



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO 2

Second Report on Budget Estimates 1999-2000

Volume 1

2

General Purpose Standing Committee No 2

Second Report on Budget Estimates 1999-2000

Volume 1

Ordered to be printed 9 November 1999

How to contact the Committee

Members of General Purpose Standing Committee No 2 can be contacted through the committee secretariat. Written correspondence and inquiries should be directed to:

The Director

General Purpose Standing Committees

Legislative Council

Parliament House, Macquarie Street

Sydney NSW 2000

Email gpscno2@parliament.nsw.gov.au

Telephone 61-2-9230 3544

Facsimile 61-2-9230 3416

Website www.parliament.nsw.gov.au

Table of Contents

CHAIR'S FOREWORD	I
COMMITTEE MEMBERSHIP	II
OTHER MEMBERS WHO ATTENDED THE HEARINGS.....	II
COMMUNITY SERVICES, AGEING AND WOMEN	1
WOMEN	1
AGEING	2
COMMUNITY SERVICES.....	3
HEALTH.....	4
QUESTIONS ON NOTICE.....	7
SUPPLEMENTARY HEARINGS	7
STATEMENT OF DISSENT BY GOVERNMENT MEMBERS OF THE COMMITTEE.....	8
MINUTES OF PROCEEDINGS	

Chair's Foreword

General Purpose Standing Committee No 2 agreed to its first report on the Budget Estimates on 21 October 1999. That report dealt with matters raised at Budget Estimates hearings held on 7, 8, 9 and 14 September 1999.

The Committee held additional hearings in relation to the portfolio areas of Community Services, Women and Ageing on 18 October 1999, and Health on 27 October 1999.

This report highlights matters raised at those additional hearings.

The Committee expresses its appreciation for the assistance given by officers of the departments and organisations who appeared before it.

The Hon Dr Brian Pezzutti MLC

Chair

Committee Membership

The Hon Dr Brian Pezzutti MLC (Chair)

The Hon Dr Arthur Chesterfield-Evans MLC (Deputy Chair)

The Hon Alan Corbett MLC

The Hon Ron Dyer MLC

The Hon Doug Moppett MLC

The Hon Janelle Saffin MLC

The Hon Henry Tsang MLC

Other Members who attended the Hearings

The Hon Jan Burnswoods MLC

Community Services, Ageing and Women

The Committee held an additional public hearing on 18 October 1999 to hear evidence in relation to the portfolio areas of Women and Ageing, and to hear further evidence in relation to Community Services. The Committee heard evidence from the Director-General of the Department for Women, Ms R Henderson, the Acting Director-General of the Ageing and Disability Department, Ms M Hammerton, and the Deputy Director-General of the Department of Community Services, Mr B O'Reilly.

The matters discussed at the hearing are briefly summarised below.

Women

Department for Women core activities

The Committee was provided information about the core activities of the Department for Women, including: the provision of policy advice; the provision of information and referrals through the Women's Information Referral Service; the management of a grants program; and participation in partnerships with other government agencies. In relation to the grants program, Ms Henderson indicated that 27 projects had received funding during the last financial year. In relation to partnerships with other government agencies, reference was made to a range of initiatives including joint projects with the Office of Western Sydney and the Premier's Department. Information was also provided about the Department's website, consultative arrangements, the incidence of men working in the Department, and the role of the Department in providing advice on Cabinet submissions.

Performance measures

In answer to a question about performance measures, Ms Henderson referred, by way of examples, to the number of inquiries received through the Women's Information Referral Service, and the increase in women participating in the recent local government elections.

Workplace reform and breastfeeding

In answer to questions about the potential role of the Department for Women in encouraging workplace reform to make workplaces more accessible for mothers of young children (for example, by the provision of facilities for breastfeeding), Ms Henderson said that it would be appropriate for the Department to support such initiatives to make workplaces more family friendly.

Child care

In answer to questions from the Committee about childcare within the NSW public sector generally, and the need for child care at Parliament House specifically, Ms Henderson explained the role of various agencies within the NSW Government in relation to childcare.

Register for Women and Spokeswomen

In answer to questions about the register for women and the spokeswomen program, Ms Henderson indicated that these were important initiatives. However, as they were both funded through the Premier's Department, detailed questions about them would need to be directed to the Premier's Department.

Women in the SES and on Boards

Information was provided about initiatives across government to increase the number of women in the Senior Executive Service (SES) and on public sector boards. In answer to questions from the Committee, Ms Henderson indicated that although "it is a very slow process", the public sector is doing a better job in appointing women to boards than the private sector. In this regard, she noted that the private sector corporations where the participation of women on boards had been increased were those where there had been a mentor.

Regional initiatives

The Committee was told about a number of initiatives to increase the accessibility of the Department to people in regional areas. These included the placement of staff in Orange, Kempsey and Western Sydney, and the provision of almost half the grants program funding to regional areas.

Ageing

Initiatives in response to ageing population

Ms Hammerton outlined a range of policy and funding initiatives of the Ageing and Disability Department in response to the ageing of the population. These included: increased funding for home care services; development of the ageing policy framework; ongoing implementation of the action plan on dementia; activities associated with the International Year of Older Persons; transport demonstration projects; and the introduction of "experienced hands".

Home Care service response times

Ms Hammerton provided information about initiatives to improve consistency in response times by the Home Care Service across different areas. She also noted that the service covered the entire state, including isolated rural areas. Ms Hammerton took on notice a question about the outcome of the review of Home Care Service guidelines.

Home Care Service budget

Ms Hammerton was asked about an apparent reduction in the budget of the Home Care Service of \$1.3 million in 1999-2000. She said that this was largely explained by the transfer of the Hostel and Care Program to the Office of Community Housing, in the Department of Housing. However, this does not account for the whole reduction in the budget.

Devolution of institutions for people with disability

Ms Hammerton was also asked about the implementation of the 12-year timeframe for the devolution of large residential institutions for people with disability (an issue arising in the Disability Services part of her Department's responsibilities). Ms Hammerton referred to the establishment of a special administrative unit within the Department to focus on this issue. She

also emphasised that experience from interstate and overseas indicated that the 12-year timeframe was appropriate. Mr O'Reilly said that the funding for the implementation of this policy was within the budget of the Department of Community Services, and that it is available.

Community Services

Funding for Foster Care

Most of the questioning of Mr O'Reilly was focussed on the funding of foster care, and specifically, the contingency funds available to be accessed by foster carers. Mr O'Reilly indicated that the budget for foster care for 1999-2000 was \$40 million, consisting of approximately \$25 million for Standard Age Related Fostering Allowance (SARFA) and \$15 million for contingencies.

Changes to contingency funds

The Committee established that the Department for Community Services overspent its contingency funds budget by \$10 million in 1998-99. Mr O'Reilly informed the Committee that there was a \$5 million increase in the contingency funds budget for 1999-2000, effectively providing \$5 million less for contingency funds than was spent in 1998-99. Mr O'Reilly indicated that agreement had been reached between the Department of Community Services and Treasury about funding in this area during 1999-2000. Treasury have undertaken to provide additional SARFA funding for any additional foster carers, and for a joint review of the current arrangements for funding foster carers through SARFA and contingencies. In addition, the department was to bring contingencies "back in line" by changing delegations so that decision making about contingencies is made more centrally, issuing of guidelines about contingencies to DOCS offices, and requiring contingency expenditure to be in accordance with the individual case plan developed for each person in care. Mr O'Reilly stated:

I am not pessimistic about Treasury not coming to the party. We have a history that shows that Treasury has come to the party every time on foster care contingency issues. We have been asked to demonstrate that we have been able to tighten up our budget so that there is not any wastage.

Medical costs and psychiatric reports

In answer to questions from the Committee, Mr O'Reilly stated that medical costs, including psychiatric reports, would continue to be paid from contingency funds, provided this was part of the individual case plan (or if ordered by the court.)

Use of contingency funds for short-term accommodation

In answer to questions from the Committee, Mr O'Reilly confirmed that contingency funds had been used for the purchase of short-term accommodation, and he agreed that this was not the purpose for which these funds were provided in the budget. He took on notice a question about the exact extent of expenditure of contingency funds on short term accommodation and the number of persons in this sort of accommodation. Mr O'Reilly emphasised that the problem was the result of an inadequate number of foster carers, a problem the Department was seeking to address.

Miscellaneous

Mr O'Reilly was also asked questions about the following issues: the impact of changes to Commonwealth childcare funding arrangements; the success of the Joint Investigation Teams; and the definition of "unallocated cases" in respect of child protection notifications.

Health

The Committee heard evidence from Mr M Reid, Director-General, Mr R McGregor, Deputy Director-General, Operations, and Mr K Barker, General Manager, Finance and Commercial Services, all of NSW Health, at a public hearing held on 27 October 1999.

Commonwealth/State funding arrangements

Commonwealth and State funding arrangements for NSW Health were discussed at some length. Different interpretations about the relative funding contributions of the State and Commonwealth governments were put forward by the Chair and the departmental officers. The Committee notes that the Department did not provide any evidence to support its claims about Commonwealth funding, despite a commitment to do so.

Care of nursing home type patients

Mr Reid was questioned about funding arrangements for the care of nursing home type patients, specifically those in the New England area of New South Wales. There was some discussion about a failed attempt to increase the availability of services in New England. It was established that the Commonwealth government is responsible for the provision of residential aged care, and that public hospitals administered by the Area Health Services must admit patients requiring non-acute care (and that these services are covered under the Australian Health Care Agreement). While there was some disagreement about the adequacy of funding for nursing home type patients, Mr Reid acknowledged that the Commonwealth government is increasing funding for nursing homes.

NSW Health involvement in biotechnology

Mr Reid was asked about the involvement of NSW Health in oversighting biotechnology. In response, Mr Reid advised that NSW Health's involvement in biotechnology was mainly through research arrangements that take place through the National Health and Medical Research Council (NH&MRC) funding process, and undertook to provide the Committee with details of the research that is being conducted.

Mr Reid was asked whether it was possible to provide an assurance that this research would not have an adverse long-term impact on the community. In response, Mr Reid advised that research conducted by NSW Health was screened by various ethics committees, and that there was a strong emphasis on the ethics components of research funded by NH&MRC. Mr Reid undertook to provide the Committee with details about NSW Health's ethics committee, and the nature of Area Health Services ethics groups.

Complementary therapies

Mr Reid provided Committee Members with some information about research being undertaken in the public hospital system and through the NH&MRC on alternative therapies. He advised that funds are provided to the Area Health Services and a number of universities, with research being conducted on traditional Chinese medicine, acupuncture, and the application of natural therapies for pregnant and menopausal women and elderly men.

Breastfeeding

Mr Reid was asked about initiatives undertaken by NSW Health to promote breastfeeding. In response, Mr Reid advised that NSW Health monitored Area Health Services to determine the extent to which women receive antenatal care and while this figure was still inadequate, it had been steadily improving over a period of years. Mr Reid intimated there is a link between women who receive antenatal care and their adoption of better practices post-birth. Mr Reid undertook to provide the Committee with information about the recommended period for sole breastfeeding.

Rural health consultation

In response to questioning about rural health consultation processes, Mr Reid indicated that a large number of rural health councils have been established, both on a geographic basis and an issue basis. Mr Reid offered to provide the Committee with a copy of an evaluation that:

... showed a far greater degree of satisfaction in terms of the effectiveness of the councils and in terms of some of the products they are producing ...

Mr Reid also advised that the 'Ian Sinclair committee' is due to report to the Minister in December, and the Joint Managers Committee of Inquiry is undertaking a range of rural consultations, including the formulation of a rural health paper.

Magnetic resonance imaging units

Mr Reid advised the Committee that New South Wales has six magnetic resonance imaging units (MRIs) which provide a State-wide service. These units are located at Prince Alfred, Royal North Shore, John Hunter, Westmead, Prince of Wales and New Children's hospitals. Mr Reid indicated that as MRI services have recently been listed on the Commonwealth Medical Benefit Scheme, non-inpatient and private patients are now funded through that scheme, with public patients remaining the responsibility of the State government. The Committee was also provided with some details about funding arrangements for MRI services.

Northern Rivers Area Health Service Budget

It was put to Mr Reid that the 1999/2000 budget for the Northern Rivers Area Health Service (NRAHS) was \$1.5 million less than the actual amount spent in 1998/99, a statement that Mr Reid did not deny. Mr Reid responded by providing information about the budget allocations to NRHAS since 1994/95, and also stated that:

Whilst there is recognition that Northern Rivers Area Health Service is under-funded compared to other Area Health Services, it has progressively received additional dollars, certainly over the last six years, through the funding process.

When Mr Barker was pressed on the issue of how he expected NRAHS to manage on a 1999/2000 budget allocation \$1.5 million less than the actual amount spent in 1998/99, he stated that NRAHS had to comply with the budget they had been allocated.

RDF equity for rural Area Health Services

Mr Reid was asked about the government's strategy to improve RDF (resource distribution formula) equity for rural Area Health Services. Mr Reid implicitly acknowledged the current inequity and indicated the issue is being examined by the Health Council, which is due to report to the Minister in February. Mr Reid further indicated that the Health Council's deliberations will be considered in the 2000/2001 budget context.

Increasing cost of aged care

In response to a question about the cost of health care for the elderly, Mr Reid advised that a major proportion of health funding is spent on the last five years of peoples' lives. Mr Reid indicated that efforts are being made to reduce expenditure by improving the efficiency of services provided. Benchmarking between hospitals for a large number of costs (including food, laundry, pathology, radiology, pharmacy, etc) provides targets for hospitals to improve their individual efficiency.

LTO closures of hospitals

Mr Reid explained that there was sometimes a need for hospitals to close for all but life threatening only emergencies (LTOs), more frequently during the winter months. LTO closures generally occur when hospitals are unable to transfer patients from emergency departments to in-patient services, due to bed shortages. It was acknowledged that the problem of LTO closures is becoming worse.

Delay in the provision of answers to questions placed on notice

Committee Members placed a total of 43 questions on notice at, and after, its first health Budget Estimates hearing, held on 14 September 1999. These questions were sent to the Minister for Health on 22 September 1999, who was asked to provide responses to the Committee by 26 October 1999. Despite this request, the Committee had not been provided with responses to these questions by the time of the second health Budget Estimates hearing, held on 27 October 1999. When questioned about the department's involvement in the preparation of answers to the questions placed on notice, Mr Reid indicated that he had provided "most, if not all" of the answers to the Minister. Mr Reid referred the Committee to the Minister for an indication as to when the Committee could expect the answers.

While the Committee appreciates there is considerable work involved in the production of answers to questions placed on notice, the Committee is disappointed that the Minister made no attempt to provide even some of the answers to the Committee in the timeframe requested. Members had placed questions on notice so that certain lines of questioning could be opened up during the second hearing, and the lack of answers made it impossible to pursue these questions. The Committee notes that the Minister also failed to answer questions placed on notice prior to the first hearing within the requested time frame. Further, a number of Members of the Committee are critical of the adequacy of the answers provided to the questions placed on notice prior to the first hearing.

The failure of the Minister to meet the requested timeframes has thwarted attempts by some Committee Members to legitimately engage in discourse with the Minister and his officers on a number of issues. The Committee will be considering whether to address this problem by self-referring unresolved lines of questioning for separate inquiry in coming months.

Questions on notice

The Committee has set 8 November 1999 as the date by which answers to questions placed on notice at, or after, the additional health hearing should be provided. Responses to these questions will be tabled in the Legislative Council once they are received.

Supplementary hearings

The Committee has not set a date for supplementary hearings at this stage.

Statement of Dissent by Government Members of the Committee

The Hon Ron Dyer MLC
The Hon Janelle Saffin MLC
The Hon Henry Tsang MLC

Health

Commonwealth/State Funding Arrangements

Government Members note that this issue was addressed in the answer to Question No 42. The Director General of the Department of Health explained at length to the Committee that the Commonwealth contributions to the State had declined.

Care of Nursing Home Type Patients

The Government members believe that the Director General made quite clear at the Estimate Committee on 18 October 1999 that the State is paying \$83M extra to house nursing home type patients in acute care situations and that funding the Commonwealth provides for is woefully inadequate. As a result the NSW Department of Health is having to support nursing home type patients in acute care settings. This question should be referred to the Federal Government.

Northern Rivers Area Health Service Budget

The Government members contend that both Mick Reid and Ken Barker consistently said that there had been no reduction in the Northern Rivers Area Health Services Budget but in fact there had been an increase.

LTO Closures in Hospitals

The Government Members view is that the last sentence should be deleted and replaced with:

This is a nationwide issue. The Department of Health has set up a committee to look at this problem.

Delay in provision of answers

The Government Members view is that all four paragraphs be deleted and replaced with:

Government Members note that the first answers to questions on notice were presented at the first estimates hearing. The Opposition chose to give those answers to the media prior to them receiving parliamentary privilege. Given this behaviour it was considered appropriate to withhold answers for the second lot of questions until the information could receive parliamentary privilege.

GENERAL PURPOSE STANDING COMMITTEE No. 2

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 6

Monday 18 October 1999

at Parliament House, Sydney at 5.00pm

MEMBERS PRESENT

Dr Pezzutti (in the Chair)

Dr Chesterfield-Evans	Mr Dyer
Ms Burnswood (Saffin)	Mr Moppett
Mr Corbett	

Apologies

Mr Tsang

Budget Estimates Reference

The Chair advised that Ms Burnswoods would be representing Ms Saffin.

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

Ms R Henderson, Director General, Department for Women, Mr B O'Reilly, Deputy Director General, Department of Community Services, and Ms M Hammerton, Acting Director General, Ageing and Disability Department, were admitted.

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The departmental officers answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio areas of Community Services, Women and Ageing concluded and the witnesses withdrew.

The departmental officers withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Moppett, that any additional written questions relating to the portfolio areas of Community Services, Women and Ageing, be lodged with the Director of the General Purpose Standing Committees by 5pm, Tuesday 19 September 1999.

The Committee deliberated.

Resolved, on motion of Mr Corbett, that the next meeting of the Committee be held from 9am to 10am on Thursday, 21 October 1999.

Adjournment

The meeting adjourned at 7.25pm until 9 am on Thursday, 21 October 1999.

Anna McNicol
Director

GENERAL PURPOSE STANDING COMMITTEE No. 2

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 9

Wednesday 27 October 1999

at Parliament House, Sydney at 6.30pm

MEMBERS PRESENT

Dr Pezzutti (in the Chair)

Dr Chesterfield-Evans

Mr Corbett

Mr Moppett

Ms Saffin

Mr Tsang

Apologies

Mr Dyer

Confirmation of Minutes

Resolved, on motion of Mr Moppett, that the minutes of meeting number 8 be confirmed.

Budget Estimates Reference

The Chair made a statement to Members regarding the broadcasting of proceedings.

The Committee deliberated.

Mr M Reid, Director-General, Mr B McGregor, Deputy Director-General, Operations and Mr K Barker, General Manager, Finance and Commercial Services, all of NSW Department of Health, were admitted.

The public and media were admitted.

The Chair made a statement regarding certain procedural matters during hearings on estimates.

The departmental officers answered questions by Members of the Committee.

The examination of the proposed expenditure for the portfolio area of Health concluded and the departmental officers withdrew.

The public and media withdrew.

The Committee deliberated.

Resolved, on motion of Mr Moppett, that any additional written questions relating to the portfolio area of Health, be lodged by 5pm, Thursday, 28 October 1999 with the Director of the General Purpose Standing Committees, who is to then forward the questions to the Minister for Health as soon as practicable, requesting a response by 5pm, 8 November 1999.

The Committee deliberated.

Resolved, on motion of Mr Moppett, that the next meeting of the Committee be held at 3pm on Monday, 8 November 1999.

Adjournment

The meeting adjourned at 8.05pm until 3pm on Monday, 8 November 1999.

Anna McNicol
Director

GENERAL PURPOSE STANDING COMMITTEE No. 2

MINUTES OF THE PROCEEDINGS

52nd Parliament

Meeting No. 10

Tuesday 9 November 1999

at Parliament House, Sydney at 6.00pm

MEMBERS PRESENT

Dr Pezzutti (in the Chair)

Ms Burnswoods (Saffin)
Dr Chesterfield-Evans
Mr Corbett

Mr Dyer
Mr Moppett
Mr Tsang

Apologies

Nil

Confirmation of Minutes

Resolved, on motion of Mr Corbett, that the minutes of meeting number 8 be confirmed.

Budget Estimates Reference

The Chair advised that Ms Burnswoods would be representing Ms Saffin.

The Chair submitted his draft report entitled "Second Report on Budget Estimates 1999-2000" which, having been circulated to each Member of the Committee, was accepted as being read.

The Committee proceeded to consider the draft report.

Mr Dyer moved that: the last sentence under the heading "Commonwealth/State funding

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer
Mr Tsang

Nos: Dr Pezzutti
Dr Chesterfield-Evans
Mr Corbett
Mr Moppett

Question resolved in the negative.

Mr Dyer moved that: the passage “(and that these services are covered under the Australian Health Care Agreement). While there was some disagreement about the adequacy of funding for nursing home type patients, Mr Reid acknowledged that the Commonwealth government is increasing funding for nursing homes.” under the heading “Care of nursing home type patients” be deleted.

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer
Mr Tsang

Nos: Dr Pezzutti
Dr Chesterfield-Evans
Mr Corbett
Mr Moppett

Question resolved in the negative.

The Committee deliberated.

Resolved, on motion of Mr Corbett, that that the heading “Alternative therapies research” be replaced by the heading “Complementary therapies”.

Mr Dyer moved that: the last sentence under the heading “Northern Rivers Area Health Service

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer
Mr Tsang

Nos: Dr Pezzutti
Dr Chesterfield-Evans
Mr Corbett
Mr Moppett

Question resolved in the negative.

Mr Dyer moved that: the last sentence under the heading "LTO closures of hospitals" be deleted.

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer
Mr Tsang

Nos: Dr Pezzutti
Dr Chesterfield-Evans
Mr Corbett
Mr Moppett

Question resolved in the negative.

Mr Dyer moved that: the entire section under the heading "Delay in the provision of answers to questions placed on notice" be deleted.

Debate ensued.

Question put.

The Committee divided.

Ayes: Ms Burnswoods
Mr Dyer

Nos: Dr Pezzutti
Dr Chesterfield-Evans
Mr Corbett
Mr Moppett

Question resolved in the negative.

The Committee deliberated.

Resolved, on motion of Mr Moppett, that the report as amended be adopted and that the report be signed by the Chair and presented to the House.

Adjournment

The meeting adjourned at 6.43pm *sine die*.

Anna McNicol
Director