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. 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'. 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'. 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 anticompetitive 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 Services 60

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.