

# Chapter 1

## Introduction

1.1 On 8 November 2016, the Senate agreed that the Community Affairs Legislation Committee (committee) would meet from 29 May 2017 to 1 June 2017 to consider the proposed expenditure of the departments and agencies which are allocated to the committee.<sup>1</sup>

1.2 The Senate set 20 June 2017 as the date for the committee to report on its examination of the 2017–18 Budget Estimates.<sup>2</sup>

### Portfolio coverage

1.3 In accordance with a resolution of the Senate on 31 August 2016, the committee has responsibility for examining the expenditure and outcomes of the following portfolios:

- Health; and
- Social Services (including Human Services).<sup>3</sup>

### Reference of documents

1.4 The 2017–18 Budget was presented to the House of Representatives by the Treasurer, the Hon. Scott Morrison, through the introduction of Appropriation Bill (No. 1) 2017-2018 on 9 May 2017.<sup>4</sup>

1.5 On that same day, the Minister for Finance, the Hon. Mathias Cormann, tabled the following documents in the Senate, which were referred to the committee for examination and report:

- Particulars of proposed expenditure in respect of the year ending 30 June 2018 [Appropriation Bill (No.1) 2017-18];
- Particulars of certain proposed expenditure in respect of the year ending 30 June 2018 [Appropriation Bill (No 2.) 2017-18]; and
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2018.<sup>5</sup>

### Health Portfolio

1.6 Estimates of proposed expenditure for 2017–18 in the Health Portfolio are presented in the 2017–18 Health Portfolio Budget Statements (PB Statements).

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1 *Journals of the Senate*, No. 13—8 November 2016, pp. 411–412.

2 *Journals of the Senate*, No. 13—8 November 2016, p. 412.

3 *Journals of the Senate*, No. 2—31 August 2016, p. 75.

4 *Votes and Proceedings*, No. 47—9 May 2017, p. 722.

5 *Journals of the Senate*, No. 39—9 May 2017, p. 1311.

1.7 At the centre of the 2017–18 Health PB Statements is the Long-Term National Health Plan (Plan) and the committee examined several of the Plan's notable features during the hearings, including:

- the establishment of a Medicare Guarantee Fund (funded through Treasury), to be underpinned by Medicare levy revenue and dispensed to support service delivery provided under the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS);<sup>6</sup>
- removal of the Medicare rebate indexation freeze at a cost of \$1 billion over the next four years;<sup>7</sup>
- an allocation of \$44.2 million over the next three years to continue to fund the clinician-lead MBS review;<sup>8</sup>
- progression of the Health Care Homes trial, including broadening the funding base and a delayed commencement date to enable increased consultation;<sup>9</sup>
- allocation of \$80.0 million in funding for the delivery of psychosocial support services for people with severe mental health illness and who are ineligible for assistance under the National Disability Insurance Scheme (NDIS);<sup>10</sup>
- continuation of the Commonwealth Home Support Program, with \$5.5 billion in funding allocated to support older people live independently in their homes and communities.<sup>11</sup>

1.8 The committee notes the following update to Ministerial responsibilities for the Health portfolio:

On 24 January 2017, the Hon Greg Hunt MP was sworn in as the Minister for Health and Minister for Sport; the Hon Ken Wyatt AM, MP as the Minister for Aged Care and Minister for Indigenous Health; and the Hon Dr David Gillespie MP as Assistant Minister for Health.<sup>12</sup>

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6 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 92.

7 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 92.

8 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 103.

9 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 87.

10 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 74.

11 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 131.

12 Commonwealth of Australia, *Health Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 3.

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### ***Social Services Portfolio (including Human Services)***

1.9 Estimates of proposed expenditure for Social Services Portfolio (including Human Services) are presented in the 2017–18 Social Services PB Statements.

1.10 The focus of the 2017–18 Social Services PB Statements is the continuation of the Government's support for wellbeing of families, people living with disability and other vulnerable members of society. Key components of this proposed expenditure include:

- introduction a new single JobSeeker Payment to consolidate five existing working age payments;<sup>13</sup>
- a new job seeker compliance framework, including a measure for a trial of mandatory drug testing for job seekers receiving income support payments;<sup>14</sup>
- extension and expansion of the Cashless Debit Card trial to two new locations;<sup>15</sup>
- reform of the National Affordable Housing Agreement and the National Partnership Agreement on Homelessness through an amalgamated National Housing and Homelessness Agreement, including funding of '\$375.3 million over three years from 2018–19 to fund ongoing homelessness support services';<sup>16</sup>
- an initial \$33.4 million in funding to establish the Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse to support victims;<sup>17</sup> and
- continued investment in NDIS transition arrangements—including funding of \$868.2 million over three years from 2017–18 to deliver the NDIS in Western Australia under a nationally consistent and locally administered model.<sup>18</sup>

### **Estimates hearings**

1.11 From 29 May 2017 to 1 June 2017 the committee met in public session to consider the proposed expenditure of portfolios as follows:

- Health Portfolio—29 May 2017 to 30 May 2017; and

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13 Commonwealth of Australia, *Social Services Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 3.

14 Commonwealth of Australia, *Social Services Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 14.

15 Commonwealth of Australia, *Social Services Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 23.

16 Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2017–18*, p. 155.

17 Commonwealth of Australia, *Social Services Portfolio Budget Statements 2017–18: Budget Related Paper No. 1.5*, p. 15.

18 Commonwealth of Australia, *Budget Measures: Budget Paper No. 2 2017–18*, p. 153.

- Social Services Portfolio (including Human Services)—31 May 2017 to 1 June 2017.

### ***Ministers***

1.12 During the hearings the committee heard evidence from the following Ministers:

- Senator the Hon. Fiona Nash, Minister for Local Government and Territories, Minister for Regional Communications and Minister for Regional Development (representing the Minister for Health);
- Senator the Hon. Scott Ryan, Special Minister of State and Minister Assisting the Prime Minister for Cabinet (representing the Minister for Social Services); and
- Senator the Hon. Zed Seselja, Assistant Minister for Social Services and Multicultural Affairs.

### ***Officials***

1.13 Evidence was taken from the following department secretaries, who were accompanied by senior officers of their respective portfolio departments and agencies:

- Mr Martin Bowles PSM, Secretary, Department of Health;
- Ms Kathryn Campbell CSC, Secretary, Department of Human Services; and
- Mr Finn Pratt AO PSM, Secretary, Department of Social Services.

1.14 The committee extends its appreciation to the Ministers and officers of the departments and agencies who assisted the committee.

### **Procedural issues**

1.15 There were no procedural issues noted during the hearings.

### **Questions on notice**

1.16 In accordance with Standing Order 26(9)(a), the committee agreed that the date for the return of answers, in response to questions placed on notice at the hearings, would be 21 July 2017.

1.17 Answers to questions on notice are published as they become available on the committee's website: [http://www.aph.gov.au/senate\\_ca](http://www.aph.gov.au/senate_ca).

### **Notes on Hansard transcripts**

1.18 *Hansard* transcripts for committee's hearings are accessible on the committee's website: [http://www.aph.gov.au/senate\\_ca](http://www.aph.gov.au/senate_ca).

1.19 An index of the areas examined during the committee's proceedings, by *Hansard* page number, is available at Appendix 2.

1.20 In this report references to the committee *Hansard* are to the proof transcripts, as produced at the time of reporting. Page numbers may vary between the transcripts of the Proof Hansard and the Official Hansard.