bernardi queried officers about the proposed mandatory precommitment poker machine trial in the ACT. Questions were raised about the progress of negotiations with ClubsACT.³² The officers also took questions on notice from Senator Di Natale about the relative costs of being precommitment ready compared to making all machines dollar bet ready by 2016.³³

2.25 Senator Siewert sought further information on child protection measures and compulsory and non-compulsory income management. Senator Edwards asked for a breakdown of the Playford income management trial in terms of people referred by child protection, people assessed by Centrelink and people who are volunteers.³⁴

30 *Proof Estimates Hansard*, 29 May 2012, pp. 35–38.

31 *Proof Estimates Hansard*, 29 May 2012, pp. 38–51.

32 *Proof Estimates Hansard*, 29 May 2012, p. 44.

33 *Proof Estimates Hansard*, 29 May 2012, pp. 45–46.

34 *Proof Estimates Hansard*, 29 May 2012, pp. 49–50.

Chapter 3

Human Services Portfolio

Department of Human Services

3.1 This chapter outlines key issues discussed during the 2012-2013 budget estimates hearings for the Human Services Portfolio.

3.2 The committee heard evidence from the department on Tuesday 29 May 2012. Areas of the portfolio were called in the following order:

- Australian Hearing Services
- Corporate Operations and Enabling Services
- Child Support
- Centrelink
- Medicare Australia

3.3 Proceedings commenced with an opening statement by Senator the Hon Kim Carr, Minister for Human Services.¹ The Minister outlined the scope of the services provided by the department and declared his 'sincere appreciation' for the 'passion and professionalism' of the staff across the country. The Minister also reaffirmed the Government's commitment to closing the Chronic Disease Dental Scheme, declaring it to be 'bad policy' introduced by the previous Government. The Minister noted that the Government is working towards new arrangements and outlined retrospective changes to the Dental Services Determination to 'establish more appropriate compliance arrangements'. The Minister tabled the Opening Statement.

*Australian Hearing*²

3.4 The committee asked about the jurisdictional responsibility for the provision of hearing services in prison and the eligibility criteria for access to those services. The committee also probed the departmental advice provided to Australian Hearing and the costs of providing services to prisoners.

*Corporate Operations*³

3.5 Minister Carr advised that he had received a charter letter from the Prime Minister, but that he would need to take the date of receipt on notice.⁴

1 *Proof Estimates Hansard*, 29 May 2012, pp. 54–55.

2 *Proof Estimates Hansard*, 29 May 2012, pp. 55–58.

3 *Proof Estimates Hansard*, 29 May 2012, pp. 58–91.

3.6 Senator Fifield asked a series of questions about the tasks, membership and costs of various advisory groups including the National Multicultural Advisory Group and the National Place Based Advisory Group.⁵

3.7 Minister Carr gave 'advice to government' as the reason that advisory group minutes may not be made available to the committee. The Minister made no claim for public interest immunity and the committee did not push the issue, although it did place the request on notice.⁶

3.8 Senator Fifield asked about fraud prevention and compliance including both in relation to customers and also practitioners.⁷

3.9 Senator Fifield congratulated Ms Kathryn Campbell, Secretary of the Department of Human Services and Minister Carr about their reference to people as citizens. Minister Carr explained that he had made a statement at the ACOSS conference about the approach he was taking and that describing the Australian public as citizens:

emphasises that the nature of the relationship between this department and the people of this country is inclusive, and that is what the department is doing ... the fact remains that the relationship that the Commonwealth has with its citizens is not necessarily one of a commercial nature, and the concept of 'customer' relates more often in the literature to the notion of a commercial dialogue. People do not have a lot of choice, quite often, when they deal with the officers of the Commonwealth. We want to ensure that we are treating them in a manner which is consistent with, as I say, their rights and their responsibilities, not just in terms of some sort of mythical notion of the customer's democracy.⁸

3.10 Senator Furner put on record that he had received 'highly commendable' feedback about the response of the Department of Human Services to the flood disasters in Queensland.⁹

3.11 Senator Siewert returned again to the issue of guidelines for the income management referral model for state child protection and housing officers and was informed that this was a matter for the Department of Families, Housing, Community Services and Indigenous Affairs. The Department indicated that it was undertaking some vulnerable income management referrals through its social workers.¹⁰ The

4 *Proof Estimates Hansard*, 29 May 2012, p. 58.

5 *Proof Estimates Hansard*, 29 May 2012, pp. 59–65.

6 *Proof Estimates Hansard*, 29 May 2012, p. 65.

7 *Proof Estimates Hansard*, 29 May 2012, pp. 70–75.

8 *Proof Estimates Hansard*, 29 May 2012, p. 76.

9 *Proof Estimates Hansard*, 29 May 2012, p. 78.

10 *Proof Estimates Hansard*, 29 May 2012, p. 80.

Department also pointed out that attendance at Centrelink was only compulsory if the referral was through the Child Protection Agency or through housing.¹¹

Centrelink¹²

3.12 Minister Carr recommended that the Department of Human Services and the Community Affairs committee meet to discuss the structure of the hearing prior to the next estimates round.¹³

3.13 Senator Siewert raised a series of questions about the operation of the Centrelink hotline, tip-off line, and online application processes. Minister Carr pointed out there has been a steady take-up of online services and that Centrelink runs education programs on using online technology.¹⁴ Mr Tidswell, Deputy Secretary also expected the National Broadband Network would assist access in remote communities.¹⁵

3.14 Senator Edwards examined the costs of administering the income recovery subsidy associated with the live cattle ban. Senator Edwards pointed out that the Department of Human Services administered \$68,000 worth of payments at a cost of \$1.22 million and that this 'is not a good result in anybody's governance terms'. Minister Carr replied 'that the costings were based on an indicative number of claims and that number was a worst-case scenario.'¹⁶ Senator Edwards requested a breakdown of the \$1.22 million on notice.

Medicare¹⁷

3.15 Following questions from Senator McKenzie about the cessation of cash payments from Medicare, Minister Carr pointed out that:

 this was the last remaining program the Commonwealth has that is paying in cash ... Cash payment as a method of transaction is declining right across this society. The officers made it clear to me that, in terms of the provision of security for officers on site, there was actually a better way to proceed. On that basis we have followed the trials that were established in 17 service centres and we are now rolling out this program across the country.¹⁸

11 *Proof Estimates Hansard*, 29 May 2012, p. 83.

12 *Proof Estimates Hansard*, 29 May 2012, pp. 91–112.

13 *Proof Estimates Hansard*, 29 May 2012, p. 96.

14 *Proof Estimates Hansard*, 29 May 2012, p. 104.

15 *Proof Estimates Hansard*, 29 May 2012, p. 105.

16 *Proof Estimates Hansard*, 29 May 2012, pp. 109–110.

17 *Proof Estimates Hansard*, 29 May 2012, pp. 112–121.

18 *Proof Estimates Hansard*, 29 May 2012, p. 113.

3.16 Senator Di Natale commended Minister Carr for his opening statement on the negotiations over a national dental scheme:

I think it is a really sensible thing to have done. I think it is a really important step, particularly in terms of the current negotiations going on over a national dental scheme. I know this is not a forum where too many compliments are paid, but I think it is really sensible decision, so I would like to put that on the record.¹⁹

Senator Di Natale questioned the Minister and departmental officers about the audit process into claims made by dentists against the Commonwealth and Minister Carr stated that each case would be reviewed and declared his intention to prosecute should that be deemed necessary. The Minister also pointed out that the Government was negotiating with the dental profession to get an administrative scheme that works effectively.²⁰

19 *Proof Estimates Hansard*, 29 May 2012, p. 114.

20 *Proof Estimates Hansard*, 29 May 2012, pp. 114–115.

Chapter 4

Health and Ageing Portfolio

Department of Health and Ageing

4.1 This chapter contains key issues discussed during the 2012-2013 budget estimates hearings for the Health and Ageing portfolio.

4.1 The committee heard evidence from the department on Wednesday 30 May 2012 and Thursday 31 May 2012. Areas of the portfolio and agencies were called in the following order:

- Whole of Portfolio/Corporate Matters
- Acute Care
- Independent Hospital Pricing Authority
- National Health Performance Authority
- Australian Organ and Tissue Donation and Transplantation Authority
- Mental Health
- Aged Care and Population Ageing
- Health System Capacity and Quality
- Access to Medical Services
- Professional Services Review
- Health Workforce Capacity
- Health Workforce Australia
- Primary Care
- General Practice Education and Training Ltd
- Population Health
- Australian Commission on Safety and Quality in Health Care
- Therapeutic Goods Administration
- Food Standards Australia New Zealand (FSANZ)
- Office of the Gene Technology Regulator
- Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- Cancer Australia
- National Health and Medical Research Council
- Australian National Preventive Health Agency

- National Industrial Chemicals Notification and Assessment Scheme (NICNAS)
- Rural Health
- Private Health
- Private Health Insurance Administration Council
- Private health Insurance Ombudsman
- Access to Pharmaceutical Services
- Hearing Services
- Biosecurity and Emergency Response

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

4.3 The Secretary of the Department of Health and Ageing, Ms Jane Halton, noted the passing of Senator Adams and her contribution to the work of the committee:

As you know, we lost Senator Adams, and I think on behalf of the department it would be appropriate for me to record our condolence to the committee and obviously to her family members. I have written to them, obviously, but I want to acknowledge her as a senator who came to this committee with particular technical content in terms of her nursing and midwifery background but also her particular passion for rural and remote health. I do not think there was a committee meeting that went past without her asking us about patient assisted travel and some of those other issues that she was so passionate about. I think we have observed in the past that the great strength of this committee is its real concern for the issues that affect people right across the country. The fact that Senator Adams was such a passionate enquirer for things that she really cared about is something that I know from the department's perspective. We acknowledge that passion, but also I think the work that she did is something that we very much valued. So, again, I just wanted to put on the record the department's really great sadness at her loss and also our condolence to her friends and family and also to the committee.¹

The committee acknowledged the statement and Senator Smith undertook to convey those thoughts to Senator Adams' family.

1 *Proof Estimates Hansard*, 30 May 2012, p. 21.

Whole of Portfolio/Corporate Matters²

4.2 Senator Fierravanti-Wells questioned at length Secretary Halton, Deputy Secretary Rosemary Huxtable and Deputy Secretary Kerry Flanagan about comments made to the media by the Attorney General and former Minister for Health Nicola Roxon regarding a health referendum proposed by the previous Prime Minister, Kevin Rudd. Ms Halton declined to make comments, but undertook to answer matters of fact and to check the record on a number of issues including whether advice provided to COAG was based on proper expert advice and whether any advice had been sought from, or proffered by, the Department. Responding to the suggestion that there appeared to be a lack of cabinet process, the Ms Halton stated that:

I can assure you that the entire package of reform that was put forward at COAG, that was agreed, was the subject of proper cabinet process.³

Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA)⁴

4.3 There was an instructive discussion about the reasons behind the differences in transplant targets and transplant rates across countries. Professor Gillis explained how the Authority aimed to increase donation rates to 23 to 25 per million without relying on 'marginal' organ donations.

Independent Hospital Pricing Authority⁵

4.4 Mr Sherbon informed the committee that Health Ministers had been provided with a draft National Official Price Determination and Pricing Framework on 28 March 2012 and indicated that the Authority would meet the National Health Reform Agreement deadlines for producing an upgraded mental health classification system to be implemented on 1 July 2013.

National Health Performance Authority⁶

4.5 The Authority provided an update on its strategic plan, data plan, and performance and accountability framework.

Acute Care⁷

4.6 Ms Halton clarified clause 7 of the National Partnership Agreement on Improving Public Hospital Services to the states and explained that access to extra

2 *Proof Estimates Hansard*, 30 May 2012, pp. 7–20.

3 *Proof Estimates Hansard*, 30 May 2012, p.18.

4 *Proof Estimates Hansard*, 30 May 2012, pp. 21–27.

5 *Proof Estimates Hansard*, 30 May 2012, pp. 27–32.

6 *Proof Estimates Hansard*, 30 May 2012, pp. 32–33.

7 *Proof Estimates Hansard*, 30 May 2012, pp. 21–40.

funding is dependent on maintaining effort and hitting performance targets. The committee followed up by asking about the budget cuts to hospital elective surgery and emergency treatment services in Tasmania. Parliamentary Secretary McLucas replied that Minister Plibersek was consulting with stakeholders in Tasmania including members of the Tasmanian Parliament and Senators.

Mental Health⁸

4.7 There was a discussion about the funding for the Mental Health Nurse Incentive Program and questions were taken on notice from Senator Wright about the numbers of mental health nurses registered under Medicare with the program and the numbers of general practitioners that have used the program.⁹

4.8 The Department took several questions on notice after Senator Fierravanti-Wells sought advice about how the Department had responded to published allegations regarding an individual involved in some of their programs.¹⁰ The individual was named and on 7 June 2012 the committee provided them with the Hansard transcript and an opportunity to respond. The date for the receipt of a response to the allegations was 21 June 2012 and no response was received.

Aged Care and Population Ageing¹¹

4.9 Following up on the announcement of the 'Living Longer. Living Better.' aged care reform package of 20 April 2012, Senator Fierravanti-Wells began with questions about the Aged Care Funding Authority and stakeholder uncertainty about accessing finance. Ms Halton acknowledged that what the Department needed to do is:

get the consultative arrangements in place very quickly and move to get the fine detail available to people after we have talked to people about them.¹²

4.10 Senator Fierravanti-Wells also asked about reductions to the current average subsidy for the care of older Australians in hospital, hospice and residential aged-care under the Aged Care Funding Instrument. Departmental officials explained that there was no real reduction, but rather a slowing in the rate of growth. The Department acknowledged that it needs to keep talking with all stakeholders to ensure the correct message gets across.¹³

4.11 The Home and Community Care (HACC) review was discussed including the progress of negotiations and the opportunities to draw on experiences across state and

8 *Proof Estimates Hansard*, 30 May 2012, pp. 40–57.

9 *Proof Estimates Hansard*, 30 May 2012, pp. 40–42.

10 *Proof Estimates Hansard*, 30 May 2012, pp. 55–56.

11 *Proof Estimates Hansard*, 30 May 2012, pp. 57–86.

12 *Proof Estimates Hansard*, 30 May 2012, p. 59.

13 *Proof Estimates Hansard*, 30 May 2012, pp. 66–68.

territory jurisdictions. Given the complexity of the issue, Senator Siewert requested a separate briefing on HACC, home care and home support. The Department agreed this would be a good idea.¹⁴

National e-Health Transition Authority (NeHTA)¹⁵

4.12 Following on from previous estimates hearings, Senator Sinodinos requested a progress update and quizzed the Authority about whether the fact that the Personally Controlled Electronic Health Records (PCEHR) Bill had still not passed the Senate would impact on the rollout on 1 July. Ms Halton replied that passage of the legislation would be preferable but if that did not occur by 1 July it would not be 'terminal'.¹⁶

4.13 Dr Chris Mitchell, NeHTA Change and Adoption Lead, explained the resources that NeHTA was making available to promote adoption amongst general practitioners. Dr Mitchell also outlined the strategies for compiling comprehensive health records including identifying priority groups.¹⁷

4.14 Mr Peter Fleming, CEO of NeHTA, explained that COAG funds NeHTA for projects such as identifiers and secure messaging, and the Commonwealth funds NeHTA for establishing the PCEHR. Given that some of the funding overlaps, NeHTA undertook to provide on notice exactly how the funding is broken down.¹⁸

4.15 NeHTA tabled a report by Deloitte that identified the benefits of shared electronic health records.¹⁹

4.16 Senator Sinodinos expressed concern about the ongoing costs of obtaining reasonable coverage of the whole population. Ms Halton stated that extrapolating the operating costs as a linear function was incorrect and that infrastructure synergies would lead to scale savings and a reduction in the variable costs of adding people to the system.²⁰

4.17 Issues of safety and liability were also the subject of intense discussion. Dr Mitchell explained that what NeHTA is trying to achieve is a more connected and transparent system than currently exists. Ms Halton concurred and pointed out that there was the opportunity to systematise safety in a way that does not exist under the

14 *Proof Estimates Hansard*, 30 May 2012, p. 79.

15 *Proof Estimates Hansard*, 30 May 2012, pp. 87–97.

16 *Proof Estimates Hansard*, 30 May 2012, pp. 87–88.

17 *Proof Estimates Hansard*, 30 May 2012, p. 89.

18 *Proof Estimates Hansard*, 30 May 2012, p. 90.

19 *Proof Estimates Hansard*, 30 May 2012, p. 90.

20 *Proof Estimates Hansard*, 30 May 2012, p. 93.

current system. Mr Fleming advised that NeHTA takes responsibility for all the steps in the system.²¹

Health System Capacity and Quality²²

4.18 Senator Fierravanti-Wells raised questions about the decision-making process for the regional priorities round of the health and hospital fund and the electoral location of successful projects. Ms Halton disclosed her interest as an ex officio member of the funding board. She corrected the committee by pointing out that the applications were not ranked, but instead were judged against a set of criteria as specified in the legislation, and that successful applications had to meet all the criteria.²³

Professional Services Review (PSR)²⁴

4.19 Senator Back sought an update on the progress towards implementation of the recommendations emanating from the Senate Community Affairs References Committee inquiry into the Professional Services Review in 2011. Dr Coote, Director of the Professional Services Review stated that the Government had accepted all seven recommendations and that PSR has been particularly involved in the first three recommendations around communicating the methodologies in the PSR processes.

4.20 Senator Back expressed particular interest about whether PSR had addressed the irregularity of peer review appointments. Dr Coote stated that PSR had proposed to the Minister a peer review panel containing sixty seven medical practitioners comprising eight per cent from rural practice and nine per cent from regional practice.²⁵

Health Workforce Capacity²⁶

4.21 Ms Shakespeare, Acting First Assistant Secretary, provided a very comprehensive account of the programs aimed at attracting different health professionals to rural areas including the Bonded Medical Places Scheme, Medical Rural Bonded Scholarships, undergraduate medical scholarships for medical students from a rural background, the John Flynn Placement program, a scheme for HECS reimbursement on completion of medical training in rural areas, the Remote Vocational Training Scheme, the General Practice Rural Incentives Program, the Rural and Remote General Practice program, the Rural Procedural Grants Program,

21 *Proof Estimates Hansard*, 30 May 2012, pp. 94–95.

22 *Proof Estimates Hansard*, 30 May 2012, pp. 97–108.

23 *Proof Estimates Hansard*, 30 May 2012, p. 101.

24 *Proof Estimates Hansard*, 30 May 2012, pp. 108–110.

25 *Proof Estimates Hansard*, 30 May 2012, p. 109.

26 *Proof Estimates Hansard*, 30 May 2012, pp. 117–121.

Rural LEAP, the Practice Nurse Incentive Program and the Nursing and Allied Health Rural Locum Scheme.²⁷

Primary Care²⁸

4.22 Proceedings commenced with the tabling of the updated GP superclinics table by Deputy Secretary David Butt.²⁹

4.23 Senator Fierravanti-Wells posed a series of questions about the application dates and assessment process for the Sunshine Coast GP superclinic. Parliamentary Secretary McLucas responded that:

this application scored better than other applications for a number of reasons, including the hub-and-spoke model providing services to the hinterland ... [and] ... to imply that there was any knowledge of or interference in the process by the minister is absolutely incorrect.³⁰

4.24 Senator Di Natale sought clarification on the relationship between the Medicare Local network and local hospitals. Ms Halton re-emphasised the point that Medicare Locals are not divisions, but are in fact 'the next phase of the development of integrated primary care'.³¹ Senator Di Natale agreed, but pressed the point about what communication was happening at the individual provider level. Mr Butt responded that the Medicare Local has taken responsibility for practice liaison and support.

4.25 Senator Di Natale raised the prospect of budget reductions mooted by the opposition and the impacts on population planning and primary care integration. Parliamentary Secretary McLucas replied that:

If we were to lose the structure that we have through Medicare Locals I think all of that good work and effort that has been done for many years by general practitioners originally and allied health people more recently—and ... by the community more broadly ... we would run the risk of all of that effort falling away and starting from scratch in terms of designing the architecture that would deliver quality preventative health and quality primary health services in our country.³²

27 *Proof Estimates Hansard*, 30 May 2012, p. 119.

28 *Proof Estimates Hansard*, 31 May 2012, pp. 1–34.

29 *Proof Estimates Hansard*, 31 May 2012, p. 1.

30 *Proof Estimates Hansard*, 31 May 2012, p. 10.

31 *Proof Estimates Hansard*, 31 May 2012, p. 23.

32 *Proof Estimates Hansard*, 31 May 2012, p. 23.

General Practice Education and Training Ltd (GPET)³³

4.26 Senator Fierravanti-Wells asked a series of specific questions about applications, training places and whether there were adequate numbers of supervisors. Mr Glasson, Chief Operating Officer of GPET, indicated there was no shortfall in supervisors and took several detailed questions on notice.

Population Health³⁴

4.27 Population Health was the largest of the Department of Health and Agency outcomes and occupied a significant proportion of the day's hearing.

4.28 The Government's tobacco strategy and efforts to protect the health of its citizens were a major topic of debate. Senator Furner sought information about the measures in place to protect children and adolescents from environmental tobacco smoke. Ms Halton stated that:

It would be important to put on the record today, from the department's perspective ... that we are very determined in this country to tackle the effects of tobacco smoke on individuals. We very much support the efforts of the WHO in this globally.

She further stated that:

the Director-General of the WHO, Dr Margaret Chan, explicitly named Australia and congratulated us on our tobacco control efforts. She has passed her congratulations obviously also to Minister Roxon, as she was then, but also to Australia more broadly in acknowledging the leadership that has been shown by us, particularly in respect of plain packaging.³⁵

4.29 Ms Halton also pointed out that packaging 'is the last remaining "billboard" ... in this country for the promotion of tobacco smoke in a public place. We believe that these measures will be very important.'³⁶

4.30 In response to a question from Senator Furner about freedom of information (FOI) requests, Ms Halton declared:

Just so that we can be clear, I have put on record before, and I have to say at the outset, I am a very big supporter of freedom of information. I think it is very important in terms of transparency of government, accountability and so on. But what I am not a supporter of is people indulging in abuse of process, the fact that we can have a series of claims deliberately designed to frustrate the activities of the department and in fact to tie up staff in the

33 *Proof Estimates Hansard*, 31 May 2012, pp. 32–33.

34 *Proof Estimates Hansard*, 31 May 2012, pp. 34–93.

35 *Proof Estimates Hansard*, 31 May 2012, p. 36.

36 *Proof Estimates Hansard*, 31 May 2012, p. 37.

processing of FOI requests who should otherwise be working on tobacco control.

I have put on record in the past there are very clear and deliberate tactics. We get these enormous requests, which we then end up with hours and hours and hundreds of thousands of dollars spent dealing with debates, campaigns, legal challenges and all of the rest of it, only to have the request withdrawn. This is very deliberate, and where requests are not withdrawn I can only ask and recoup, in one particular case, 20 per cent of the cost of this. We all are working in constrained circumstances at the moment, we all understand that is a financial reality. But to have the limited resources I have for public health activity explicitly tied up in what are deliberately orchestrated campaigns to divert us from what is a legitimate public health activity, frankly I find pretty offensive.³⁷

4.31 Senator Furner also requested information on notice about 'any states or state health departments that are considering reversing the bans in particular on smoking in cars?'³⁸

4.32 In response to the issue of antimicrobial resistance raised by Senator Di Natale, the committee undertook to place outcome 1: Population Health and outcome 14: Biosecurity and Emergency Response after each other on the program.

Therapeutic Goods Administration (TGA)³⁹

4.33 Senator Fierravanti-Wells and Senator Boswell asked a series of questions about RU486, in particular adverse effects and treatment protocols. The TGA took most of the questions on notice.⁴⁰

4.34 Senator Fierravanti-Wells explored the issue of CSL albumin contaminated with ethylene glycol that had had to be quarantined in hospitals. Ms Halton said that Chief Medical Officer Professor Chris Baggoley and she would be meeting with the company and that there 'is a genuine difference of view between ourselves and the company'. Ms Halton noted that 'regardless of there not being a technical obligation' to report the incident, both she and Professor Baggoley felt that the company should have notified them. Dr Brian Richards, Acting National Manager of the TGA, and Professor Baggoley both confirmed that any potential adverse health effects, if they had occurred, would have been negligible.⁴¹

37 *Proof Estimates Hansard*, 31 May 2012, p. 37.

38 *Proof Estimates Hansard*, 31 May 2012, p. 38.

39 *Proof Estimates Hansard*, 31 May 2012, pp. 47–55.

40 *Proof Estimates Hansard*, 31 May 2012, pp. 47–50.

41 *Proof Estimates Hansard*, 31 May 2012, pp. 50–54.

Food Standards Australia New Zealand (FSANZ)⁴²

4.35 Senators Boswell, Colbeck, McKenzie and Xenophon raised a series of concerns about food standards and food labelling, particularly with regard to olive oil and sugar. The issue crosses jurisdictional boundaries including state and territory trade description and consumer law, and there was some confusion about which particular aspects of the issue FSANZ is responsible for. Mr Steve McCutcheon, CEO of FSANZ, offered to meet with the Olive Oil Association to discuss their particular issue.⁴³

Office of the Gene Technology Regulator (OGTR)⁴⁴

4.36 Senator Siewert sought to clarify the jurisdictional responsibilities of, and boundaries between, FSANZ and OGTR. Dr Paul Brent, Chief Scientist at FSANZ explained that FSANZ deal with imported foods that have genetically modified content whereas OGTR deal with genetically modified foods grown in Australia.⁴⁵

Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)⁴⁶

4.37 Dr Carl-Magnus Larsson, CEO of ARPANSA, confirmed that ARPANSA has no statutory role in assessing the safety of civil nuclear power plants in Australia's customer countries.

Cancer Australia⁴⁷

4.38 Dr Helen Zorbas, CEO of Cancer Australia, outlined their role in coordinating cancer promotion and explained how Cancer Australia interacts with non-profit organisations such as the Cancer Council Australia including through the Priority-driven Collaborative Cancer Research Scheme.

4.39 Dr Zorbas also described the role of Cancer Australia in developing specific training in breast cancer within a health worker training program as part of a train-the-trainer approach. The program was being provide by a female Indigenous staff member who had been 'extraordinarily successful' in connecting 'meaningfully' with Indigenous communities.⁴⁸

42 *Proof Estimates Hansard*, 31 May 2012, pp. 59–70.

43 *Proof Estimates Hansard*, 31 May 2012, pp. 60–61

44 *Proof Estimates Hansard*, 31 May 2012, pp. 68–73.

45 *Proof Estimates Hansard*, 31 May 2012, p. 69.

46 *Proof Estimates Hansard*, 31 May 2012, pp. 70–73.

47 *Proof Estimates Hansard*, 31 May 2012, pp. 73–76.

48 *Proof Estimates Hansard*, 31 May 2012, p. 76.

National Health and Medical Research Council (NHMRC)⁴⁹

4.40 Senator Carol Brown established that the NHMRC does not have any initiatives targeted at lesbian, gay, bisexual, transgender and intersex people.⁵⁰

4.41 Senator Madigan and Senator Back both aired concerns about the manner in which some groups were using the NHMRC 2010 review into wind farms. Professor Warwick Anderson, CEO of the NHMRC, noted that this was a new and changing field of research and that the new NHMRC reference group on wind farms would systematically review all the existing literature.

Australian National Preventive Health Agency (ANPHA)⁵¹

4.42 Senator Fierravanti-Wells examined the budget allocations, staffing, grants administration, stakeholder consultation processes, communication strategies, and evaluation processes for a range of campaigns including the National Binge Drinking Strategy, the Swap It, Don't Stop It campaign and the National Tobacco campaign.

National Industrial Chemicals Notification and Assessment Scheme (NICNAS)⁵²

4.43 Senator Waters questioned NICNAS about their assessment of the chemicals used during the 'fracking' process in non-conventional gas exploration and drilling. Dr Marion Healy, Acting Director of NICNAS, admitted that assessing chemicals in isolation rather than in combination with each other 'is really a methodological weakness'.⁵³ This particular point was not pursued further.

Rural Health⁵⁴

4.44 The Departmental officers explained that the intention behind establishing Rural and Regional Health Australia was to get rural and remote health into all of the policies across the portfolio and more broadly across Government, and to engage with the Department of Regional Australia, Local Government, Arts and Sport and key rural stakeholders such as the Rural Alliance.

Private Health Insurance Administration Council (PHIAC)⁵⁵

4.45 Senator Fierravanti-Wells sought information on any evidence of anti-competitive behaviour in the private health market and the extent of excesses and

49 *Proof Estimates Hansard*, 31 May 2012, pp. 76–82.

50 *Proof Estimates Hansard*, 31 May 2012, p. 77.

51 *Proof Estimates Hansard*, 31 May 2012, pp. 82–88.

52 *Proof Estimates Hansard*, 31 May 2012, pp. 89–93.

53 *Proof Estimates Hansard*, 31 May 2012, p. 92.

54 *Proof Estimates Hansard*, 31 May 2012, pp. 93–95.

55 *Proof Estimates Hansard*, 31 May 2012, pp. 96–98.

exclusions. Mr Shaun Gath, CEO of PHIAC, indicated that although the competitive environment may not be as strong as it was, PHIAC had registered new entrants to the market and that the market was 'a moving picture'.⁵⁶

Private Health Insurance Ombudsman (PHIO)⁵⁷

4.46 Senator Fierravanti-Wells questioned PHIO over the provision of information and the handling of private health insurance complaints. Ms Samantha Gavel, Ombudsman, noted that there had been a steady increase in complaints and that although PHIO put out customer information and assisted consumers in resolving issues, the Australian Tax Office would still be the main source of information.

Access to Pharmaceutical Services⁵⁸

4.47 There was a discussion about the effectiveness of exclusive supply arrangements under the new Community Services Obligation (CSO). Responding to Senator Fierravanti-Wells, Ms Halton made the point that the CSO compliance requirements included a requirement to deliver the full range of PBS medicines to anywhere in Australia within 24 hours with the exception of a few very remote locations.⁵⁹

Hearing Services⁶⁰

4.48 Senator Siewert brought up the issue of access to hearing services for prisoners in the criminal justice system, particularly Aboriginal prisoners and asked for an update on notice of the response to the recommendations of the Senate Community Affairs Committee *Hear us* report. Responding to a question about how to begin screening for hearing problems in the prison system, Ms Halton noted that:

the states and territories have a responsibility to make provision for appropriate care, including medical and other treatment, for prisoners. So the question is working with the states and territories to clarify how that might be done. I think that, given that the dialogue has literally just started as I understand it, we have a way to go in that conversation.⁶¹

56 *Proof Estimates Hansard*, 31 May 2012, p. 97.

57 *Proof Estimates Hansard*, 31 May 2012, pp. 98–99.

58 *Proof Estimates Hansard*, 31 May 2012, pp. 99–106.

59 *Proof Estimates Hansard*, 31 May 2012, pp. 101–102.

60 *Proof Estimates Hansard*, 31 May 2012, pp. 106–113.

61 *Proof Estimates Hansard*, 31 May 2012, p. 108.

Biosecurity and Emergency Response⁶²

4.49 Professor Baggoley provided a progress report on the staged handover of tuberculosis patients by Queensland Health to Papua New Guinea with the handover meeting to occur in July.

62 *Proof Estimates Hansard*, 31 May 2012, pp. 113–114.

Chapter 5

Cross Portfolio Matters

5.1 This chapter contains key issues discussed during the 2012-2013 budget estimates hearings for cross portfolio Indigenous matters pursuant to Resolution of the Senate of 26 August 2008.¹ The following portfolio departments were in attendance:

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

5.2 The committee heard evidence from portfolio departments on Friday 1 June 2012. Areas of the portfolios were called in the following order:

- General Financial Matters
- Closing the Gap
- Northern Territory Emergency Response
- Coordinator General for Remote Indigenous Services
- Health Issues
- Employment and Economic Development
- Aboriginals Benefit Account
- Remote Jobs and Communities Program
- Indigenous Housing
- Indigenous Business Australia
- Office of the Registrar of Indigenous Corporations

Closing the Gap

5.3 Proceedings commenced with questions to the Department of Families, Housing, Community Services and Indigenous Affairs related to funding of a range of Indigenous policies and programs, such as Healing Foundation, the Stronger Futures package, and programs targeted at Closing the Gap.²

5.4 Officials were reluctant to answer a number of questions about allocation of funds to programs affected by partnership agreements with other governments, as negotiations were still underway. Mr Pratt commented that, 'not to put too fine a point

1 *Journals of the Senate*, No. 22, 26 August 2008, p. 683.

2 *Proof Estimates Hansard*, 1 June 2012, pp. 3–8.

on it, I am sure that our negotiating partners are observing this and it would be unwise of us to go into too much detail about what might happen'.³

5.5 Senator Scullion asked a series of questions about arrangements for additional police officers in remote Northern Territory communities. Answers clarified that all Australian Federal Police Officers had now been replaced with Northern Territory police (apart from a very small number in coordination roles), but that the Commonwealth was continuing to fund the officers. This funding was under the Northern Territory Emergency Response (NTER) and the National Partnership Agreement on Closing the Gap, and would continue under the Stronger Futures package.⁴

5.6 Questions were asked about the liquor licences. It emerged that, under the Alice Springs Transformation Plan, Commonwealth funds had been allocated to purchase two takeaway outlet liquor licences, with negotiations underway for a third. These licences were then surrendered and cancelled. However, at a similar time, the Lhere Artepe Aboriginal Corporation received funds through the Aboriginal benefits Account to contribute to the cost of purchasing three supermarkets, which they now operate. All three had liquor licences attached to them.

5.7 Mr Coffey, the Regional Director South from the Department of Families, Housing, Community Services and Indigenous Affairs Northern Territory State Office, explained that the government was working to strengthen alcohol management plans for the supermarkets. During the questioning, Mr Coffey stated that the amount for which the liquor licences had been purchased was 'in confidence'. Senator Scullion flagged that he might pursue this matter further, subject to advice.⁵

Office of the Coordinator General for Remote Indigenous Services

5.8 Questions for Mr Gleeson, the Coordinator General for Remote Indigenous Services, began by referring to the recently-release report of the Coordinator General, which contained some figures about child sexual abuse that were widely reported in the media.

5.9 Mr Gleeson provided a statement to the committee about the report, in which he emphasised what he saw as the bigger issue, which was the need for governments to implement all recommendations from the Mullighan inquiry of 2008.⁶ He identified six recommendations that he was planning to pursue with the South Australian government.⁷

3 *Proof Estimates Hansard*, 1 June 2012, p. 8.

4 *Proof Estimates Hansard*, 1 June 2012, pp. 10–11.

5 *Proof Estimates Hansard*, 1 June 2012, p. 15.

6 *Proof Estimates Hansard*, 1 June 2012, p. 19.

7 *Proof Estimates Hansard*, 1 June 2012, p. 19. These were numbers 8, 9, 13, 16, 30 and 36.

Health

5.10 Questions were asked about a range of program funding and administration decisions. Officials indicated that the Australian Nurse-Family Partnership program, Health @ Home Plus, was not going to be extended beyond three trial sites, owing to a range of difficulties with the model. They indicated that the Commonwealth is 'not walking out of the nurse home visiting space, [but is] just not going to continue with this particular model'.⁸

5.11 Committee members continued to pursue the ongoing issue of support for, and supply of, Aboriginal community health workers,⁹ sought updates on a range of programs such as those for eye and ear health,¹⁰ and obtained details in relation to recent policy announcements regarding mental health and suicide prevention.¹¹

5.12 Senators asked questions about the roll-out of low aromatic ('Opal') fuel in central Australia, focussing on why a small number of outlets are not making this fuel available.¹² The committee is currently conducting an inquiry into a Bill, the Low Aromatic Fuel Bill 2012, which aims to address some of the issues raised both before and during the estimates hearing.

Employment and Economic Development

5.13 Committee members sought explanations of various aspects of the Remote Jobs and Communities Program. There was particular attention to tendering processes, procurement guidelines and the formulation of performance criteria for the program.¹³

Indigenous Housing

5.14 Committee members have had long-standing concerns about progress in providing new housing and refurbishment of existing housing in Indigenous communities.¹⁴ Senators had expressed concern about the cost and quality of some work, and how these related to the scope of works for the projects. The process of getting information was slowed by the fact that while the program is Commonwealth funded, the scope of works for each project is managed by the Northern Territory government. Following a series of questions in previous hearings, the Commonwealth

8 Ms Powell, *Proof Estimates Hansard*, 1 June 2012, p. 26.

9 *Proof Estimates Hansard*, 1 June 2012, pp. 28–30.

10 *Proof Estimates Hansard*, 1 June 2012, pp. 30–33.

11 *Proof Estimates Hansard*, 1 June 2012, pp. 35–37.

12 *Proof Estimates Hansard*, 1 June 2012, pp. 37–40.

13 *Proof Estimates Hansard*, 1 June 2012, pp. 42–48.

14 See, eg, *Supplementary Estimates Hansard*, 21 October 2011, pp. 82–83; *Additional Estimates Hansard*, 17 February 2012, pp. 65–72.

wrote to the Northern Territory seeking access to the scope of works documentation.¹⁵ Officials advised the committee that the scope of works were now going to be made available, but remain concerned to find a way that they can be examined without creating excessive work for both Northern Territory and Commonwealth officials.¹⁶ As in previous hearings, committee members continued to query the value and effectiveness of aspects of the project.¹⁷

5.15 Questions were asked around progress in the area of homeownership, during which officials noted that it was a challenging area, and that they had learned 'we should not underestimate the challenges there are in putting the land tenure system in place'.¹⁸

Indigenous Business Australia

5.16 Evidence given by Indigenous Business Australia (IBA) at the committee's hearing in February 2012 is the subject of a separate inquiry by this committee. That evidence related to an IBA conference on the Gold Coast, and IBA's investments in Tjapukai Aboriginal Cultural Park. The committee received anonymous allegations claiming that the evidence given by IBA on these matters had been misleading.

5.17 During the estimates, these allegations were not discussed. Questions were asked however about the Tjapukai investment itself, funding spent to date, planned future investments, and the processes that were used by IBA to support those investments.¹⁹

Office of the Registrar of Indigenous Corporations

5.18 There was a short period of questioning of the Office of the Registrar of Indigenous Corporations, particularly in relation to an organisation called Gumala. ORIC advised the committee that a case relating to the organisation was currently before the Administrative Appeals Tribunal, prompting Senator Scullion to indicate that, in those circumstances, he would not pursue access to the document that arose from a review of Gumala.²⁰

Senator Claire Moore Chair

15 *Proof Estimates Hansard*, 1 June 2012, p. 52.

16 *Proof Estimates Hansard*, 1 June 2012, pp. 52–53.

17 *Proof Estimates Hansard*, 1 June 2012, pp. 53–57.

18 *Proof Estimates Hansard*, 1 June 2012, pp. 60–63.

19 *Proof Estimates Hansard*, 1 June 2012, pp. 63–67.

20 *Proof Estimates Hansard*, 1 June 2012, p. 70.

Appendix 1

Departments and agencies under the Committee's oversight¹

Families, Housing, Community Services and Indigenous Affairs Portfolio

- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- Australian Institute of Family Studies
- 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
- Independent Hospital Pricing Authority
- National Blood Authority
- National Health and Medical Research Council (NHMRC)
- National Health Performance Authority
- Private Health Insurance Ombudsman
- Professional Services Review Scheme

Human Services Portfolio

- Department of Human Services (DHS)

1 This document has been prepared based on the Department of Finance and Deregulation's *Chart of 110 Agencies under the Financial Management and Accountability Act 1997 (FMA Act)* as at 1 June 2012, <http://www.finance.gov.au/publications/flipchart/docs/FMACACFlipchart.pdf>

Appendix 2

Commonwealth Authorities and Companies under the Committee's oversight¹

Families, Housing, Community Services and Indigenous Affairs Portfolio

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

Health and Ageing Portfolio

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

Human Services Portfolio

- Australian Hearing Services (Australian Hearing)

1 This document has been prepared based on the Department of Finance and Deregulation's *Chart of 84 bodies under the Commonwealth Authorities and Companies Act 1997 (CAC Act)* as at 1 June 2012,
<http://www.finance.gov.au/publications/flipchart/docs/FMACACFlipchart.pdf>

Appendix 3

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