COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

ESTIMATES

(Additional Estimates)

WEDNESDAY, 10 FEBRUARY 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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SENATE COMMUNITY AFFAIRS

LEGISLATION COMMITTEE

Wednesday, 10 February 2010

Members: Senator Moore *(Chair)*, Senator Siewert *(Deputy Chair)*, Senators Adams, Boyce, Carol Brown and Furner

Participating members: Senators Abetz, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Hanson-Young, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Marshall, Mason, Milne, Minchin, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, Bilyk, Boyce, Cameron, Crossin, Fierravanti-Wells, Fifield, Furner, Humphries, Lundy, McEwen, Mason, Moore, Ryan, Siewert, Williams and Xenophon

Committee met at 9.02 am

HEALTH AND AGEING PORTFOLIO

In Attendance

Senator the Hon. Joe Ludwig, Special Minister of State

Department of Health and Ageing
Whole of Portfolio
Executive
Ms Jane Halton, Secretary
Ms Rosemary Huxtable, Acting Deputy Secretary
Ms Mary Murnane, Deputy Secretary
Professor Jim Bishop, Chief Medical Officer
Mr Richard Eccles, Acting Deputy Secretary
Mr David Learmonth, Deputy Secretary
Mr Chris Reid, General Counsel
Ms Rosemary Bryant, Chief Nurse and Midwifery Officer
Ms Kerry Flanagan, Acting Deputy Secretary
Business Group
Ms Margaret Lyons, Chief Operating Officer
Mr Stephen Sheehan, Chief Financial Officer
Ms Samantha Palmer, General Manager, Communication and People Strategy
Ms Tracey Frey, Assistant Secretary, People Branch
Mr Joseph Colbert, Assistant Secretary, Corporate Support Branch
Ms Patricia O'Farrell, Assistant Secretary, Legal Services Branch
Ms Sharon McCarter, Assistant Secretary, IT Solutions Development Branch

Mr Gary Aisbitt, Acting Assistant Secretary, IT Strategy and Service Delivery Branch
Mr David Mackay, Acting Assistant Secretary, Communications Branch

Portfolio Strategies Division

Mr Peter Morris, First Assistant Secretary
Mr Greg Coombs, Assistant Secretary, Economic and Statistical Analysis Branch
Mr Michael Culhane, Assistant Secretary, Budget Branch
Ms Carolyn Driessen, Assistant Secretary, Ministerial and Parliamentary Support Branch
Mr Paul McGlew, Acting Assistant Secretary, Policy Strategies Branch
Ms Cath Patterson, Assistant Secretary, International Strategies Branch

Health Reform Taskforce

Ms Megan Morris, First Assistant Secretary
Mr Alan Singh, Assistant Secretary

Audit and Fraud Control

Mr Colin Cronin, Assistant Secretary

Outcome 1—Population Health

Population Health Division

Mr Nathan Smyth, Acting First Assistant Secretary
Ms Janet Quigley, Assistant Secretary, Healthy Living Branch
Ms Masha Somi, Acting Assistant Secretary, Population Health Strategy Unit
Ms Melinda Bromley, Assistant Secretary, Population Health Programs
Mr Kevin Thompson, Director, Sport Branch
Mr Bill Rowe, General Manager, Sport Branch

Regulatory Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary, Regulatory Policy and Governance Division
Mr Matthew Murphy, Acting Assistant Secretary, Research, Regulation and Food Branch
Ms Teressa Ward, Assistant Secretary, Office of Hearing Services
Ms Alice Creelman, Assistant Secretary, Governance, Safety and Quality Branch
Ms Sharyn McGregor, Acting Assistant Director, Blood, Organ and Regulatory Policy Branch

Mental Health and Chronic Disease Division

Ms Georgie Harman, First Assistant Secretary
Associate Professor Rosemary Knight, Principal Adviser
Professor Harvey Whiteford, Principal Medical Adviser (Mental Health)
Mr Leo Kennedy, Assistant Secretary, Chronic Disease Branch
Ms Virginia Hart, Assistant Secretary, Mental Health Reform Branch
Ms Colleen Krestensen, Assistant Secretary, Mental Health and Suicide Prevention Programs Branch
Mr Simon Cotterell, Assistant Secretary, Drug Strategy Branch
Ms Sharon Appleyard, Assistant Secretary Cancer Services Branch

Therapeutic Goods Administration

Dr Rohan Hammett, National Manager
Dr Ruth Lopert, Principal Medical Adviser
Mr Charles Maskell-Knight, Principal Adviser, Regulatory Reform
Ms Kim Loveday, Chief Operating Officer

Ms Jenny Hefford, Chief Regulatory Officer
Dr Gary Lacey, Head, Office of Medicine Safety Monitoring
Mr Craig Jordan, Chief Financial Officer, Business Management Group
Dr Larry Kelly, Head, Office of Devices, Blood and Tissues
Dr Leonie Hunt, Head, Office of Regulatory Integrity and Compliance
Mr Michel Lok, Head, Office of Manufacturing Quality
Mr Michael J Smith, Head, Office of Complementary Medicines
Dr Peter Bird, Head, Office of Laboratories and Scientific Services

Australian Institute of Health and Welfare

Dr Penny Allbon, Director
Mr Andrew Kettle, Head, Business Group
Dr Fadwa Al-Yaman, Head, Social and Indigenous Group

National Industrial Chemicals Notification and Assessment Scheme

Dr Marion Healy, Director

Food Standards Australia New Zealand

Mr Steve McCutcheon, Chief Executive Officer
Ms Melanie Fisher, General Manager, Food Standards (Canberra)
Dr Paul Brent, Chief Scientist
Mr Dean Stockwell, General Manager, Food Standards (Wellington)
Mr Cain Sibley, Acting General Counsel
Dr Andrew Bartholomaeus, General Manager, Risk Assessment

Australian Radiation Protection and Nuclear Safety Agency

Mr Peter Burns, Acting Chief Executive Officer

Office of the Gene Technology Regulator

Dr Joe Smith, Regulator
Ms Elizabeth Flynn, Branch Head, Regulatory Practice and Compliance Branch
Dr Michael Dornbusch, Branch Head, Evaluation Branch

Outcome 2—Access to Pharmaceutical Services

Pharmaceutical Benefits Division

Mr Andrew Stuart, First Assistant Secretary
Mr Robert Hurman, Acting Assistant Secretary, Community Pharmacy Branch
Ms Gay Santiago, Assistant Secretary, Policy and Analysis Branch
Ms Felicity McNeill, Assistant Secretary, Pharmaceutical Evaluation Branch
Ms Linda Jackson, Assistant Secretary, Access and Systems Branch
Ms Sue Campion, Assistant Secretary, Pharmaceutical Benefits Division
Mr Kim Bessell, Principal Advisor, Pharmaceutical Benefits Division
Mr Damian Coburn, Assistant Secretary, Pharmaceutical Benefits Division
Dr John Primrose, Medical Advisor, Pharmaceutical Benefits Division

Outcome 3—Access to Medical Services

Medical Benefits Division

Mr Tony Kingdon, First Assistant Secretary
Dr Brian Richards, Executive Manager, Health Technology and Medical Services Group
Ms Samantha Robertson, Assistant Secretary, Medicare Benefits Branch
Mr Richard Bartlett, Assistant Secretary, Medical Benefits Reviews Task Group

Mr Peter Woodley, Assistant Secretary, Medicare Financing and Analysis Branch
Ms Hilary Metcalf, Acting Assistant Secretary, Diagnostic Services Branch

Professional Services Review

Dr Tony Webber, Director
Ms Alison Leonard, Executive Officer

Outcome 4—Aged Care and Population Ageing

Ageing and Aged Care Division

Ms Lesley Podesta, First Assistant Secretary
Dr David Cullen, Assistant Secretary, Policy and Evaluation Branch
Mr Keith Tracey-Patte, Assistant Secretary, Community Programs and Carers Branch
Mr Peter Broadhead, Assistant Secretary, Residential Program Management Branch
Ms Adriana Koukari, Assistant Secretary, Office for an Ageing Australia

Office of Aged Care, Quality and Compliance

Ms Carolyn Smith, First Assistant Secretary
Mr Iain Scott, Assistant Secretary, Prudential and Approved Provider Regulation Branch
Ms Fiona Nicholls, Assistant Secretary, Quality, Policy and Programs Branch
Ms Lucelle Veneros, Assistant Secretary, Compliance Branch

Aged Care Standards and Accreditation Agency

Mr Mark Brandon, Chief Executive Officer
Ms Anne Wunsch, Acting General Manager, Operations
Mr Chris Falvey, General Manager, Corporate Affairs and Human Resources

Outcome 5—Primary Care

Primary and Ambulatory Care Division

Ms Jan Bennett, First Assistant Secretary
Mr Lou Andreatta, Principal Adviser, Office of Rural Health
Mr Rob Cameron, Assistant Secretary, Office of Rural Health, Rural Health Services and Policy Branch
Ms Marion Berry, Acting Assistant Secretary, Policy Development Branch
Ms Tuija Harms, Acting Assistant Secretary, Practice Support Branch
Dr Tracey Bessell, Acting Assistant Secretary, GP Super Clinic Branch
Ms Vicki Murphy, Assistant Secretary, Service Access Programs Branch
Mr David Dennis, Assistant Secretary, Workforce Distribution Branch
Ms Liz Forman, Assistant Secretary, eHealth Branch

General Practice Education and Training

Mr Erich Janssen, Chief Executive Officer

Outcome 6—Rural Health

Primary and Ambulatory Care Division

See Outcome 5

Outcome 7—Hearing Services

Regulatory Policy and Governance Division

See Outcome 1

Outcome 9—Private Health
Acute Care Division
Professor Rosemary Calder, First Assistant Secretary
Mr Doug Hartley, Acting Assistant Secretary, Acute Care Strategies Branch
Ms Gail Yapp, Assistant Secretary, Acute Care Strategies Branch
Mr Michael Turner, Acute Care Strategies Branch
Ms Penny Shakespeare, Assistant Secretary, Private Health Insurance Branch
Ms Louise Clarke, Assistant Secretary, Healthcare Services and Information Branch
Ms Pauline Dusink, Director, Private Health Insurance Branch
Ms Veronica Hancock, Assistant Secretary, Hospital Development Indemnity and Dental Branch
Mr Andrew Singer, Principle Medical Adviser, Acute Care Division

Private Health Insurance Administration Council

Mr Shaun Gath, Chief Executive Officer
Mr Paul Groenewegen, General Manager

Private Health Insurance Ombudsman
Ms Samantha Gavel, Ombudsman

Outcome 10—Health System Capacity and Quality
Primary and Ambulatory Care
See Outcome 5
Regulatory Policy and Governance Division
See Outcome 1
Mental Health and Chronic Disease Division
See Outcome 1
National Breast and Ovarian Cancer Centre
Dr Helen Zorbas, Chief Executive Officer
Cancer Australia
Professor David Currow, Chief Executive Officer
Dr Joanne Ramadge, Deputy Chief Executive Officer
National Health and Medical Research Council
Professor Warwick Anderson, Chief Executive Officer
Dr Clive Morris, Deputy Head and General Manager
Outcome 11—Mental Health
Mental Health and Chronic Disease Division
See Outcome 1
Outcome 12—Health Workforce Capacity
Health Workforce Division
Ms Maria Jolly, Acting First Assistant Secretary
Mr David Hallinan, Assistant Secretary, Medical Education and Training Branch
Ms Mary McLarty, Acting Assistant Secretary, Nursing, Allied and Indigenous Workforce Branch
Ms Natasha Cole, Assistant Secretary, Workforce Development Branch

Outcome 13—Acute Care
Acute Care Division
See Outcome 9
National Blood Authority
Dr Alison Turner, Chief Executive Officer
Australian Organ and Tissue Donation and Transplant Authority
Ms Karen Murphy, Chief Executive Officer
Dr Gerry O'Callaghan, National Medical Director
Mr Jeff Barnes, Acting Chief Financial Officer
Outcome 14—Biosecurity and Emergency Response
Office of Health Protection
Ms Jenny Bryant, First Assistant Secretary
Ms Linda Addison, General Manager, Procurement Project
Ms Fay Holden, Assistant Secretary, Health Protection Policy Branch
Ms Sally Goodspeed, Assistant Secretary, Surveillance Branch
Dr Gary Lum, Assistant Secretary, Health Emergency Management Branch
Ms Shirley Browne, Assistant Secretary, H1N1 Taskforce
Ms Sandra Gebbie, Acting Assistant Secretary, Office of Chemical Safety and Environmental Health
Ms Julianne Quaine, Assistant Secretary, Immunisation Branch
Dr Bernie Towler, Medical Officer, Office of Health Protection
Outcome 15—Sport
Population Health Division
See Outcome 1

CHAIR (Senator Moore)—Welcome. Good morning, everyone. We will get started on the Senate Community Affairs Legislation Committee. The Senate has referred to the committee the particulars of proposed additional expenditure for 2009-10 and related documents for the Health and Ageing portfolio. The committee must report to the Senate on 23 February 2010 and we have set 1 April as the date for the return of answers to questions taken on notice. Officers and senators are all familiar with the rules of the Senate governing estimates hearings. If you need any assistance, the secretariat will be happy to give you copies of the rules. I particularly draw your attention to Senate order of 13 May 2009, specifying the process by which a claim of public interest immunity should be raised and which is now incorporated in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (I) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

It is really useful if people could remember to put their name tags right at the front so that Hansard can get a clear look. Also, those of us with poor eyesight will be able to see to whom we are speaking. The reason for that is just so Hansard can see you. That would be useful.

I welcome the minister, Senator the Hon. Joe Ludwig, the departmental secretary, Ms Jane Halton, and all the officers of Health and Ageing. You are welcome and we anticipate that the day will move smoothly. I do want to put a welcome on notice to Ms Naomi Bleeser, who is our new secretary for Community Affairs. We do welcome you, Naomi. Minister, do you have an opening statement?

Senator Ludwig—No, I do not and welcome to the committee.

CHAIR—Thank you. The committee will now begin today's proceedings with cross-outcome corporate matters and then we will follow the order as set out in the circulated program. Of course, there may be requirements during the day to make changes and Ms Halton, as usual, will negotiate that with you and your officers. So we have got the agenda which we will attempt to stick to, but you know what happens. We will start with whole of portfolio matters. Senator Fierravanti-Wells, welcome.

Senator FIERRAVANTI-WELLS—Thank you.

CHAIR—You are leading off today.

Senator FIERRAVANTI-WELLS—Ms Halton, can you tell me were there preparations for today's estimates? Did you undertake a sort of coaching session with the head of your agencies in relation to today's estimates?

Ms Halton—A coaching session? No, Senator, we do not have coaching sessions.

Senator FIERRAVANTI-WELLS—Did you meet with CEOs last week?

Ms Halton—I did not meet with CEOs last week. Every estimates I have a regular meeting with senior people in my portfolio. Sometimes some CEOs attend.

Senator FIERRAVANTI-WELLS—Is this something that you regularly do?

Ms Halton—Every Senate estimates I have a meeting with my senior people.

Senator FIERRAVANTI-WELLS—And so were any instructions given in relation to that?

Ms Halton—Senator, nothing was done that was different to any Senate estimates in terms of the discussion of issues.

Senator FIERRAVANTI-WELLS—So there was a gathering last week?

Ms Halton—Yes, indeed.

Senator FIERRAVANTI-WELLS—And the cost of bringing everybody to Canberra in relation to that? Perhaps you might like to take that on notice?

Ms Halton—We can probably deal with it now. I think you will find that there may have been one person who was not a Canberra person. That would have been it.

Senator FIERRAVANTI-WELLS—Perhaps if you could take that one on notice as well, it would make it a lot easier. I would like the cost of actually bringing everybody together last week.

CHAIR—Senator Fierravanti-Wells, it might be useful if you actually clarified what costings you need?

Ms Halton—Exactly.

CHAIR—To be clear, exactly what costings are you requiring for the department?

Senator FIERRAVANTI-WELLS—What was the cost of that gathering, of bringing people together last week? Let me put it to you this way. I will put it on notice for you and I will specify what it is that I actually want.

Ms Halton—Certainly.

Senator FIERRAVANTI-WELLS—I will come now to the Prime Minister's grand plan in health. Previously, in August 2007, the Prime Minister—then Kevin Rudd—said he had a national reform plan, and I think that we are all aware of the literature that led up to the last election. In August 2007 he put out a document talking about ending the blame game on health and hospital care. Then there was a media release on 23 August 2007, when he talked about implementing the National Health Reform Plan. You are aware of those documents, Ms Halton?

Ms Halton—Certainly.

Senator FIERRAVANTI-WELLS—Then there was the Prime Minister's speech on hospitals, on 14 November, when he said:

… we have put forward a national plan to end the buck-passing between Canberra and the states.

I have a long-term plan to fix our nation's hospitals. I will be responsible for implementing my plan, and I state this with absolute clarity: the buck will stop with me.

Then he went on about being fed up with the tired old game and 'Australians want a long-term solution for our hospitals.' That presupposes to me that there actually was a written document. Ms Halton, are you aware whether there was a written document in relation to the Prime Minister's grand plan for hospitals?

Ms Halton—I think you are talking about something from opposition, Senator, and clearly I would not be familiar with that.

Senator FIERRAVANTI-WELLS—You have been departmental head since 2002?

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—So you are familiar with the processes of incoming governments?

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—And you yourself have prepared briefs for incoming governments?

Ms Halton—You would be right in saying that, Senator.

Senator FIERRAVANTI-WELLS—So you would have prepared the incoming brief for a number of governments?

Ms Halton—Indeed.

Senator FIERRAVANTI-WELLS—So, as part of that incoming brief to governments, you are aware of the documentation that is prepared?

Ms Halton—I am aware of the departmental incoming government briefs from the departments of which I have been a member.

Senator FIERRAVANTI-WELLS—Sure, but as the secretary of the department you would have probably signed off on the incoming brief to this government?

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—In the department you are aware that the incoming brief contains a lot of information which, in the past, has included implementation information for election commitments?

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—So one presupposes that if an incoming government like Mr Rudd's put forward what was in effect a grand plan for the hospitals, and you are the secretary of the Department of Health and Ageing, then you would have been aware of what documentation was available at that time to enable you to prepare the necessary documentation?

Ms Halton—No, Senator. You are, again, leaping to conclusions. You are aware, as well as I am, that essentially what we have as public servants is what is in the public domain. Incoming government briefs are prepared on the basis of what is in the public domain.

Senator FIERRAVANTI-WELLS—So do I read into that that you did not actually have any documents upon which you were preparing your incoming brief?

Ms Halton—So if you are asking me, Senator, whether we had or were privy to—

Senator FIERRAVANTI-WELLS—Ms Halton, I think you know what I am asking?

Ms Halton—Yes.

Senator FIERRAVANTI-WELLS—I just want to know if there was a plan

Senator Ludwig—I think you should let the witness answer the question.

Senator FIERRAVANTI-WELLS—Thank you, Senator Ludwig, I am clarifying what I specifically want from Ms Halton.

Ms Halton—If you are asking me, Senator, whether I had anything other than what was in the public domain, the answer to that question is no.

Senator FIERRAVANTI-WELLS—In other words, when Kevin Rudd talked about his grand plan, there actually was not any written plan? Was there a written document? That is what I am trying to find out, Ms Halton.

Senator Ludwig—You can ask the question?

Senator FIERRAVANTI-WELLS—I am asking the question: was there a written document?

Ms Halton— Senator, you have asked about the preparation of the incoming government brief. In my experience of such matters, under governments of both persuasions, I think it would be regarded as professionally highly unusual for public servants to have access to documents prepared by and internal to oppositions. No, we did not have access to anything other than what was in the public domain.

Senator FIERRAVANTI-WELLS—All right, that is fine. So the government comes in. I assume that after the government is sworn in, assuming there was a plan, you would have been provided with that?

Ms Halton—You have asked about the preparation of the incoming government brief and I have answered you.

Senator FIERRAVANTI-WELLS—Yes, I am asking you a question. After this government came in and was sworn in, did you receive a document that was headed 'Kevin Rudd: Plan to Fix Hospitals'—not necessarily with that title, but a document that was a document which purported to be the Prime Minister's grand plan to fix his hospitals or what was referred to in public statements as a national health reform plan?

Ms Halton—Senator, we have had a number of discussions with our minister in relation to the government's plans, approaches, policy options, all manner of things in respect of the issue of health reform, including the formation of the National Health and Hospitals Reform Commission, including in relation to the Preventative Health Taskforce, including in relation to the primary care review. I could go on and indeed, on notice in this committee, I have provided, I think, a very long list of reviews in which coalition senators have been interested.

Senator FIERRAVANTI-WELLS—I am aware of all the many reviews done—a growing number.

Ms Halton—Indeed, and so we have discussed at considerable length with the minister.

Senator FIERRAVANTI-WELLS—Ms Halton, I am not asking you about discussions. I am asking you a very clear question and that is when the government came in, did they give you a document which was referred to in their election promises as a national health reform plan. Did you receive a document? You know it could have even been something on the back of an envelope, but did you receive something? That is what I am asking you and a simple yes or no will suffice.

Ms Halton—Senator, I will go back and look at the documents that I received when the government came in and I will answer that question on notice.

Senator FIERRAVANTI-WELLS—So I would have thought, Ms Halton, that what was billed to the Australian public as this major election promise, would be something that you would remember?

Ms Halton—You can think what you like, Senator, but the bottom line is I will go back and have a little look and see what it was we were provided with when the government came in.

Senator FIERRAVANTI-WELLS—Perhaps, Ms Halton, you could go back and look, because I would be very interested to see if there was a bit of paper. Quite frankly, it does not seem from everything that you have said to me this morning that there actually was a plan. I think this thing was concocted after the Prime Minister came in. I mean we got told about this—

Ms Halton—No, no, no.

Senator Ludwig—Are you asking a question or are you making an allegation?

Senator FIERRAVANTI-WELLS—I am making a statement, Senator Ludwig.

Senator Ludwig—You are allowed to ask questions.

Senator FIERRAVANTI-WELLS—I am allowed to ask questions.

Senator Ludwig—You are allowed to ask questions, I am not sure this is the forum—

Senator FIERRAVANTI-WELLS—Senator Ludwig, I am allowed to ask questions.

Senator Ludwig—Let me speak.

Senator FIERRAVANTI-WELLS—So in other words—

Senator Ludwig—Let me finish my statement, if you are going to make a statement.

Senator FIERRAVANTI-WELLS—In other words—

Senator Ludwig—I am not sure you are here to make statements—

CHAIR—Excuse me, could both people—

Senator FIERRAVANTI-WELLS—All right.

CHAIR—Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS—Thank you, Madam Chair, I am suitably castigated.

CHAIR—The officer has actually answered the question. If we could move on that would be useful.

Senator FIERRAVANTI-WELLS—Thank you.

CHAIR—I would just remind people that people speaking over each other makes it extraordinarily difficult for Hansard as well as for those who are trying to listen to the answers.

Senator FIERRAVANTI-WELLS—I quite agree.

Senator Ludwig—My apologies.

CHAIR—Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS—Thank you, Senator Ludwig, you are suitably castigated for speaking over me.

CHAIR—Senator Fierravanti-Wells, I am not going to allow a comment like that. I made a ruling from the chair and it was not directed to either the minister or you; it was to both people involved. So do not make editorial comments on my chairing, Senator Fierravanti-Wells.

Senator Ludwig—Madam Chair, I was apologising while she spoke over the top of me.

CHAIR—We will just cease that little interjection and will now continue. Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS—Can I just then ask this? We have got on 14 November 2007, the Prime Minister making assertions about his plan and you are going to check whether there actually is a written document. Thank you. Then of course we move on—

Ms Halton—No, no, Senator. I will be clear about this. I am not, as Secretary of the Department of Health and Ageing, responsible for the Prime Minister. That is a matter you should be asking other departments about. I can look at what was communicated to me as the secretary of this department by my minister for whom I work and I am very happy to do that and take that on notice for you.

Senator FIERRAVANTI-WELLS—One would suppose, Ms Halton, that as the minister for health and the person assumed to be implementing this plan, one would assume that she would have been given a copy of this and in turn will have passed it to you. I think you do understand what I am after.

Ms Halton—Senator, you are making a lot of assumptions and I understand why that is the case. I am simply clarifying the basis on which I will answer your question.

Senator FIERRAVANTI-WELLS—Ms Halton, there either is or is not a document. It is not a question of how you interpret it. If there are documents then I am asking you to identify those documents.

Senator Ludwig—The question is whether a document or documents have been passed.

Ms Halton—Correct.

Senator Ludwig—To the secretary of the department, not whether a document exists.

Senator FIERRAVANTI-WELLS—No, I appreciate that, Senator Ludwig. But if there is a document which has—

Senator Ludwig—I am not sure you do.

Senator FIERRAVANTI-WELLS—Let me just clarify. Ms Halton, if there is a document floating around in the department of health which purports to be the Prime Minister's health plan, that is the document that I am after.

Ms Halton—I understand that.

Senator FIERRAVANTI-WELLS—Are we all clear about this?

Ms Halton—We understand that, Senator.

Senator FIERRAVANTI-WELLS—Good, thank you. When was the decision to give the National Health and Hospital Reform Commission its commission or to look at reforming the long-term health reform plan? When was that given? When were the discussions first entered into by the department and what role did your department have, Ms Halton, in relation to that commission?

Ms Halton—I will have to take the date on notice. But it was right at the commencement of the government and, in terms of the setting up of the commission, ensuring they did everything from getting paid through to having office accommodation, we were engaged with that.

Senator FIERRAVANTI-WELLS—Were the terms of reference for that commission drawn up by your department, by this department or by the Prime Minister's department?

Ms Halton—There was an iterative approach which involved a number of people.

Senator FIERRAVANTI-WELLS—Insofar as your department was concerned, what role did you and your department have in relation to the establishment of that commission and, most particularly, whether it was the department of health that instigated the commission or whether it was the Prime Minister's department or the Prime Minister's office that instigated it.

Ms Halton—Senator, it was an election commitment. So to ask who instigated it, I think, again, you are asking me to make a comment about what happened in opposition, which I cannot answer.

Senator FIERRAVANTI-WELLS—So the commission was an election promise?

Ms Halton—There was a commitment to do a review, and indeed there was. So regarding the preparation of the terms of reference for that committee, I do not know whether we would now be able to tell you who actually produced the first draft. My memory is that we did, but I cannot be completely confident about that and, frankly, I think it is immaterial. The reality is a number of people actually contributed to those terms of reference.

Senator FIERRAVANTI-WELLS—I am interested, Ms Halton, because we have an election commitment that was given in 2007 and we seem to be in the same place as we were because the problems are still the same. We seem to have gone from a national health reform plan to implementing a plan to now starting work on implementing a plan, to basically pursuing reforms in order to achieve better health services. That seems to have been the sort of watering down of the commitment, Ms Halton, and that is what I am concerned about—the fact that we have gone from a national health reform plan in August 2007 to a communique out of COAG on 7 December, which has gone from a grand plan to simply achieving better health services. I do not see anything there about the Prime Minister's grand plan.

Senator Ludwig—I am sorry, but is there a question in that or are you continuing to make statements?

Senator FIERRAVANTI-WELLS—No, I am just making a point, Senator.

Senator Ludwig—You are entitled to ask a question. I am not sure you are entitled to make a point.

Senator FIERRAVANTI-WELLS—I am entitled to make a point.

Senator Ludwig—If you want to make points, I will then counter them with other points. But if we can get on with the—

Senator FIERRAVANTI-WELLS—Now, let me ask a question in relation to the commission—I will refer to it as that rather than its lengthy title. Given that it reported seven months ago, what assessments have the department made in relation to implementing the recommendations of the report?

Ms Halton—Obviously the report has been considered quite extensively, and I think you are aware that there have been extensive consultations on the content of the report—I think over 100 now—and those consultations have occurred the length and breadth of the country. Because the commission's recommendations are, in many cases, extremely far reaching and a number of them indeed are not framed in a way as to contemplate immediate implementation, some of them are for further consideration. The process of putting out those recommendations for feedback from clinicians, patients and indeed the community more broadly has been undertaken. That process, as you are probably well aware, only concluded in January. I will now look at Mr Morris. Was it in January?

Mr Peter Morris—Yes.

Ms Halton—Yes, so feedback in relation to those recommendations has been gathered. As you probably are also aware we have a website which has had a huge number of hits and commentary. All of that feedback is being compiled as we speak.

Senator FIERRAVANTI-WELLS—Obviously there were a series of submissions to the interim report. There have been a series of stages where there have been submissions.

Ms Halton—That is right.

Senator FIERRAVANTI-WELLS—Have there been overlaps in those submissions? There have obviously been submissions to the report and then after the interim report I understand that there were further submissions made.

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—All right. Then we had a review and then we had another review and now we are having a review of the review and as part of that—

Ms Halton—Actually, Senator—sorry, I do not want to be doing Senator Ludwig's job—I think that is a commentary and I cannot but resist making a commentary in response. That is that in the commission's review, on which they asked people to comment in an interim report, I do not think it is not an overstatement to say the recommendations are quite significant. Because they are significant and because we all know, and I am sure you know, that if you just move ahead to implement things you do not necessarily always understand what the practical implications for people, clinicians, patients et cetera may be. As the commission says, a number of those recommendations are short-term, medium-term and longer term and the process of prioritising those recommendations is nontrivial. The process of seeking views about that is what has been going on.

Senator FIERRAVANTI-WELLS—All right. You would have had a whole series of submissions that that were given before the interim report. I accept that. Then after that you had an interim report and then you got more submissions after the interim report. Then you had a report, and now you—

Ms Halton—You just had two interims. There was only one interim. The commission was announced. People wrote in submissions. They put out one interim report. They got submissions and then they put out a final report. They did not put out two interim submissions.

Senator FIERRAVANTI-WELLS—Thank you, Ms Halton, for the kind correction. Now they have put out a report, you are embarking on a series of consultations.

Ms Halton—Embarked; it has finished.

Senator FIERRAVANTI-WELLS—It is finished? You are not doing any more road shows?

Ms Halton—No. My understanding is that we have completed the schedule. Yes, we have. That is correct.

Senator FIERRAVANTI-WELLS—How many road shows did you have, for want of a better description of them?

Ms Halton—One hundred and three.

Senator FIERRAVANTI-WELLS—You have now had your road shows. So what is the process now? What it is the timing now on this?

Ms Halton—As you would be aware, the feedback from 103 of those—and they are quite far-reaching and engaging consultations—together with the feedback from the website, to put it colloquially, is being analysed together with the commission's report in order to prioritise those recommendations.

Senator FIERRAVANTI-WELLS—In your assessment process, if I can put it in those terms, are you looking at all the recommendations or just certain recommendations?

Ms Halton—No. I mentioned the three reports because we do need to remind ourselves that there are three very important reports that are all being considered in conjunction. Obviously, as the commission indicates, there was not an expectation on their part that every single one of those recommendations would be pursued in the first instance. The question of where the emphasis lies is something that needs to be thought through.

Senator FIERRAVANTI-WELLS—Are there any results from those assessments yet?

Ms Halton—No, not yet. As has just been indicated, we are here on 10 February and we have literally only just finished that consultation process.

Senator FIERRAVANTI-WELLS—So some work has been done, and we do not know how much longer that is going to take before we have the government's response in relation to—

Ms Halton—That is a matter for the government.

Senator FIERRAVANTI-WELLS—On the basis of the fact that you are assessing all recommendations, one presupposes that there will be a response by the government in relation to all recommendations.

Ms Halton—That is a matter for the government.

Senator FIERRAVANTI-WELLS—Assuming that you do get that done, can any of those recommendations be acted upon in the next year? Are we at a stage where it is envisaged that any of them could be?

Ms Halton—Again, that is a matter for the government.

Senator FIERRAVANTI-WELLS—Have there been discussions between your department and the state health departments about any particular recommendations?

Ms Halton—There have been ongoing discussions through the process of the review with our state and territory colleagues on what they consider to be the priorities and the issues. It has been, I think, a fairly constant feature of conversations with state colleagues throughout this period.

Senator FIERRAVANTI-WELLS—In those discussions, have any of the health departments around the country indicated a readiness to implement any of the outcomes?

Ms Halton—I would not characterise the conversations as being about their readiness. I think I would characterise the conversations as being about the things they regard as important to the functioning of the health system.

Senator FIERRAVANTI-WELLS—Have those discussions canvassed the ability of the states to fulfil the recommendations that have been made? Clearly the states are going to have to fulfil some of those recommendations. Has the ability of the states to meet those recommendations been canvassed?

Ms Halton—You would know that in the COAG context and certainly in the framing of the new healthcare arrangements as part of that last COAG agreement there were a series of conversations about, for example, targets and the setting of benchmarks for performance and the capacity of the states to deliver those. So, yes, we do talk to the states about their capacity to actually deliver and to indeed actually be monitored against those targets.

Senator FIERRAVANTI-WELLS—The other day the Prime Minister made comments about needing to get the states onboard before he could implement his plan. That was the effect of his comments: if the states cannot deliver then the Prime Minister will not be able to deliver his plan. So what I am saying is—

Senator Ludwig—No, I have heard enough to know that what you are saying differs significantly from what a question is. Is there a question for the officials here or do you want to pass political commentary and come to your own conclusion? If the latter is the case, you can always make a speech in the parliament on that.

Senator FIERRAVANTI-WELLS—Senator Ludwig, let us not waste time being patronising.

Senator Ludwig—I am trying to avoid what you are doing, which is patronising.

Senator FIERRAVANTI-WELLS—Ms Halton, are you aware of the comments the Prime Minister made the other day in the House of Representatives. The effect of his comments were his need to get the states on board or to work with the states to deliver his plan.

Ms Halton—Without seeing the particular transcript I cannot guarantee to you that I heard the particular comment to which you refer. Am I aware that the Prime Minister has made a number of comments? Yes. But I would not want to say to you categorically, 'I have seen the comments to which you are referring.'

Senator FIERRAVANTI-WELLS—Perhaps, Ms Halton, we might come back to that and perhaps in the morning break you or one of your staff might be able to get those comments.

Senator Ludwig—No, the onus is on you. If you would like to go and get the statement and provide it to the committee then we will have a look at it.

Senator FIERRAVANTI-WELLS—I will get the statement.

Senator Ludwig—Then if Ms Halton has seen it before, she can then answer questions in relation to it, but it is not—

Senator FIERRAVANTI-WELLS—Perhaps, Senator Ludwig, I might even get a copy of it.

Senator Ludwig—Let me finish. It is not the requirement of the bureaucrats here today to provide your information for you and go and search for things upon your request in the media.

Senator FIERRAVANTI-WELLS—I would have thought, Senator Ludwig, that the Secretary of the Department of Health and Ageing would be more than aware of what the

Prime Minister says about health in the House of Representatives. I would have supposed that to be the case. But I do stand corrected. I will get the words and make sure she has got them in front of her so that she can answer my question.

Senator Ludwig—The reason we ask for that is that so it can be put in context, so that you do not misquote, so you do not then take any quote out of context—

Senator FIERRAVANTI-WELLS—Absolutely, I will put the words in front of her, Senator Ludwig.

Senator Ludwig—so the public servant has all of those matters in front of them, that is why. It is about fairness. I am sure that you understand that.

Senator FIERRAVANTI-WELLS—I will put them in front of you as well.

Senator Ludwig—Let me finish—you are talking over the top of me again.

Senator FIERRAVANTI-WELLS—I will make sure that you have them as well, just to reiterate them to you, Senator Ludwig.

CHAIR—Senator, have you got many more questions on this issue? If you look at the program as agreed, we are getting close. It is your time, so you can use it as you will, but I just want to draw that to your attention.

Senator FIERRAVANTI-WELLS—I appreciate that; I am happy to eat into further time.

CHAIR—We have AIHW next.

Senator FIERRAVANTI-WELLS—There were reports recently that the federal and state governments will establish a national watchdog to scrutinise Australia's hospitals under a plan—effectively a national hospitals monitor. I think there was a reference in the *Age* on 28 January 2010. Are you aware of those comments?

Ms Halton—I did see that article.

Senator FIERRAVANTI-WELLS—Has the department been working on the establishment of a federal-state body to oversee and monitor public hospital activities and outcomes, as was reported in the *Age* on 28 January?

Ms Halton—I do not know where that report in the *Age* came from. Certainly, it sounded to me like somebody making things up.

Senator FIERRAVANTI-WELLS—So the answer is no?

Ms Halton—The answer is, in terms of, as you describe it, no.

Senator FIERRAVANTI-WELLS—So, let us be clear: the department has not been working on the establishment of any federal-state body to oversee and monitor public hospitals?

Ms Halton—As described, no.

Senator FIERRAVANTI-WELLS—What do you mean, 'as described'? It is a simple yes or no.

Ms Halton—No.

Senator FIERRAVANTI-WELLS—Have you been working on the establishment of a—

Ms Halton—No.

Senator FIERRAVANTI-WELLS—Thank you.

Senator BOYCE—Does that mean that the COAG process is still the only interface between the federal and the states in terms of hospital reform?

Ms Halton—Not strictly, Senator. Essentially what we have is the ongoing dialogue with our state and territory colleagues through AHMAC, which I think you are quite familiar with. So we have the COAG reform process, and the measures and all the things that came from that COAG process. Then we do have our regular dialogue—which is not in the COAG context; it is in the health administration context—about how things progress, et cetera.

Senator BOYCE—But it is not a new process designed to reform?

Ms Halton—No; correct.

Senator BOYCE—So it is just COAG.

Ms Halton—Yes, correct.

Senator FIERRAVANTI-WELLS—What planning has been done overall in the department to assess the impact of the government's Carbon Pollution Reduction Scheme on hospitals, health and aged-care facilities? What is the impact of the big new tax on hospitals, health and aged-care facilities?

Senator Ludwig—Are you referring to the Carbon Pollution Reduction Scheme legislation? I take it that is what you are referring to.

Senator FIERRAVANTI-WELLS—Yes, I did say that in my question, Senator Ludwig.

Ms Halton—I think, particularly because the aged-care people are not here, I will have to take that on notice.

Senator FIERRAVANTI-WELLS—It is about hospitals, health and aged-care facilities.

Ms Halton—Senator, in this committee we tend to ask questions about hospitals under that item, and we tend to ask questions about aged care under that item and, regrettably, the officers from those areas are not here.

Senator FIERRAVANTI-WELLS—Ms Halton, I thought this was a cross-portfolio.

Ms Halton—Yes, and it is the items that are in our PBS that are actually classified under cross-portfolio. We do not bring all of the officers for every program to this committee for whole of portfolio.

Senator Ludwig—I am not sure they would fit in the room!

Ms Halton—They would not fit in the room; that is quite correct.

Senator FIERRAVANTI-WELLS—So there is somebody in the department that has been beavering away on the ETS scheme, or somebody that is responsible?

Ms Halton—No, there is not one person in the department—

Senator FIERRAVANTI-WELLS—Are there people who have done any work in your department in relation to this?

Ms Halton—Certainly it is a matter of which we are aware, and it would be dealt with on a program-by-program basis.

Senator FIERRAVANTI-WELLS—So program by program—

Ms Halton—If relevant.

Senator FIERRAVANTI-WELLS—'If relevant'; okay. So that means I have to ask my question in relation to every program.

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—All right. Has any work been done across the portfolio, generally, in relation to the ETS and the impact of the ETS?

Ms Halton—No, there has not.

Senator FIERRAVANTI-WELLS—In relation to the health sector in general? Or, again, do I have to ask, specifically, going into every aspect of health, what the impact is on—

Ms Halton—To the extent that we participate in interdepartmental or other committees—you would understand that this is not our area of portfolio responsibility; this is another portfolio's responsibility. Therefore it is more appropriately asked of them, in terms of their work. In terms of the particular programs we administer, where it is relevant, the relevant officers can answer that question.

Senator FIERRAVANTI-WELLS—All right. If it is interdepartmental, insofar as it affects your department and input from your department, would that go through you or via each different program? Assuming there are 10 areas in your department where there has been consideration of the impact of the ETS on various aspects of the health, hospital and ageing sectors, insofar as they relate to interaction with other departments, does that come through you?

Ms Halton—No.

Senator FIERRAVANTI-WELLS—So they could go off in their own sectors, deal with other departments, without it necessarily coming through you?

Ms Halton—No. Essentially, if there is technical input in relation to the construction of these programs, I do not clear all of that detail. To the extent that we are asked for members of IDCs, that comes through me.

Senator FIERRAVANTI-WELLS—There was an article in the *Australian*—well, perhaps I might get a copy of it and then ask you some questions in relation to it. But can I just ask, in general: because it is an IT project, would it cover a cross portfolio? I am new to this committee, so please do forgive me—I am not aware of everything and where they go. But where would questions in relation to any IT projects go?

Ms Halton—It depends on what they are; you will have to give a bit more detail.

Senator FIERRAVANTI-WELLS—I want to ask some questions in relation to an IT project at your new Woden office.

Ms Halton—An IT project?

Senator Ludwig—Just to help, Senator: what we normally do is that, if there are questions of which you are not sure where they fall, if you give them a brief description we can either find them in the particular area you mean, or when it comes up the Chair can—

CHAIR—It is a common occurrence, Senator.

Senator Ludwig—It is.

Senator FIERRAVANTI-WELLS—Sure. What about voice over IP services for your new Sirius building in Woden?

Ms Halton—That is here.

Senator FIERRAVANTI-WELLS—Can you give me an update on that project?

Ms Halton—Yes, well other than the fact that it has been implemented—can you be a bit more specific?

Ms Halton—What was the total cost of the contract in terms of capital expenditure and ongoing annual maintenance?

Ms Lyons—I do not have those figures with me and, indeed, the move of all our staff into the new building has not as yet been completed. It started last weekend. So in terms of any contracts that have been let, I would have to take that question on notice.

Senator FIERRAVANTI-WELLS—Who was contracted to deliver this project? Again, as to the minutiae of this, would you prefer me to give it to you on notice?

Ms Lyons—I think that is right.

Senator FIERRAVANTI-WELLS—I will do that. I have a question in relation to a contract for $1.2 million for information technology, broadcasting and telecommunications to buy out leased PCs and laptops from IBM. Can somebody tell me about that contract? It is a period from 30 July 2008 to 30 August 2008.

Ms Lyons—At a point in time our laptops and PCs were leased. A decision was made on a value for money basis that over a period of time we would purchase those PCs and laptops.

Senator FIERRAVANTI-WELLS—All right. Ms Halton, is this the appropriate place to ask in relation to contracts that have been tendered? Are these more appropriately—

Ms Halton—If they are for the department as a whole, the running of the department, yes. If they are for particular program type issues, no.

Senator FIERRAVANTI-WELLS—What about this? We have an office in Geneva.

Ms Halton—No, we do not.

Senator FIERRAVANTI-WELLS—Can you tell me if there was an MOU, I think between this department and DFAT, for an overseas property office in Geneva?

Ms Halton—There is an officer who is outposted who works from DFAT premises in Geneva.

Senator FIERRAVANTI-WELLS—And that contract is in relation to that?

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—There was a contract for the professional services of an international adviser, a contract of $77,000 from 1 July 2008 to 30 June 2009 for Ross McLaren Wilson. Can somebody tell me about that one?

Ms Halton—What program is it listed against?

Senator FIERRAVANTI-WELLS—I do not know what program it is.

Ms Halton—I do not know what it is.

Senator FIERRAVANTI-WELLS—Management and business professionals and administrative services.

Ms Halton—I will have to take it on notice.

Senator FIERRAVANTI-WELLS—All right, and it was for $77,000 for the professional services of an international adviser.

Ms Halton—I will have to take it on notice.

Senator FIERRAVANTI-WELLS—Could you tell me what he was advising on and why we needed to go to an international adviser for those services?

Ms Halton—Certainly. In this committee our practice is that, if we can find information, we will come back in with it later and read it into the record.

Senator FIERRAVANTI-WELLS—All right. I also wanted to know about a contract with preventative health experts. Is that best dealt with in preventative health or dealt with here?

Ms Halton—It may be the contract is relation to the committee. Can you just give me a bit more information?

Senator FIERRAVANTI-WELLS—International travel for consultations with preventative health experts.

Ms Halton—International travel?

Senator FIERRAVANTI-WELLS—Yes, absolutely—$11,000 worth.

Ms Halton—Again, I will take it on notice. I do not know what that will be.

Senator FIERRAVANTI-WELLS—Then there is WHO global consultation accommodation, Melbourne, $11,250.

Ms Halton—I will have to take these on notice. We have had a number of global consultations. I suspect that one is the global consultation on the provision of blood. There was a global consultation on the maintenance of a free blood supply. I suspect that will be that one but I will have to have a look at it.

Senator FIERRAVANTI-WELLS—All right, and what about another almost $48,000 on a background paper on international policies and strategies for the Preventative Health Taskforce.

Ms Halton—That is work that was done for and on behalf of the Preventative Health Taskforce.

Senator FIERRAVANTI-WELLS—I would like some details in relation to each of these.

Ms Halton—I think with these, probably the best thing to do is if you indicate which ones you would like detail on, stick them all on notice and we will come back to you.

Senator FIERRAVANTI-WELLS—All right. Can you take on notice the one about the international travel for the preventative health experts, the $11,250 for the WHO and the $47,842 for the background paper. Could you tell me about Professor David Olds? I think we spent just over $10,000 to bring him here for a presentation dinner. Can you tell me what that is about?

Ms Halton—No, it was not just a presentation dinner. Professor David Olds is the researcher and service deliverer from the United States who is the founder of the mothers and babies program. Globally it is recognised as the most successful program in actually getting improved outcomes, particularly for disadvantaged children and their mothers. What we had negotiated with Professor Olds is the implementation and rollout of that program. This was actually negotiated under the former government. It was announced with the first visit that Professor Olds did here. As I recall it, the current Leader of the Opposition attended the dinner with Professor Olds.

Essentially that program is being rolled out through selected Indigenous communities. It has to be rolled out under quite particular rules and guidelines if the effect, which has now been demonstrated in disadvantaged communities not just in the United States but in a number of other countries, is to be delivered. We had a contract with Professor Olds to ensure that intermittently he comes to review the progress of that implementation and to work with the relevant service deliverers on the implementation of that program.

Senator FIERRAVANTI-WELLS—That period of that contract was 4 February, and on 5 February he participated in an announcement in relation to the program?

Ms Halton—It certainly is the case that we have been rolling out that program in stages.

Senator FIERRAVANTI-WELLS—So 10 sites were promised?

Ms Halton—I think it is more than 10 sites. I would have to check that. It is a lot more than 10 sites.

Senator FIERRAVANTI-WELLS—It says 10 sites in the minister's press release, so I take it—

Ms Halton—That might have been at that particular point but I think there are more sites—

Senator FIERRAVANTI-WELLS—That is 3 April 2008.

Ms Halton—We are in the program area, so you are asking me to remember details of a program. You asked me about the contract. I have told you what the contract is in respect of.

Senator FIERRAVANTI-WELLS—Alright, well where do I ask about this?

Ms Halton—OATSIH—Indigenous health.

Senator FIERRAVANTI-WELLS—Of course, there have only been three sites established, but I will come to that. I do not have any more questions on corporate.

Senator BOYCE—I have a query. It relates to the Therapeutic Goods Administration Amendment (2009 Measures No. 3) Bill 2009, which came to the House of Representatives in November last year. Should I ask it here or should I ask it when the TGA are here?

Ms Halton—Ask the TGA, if that is okay.

Senator BOYCE—They are coming to the estimates?

Ms Halton—They are coming—I think at about 10 o'clock tonight.

Senator BOYCE—I will be ready and fresh.

Ms Halton—They may not be, of course!

CHAIR—Anything else on whole of portfolio?

Senator SIEWERT—Can I just make clarification now so I do not run into trouble later in the day? I have some questions about primary care that relate to divisions of general practice and Aboriginal health. I have some specific ones that I think will belong here but some questions cross over into the delivery of Aboriginal health outcomes. Should I ask them here or leave it until Friday?

Ms Halton—It is the usual problem: it depends on what they are.

Senator SIEWERT—How about I ask the ones that I know belong here. When we edge into the other ones, if you just say, 'Ask those on Friday,' that is fine.

Ms Halton—If you are happy to do that, Senator, I think that is the right approach.

Senator SIEWERT—I know which ones I need to ask OATSIH, but these are about where it crosses over between the two.

Ms Halton—Indeed, so give it a go here and for the ones that we cannot deal with we have other people who can.

CHAIR—The next witnesses are the Australian Institute of Health and Welfare.

[9.49 am]

Australian Institute of Health and Welfare

Senator SIEWERT—I want to ask specifically about the income management evaluation report that I think was released by the government in December last year. I want to ask about the mechanics first and then some detail about the report, and then I have some general questions about evidence based policy. Were you directed by the minister to do this work or was it a request by the minister?

Dr Allbon—It was neither of those. In our normal course of business, we were contracted by the department, by FaHCSIA to undertake this piece of work. It was a slightly different contract to normal in that it was not for the undertaking of a full piece of work; it was for receiving information which they had commissioned, analysing that information and reporting on it in consultation with the department.

Senator SIEWERT—So it was a commercial relationship, in other words?

Dr Allbon—That is correct.

Senator SIEWERT—How much was that contract for?

Dr Allbon—I cannot tell you that amount off the top of my head. I will take that on notice.

Senator SIEWERT—That would be appreciated if you could. When were you contracted to deliver the research?

Dr Allbon—Again, I do not have the exact date that we were contracted but it was for the delivery of a draft by 30 June 2009. Again, I can take on notice the date that the contract was signed.

Senator SIEWERT—If you could give me the time lines for when you were first commissioned and the time lines for its final delivery, that would be appreciated.

Dr Allbon—Sure.

Senator SIEWERT—I am going off memory here but it was released in mid-December—is that correct?

Dr Allbon—I believe it was 15 December or thereabouts.

Senator SIEWERT—The minister released it rather than yourselves. Is that normal?

Dr Allbon—This was a piece of work which was contracted to FaHCSIA—as I said, a slightly different piece of work to what we normally do. The arrangements we had with FaHCSIA in the contract were that it was FaHCSIA's report. It was put up on FaHCSIA's website and not on the institute's website.

Senator SIEWERT—In terms of the way that the initial work was delivered to you to review, is that a normal process?

Dr Allbon—No. As I said at the beginning, it was an unusual piece of work for us to undertake because it was not a full evaluation that we did. We were contracted to receive, analyse and write up the work that FaHCSIA had commissioned.

Senator SIEWERT—Did FaHCSIA consult you at all in the original design of the research that they were undertaking?

Dr Allbon—No, they did not.

Senator SIEWERT—Is that a normal process?

Dr Allbon—It would not be normal for FaHCSIA to contract to discuss with us an evaluation they were undertaking. At the time that they developed that evaluation, we were not part of those arrangements.

Senator SIEWERT—Is it normal for the institute to carry out an evaluation of research when you had no input into the design of the research?

Dr Allbon—No, it is not normal practice. As I said, this was a rather unusual contract. However, we felt that it was an important piece of work for us to do from the sense of objectively looking at what the evidence was that had been collected.

Senator SIEWERT—Surely the value of the final report or the final work is also dependent on the research design or evaluation process design, and if that is flawed—I am saying 'if'—surely that then reflects on the outcomes of the research?

Dr Allbon—That is a correct statement. Obviously the design of the evaluation is a very important factor with regard to the extent to which the data you have is comprehensive, is useful and is analysable. That is why in our report we made strong comments about the limitations of the evidence.

Senator SIEWERT—Would you undertake a similar sort of process again without having input into the fundamental design of the research in the first place?

Dr Allbon—I think undertaking a piece of work is always on a case-by-case basis. In this case, after discussions, it was felt by our Indigenous area that they could add value. I think it would always be on a case-by-case basis. In fact, the value that they added in this piece of work was to point out the limitations of the data that we had to deal with but to nevertheless analyse what that data showed.

Senator SIEWERT—I have a range of questions here, but I will put a lot on notice because I am aware of the time constraints. In terms of your knowledge of what was going to happen to this report, were you aware that it was going to be a public report?

Dr Allbon—We were not aware initially of what the use of that report was, because it was a report that was commissioned by FaHCSIA and, under the terms of the agreement that we had with them in this particular case, it was for FaHCSIA's information.

Senator SIEWERT—So you were unaware that it was going to be released subsequently?

Dr Allbon—Under the contract, we had no right to stop its public release.

Senator SIEWERT—In terms of advice to FaHCSIA in general about its evaluation of various NTER or other income-quarantining projects, have you been consulted about any of their evaluation processes?

Dr Allbon—We had some discussions at officer level with them about this evaluation. In particular, a proposal went to our AIHW ethics committee in relation to this particular piece of work, and we provided the results of that back to FaHCSIA.

Senator SIEWERT—Is the ethics committee consulted on all pieces of research?

Dr Allbon—Where there is an issue around individual identification or particular privacy or confidentiality issues, our legislation requires the ethics committee to stand in judgment on whether or not it is for the public good or whether that should not continue. So yes, the ethics committee provides input on quite a number of pieces of research that are done.

Senator SIEWERT—I apologise, but I may have misunderstood an answer to an earlier question. I thought earlier you said that you had not had input into the design of this particular evaluation process to FaHCSIA?

Dr Allbon—It was this piece of work. It was the same piece of work as this.

Senator SIEWERT—There are two questions: more broadly, do FaHCSIA consult you in general when they are undertaking an evaluation?

Dr Allbon—No. They have a range of processes.

Senator SIEWERT—But on this one, before you were commercially engaged, you had had input into the design of the research?

Dr Allbon—We had had some discussions about a role that we might play in this piece of work, which we subsequently agreed with them that we would not play and instead just collated and analysed the information that they had collected.

Senator SIEWERT—Why did you decide not to have the initial involvement that you had discussed with them?

Dr Allbon—On the basis of discussions with the ethics committee, there were a number of concerns.

Senator SIEWERT—So you decided not to engage originally because of concerns by the ethics committee?

Dr Allbon—Not to engage in the particular way that was being initially discussed. Then we engaged in a subsequent way, and the ethics committee were comfortable with that.

Senator SIEWERT—Was that because the ethics committee was not happy with the process that FaHCSIA was undertaking for the research?

Dr Allbon—The ethics committee went out and sought Indigenous peer review of the project and had some concerns. The ethics committee discussed that, and at the same time discussions took place between us and FaHCSIA. The upshot was that we changed the way in which we were involved with that piece of work.

Senator SIEWERT—When you engaged in the subsequent process, I understood from your answer that the ethics committee was happy with that level of engagement?

Dr Allbon—Yes, that is correct.

Senator SIEWERT—That is because you were simply evaluating what—sorry, I do not mean simply evaluating; I mean because you were not engaged in the design; you were evaluating what they had done but not doing the research itself.

Dr Allbon—Yes. We were not part of the collection of the information. We were just analysing that information and reporting on it.

Senator SIEWERT—When you were initially engaged with FaHCSIA in the discussions about the original process, did you suggest to them that they could make changes to their research to such an extent that you could engage with it—in other words, carry it out so that the institute was comfortable with the way the research was being carried out?

Dr Allbon—No, we did not make those suggestions. At the time that we were approached to be involved, the design was set and a large part of the work had already been completed. So it was only one remaining specific part that had not been in the field at that stage.

Senator SIEWERT—So they had been undertaking the research without engaging you in the original design.

Dr Allbon—That is correct.

Senator SIEWERT—How often do you engage in commercial relationships with researchers such as you did with FaHCSIA?

Dr Allbon—A great deal of our work is under contract, mostly under contract to the Department of Health and Ageing. That is for specific pieces of work where they want

information collected, collated or analysed. We also do a reasonable amount of work with FaHCSIA along the same lines. We do some work with DEEWR as well in relation particularly to children.

Senator SIEWERT—How often would you not undertake research as you did with FaHCSIA?

Dr Allbon—Each piece of work is assessed on a case by case basis. If we do not feel that we have the expertise to do it or we are not comfortable about the piece of work, then we will not proceed with that piece of work. It is entirely a mutual relationship. If it is something that we believe we can deliver on, then we will take it up. We may, for example, not take up a piece of work because we do not have staff resources available to do that. It is entirely on a case by case basis.

Senator SIEWERT—Could you take on notice how many times in the last two years you have not engaged?

Dr Allbon—That would be a very difficult question to take on notice.

Ms Halton—That will be almost impossible for them to answer, to be honest. You have a whole series of conversations about things. Can you narrow it down a bit more?

Senator SIEWERT—Okay: where the ethics committee has advised that you do not engage. FaHCSIA in particular is carrying out some very significant social research and policy directions that could have a significant impact on the Australian community. You just highlighted one area where the institute felt uncomfortable enough to not engage in the research. I am keen to get a very clear picture of the evaluation and how it has been taking place. I have been asking where the evidence-based research is for the last number of years. I want to find out whether one of our leading institutes in Australia on these issues is being engaged or not.

Dr Allbon—The main question there should be directed to FaHCSIA, because FaHCSIA has a big research program. They use many universities and other agencies for their research. In this particular case, we had a very small involvement in a piece of work. We wrote up that piece of work without being responsible for the design or evaluation. I think it is a question better directed to FaHCSIA.

Senator SIEWERT—Obviously I have lots of questions on this, and I will come to a few more detailed ones in a minute. I am also interested in the broader scope of where the institute has or has not engaged. In relation to Ms Halton's comment about my question being broad, I am sure that you will be documenting when the ethics committee advises you not to engage in particular research.

Dr Allbon—I could answer now that over the last three years the areas where the ethics committee has not been agreeable to work taking place have been in relation to linkage to the National Death Index, if they believe that there are individual identification issues that are inappropriate or that the public good is not outweighed by risks to individual identification. That is the main area, and that is usually from external researchers wanting to link with our data. There would be no other instances of AIHW work.

Senator SIEWERT—So that one and this one are the only ones the ethics committee in the last three years has said—

Dr Allbon—'That one and this one'?

Senator SIEWERT—The FaHCSIA—

Dr Allbon—That would be the only one.

CHAIR—I thought there was some uncertainty and you were using that as an example. But there are only those two?

Dr Allbon—It is only the one. The ethics committee has concerns with the links to the National Death Index perhaps a couple of times a year.

Senator SIEWERT—I misinterpreted what you said. So there are ongoing issues around the National Death Index, but that is the only other area. Is that right?

Dr Allbon—Yes, and linking to cancer data as well. The ethics committee take external researchers wanting to link to our data very seriously and often have concerns, which they express. In relation to a piece of work that the institute is doing, that would be the only example.

Senator SIEWERT—I specifically want to ask a couple of questions about the report, and I will put the rest on notice. How would you characterise the strength of the evidence presented in the report? You have touched on it very briefly and the report made some comments—

Dr Allbon—I could simply quote from the report. The report stands for itself. It is in the report. It can be easily read in that report. I have nothing further to add to what is in the report.

Senator SIEWERT—There have been claims that the report proves that income quarantining, for example, works in prescribed communities. Is that an acceptable conclusion to derive from your report?

Dr Allbon—I cannot comment on the statement that was made and in what way whoever made that statement thought that the report did lead to that. Again, I can only go back to what is said in the report, which is clearly and publicly available.

Senator SIEWERT—Are there concerns that the report is being misused?

Dr Allbon—Again, the report stands for itself. It is publicly available. It says what it says. We stand by what it says.

Senator SIEWERT—Would the institute take on this type of work again if it has not been involved in the development of the evaluation process in the first place? Would you make a similar sort of commercial arrangement in the future?

Dr Allbon—We have had considerable internal discussions about that. As a blanket response, I would say no. But there may also be examples on a case by case basis where we thought we could add value and that would be useful to do.

Ms Halton—Dr Allbon is not the only person here who would be making those decisions. There is a board, which I would imagine would have some engagement in those issues as well.

Senator SIEWERT—Thank you very much. I will put the rest on notice.

Senator BOYCE—I will put a lot of my question on notice as well. I want to start with a follow-up from Senator Siewert. The significant part of your operating funds comes from commercial work that you undertake, doesn't it?

Dr Allbon—The balance has changed with the COAG reporting work which we received in the budget and in the additional estimates process, but the majority of our work has always been from contracts basically with the Department of Health and Ageing.

Senator BOYCE—So that is how you fund yourselves, basically.

Dr Allbon—It is.

Senator BOYCE—Your strategic plan is till June or July this year. Could you briefly tell me what is happening in terms of a new strategic plan at the moment?

Dr Allbon—The board of the institute has agreed to have a review of the current strategic plan. We have five strategic directions. That will be both an internal review of a fairly small scale but also external consultations with key stakeholders, with an aim to presenting that to the board for the development of a new one later this year.

Senator BOYCE—By 'later this year', what do you mean?

Dr Allbon—I believe there is to be a preliminary to the board in the June meeting, with a view to it being finalised in December.

Senator BOYCE—Who would sign off on that plan?

Dr Allbon—The board.

Senator BOYCE—It does not have to go to the department or the minister?

Dr Allbon—No, it does not have to. But the department is on our board.

Senator BOYCE—One imagines they would have some input. I have some questions relating to the national minimum datasets on alcohol and other drug treatment services. How long have you been producing those reports for?

Dr Allbon—I would have to take that on notice. Off the top of my head, I am not sure.

Senator BOYCE—A significant number of years?

Dr Allbon—More than 10 years.

Senator BOYCE—I must admit this was the first year that I had actually noticed that there is one there for New South Wales, one there for Victoria and South Australia and so the list goes, but there is not one for Queensland. This is not unusual. There has not been one done for Queensland ever, is that correct?

Dr Allbon—That is correct.

Senator BOYCE—But we are talking 10 years or so?

Dr Allbon—Yes.

Senator BOYCE—When I queried both the institute and the state government minister for health on this issue of why Queensland could not produce reports on alcohol and other drug treatment services in the same way that every other state did, I was told that they are not comfortable with or confident of the data that they are currently collecting from the NGO. How long have they been trying to sort out data collection from NGOs in Queensland?

Dr Allbon—Probably since we first started collecting the information. It is a mandatory dataset. The issue in Queensland is coverage, so the government services are able to report, but there have not been systems in place in the non-government services to allow them to report. I understand that—probably largely thanks to your intervention—the Queensland department has a consultant in place to look at how they could collect the information from the non-government services to make sure that they do get full coverage. But it was a joint decision between us that there really was nothing to justify a Queensland report because there was no information in relation to Queensland that was worth the paper it was written on. They do contribute to the national picture, but it is only a partial contribution from Queensland.

Senator BOYCE—Unfortunately, it seems indicative of a lot of areas in Queensland Health. We have NEHTA and all sorts of work going on around developing e-health identifiers. Has the institute been involved in any of the development of standards for NEHTA or any of the NEHTA work?

Dr Allbon—Yes, we certainly have. We regard it as a really important leadership role on our part to ensure that the development of e-health will ensure that the data that we collect and the information remains compatible and that we keep time series. There are some risks from e-health which we are guarding against, as well as enormous benefits for the richness of statistical information.

Senator BOYCE—I am trying to think of how to phrase this. Does this include not just straight health data but the standards around the processes of developing the software and using the software?

Dr Allbon—We do not get involved in the software side of it. What we do get involved in is really the data supply chain—how that data will be collected, what the standards and definitions are and, therefore, how they will flow through into collections.

Senator BOYCE—Would you expect that, in all cases, they would meet international standards?

Dr Allbon—The standards that we have in relation to data are national standards, so we are looking very much for continuity with the information that has been collected in the past. In terms of the software and remaining developments of the interoperability, my understanding is that international standards are being used, but that is not my field, so I cannot comment on it.

Senator BOYCE—Okay. I may have some more questions put on notice around that depending on what NEHTA tells me this afternoon.

Senator FIERRAVANTI-WELLS—You collect statistics in relation to public hospitals. I think you publish every year Australian hospital statistics and you have been doing that for some years.

Dr Allbon—That is correct.

Senator FIERRAVANTI-WELLS—Certainly it has been going since about 1995-96 for sure?

Dr Allbon—I think that was the real reason the institute was created in the first place some 20-something years ago, yes.

Senator FIERRAVANTI-WELLS—So you have statistics going back to 1995 about how much Commonwealth funding was put into public hospitals? Are you able to provide those statistics or will you have to go back?

Dr Allbon—That work would be the health expenditure work, which is different from the actual collection of the throughput of hospitals.

Senator FIERRAVANTI-WELLS—Sure, but that is work that you do anyway? You do that analysis work?

Dr Allbon—We do that analysis, yes.

Senator FIERRAVANTI-WELLS—So take it from me that, from your statistics in 1995, there was approximately $5.2 billion in Australian government expenditure on public hospitals; does that sound correct?

Dr Allbon—I cannot comment on that. I do not have the documents in front of me.

Senator FIERRAVANTI-WELLS—Perhaps you would like to take that on notice?

Dr Allbon—Yes.

Senator FIERRAVANTI-WELLS—Also, in 2007-08, it was over $12 billion. I take that from your statistics. Could you again confirm that from your publications?

Dr Allbon—We will check that, yes.

Senator FIERRAVANTI-WELLS—Are you aware of comments that have repeatedly been made recently that the Coalition ripped out $1 billion from public hospitals?

Ms Halton—You are now straying to an area which the AIHW cannot comment on: the funding agreements between the Commonwealth and the states. Dr Allbon can comment in relation to the published numbers that she is responsible for, but the comments that you are referring to go to the funding agreements between the Commonwealth and the states.

Senator FIERRAVANTI-WELLS—Ms Halton, if you had let me ask my question, you would have known that my question goes to the statistical data that Dr Allbon and her institute has collated and which is available. What I would like to do is bring those statistics out, so if you will let me finish my question—

Ms Halton—I apologise.

Senator FIERRAVANTI-WELLS—I will not stray into other areas. So, you are able to provide me with Australian government expenditure on public health and increases in relation to that over the period 1995-96 to 2007-08?

Dr Allbon—I believe that our latest health expenditure report would include that information.

Senator FIERRAVANTI-WELLS—Okay. Could you take that on notice? I would also appreciate if you could take on notice Australian government expenditure on public hospitals for every year from 1995-96 to date, if you could? Could you also, from the statistical information that you have available, detail the average increase per annum, which I understand is also available?

Dr Allbon—We can certainly go away and check that those are available.

Senator FIERRAVANTI-WELLS—Thank you. I would also like the annual spending on health and aged care by the Australian government from 1995-96, which I understand is $19.5 billion, to 2007-08, which I understand is $51.8 billion. In my book that is an increase, but if you could, from your statistical sources I would like you to confirm that data which counters the assertions that have been made publicly. As to funding under the Australian Health Care Agreements, is that the statistical information that you are also able to collate?

Dr Allbon—The funding agreements are a matter between the department and the jurisdictions.

Senator FIERRAVANTI-WELLS—Certainly. From your perspective, though, do you view those statistics and analyse those as well?

Dr Allbon—Not the funding agreements. I presume you would be looking for real-terms information?

Senator FIERRAVANTI-WELLS—I am. I am aware of the statistics that are on your website, and I would like you to produce them on notice so that we can put to rest some of the inconsistencies—in fact, some of the falsehoods—that are out there. So that is the gist of my question.

CHAIR—I will let the word 'falsehood' go through because you were editorialising. Is that the last of your questions?

Senator FIERRAVANTI-WELLS—It is in this area.

Proceedings suspended from 10.19 am to 10.32 am

CHAIR—We will now move to outcome 13, acute care. Welcome to the witnesses from that program. Senator Fierravanti-Wells, I believe you are leading.

Senator FIERRAVANTI-WELLS—The state government has contracted private hospitals to carry out surgery to reduce waiting lists. Is there a plan to adopt this nationally?

Prof. Calder—The elective surgery program enables states and territories to make choices about how they commit the extra funds and what activities they undertake. We are aware of Surgery Connect in Queensland, and it is a very interesting model that is delivering outcomes.

Senator FIERRAVANTI-WELLS—Has the department investigated the use of private hospitals to treat public patients? Have you done some work on that?

Prof. Calder—As I said, the arrangement with states and territories through the Elective Surgery Waiting List Reduction Plan is that the Commonwealth provides them with funds, we have agreed targets for performance and the states and territories then undertake to deliver against those targets through the means that they choose.

Senator FIERRAVANTI-WELLS—In other words, it is purely a choice for them?

Prof. Calder—That is correct.

Senator FIERRAVANTI-WELLS—And some are using private sector services?

Prof. Calder—Yes.

Senator FIERRAVANTI-WELLS—Do you take an interest in whether the private sector can deal with patients on public hospital waiting lists?

Prof. Calder—We have a strong data reporting requirement, and the states and territories are reporting regularly against those targets.

Senator FIERRAVANTI-WELLS—When the minister says, 'We expect all parts of the health system,' that is fine, she has an expectation; but how can she monitor or ensure that those expectations are met?

Prof. Calder—As you have just said, there are examples in states and territories of the ways in which they are going about meeting those targets. We have the data and information on a routine basis. We provide public reports on that which you can read on the website and which indicate very clearly what states and territories are doing to deliver against the targets and the range of ways in which they are doing so.

Senator FIERRAVANTI-WELLS—Why, then, would the minister be saying that she thinks there are enormous capacity constraints on our public hospitals? I quote her from the *Courier Mail* of 26 January:

> And in some states and territories there is a bit of extra capacity in private hospitals. We're certainly interested in looking at that.

What does that mean: 'We're … interested in looking at that'? If it is up to the states, why is she making comments? I am trying to find the synergy, Professor Calder, between what you have just said and what the minister has said.

Ms Halton—I do not think you can ask the officer to pass commentary on the minister's comments. However, the minister does talk regularly with her colleagues about the delivery of the objectives and the targets that have been the mark of this particular program.

Senator FIERRAVANTI-WELLS—The minister has said that she thinks there are enormous capacity constraints upon our public hospitals:

> And in some states and territories there is a bit of extra capacity in private hospitals. We're certainly interested in looking at that.

She is the health minister. She is telling us that she is interested in looking at it. I want to know from the department whether you are looking, what you are looking at and what aspect of what the minister is saying that she is interested in, or is looking at, are you actually looking at? Do you understand that I am asking what are you doing in the department that gives credence to what the minister is saying about looking at this extra capacity?

Ms Halton—We look at all aspects of the health system all of the time: public, private, elective surgery et cetera. The bottom line is that the minister has made a comment. I have explained to you that she is talking to her colleagues about the delivery of those targets. That has included, as you have rightly pointed out, the use of the private sector in some states.

Senator FIERRAVANTI-WELLS—There must, therefore, be some work being done, or at least some contemplation in your department, about capacity in the private sector?

Ms Halton—It is not for us to be doing the states' work for them?

Senator FIERRAVANTI-WELLS—Let me ask my question more directly: are you aware whether the states are doing work in relation to private sector capacity to deal with patients on public hospital waiting lists?

Ms Halton—In some cases, yes.

Senator FIERRAVANTI-WELLS—What cases, then?

Ms Halton—The cases that I think Professor Calder indicated to you where, under this particular program, they have indicated to us that they will be using private sector capacity.

Senator FIERRAVANTI-WELLS—Other than this example, are there other examples? Do you want to take that on notice?

Ms Halton—We will take that on notice.

Senator FIERRAVANTI-WELLS—In so doing, insofar as there has been contemplation in the department in relation to use of the private sector, did that contemplation, or would that contemplation, include the benefits associated with the private sector dealing with patients on public hospital waiting lists? Has any analysis been done in relation to that?

Ms Halton—Again, the program is designed such that targets have been set and agreed with the states. We have had a conversation about how the states have flexibility around how they deliver those targets. We all acknowledge that one of the ways in some places of delivering those targets is via the private sector, but in terms of us running the program for the states, no, we are not doing that.

Senator FIERRAVANTI-WELLS—As far as you are setting targets, Ms Halton, surely there must be some contemplation within the department as to how the states could meet those targets? Or are you just simply going out there and saying, 'This is the target'? One would reasonably assume that your department would have some contemplation of how the states could meet the targets that you are setting them.

Ms Halton—Let us turn that round to a statement which I think is correct. We have a view about the targets being achievable, and in terms of the discussion and, indeed, negotiation with the states, the states have agreed with that.

Senator FIERRAVANTI-WELLS—In contemplation of achievable targets, did you contemplate the possibility of the private sector dealing with patients on public hospital waiting lists?

Ms Halton—It was never our intention to prevent any part of the system being party to delivering those targets—that is, the private sector was never excluded and, therefore, by definition, it was always a possibility in terms of the delivery of those targets.

Senator FIERRAVANTI-WELLS—In setting achievable targets, the answer, I assume from what you have just said, is that, yes, the use of private hospitals was contemplated as one of the parameters that could be used.

Ms Halton—There was an expectation that in some cases the private sector would be used.

Senator FIERRAVANTI-WELLS—In achieving or in looking at that, do you think that it will reduce elective surgery waiting lists?

Ms Halton—Our expectation is that the design of the program and the work we are doing with our state colleagues will actually deliver those targets, and, indeed, if it does not deliver, they will not get their reward payments, yes.

Senator FIERRAVANTI-WELLS—Have you worked out what the actual figures or the actual impact of usage of private hospitals in reducing—

Ms Halton—No, Senator, because, as I have indicated, that is a matter for design inside each state.

Senator FIERRAVANTI-WELLS—I just asked you yes or no. Do not get—

Ms Halton—You said, 'Have you worked out'—but I have already answered the question, Senator.

Senator FIERRAVANTI-WELLS—All right. Have you contemplated in your assessment of what is achievable potential savings to the federal health budget?

Ms Halton—In what way, Senator?

Senator FIERRAVANTI-WELLS—Have you considered whether the use of private hospitals to treat public patients can ultimately result in reduction in the federal health budget?

Ms Halton—Senator, I am unclear as to how you think that might occur.

Senator FIERRAVANTI-WELLS—It is obvious.

Ms Halton—The saving in this particular program. As you fully understand, we provide an aggregate of funding to the states in respect of hospitals.

Senator FIERRAVANTI-WELLS—So, in other words, you give them a bucket of money, and if they were to—sorry, Senator Boyce, did you want to just—

Senator BOYCE—No, I will just come in in a minute.

Senator FIERRAVANTI-WELLS—In other words, if they do, it is really a matter for the states. Any savings, then, that the states make go into their pool of savings. Therefore, if they choose to have procedures done in private hospitals, then any savings that they make by operating more efficiently stay with them. You give them a bucket of money. If they do it more efficiently then the savings stay with them. Is that what you are saying to me?

Ms Halton—I think that is the way to characterise it, Senator.

Senator FIERRAVANTI-WELLS—I am trying to put it in simple language.

Ms Halton—Apart from the fact that I think we should be clear that the money that is provided does not actually go in a bucket, I agree with your general contention that the money that is provided under the agreements is an aggregate. Then we have particularly identified programs, in this particular case with targets, and indeed reward and penalty regimes, but in

respect of any dividend a jurisdiction might receive because of some reduction or saving, yes, they keep that.

Senator FIERRAVANTI-WELLS—Catholic Health Australia in a media release dated 25 January 2010 said something to the effect that they estimated that waiting lists would be halved if the federal government were to use private hospitals. Do you accept this proposition or is it a proposition that has been contemplated in your consideration of achievables by the states?

Ms Halton—I cannot comment on a report from somebody else, Senator. I have not made a detailed analysis of the report and I do not think we can pass a comment on it. What perhaps we can say is that this program is designed to meet the targets that are nominated. They are perfectly entitled to put a report out with their opinions in it, but I cannot comment on it.

Senator FIERRAVANTI-WELLS—Just one last question. At the last estimates you were asked to provide a list of expenditure in each state and the number of elective surgery procedures undertaken in each state. It is in EO9276, which says: 'Target additional procedures to be undertaken'. Perhaps you could look at EO9276 and, after Senator Boyce has asked her questions, if somebody does have a copy of that here, then maybe we can deal with it or, alternatively, I can ask the question and it can be taken on notice.

Ms Halton—Sure.

Senator BOYCE—I just want to follow up on the questions that Senator Fierravanti-Wells was asking about a report in the *Courier Mail* today saying that some Queensland Health surgeons who earn up to $400,000 a year working for Queensland Health full time are actually double dipping, as the story claims, by treating public patients in private hospitals in their spare time and being paid yet again out of the public purse for undertaking that surgery. Are you aware of this practice in Queensland?

Ms Halton—No, Senator. We would have to look at that report.

Senator BOYCE—It has been raised by the Royal Australasian College of Surgeons, so I thought perhaps it had been brought to your attention.

Ms Halton—No, not previously, Senator.

Senator BOYCE—I do not want to get into hypotheticals but, if this is the case and therefore government money is being used in this way, as you said, you give the states the money and expect them to meet a target.

Ms Halton—Yes.

Senator BOYCE—But surely you look at examples of how they might be wasting money or not behaving according to proper standards in the use of those funds. How do you do that?

Ms Halton—No, Senator. Essentially, they run, as you well understand, the public hospital system. I think we are into a hypothetical here and, particularly if it is a report that is in today's paper, I really do not think we can pass any comment on it. It may be completely inaccurate. I have no ability to comment.

CHAIR—I do not think it was a hypothetical. I think, Senator Boyce, you phrased your question about monitoring the processes in the system rather than—

Senator BOYCE—I was not referring to that particular situation but to any situation like that where you became aware of poor governance or poor management of funds by any state hospital system. Do you have a procedure for finding this out and what do you do about it?

CHAIR—And it is not linked specifically to the case in the *Courier Mail*.

Senator BOYCE—No.

Ms Halton—As long as we are very clear that it is not linked to some case unknown to us.

Senator BOYCE—It is prompted by this particular report but it is not about this report.

CHAIR—Yes.

Ms Halton—Senator, it is like any other program we have with the states. In terms of the accountability for those funds, essentially we expect the state to sign off on the use of those funds. In this particular case, as you understand well, there are targets, rewards, penalties, a range of things, et cetera. The funds need to be used for the purpose for which they are provided. That is a standard arrangement in the funding between us and the states.

Senator BOYCE—How do you know they are?

Ms Halton—Because they have to meet those targets, and that is the accountability. Essentially, in terms of the operation of their systems, as you know, we do not get involved in the day-to-day detail of those programs. That is not a matter for us.

Senator BOYCE—So the targets are your only measure, really, of how well states are expending the money given to them by the Commonwealth to do so?

Ms Halton—That is probably a little bit of a generalisation but the principal is correct.

Senator BOYCE—Thank you.

Senator FIERRAVANTI-WELLS—Can I just ask if anybody has found EO9276.

Ms Halton—They seem to have found it, Senator.

Senator FIERRAVANTI-WELLS—Coming from New South Wales, I am astounded to see that New South Wales has performed 4,000 more procedures than were targeted. Noting what you said before, it is really up to the states how they achieve it. But do you investigate or monitor or are you in some way aware or have an overview of how this was achieved?

Prof. Calder—Yes, Senator.

Senator FIERRAVANTI-WELLS—Was it use of private hospitals or did New South Wales suddenly get a lot more efficient, which is hard to believe.

Prof. Calder—We have the routine data collection, which identifies the volume and the range of patient characteristics that have been delivered on. One of the major targets of stage 1 of elective surgery was to reduce the number of people who had been waiting longer than clinically recommended. The data gives us a range of information about the people who have been through the system. We have a regular meeting with jurisdictions where we have had some discussions about how they are going about it. We know, to the extent that anecdotally we are provided with information about how they are doing it, so we do know that New South Wales has made good use of the private sector.

Senator FIERRAVANTI-WELLS—Is that data available, an analysis of how they have done the 12,153? Surprisingly Victoria has done even better. That surprises me. Is that data available?

Prof. Calder—Yes, it is.

Senator FIERRAVANTI-WELLS—Publicly available?

Ms Clarke—Yes, the data is published quarterly on DOHA's website against the seven performance indicators under the plan.

Senator FIERRAVANTI-WELLS—I will have a look at that, and if there are any more questions, I will ask them on notice. Thank you.

Senator FURNER—I have a couple of questions. Firstly, can I concentrate on some funding in Queensland specifically with the government's elective surgery strategy stage 2. I understand there was an allocation of $29.4 million, and I would like some feedback with respect to advice on some of the projects that money contributed to, including funding of the day surgery facility on the Gold Coast.

Prof. Calder—I am going to read from some very small print here. As you said, there is $29.4 million allocated in funding to stage 2 to Queensland, which includes the Allamanda day surgery centre at Southport, $10.62 million, which was announced by the Queensland government on 22 June, and a five-year lease has been signed. Do you want me to go through others?

Senator FURNER—Yes, please, just as an example.

Prof. Calder—There is the Carrara interim care facility in Carrara, in which $11.4 million, announced in December 2008, is being applied to the purchase of a 63-bed interim care facility; Ipswich Hospital, an additional operating theatre for $1.7 million; Nambour Hospital, an additional operating theatre at $580,000; Royal Brisbane and Women's Hospital, an additional two new operating theatres, $5.1 million.

Senator FURNER—I also understand that $6.7 million was allocated to the Ipswich Hospital for expansion of the ED. Could the department bring the committee up to date with the progress of that?

Prof. Calder—That would be in another list of mine. We have provided, under the emergency department initiatives, $5.2 million to Caboolture Hospital for the expansion of the ED and $2.2 million in a state-wide initiative to engage emergency department staff, employ emergency department nurse practitioners, strengthen accountability, benchmark emergency department performance and improve patient flows.

Senator FURNER—Just focusing back on Ipswich in terms of the fit-out for the additional operating theatre, how many procedures have been carried out in that theatre as a result of that, please?

Prof. Calder—The theatre is being constructed, as I understand it. I do not think I can give you any information about performance at this stage. I will just go back and check. It was only announced in June 2009. It will take some time to come on stream.

Senator FURNER—Thanks very much. Thanks, Chair.

Senator BOYCE—I have some questions relating to a report from the *Journal of Clinical Nursing* relating to nurse abuse figures. When should I ask those? Workforce?

Ms Halton—Unless it is an aged care relevant—

Senator BOYCE—It is relevant to both.

Ms Halton—Probably Workforce would be the best place.

CHAIR—We have called both the National Blood Authority and the Australian Organ and Tissue Donation and Transplantation Authority. Senator Boyce has indicated questions for the AOTDTA.

Senator FIERRAVANTI-WELLS—I also have a question relating to the work of the Australian Organ and Tissue Donation and Transplantation Authority.

CHAIR—Thank you, officers from Acute Health.

Senator FIERRAVANTI-WELLS—I do not know if Senator Adams had questions for the Blood Authority

CHAIR—Senator Adams cannot be with us for these two days, so, Ms Halton, we do not know of any questions to the Blood Authority.

Ms Halton—So will I say farewell to those officers?

CHAIR—Yes, and with our thanks. I am sorry for those officers who are there. We will try to get you something on notice so that you feel it was worth while.

Ms Halton—Do not feel that obligation, Senator. It is okay!

[10.56 am]

Australian Organ and Tissue Donation and Transplantation Authority

Senator FIERRAVANTI-WELLS—I have a couple of letters here on which I would just like to ask Ms Murphy some questions. One is a letter from the minister to you on 4 May 2009, and then there is a letter in reply of 15 September 2009.

Ms Halton—Is that publicly available on the website?

Senator FIERRAVANTI-WELLS—Yes. Ms Murphy, the letter to you from the minister talks about the establishment of a $5.1 million world's best practice reform package for organ and tissue donation for transplantation. The letter tells you that the Prime Minister has taken a personal interest in wanting our reform agenda to be delivered. Ms Halton, is this an initiative that came from the Prime Minister's office or is this one that, whilst it is under the umbrella of Minister Roxon, is driven out of your department?

Ms Halton—This is driven out of our department, very definitely. It is core business but, as you understand, there is a separate agency now which is responsible for this matter. I think it is not exactly a secret that the Prime Minister, as the recipient in the past of—Professor Bishop, do we describe it as an organ? No, I think it was a valve, isn't it, that he had? I am not completely full bottle on his medical history, but I think he has a personal interest in this, for reasons which are not a secret. He did, indeed, launch a couple of things to do with the authority.

Senator FIERRAVANTI-WELLS—Then in the correspondence it says that a component of new funding is to go to the states. It is interesting that the correspondence says:

> … ensure that states and territories are applying the funding for its intended purposes.

It just seems interesting that the minister stresses that the states need to ensure that they spend the funding for its intended purposes—a level of distrust, if I can put that way—or is that standard word usage in everything that goes from the department of health to anything that involves the states spending money? I found it a little bit curious that it was particularly stressed. Is there a reason for that?

Ms Halton—Senator, I might answer that question, if you do not mind. You understand, I think, quite well that health systems are incredibly complex things. With this particular program, which was large in dollar terms—and we would all acknowledge this is a lot of money—the number of people we are talking about in a health system is quite small and they have a very big job. I think there is a great deal of importance in ensuring that this program is implemented in the way in which it was designed precisely because the international evidence suggests that the design is important in getting the outcome, which is the thing we all want—an increase in organ donation. Ensuring that the moneys are applied precisely on the program as designed I think is the import of those words.

Senator FIERRAVANTI-WELLS—So is delivering it on time, Ms Halton, and I am coming to that, because I understand it was established on 1 January. I note that the number of organ donors in 2008 was 259—and correct me if I am wrong, Ms Murphy.

Ms Karen Murphy—Correct.

Senator FIERRAVANTI-WELLS—In 2009 the number was 247. Also, what is the situation with this? Donor family support was supposed to be delivered on 1 July, for example. There are aspects of this program that are slipping sidewards. How much of it has slipped sidewards? What are the delays and when are those deadlines to be met?

Ms Karen Murphy—I would be happy to answer your question, Senator, probably by talking through each of the measures of the reform program.

Senator FIERRAVANTI-WELLS—I am interested in the ones that are not meeting the deadlines.

Ms Karen Murphy—In relation to the recruitment of all the staff around Australia, and we currently have 158 new staff hired into 76 hospitals around the country, there is only one hospital at the moment that does not have a person in place. That is a one-person slippage out of 158 new positions around the country. In relation to the establishment of the authority, we are completely up and running and functional. The program itself started on 1 January last year. However, on 1 January last year, I was the only person employed, so it did take some time to recruit staff to the authority and also to recruit persons for positions around the country. Hiring the right people and ensuring that we had the right people in place took some additional time. We have progressed many of the measures. It is probably easier to talk to what we have done than what we have not.

We have launched the clinical trigger as planned, the activity-based funding stream for the hospitals to provide a contribution to the additional activity for organ donation has gone live,

and we are distributing those funds to the states as we speak. There are still some negotiations to go with some various states, but the funds are flowing. The national professional awareness and education program, which is $13 million over four years, was launched by the Prime Minister on 1 November. We had a national brand launch with a very successful media outcome of a combined reach of around 15 million Australians. We got the themed message Discover, Decide, Discuss out to a substantial amount of Australia, so that program is under way. We had strategically decided not to launch a national campaign at the beginning of last year. The rationale for that was that we felt that it was very important to have the clinical staff in place and trained in hospitals to be able to cope with any public reaction to a media campaign, so that campaign is in development. We are working very closely with the various bodies to ensure that we are complying with government guidelines for campaigns, and that is all on track. We had a New Year's Eve campaign. We are moving into Australian Organ Donor Awareness Week at the end of this month, and we will be launching an ongoing major campaign in May.

Senator FIERRAVANTI-WELLS—Has the donor family support component of it been completed?

Ms Karen Murphy—We have had a working group working on the donor family support framework. That has been meeting over the last five months, and I received a draft copy of their final recommendations yesterday. I have not had a chance to read that, but that is very close to going live. The amount of consultation that is required in progressing a lot of these programs nationally is quite extensive, and I think that has been underestimated.

Senator FIERRAVANTI-WELLS—Yes, because it had to be fast-tracked. Did you say the national clinical triggers checklist has been completed?

Ms Karen Murphy—Yes.

Senator FIERRAVANTI-WELLS—I noticed in your correspondence that you meet bi-monthly. Why is it that you need to do that?

Ms Karen Murphy—With whom, Senator?

Senator FIERRAVANTI-WELLS—With Mr Butler, the parliamentary secretary.

Ms Karen Murphy—I think because it was decided that it was an important program. It was up and running, and I think when things are starting up that it is important to have regular communications to ensure that everyone is up to date with what is going on.

Senator FIERRAVANTI-WELLS—And you are still doing that?

Ms Karen Murphy—Yes.

Senator FIERRAVANTI-WELLS—All right.

Senator BOYCE—You may have to take this on notice, Ms Murphy. Could we have a list of your clinical work force, so to speak, the people, where they are based in Australia and which positions are filled and which are not?

Ms Karen Murphy—Yes.

Ms Halton—But just to be clear, Senator, you are not looking for their personal names?

Senator BOYCE—Oh, no.

Ms Halton—The positions and where they are?

Senator BOYCE—Yes, one in Brisbane and two in Adelaide.

Ms Halton—We can indicate by hospital.

Ms Karen Murphy—No problems at all.

Senator BOYCE—Adelaide public hospitals.

Ms Halton—Mary Bloggs.

Senator BOYCE—I do not intend to ring all of them up, Ms Halton.

Ms Halton—Good.

CHAIR—Senator Boyce, do you have other questions in this area?

Senator BOYCE—Not on organ transplants, no.

CHAIR—Do you have other questions on Acute Care, because I have your name down?

Senator BOYCE—Against Acute Care?

CHAIR—Against Acute Care.

Senator BOYCE—I have some questions on medical indemnity. Is that covered here?

CHAIR—I would not think so.

Senator BOYCE—It is under Acute Care.

CHAIR—Yes, medical indemnity. I think they have gone.

CHAIR—Why did they go? Did we tell them—

Ms Halton—They were the people who were here before.

CHAIR—But they are not the National Blood Authority. The Acute Care people were the ones here before, and then we moved on.

Senator BOYCE—Oh, sorry, I did not realise medical indemnity was part of Acute Care.

CHAIR—We will have to put them on notice. I do apologise.

Senator BOYCE—Thank you.

Ms Halton—What are they, Senator? Can I help you?

Senator BOYCE—I just wanted to ask them what work, if any, or actuarial work they had done around indemnity for midwives, a bit of a discussion on that.

Ms Halton—When we get to the measures on Workforce in terms of midwives, we can probably tackle some of that there, if you like.

Senator BOYCE—Okay.

CHAIR—That is where I had the midwives down, Senator Boyce. Just clearing Outcome 13, no more questions? No. Thank you to the officers from Outcome 13.

[11.07 am]

We will now move to Outcome 5, Primary Care, and just so we have it clear I have Senator Siewert, Senator Fierravanti-Wells, Senator Boyce, Senator Humphries and Senator Furner. Anyone else? Is anyone else here? No. What I thought I might do under 5 is go through the headings and see whether we can fit the questions into those areas. It might be easier, because there are so many in Outcome 5. Outcome 5.1 is Primary Care, Education and Training. Does anyone have questions under that one.

Senator FIERRAVANTI-WELLS—If I can tell you the two areas where I want to ask questions, I have questions on the GP super clinics and the Healthy Kids Check.

Senator BOYCE—And I have questions about bringing nurses back into the work force.

CHAIR—I think that would be 1.

Senator BOYCE—I think my staff must have been advised that this was where to ask that.

CHAIR—Will we have a look at super clinics first? Which ones are they, Ms Halton? Where do they come? Super clinics are a go?

Ms Halton—Yes, they are.

Senator FIERRAVANTI-WELLS—Ms Bennett, can you tell me how many of these so-called GP super clinics are now open and operating fully?

Ms Bennett—Yes, Senator. I can update you on a range of issues. I will start by telling you, though, that, as you probably know, this program is a capital works construction program, so the grants from the Commonwealth are about capital works. That means necessarily that it takes some time to complete a GP super clinic project. We are finding that it takes, on average, around 12 to 18 months from the date of signing an agreement to when you could say that a clinic in the fullest sense may be completed. But that is an extremely variable time because in some cases, for example, it is necessary to begin at the beginning and find a site, purchase land, put in planning proposals, design a building, find a builder and, in a couple of cases, make sure that bushfires are finished.

All of those things take a lot of time in a capital works program. That said, though, of the original 31 locations for GP superclinics we have 28 funding agreements fully executed. We have two superclinics that have gone through the complete process and all of their new facilities are up and running and all of the GP and allied health positions are fully operational. We have six other superclinics which are midway down that process, that is to say they are undergoing major refurbishment and some have purchased sites but not all. We are working with each superclinic so that after the agreement is signed on an individual basis we work to try to get as many services started as soon as we can. It is an individual by individual decision about whether they have suitable facilities to open up and begin some services. In our view, it is better that they commence with some services as soon as they can, even if there is refurbishment happening.

We have six superclinics that are delivering quite a broad range of services but still have more to come on line. We have three more where fairly substantial construction works are under way.

Senator FIERRAVANTI-WELLS—Where are they located?

Ms Bennett—I could either run through the list or table a list, but the clinic in Ballan was the first opened and is fully operational. Strathpine in New South Wales is also what you would call utterly completed.

CHAIR—I would think Strathpine would be Queensland, Ms Bennett.

Ms Bennett—Oh, sorry, Queensland.

CHAIR—Not that we are parochial at all, but I thought we would just jump in there straight away.

Ms Bennett—My apologies. Blue Mountains, north Central Coast and southern Lake Macquarie in New South Wales are all delivering a mix of services with more to come. Bendigo in Victoria, Devonport in Tasmania and Palmerston in the Northern Territory are all delivering a range of services but will have more to come on line.

Senator BOYCE—Where was the third fully operational clinic?

Ms Bennett—There are two fully operational—that is, Ballan and Strathpine. There are six. When I say delivering early services, they are actually very extensive. For example, Palmerston, which is not yet totally complete, has a fully functioning after hours component which has already treated more than 10,700 people, so it is not as if it is just kind of a little Mickey Mouse opening. A substantial amount of services are being delivered in the ones that are still under way.

Senator FIERRAVANTI-WELLS—How many are going to be opened and fully operational by the middle of this year?

Ms Bennett—In addition to the ones I have mentioned, the two fully operational and the six under way, there are three more where construction has commenced, and I have a timetable. Those operational by the middle of this year will be an additional three: Port Stephens, Devonport and Brisbane south side.

Senator FIERRAVANTI-WELLS—Do you have a list with the progress reports available on a website, or is that internal information?

Ms Bennett—It is not on the website, but I am sure we can table a list.

Senator FIERRAVANTI-WELLS—Can you give a status on each of them?

Ms Bennett—With, I guess, the proviso that our list is built around potential opening and construction completion dates, and again you would appreciate that in any capital works program we cannot guarantee that there will not be construction or weather related or workforce related delays.

Senator FIERRAVANTI-WELLS—I appreciate that.

Ms Bennett—But we can give you an indication.

Senator BOYCE—The problem is that the Prime Minister did guarantee 40 of them.

Ms Bennett—We can give you an indication of—

Senator BOYCE—He guarantees a lot, but we do not always believe him.

Ms Bennett—when those will likely be completed.

Senator FIERRAVANTI-WELLS—Can I have a document that sets out where they are located, which ones are offering partial services and the time lines for opening and fully operational—and 'fully operational' is fully operational, like the two that you have described that are opened and functioning with all the services. So give me a breakdown of all the services that are being offered at the ones that are either fully operational or partially operational, when the contracts were signed and when it is expected within the parameters of what you have just said that they will become fully operational.

Ms Bennett—Yes, I can table a list.

Senator FIERRAVANTI-WELLS—If you could take that on notice.

Ms Bennett—Sorry, not table. We will take it on notice and provide you with the details.

Senator FIERRAVANTI-WELLS—Thank you.

Senator BOYCE—Does 'fully operational' mean 24-hour operation?

Ms Bennett—No, the services delivered are a mix and are negotiated around each individual clinic. All clinics are required to provide some extended hour services, but that is not 24 hours; it varies in different areas. For example, I think the majority, and Tracey will correct me if I am incorrect here, offer services until 8 pm but some are open longer. It is an individual service plan.

Senator BOYCE—Perhaps if you could give us the opening hours of the ones that are fully operational as well, that would be good.

Ms Bennett—We may be able to answer that.

Senator FIERRAVANTI-WELLS—Could you tell me in particular in relation to the one on the Central Coast, and you will include that in the operating status of this facility and the services that are provided, what other services are planned and when they will be offered?

Ms Bennett—I can tell you what is already being delivered—and I guess, to reiterate, when we say 'early services', it is not an insignificant amount of service being delivered—there are GP and nursing services already, and additional services to come on line will be physiotherapy, audiology, dietetics and pathology.

Senator FIERRAVANTI-WELLS—Are you aware of any public comments that the nurse business manager has made in relation to the status of this clinic referring to it as not a superclinic?

Ms Bennett—I am not aware of any comment.

Senator FIERRAVANTI-WELLS—This particular superclinic effectively keeps office hours between 8.30 and 6 pm Monday to Friday.

Dr Bessell—The site at the north Central Coast is an interim site. They are building a new construction approximately a kilometre down the road from this interim site that will have a very large range of both GP, allied health, speciaists and a range of services. At the moment they are offering an interim site where services did not exist, and those services are currently

operating. At the moment they have a GP, a practice nurse, physiotherapy, audiology, dietetics and pathology collection from that site.

Senator FIERRAVANTI-WELLS—This is at the Woongarrah location?

Dr Bessell—That is correct, yes.

Senator FIERRAVANTI-WELLS—Then it is going—

Dr Bessell—It is a very small interim site, but, as I said, these are additional services that did not already exist in that area.

Senator FIERRAVANTI-WELLS—But if I understand correctly, this is the one that has been billed as now being fully functional.

Dr Bessell—It has been billed as an interim site.

Ms Bennett—No, the two fully functional were Ballan—

Senator FIERRAVANTI-WELLS—Oh, I am sorry.

Ms Bennett—and Strathpine.

Senator FIERRAVANTI-WELLS—In this case is it expected that this site will take pressure off the local hospital emergency department?

Dr Bessell—Yes.

Senator FIERRAVANTI-WELLS—There is a particular problem there. You may need to take this question on notice. How does the department account for the fact that the emergency department presentations at the nearby Wyong Hospital have continued to increase since the superclinic was opened? Are you aware of that?

Dr Bessell—Yes, I am aware of that. That particular area is undergoing quite a lot of population growth, and the superclinic at the moment, as I said, is a small interim site. However, come the end of 2011 we hope to have a very large, new, established facility with a great range of services that will be complementary to the existing services already in the area.

Senator FIERRAVANTI-WELLS—Have you done some work in relation to what sort of load, if I can put it in those general terms, will be taken off the emergency department?

Dr Bessell—I could not give you a figure.

Senator FIERRAVANTI-WELLS—What is the status of the one at Bundaberg in Queensland, or will you be incorporating that into the information that Ms Bennett has indicated she will provide?

Ms Bennett—I will. I can tell you very briefly that in the original application there was no suitable applicant, but the department met with a range of interested parties in December and we anticipate that a formal proposal will be lodged with the department in the coming weeks.

Senator FIERRAVANTI-WELLS—With the Palmerston one in the Northern Territory, obviously you will incorporate the same general data. Could you also include in that schedule that you are going to provide for me the opening hours as well, if you do not mind. Do you also have statistics on attendance at these clinics?

Ms Bennett—We certainly do for Palmerston. As I said, 10,700 presentations have been made to that clinic as at 2 February this year since it opened in December 2008. The average is 26 clients being seen per night. This is an evening service.

Senator FIERRAVANTI-WELLS—How many medical practitioners are currently employed at the existing superclinics, and have you done some work in relation to anticipated doctor numbers at each of those clinics?

Dr Bessell—Certainly in the clinics that are already operational we can provide you with doctor numbers. In the clinics that are yet to be opened, targets have been put in place by the applicants, but some of those are a little way away from operating yet. But certainly we can provide you with figures for those that are fully operational now.

Senator FIERRAVANTI-WELLS—Do any of the superclinics employ overseas trained doctors?

Dr Bessell—Yes.

Senator FIERRAVANTI-WELLS—Are the open superclinics in districts of workforce shortage?

Ms Bennett—The question of overseas trained doctors is linked to the issue of district of workforce shortage. In order to be able to have an overseas trained doctor they need to be in a district of workforce shortage. I assume, therefore, that those that are employing overseas trained doctors are in districts of workforce shortage. Just to finish that, that is a metric which is measured quarterly. You cannot have a static answer to your question.

Senator FIERRAVANTI-WELLS—Are there any concessions for overseas trained doctors to work in superclinics that are not in districts of workforce shortage?

Ms Bennett—No, but in the case of any overseas trained doctors there are also particular definitions of district of workforce shortage which go more to workforce shortage in particular hours rather than location. For example, where an area may not be a district of workforce shortage, if you wanted an overseas trained doctor to work in your clinic during normal business hours, that is a different question from whether you have a doctor who will come in and only work out of hours. There is an assessment process for that.

Senator BOYCE—I would like to follow up with one or two questions on this area. Have you received any complaints or had any discussion with other medical practices in the areas where superclinics either are operating or are proposed to operate?

Ms Bennett—There is a range of ways that people may make their views known but, in terms of actual complaints, the department has only had ever one formal complaint about a selection process for a superclinic or one formal complaint about broader issues of operation.

Senator BOYCE—What was the formal complaint?

Ms Bennett—There was a complaint by an unsuccessful applicant in one area. There is, I am aware, media from time to time from other service providers who may feel that a superclinic is potentially not needed. Our information is that, for example, drawing on the case of Ballan the facts being shown by the amount of attendances do not bear out the view that a superclinic is not needed in the area. For example, in the first quarter of operation

almost 16,000 presentations were made to the Ballan superclinic, so there is clearly a service need being met.

Senator BOYCE—You have told me now about media reports and that you have only had one formal complaint and there are various avenues. What other avenues are there and what do you do about other complaints?

Ms Bennett—There are no other complaints. There is media about—

Senator BOYCE—What do you do about that?

Ms Bennett—I guess it is an individual issue. It may be that people are just raising a view that a service is not needed. There is not anything formal for us to do about that.

Senator BOYCE—So you do not react unless it is brought specifically to you? Is that what you are saying?

Ms Bennett—We react by implementing the program to help deliver gaps in services.

Senator BOYCE—But you are not reacting to the media comments?

Ms Bennett—We do not respond to individuals in the media.

Senator BOYCE—Do you do any assessment of the effect of a superclinic on other practices in the area?

Ms Bennett—There will be quite a detailed evaluation of the superclinic program, but, as I said—

Senator BOYCE—When will that happen?

Dr Bessell—We will engage somebody before June 2010, so it will start to roll out in the latter half of 2010.

Ms Bennett—And it will look broadly at the impact of the clinic hopefully on the service gaps and addressing the needs of the communities but also impacts more broadly in a location. But at this stage we have, as I said, only two fully operational clinics and it is too early to gauge that impact.

Senator BOYCE—But you would be able to gauge it in the case of Strathpine and Ballan. You can give me the figures for the Ballan superclinic. Surely it would be possible to ascertain whether that meant fewer people attending other medical centres in the area.

Ms Bennett—Not in the absence of doing some proper technical, detailed work. It would not necessarily be the case that you could have a causation between either an increase or a decrease in any other presentations to any other primary care practitioner, allied health practitioner or, indeed, emergency department and say that that was caused by the opening of the superclinic in the absence of doing some proper constructed studies.

Senator BOYCE—In the absence of doing proper constructed studies, what would you recommend, then, as a course of action for someone who may have a financial interest in a medical practice that is being, in their view, affected or likely to be affected by a superclinic?

Ms Bennett—I am contemplating how to answer this question. ‘Stay calm and wait till the facts emerge,’ would be my answer.

Senator BOYCE—If you are not going to get enough money to buy the groceries next week you might not be able to stay calm.

Ms Bennett—Again, the question of anecdote and feeling is a different question from the facts and, as yet, the facts are not—

Senator BOYCE—That is exactly what I am suggesting.

Ms Bennett—The facts are not demonstrating that a superclinic is driving anyone, as I am aware, to the edge.

Senator BOYCE—But you have just pointed out that you are not making any effort to ascertain that either.

Ms Bennett—We will be putting in place a detailed technical, properly constructed evaluation of the impact of superclinics both on patients and in addressing their needs and on broader service issues in an area.

Senator BOYCE—How does that evaluation then relate to the assessments that you would have done pre-establishment of what was perceived to be the need and of the other medical practices operating in the area? Will you be relating those two?

Ms Bennett—The service plan for each clinic will be built around addressing the identified needs in an area. So part of the evaluation will be attempting to see whether they have, indeed, addressed some of those service gaps, yes.

Senator BOYCE—When would you anticipate the evaluation would be come public—or be completed, I suppose, as question A?

Ms Bennett—My quick answer was about to be: I would not commit to whether it was public or not at this point. That will be a question and a decision for government at some stage. I can provide you with details later on the likely commencement and conclusion date of the evaluation, but I imagine that it will be a full and extensive period of evaluation, so probably a couple of years.

Senator BOYCE—Thank you.

Ms Bennett—But I can provide you with more details on that.

Senator FIERRAVANTI-WELLS—Following on from that, we talked about after-hours provisions and overseas trained doctors working in areas that are not districts of workforce shortages. Are they available to all family GP practices? Are the after-hours provisions for overseas trained doctors to work in areas that are not areas of workforce shortage available to all family GP practices?

Ms Bennett—Any GP practice can make an application for a district workforce assessment as a basis of wishing to employ a general practitioner. That is not limited to GP superclinics.

Senator FIERRAVANTI-WELLS—Is it formal policy that overseas trained doctors are able to access Medicare provider numbers outside the ordinary hours irrespective of the location?

CHAIR—Is that a workforce question?

Ms Bennett—These are detailed workforce questions which we can pick up in outcome 12.

Senator FIERRAVANTI-WELLS—So that covers anything to do with provisions for overseas doctors working in areas. How many local doctors have relocated to the superclinics that have opened? Have any local doctors relocated to those superclinics that you are aware of?

Ms Bennett—I would have to take that on notice; and indeed we may not have the answers. We may not have individual doctor names and details.

Senator FIERRAVANTI-WELLS—Is that something that you are going to contemplate being able to plot, if I can put it that way—the movement of doctors and, for want of a better term, the super GP clinic cannibalising them and taking over?

Ms Halton—I think we just need to be a bit careful about the use of the word 'cannibalise', Senator, which brings with it a kind of imputation of bad behaviour. I think it is better to say that there is, I think, quite a—

Senator FIERRAVANTI-WELLS—Perhaps if I can rephrase it in this way, Ms Halton—that is, are you anticipating looking at in your evaluation processes how many local doctors who you are aware operate in that local area may relocate to the superclinic? One would assume that you would be able to see if that doctor relocates from an existing practice to a superclinic in that local area. Do you understand?

Ms Halton—Ms Bennett was answering your earlier question about some quite detailed technical work—and, without wishing to bore you to tears, there are some quite challenging things to do with provider numbers and locations of the provision of service in the way that Medicare Australia collects information that makes that quite a difficult technical exercise. On the general principle—which is, do we want to know whether there is a movement of practitioners?—yes, we agree with the issue. Precisely how we measure that is an issue which will have to be technically managed.

Senator FIERRAVANTI-WELLS—Ms Halton, correct me if I am wrong, but if I am a GP practising in a local area and a superclinic opens up across the road, how technically difficult is it to know that Dr X who previously practised in this clinic now practises in the clinic across the road?

Ms Halton—It depends on how they bill Medicare Australia and what identification is used as part of the billing practice. Let me give you a practical example. In Wentworth Avenue there is a GP superclinic. Senator Humphries is looking at me. It is not one of our GP superclinics; it is one that the ACT government has encouraged. A number of local practitioners have relocated, but, depending on how they bill and how the arrangements in that clinic are structured, they may not have changed their billing arrangements to Medicare Australia, which may mean it is difficult for us to say if we just look at the numbers that they have actually co-located. I know that they have co-located because I know the area and I know the GPs. All I am saying is that we are interested in that question but the technical answer as to whether in all cases we can measure it is a more difficult question.

Senator FIERRAVANTI-WELLS—But the bottom line is, Ms Halton, that it is a question that is obviously of importance.

Ms Halton—Of course.

Senator FIERRAVANTI-WELLS—Because if you are trying to get a net gain of doctors, you want to make sure that you measure that net gain of doctors; and that is what I am assuming is behind this sort of grand superclinic plan?

Ms Halton—No. Again, let us be clear about what we are doing with GP superclinics. We are also looking at the provision of allied health, and I think the officers have given you a series of examples from physiotherapy to dietetics—and I cannot remember the other examples given—and practice nurses. Let us be very clear: what you are actually looking at is the aggregate of service available to patients. What we do know, and again, if you take the Wentworth Avenue clinic as an example, when you have a number of GPs practising together, the economies of scale involved in that kind of practice mean it is actually more viable to have more practice nurses, and to bring in the physiotherapist, et cetera. So it is about the aggregate of service available for people. I am not denying that general practice itself is not incredibly important; it is. It is the cornerstone of these, but it is not the only stone in it.

Senator FIERRAVANTI-WELLS—So, in terms of incentives available to GPs to relocate, is it simply going to be left to the market, if I can put it that way, or are there specific incentives that you envisage for GPs to relocate?

Ms Bennett—Each superclinic, as part of its development plan, includes a plan for recruitment of staff—how many they need and an indication of when and where they will bring them on. Can I add to Ms Halton's answer about allied health to just give you the figures for Ballan. As I said, they had almost 16,000 GP presentations; but they have also had 5,700 allied health presentations in the same period, which is a significant enhancement on what has happened in the past. Each clinic has a recruitment plan and an indication of the number of allied health and GPs it wishes to recruit. Again, the complexities of working out whether there is, if you like, net gain are made more so because, even if a GP were to relocate to a superclinic, we also need to know whether in fact the place they left has recruited someone back into there. The fact that a GP may have moved may not have in fact opened up a vacancy; it may in fact be net gain. So it is quite a complex issue.

Ms Halton—Again, it sounds a bit paradoxical; it is a bit of the magic pudding in a funny kind of a way. Essentially what you are looking to get out of this is more than the sum of the component parts. Essentially what you are looking at is in areas where it is viable to do this the aggregation actually produces more, so it is not just a GP metric you are looking at; it is actually the totality of service.

Senator FIERRAVANTI-WELLS—I accept that. What guarantees are there that these practices will bulk-bill in the future?

Dr Bessell—As part of the assessment process, we certainly look at the proposals for the level of bulk-billing and who will be bulk-billed. So it is part of the assessment. There is actually no guarantee that that would continue for the next 20 years, given that the practice of medicine and the practice of health care will also change in the next 20 years.

Senator BOYCE—Will the operational ones all bulk-bill?

Dr Bessell—To date all so far offer some level of bulk-billing.

Senator FIERRAVANTI-WELLS—Just in terms of incentives, just going back on that, does the department provide any relocation incentives for GPs to move to superclinics?

Dr Bessell—There is a very small amount of money within the funding envelope available for relocation incentives. To date that has not been taken up other than, I think, by one clinic.

Senator FIERRAVANTI-WELLS—How much money is available for that? Could you just take that on notice, please?

Dr Bessell—I will take it on notice.

Senator FURNER—Can I start by commending the department for its expedient operation and opening of the GP superclinic in Strathpine on 29 February. I think that was some two months before schedule. What new services were offered in terms of moving into the area, and in particular I understand there is some Indigenous population in the area of Dixon? What sort of advantages may the clinic be able to offer in terms of that particular area?

Ms Bennett—The Strathpine clinic did open two months ahead of the original projected date, and has been fully operational since 11 January this year. The clinic has started with three GPs as well as nursing and pathology services. There is a pharmacy adjacent to the site that is, of course, providing ease of access for patients. In the next few months we expect the service to include up to five GPs. There will be six nurses and, you are right, one of those will be an Indigenous health nurse, which is a really great achievement for that area. There will also be a wide range of allied health professionals in that clinic: a physiotherapist, a chiropractor, a dietician, a diabetes educator, a psychologist, an audiologist, an exercise physiologist and a podiatrist. Again, to reiterate Ms Halton's point, with all of those additional allied health services in that area added to the mix of the GPs, we hope that we are able to provide a much wider, more coordinated package of care to people, particularly those with chronic illnesses. Again, it is that whole mix of services that should impact on the community rather than focusing on just one provision of a particular discipline. So, yes, the service will be very broad indeed and has opened well and ahead of time.

Senator FURNER—During the official opening by the minister for health, Nicola Roxon, and also a local icon, Fiona McNamara, we had some appraisal of a library. I did not have an opportunity to get information on the purpose of the library and who has access to the library. Are you able to provide the committee with some information?

Ms Bennett—I am not, but Dr Bessell might be able to assist with that.

Dr Bessell—The purpose of the library is for health professionals, patients and members of the public. It will be used as a community resource. I believe it also has a meeting area that can be used by local community groups. In addition, I understand that the clinic either has employed or is about to employ Indigenous reception staff, in addition to the health professional staff, to make it a welcoming place to Indigenous members of the community north of Brisbane.

Ms Halton—We know that one of the issues for Indigenous people in terms of access to mainstream health services is the question of cultural competence. We know that Indigenous

people feel much more comfortable going to services where there is that welcoming approach that they are looking for. We actually think that it is an incredibly important part of this particular service to deliver access to services that the general community expect. We actually think that this will make a genuine different to people's access to services and therefore to their health outcomes.

CHAIR—Are there other questions on elements of primary care?

Senator FIERRAVANTI-WELLS—I have a question.

CHAIR—Under which program? What is the issue?

Senator FIERRAVANTI-WELLS—Healthy Kids Check.

Ms Halton—That is under medical benefits.

CHAIR—Senator Humphries, which area are you wanting to question about?

Senator HUMPHRIES—I want to ask about plans to consolidate divisions of general practice.

CHAIR—We will move into the divisions of general practice area.

Senator HUMPHRIES—What are the government's plans at this point to consolidate the number of divisions of general practice across the country?

Ms Bennett—Earlier this morning Ms Halton drew attention to the broader efforts around health reform that are taking place. It is fair to say that there are not specific intents at this time to do anything other than the usual around divisions of general practice. That is to say, occasionally we get a direct application from a division or an adjoining pair of divisions, who may approach the department to look at the question of whether they may be better off amalgamating. But there is no program underway at this time to do anything with divisions of general practice other than continuing to roll out the usual programs, while divisions are part of the broader health reform primary care consideration.

Ms Halton—I am conscious that the divisions themselves have been talking about the world of health reform. They have been positing various scenarios, but that is a discussion that they are having internally.

Senator HUMPHRIES—I am more interested in what plans the government is looking at with respect to this. I appreciate that some of this will be initiated by the divisions themselves, but I understand that there are other plans being drawn up by the government for that purpose. I have a couple of maps here which I understand were produced by the department, one showing the 29 divisions of general practice which currently exist in Victoria, and an overlay map which reduces that to what are called 11 indicative primary healthcare organisations. Can you confirm that that is a document that is being prepared by the department?

Ms Halton—I do not know who prepared that. I am happy to have a look at it. As I said, the divisions have been doing some work on these issues, which includes aggregation. I will have to have a look at it.

Senator HUMPHRIES—I am happy for divisions to discuss plans for aggregation, but I am more interested in what plans, of which divisions are not part at this point, have been

drawn up. If I were to show these to the divisions themselves, they would be happy to see that these things have been part of a process that has included them in discussions?

Ms Halton—As I say, we have received a number of communications from the divisions about proposals they have. That may well be one of those maps. I would have to have a look at it. I just do not know.

Senator HUMPHRIES—I will let you have a look at those. Thank you.

Senator SIEWERT—How many divisions of general practice is the department funding this financial year?

Mr Andreatta—Currently we have contracts with 109 divisions of general practice, and the agreements take us up to 2012. We also have agreements with the state based organisations in each of the states and the AGP and the peak body. In total, it is 109, plus the eight state based organisations and the peak body. That is all part of the general practice program.

Senator SIEWERT—So add another additional nine to the 109, effectively.

Mr Andreatta—Yes.

Senator SIEWERT—If you could give me quickly the figure for the overall funding for the program, that would be useful.

Mr Andreatta—It is approximately $83 million.

Senator SIEWERT—How much of that is used for administration?

Mr Andreatta—That amount is the core funding that we provide to the Divisions of General Practice Program, so it is administration, setting up their operations and hiring the staff. Additional to that, divisions and state based organisations receive separate funding for the delivery of different programs. MAHS in particular is one example.

Senator SIEWERT—Did you say they go to the state? Does that deliver to the state based organisations and then go out to the—

Mr Andreatta—Not in all cases. In the majority of cases, the divisions are paid individually. State based organisations do fund-hold for particular programs for the state that they are responsible for.

Senator SIEWERT—Are divisions of general practice able to pay their board members for sitting et cetera?

Mr Andreatta—I will need to check on that. I believe so. There potentially is a sitting fee.

Senator SIEWERT—Could you take on notice if they do; if all of them do or if they can choose to or not; how much they pay; and if there is a standard set of guidelines for payments?

Mr Andreatta—I will take that on notice.

Senator SIEWERT—I may be crossing the line into what we will be talking about on Friday, but how many AMSs are auspiced under the Aboriginal divisions?

Mr Andreatta—How do you mean auspiced?

Senator SIEWERT—Aboriginal Medical Services.

Mr Andreatta—I understand that.

Senator SIEWERT—I understand that some of the divisions actually auspice AMSs.

Mr Andreatta—AMSs are funded separately by our ATSI area within the department. Divisions are funded by this outcome. There are arrangements where they share some services and cooperate in a local area, but I am not aware of any funding or contractual arrangements between them apart from delivering services within a local community, which they may do together.

Senator SIEWERT—So it is not the case that some divisions hold funds for AMSs?

Mr Andreatta—Not that I am aware of.

Ms Bennett—I think that is a question on which the people responsible for Indigenous outcomes would have the detail. We are only aware that—

Senator SIEWERT—Okay, I am happy to pick that up on Friday, which is what I indicated this morning.

Ms Bennett—Certainly we are aware that there are some local arrangements where divisions cooperate with their local AMS in the delivery of services and may deliver some services on behalf of the local AMS, but I think the issues that you are talking about around a contractual auspicing is a separate issue.

Senator SIEWERT—Okay; that does not happen to your knowledge. So any relationship between a division and an AMS would be through collaborative projects rather than them auspicing an AMS?

Ms Bennett—That is what we know about. We are suggesting that, if there is a broader arrangement, there are other, more correct people to answer than us. I do not know the answer to that question.

Senator SIEWERT—Okay. I am very happy it is now flagged that I will be raising this on Friday. Thank you. I suspect in that case you will not be able to answer the rest of my questions—I am just double checking. I am happy to take it up on Friday. Yes, I suspect the rest of my questions will be for Friday. If it eventuates that we cannot deal with them on Friday, I will put them on notice. Thank you. I just wanted to cover those general issues. Can I be really cheeky? It would help me considerably to have for Friday the information that you said you would take on notice.

Mr Andreatta—Is this the board fees?

Senator SIEWERT—Those sorts of things. Even if you cannot give it completely, some of it would be useful for me to follow up on Friday.

Mr Andreatta—We will attempt to do that.

Senator SIEWERT—That would be much appreciated, thank you.

CHAIR—We now move to Outcome 9, which is Private health. Ms Halton, we will ask for the officers from PHIAC and the agency to stay with us until we finish this section. We may not get to them, but we have been assured that we will move through them fairly quickly.

Ms Halton—That is fine.

Senator FIERRAVANTI-WELLS—With respect to the private health insurance rebates, in the government's first budget changes were made to the Medicare levy. In the second budget, it was proposing changes to the private health insurance rebates, which the Senate rejected. What other changes are being considered by the department in this area?

Prof. Calder—Is that a question about rebates or private health insurance generally?

Senator FIERRAVANTI-WELLS—I am asking in relation to private insurance generally.

CHAIR—I think that is a very wide question in terms of what the departmental officers can answer.

Senator FIERRAVANTI-WELLS—Let me just ask about the rebates. What other changes are you considering? What other changes have been proposed or are under consideration by the department in this area?

Ms Halton—This is where we get into the usual question about what we can and cannot answer in Senate committees.

Senator FIERRAVANTI-WELLS—Let me just ask my question. The private health insurance rebate has been rejected by the Senate. Is the department undertaking work to pursue that change again, if I can put it that way, in this term?

Senator Ludwig—I think that is a question for me.

Senator FIERRAVANTI-WELLS—Yes, it is. You have been sitting there so quietly!

Senator Ludwig—Well, I did not want to interrupt.

Senator FIERRAVANTI-WELLS—Can you help me on that one?

Senator Ludwig—I will have to go back and take it on notice to have a look at the red. I would not want to mislead you. I am sure it is a matter that we are continuing to press for. If you change your mind, let us know.

Senator FIERRAVANTI-WELLS—I do not think I am going to change my mind! You might change your mind, but I will not.

Senator Ludwig—No, I am keen to pass the legislation. Do you want to know, then, whether we are going to press for it again? Is that the nub of the question?

Senator FIERRAVANTI-WELLS—That is basically my question.

Senator Ludwig—The answer is we are continuing to press for it. We would like the change. We do note your opposition to it.

Senator FIERRAVANTI-WELLS—When the estimated savings to the budget from the means testing of private health insurance were calculated, were the proposed savings part of the overall health budget savings or were they assigned to anywhere else—for example, the pension increase?

Ms Halton—No. As you probably appreciate, we show measures in relation to the budget. The measures, where they are outlays in our portfolio, are shown as measures in our portfolio. There are also measures which attach to other portfolios, be it Treasury, FaHCSIA, et cetera.

Sometimes our measures have some flow-ons, depending on where they are, but outlays that we make are shown against us. As you know, these are aggregated across all portfolios in terms of the budget bottom line and are reflected in the budget papers in that way.

Senator FIERRAVANTI-WELLS—So where were the savings going to go?

Ms Halton—Into consolidated revenue.

Senator FIERRAVANTI-WELLS—In other words, you had not allocated within your portfolio those moneys or those savings somewhere else?

Ms Halton—Again, you probably know very well that we do not have a bunch of green dollars appropriated to us which we then reallocate. We have a budget bottom line—

Senator FIERRAVANTI-WELLS—No, the reason I ask is that I will come to another question in another part where a savings measure was then put into another area. I am just asking a simple question.

Senator Ludwig—I understand that. That is really a decision of government.

Senator FIERRAVANTI-WELLS—Sure, I appreciate that.

Senator Ludwig—In this instance, as you would know, the PHI budget will cost taxpayers about $2 billion over the life of the budget—around $9 billion over the next decade. They represent significant structural saves in the 2009-10 budget, and the Treasurer—I will not go any further, but that gives you where the matters relate to. We are seeking the PHI bill. We are continuing to press for it. I think it is in the House at the moment, although I will check that.

Senator FIERRAVANTI-WELLS—Sorry, could you just repeat that figure? I do not have those papers in front of me.

Senator Ludwig—I think it is well known. I think there has been a range of press releases about this, but it is about $2 billion over the life of the budget and around $9 billion over the next decade.

Senator FIERRAVANTI-WELLS—Thank you.

Senator Ludwig—That is why we are serious about pressing for that.

Senator FIERRAVANTI-WELLS—Has the government modelled what would happen if the rebate and means testing were passed but the bills relating to increases in the Medicare levy surcharge were not?

Ms Halton—The Medicare levy surcharge is not a matter for this portfolio. It is a revenue—

Senator FIERRAVANTI-WELLS—I am just asking Senator Ludwig by way of general—

Senator Ludwig—Sorry. My answer is the same. You are asking a question that should be directed at another portfolio. It is a Treasury question.

Senator FIERRAVANTI-WELLS—All right. I do not have any more questions on this area.

Senator SIEWERT—I want to follow up where we left off with the modelling. I am specifically interested in the surcharge issue and the increase in the levy surcharge.

Ms Halton—Again, that is a revenue issue, Senator.

Senator SIEWERT—Specifically about modelling?

Ms Halton—Yes.

Senator SIEWERT—So you have had no involvement in any of the modelling?

Ms Halton—Revenue matters are not matters we are responsible for and we cannot take questions on revenue matters. They are matters for the Treasury.

CHAIR—And we have a precedent on that.

Senator Ludwig—In fact, I have just had that confirmed. It did pass the House and it is scheduled to be debated in the Senate.

Senator McEWEN—I think the minister and Ms Halton have already answered the questions that I was going to ask. With respect to trends in private health insurance membership, I believe a report was issued recently; can somebody elaborate on what has happened in private health insurance membership?

Ms Shakespeare—The most recent quarter of data on private health insurance membership shows that there has been an increase in membership. The current figures are, for hospital insurance 44.7 per cent of the population is covered and that was up from 44.5 per cent in the previous quarter; for private health insurance membership overall, the current proportion is 51.6 per cent, up from 51.4 per cent in the previous quarter.

Senator McEWEN—Were there health insurance premium increases in the year to which those figures refer?

Ms Shakespeare—Not in that particular quarter. The last private health insurance premium increases took effect on 1 April 2009.

Senator McEWEN—So, despite the increases, the number of people with private health insurance has increased as well?

Ms Shakespeare—Yes, it has been trending upwards over the last few years.

Senator McEWEN—Can you elaborate on what modelling showed about the impact on the numbers of people with private health insurance if the government's legislation that is probably on its way back to the Senate is not passed again?

Ms Shakespeare—The impact on participation if it is not passed?

Senator McEWEN—If it is passed, sorry?

Ms Shakespeare—If it is passed, the government's modelling is that approximately 25,000 would drop their hospital insurance, and that has been modelled by Treasury with involvement from our department.

Senator McEWEN—What is the total number of Australians with private health insurance?

Ms Shakespeare—With hospital insurance at the moment, 9.82 million. So the 25,000 would represent about 0.03 per cent. So 99.7 per cent of people are expected to maintain their hospital insurance.

Senator McEWEN—Okay. I know that the minister referred to the budget savings that would accrue should that legislation be passed by the Senate, and I think his figures were $2 billion over a four-year period and approximately $10 billion over a 10-year period. Do we have a figure for about mid-century?

Ms Shakespeare—Treasury has modelled the impact up until 2049-50, and it is around $100 billion if it is not passed.

Senator McEWEN—So $100 billion—

Ms Shakespeare—Additional cost.

Senator McEWEN—Additional cost to the health budget if it is not passed?

Ms Shakespeare—Yes.

Senator McEWEN—Thank you very much.

Senator SIEWERT—I will have another go at modelling. I am not asking about revenue this time. So you have done modelling in terms of the surcharge. As I understand it, one of the aims with the surcharge levy is to encourage those that are on a higher income that do not have private health insurance, the ones that I call 'conscientious objectors', into private health insurance. Can you remind me, with the thresholds that you have at the moment, what that number is that you have been modelling? I am not talking about the revenue; I am talking about the actual numbers of people.

Ms Shakespeare—The numbers of people that would be expected to drop their private hospital insurance?

Senator SIEWERT—No, to take it up? The object of the exercise with the surcharge increasing the threshold is to encourage people to take up private health insurance.

Ms Shakespeare—The modelling around this measure has been the measure overall. There has not been separate modelling done on numbers of people that would take out private hospital insurance if the Medicare levy surcharge changes were passed separately. It is all part of a package. The impact has been that a small number of people would drop their private health insurance if the package is passed as a whole, so changes to means test the rebate and also increase the Medicare levy surcharge rates.

Senator SIEWERT—I know I am not allowed to ask about revenue modelling, but what directions did you give then to Treasury when they worked out that they were going to make $145 million over four years out of the surcharge? We have been told that it is $145 million for the surcharge. What is that based on?

Ms Shakespeare—There are estimates of the numbers of people who currently do not have private health insurance who are in the proposed rebate tiers. The assumption was that they would continue to pay the Medicare levy surcharge. There are, I think, 40,000 people in tier 3 and 90,000 people in tier 2.

Senator SIEWERT—Sorry, 40,000 in—

Ms Shakespeare—There are 40,000 in tier 3, so that is people who are earning over $120,000, and then 90,000 in tier 2.

Senator SIEWERT—So when you were doing your modelling, I would have thought one of the outcomes of increasing the surcharge surely is to encourage people to take up private health insurance, as we understood it?

Prof. Calder—May I just emphasise that we do not do the modelling. The modelling is done by Treasury with our involvement.

Senator SIEWERT—But surely Treasury rely on your data and your figures?

Ms Shakespeare—This data actually comes from tax data, so it is not held within the department. We simply comment on their methodology and provide private health insurance data to feed in. But the Medicare levy surcharge figures come from tax data.

Senator SIEWERT—Okay. When you are talking about what mechanisms you will use, surely you look at this data and your model will make some assumptions about a policy outcome that you want? The policy outcome, obviously, is if people are not taking up private health insurance, you want them to pay more in the surcharge. As we have discussed here before, and in fact in the inquiry into this, one of the other objectives is to encourage people to take up private health insurance.

Ms Shakespeare—I think for the higher income earners in the tiers that have been proposed, the main objective is actually to get them to maintain their private health insurance. There are not very many people in those higher income tiers that do not have private health insurance at the moment. Those were the numbers I mentioned to you before. Some of those people might take out private health insurance once the Medicare levy surcharge rates increase, but that has not been included in the modelling, because the behaviour of those people is unpredictable. According to normal economic modelling they would already have private health insurance.

Senator SIEWERT—In other words, they are conscientious objectors?

Ms Shakespeare—Yes.

Senator SIEWERT—The numbers at the moment are basically 130,000 people through the two tiers, tiers 2 and 3?

Ms Shakespeare—Yes.

Senator SIEWERT—You are not expecting any of those to take up private health insurance; you think they are just going to keep paying the surcharge?

Prof. Calder—It is not predictable.

Senator SIEWERT—So you have not included anything like that in the models?

Prof. Calder—As we have just explained, because these people are in a group that are behaving against what would be the norm, the assumption is that their behaviour will be unpredictable.

Ms Shakespeare—But Treasury, having done this modelling, would probably be better placed to answer the question.

Senator SIEWERT—Thank you.

Senator FIERRAVANTI-WELLS—Can I just follow on from that?

CHAIR—Very briefly, Senator.

Senator FIERRAVANTI-WELLS—In terms of the membership numbers going into private health, how does this compare in the relevant quarters over the last five years, and as a proportion of the population of people taking up private insurance? In other words, over the last five years, how are the membership numbers comparing as a proportion of the population? If you would like to take that on notice, please do so.

Prof. Calder—I think it is quite detailed.

Senator FIERRAVANTI-WELLS—Thank you.

Ms Shakespeare—As I said, the most recent quarter of data around participation is September 2009. Five years before that would be September 2004. At that point there were 8.67 million people with hospital cover, which is 42.9 per cent of the population. That compares with 9.82 million people now, which is 44.7 per cent of the population. I can read you out each quarter, if you like, but there has been—

CHAIR—Would it be possible to table a document that shows that? Reading figures like that out is difficult.

Senator FIERRAVANTI-WELLS—That would be useful, if you can do that for the last quarters over the last five years.

Ms Shakespeare—Yes.

CHAIR—It would be really useful.

Ms Shakespeare—Most certainly.

Senator FIERRAVANTI-WELLS—Have you done any modelling in relation to how many people will have private health insurance in 2047 in accordance with the *Intergenerational report*?

Ms Shakespeare—No, we have not. Treasury may have. We are not involved in the *Intergenerational report* around private health insurance membership.

Senator FIERRAVANTI-WELLS—Okay. So they could potentially help with fewer numbers of people. They may have done their own modelling in relation to numbers on this?

Ms Shakespeare—I am unaware of any modelling around that, but you would need to ask Treasury.

Senator FIERRAVANTI-WELLS—Have you provided any input?

Ms Halton—The department provided a lot of input to the *Intergenerational report*, but not necessarily through these particular officers.

Senator FIERRAVANTI-WELLS—All right. Did the department of health provide any input in relation to private health insurance?

Ms Halton—I would characterise our input into the *Intergenerational report* as being commentary on assumptions and other matters in relation to how they were constructing—

Senator FIERRAVANTI-WELLS—Whatever you deem it to be, Ms Halton, it could have been on a variety of matters.

Ms Halton—Indeed; on all matters that were relevant to our portfolio, but the point I am making is that it was not formal submissions.

Senator FIERRAVANTI-WELLS—I appreciate that.

Ms Halton—It is by way of looking at what they were doing and providing commentary in relation to it.

Senator FIERRAVANTI-WELLS—In relation to private health insurance, did you provide any input?

Ms Halton—I would have to check that with the relevant officers.

Senator FIERRAVANTI-WELLS—Could you take that on notice?

Ms Halton—It would be my understanding that we would have commented on anything to do with our portfolio.

Ms Shakespeare—I have just been advised that we provided Treasury with information about where they could find the PHIAC time series data, and that was the extent of our input.

Senator FIERRAVANTI-WELLS—Okay. We might come to some quick questions to PHIAC in a moment. In relation to PHIAC, do you have a breakdown on age groups that take up private health insurance?

Ms Shakespeare—That is included in the PHIAC data reports, yes.

Senator FIERRAVANTI-WELLS—All right. They drop or downgrade, and you also include income levels of people who take up private health insurance?

Ms Shakespeare—Income levels are not a part of the PHIAC data reports. I think income levels are fairly limited to Treasury tax data.

Senator FIERRAVANTI-WELLS—Okay. Professor Calder, at the estimates on 3 June you might recall that exchange with Senator Cormann—and if you do not, I refer you to page 109—about salary levels. I will refer you to the question which is on the second half of the page as follows:

2.3 million people out of 9.7 million people with private hospital insurance will be directly impacted. So the argument still stands—that is, 7.4 million Australians with private health insurance earn less than $75,000 or $150,000, depending on whether they are single or a couple. Is that the right assumption for me to make?

You answered, 'Yes.' In other words, as to that sort of information in relation to salary levels, upon what data did you draw on to agree with Senator Cormann in relation to that assumption? Is that data that is contained within the department?

Prof. Calder—I think I was agreeing with his assumption, not necessarily identifying any agreement with the data. But it would be Treasury data that he was quoting. He had in fact moved between two Senate committees at that point.

Senator FIERRAVANTI-WELLS—Okay, that is fine from me, thanks.

CHAIR—I understood earlier that you did not have questions for PHIAC, but you just said that you did. Do you have questions for PHIAC?

Senator FIERRAVANTI-WELLS—No, I thought they might have been directed to PHIAC, but they were not. The department helped me and we have done.

CHAIR—Does anyone have any other questions on outcome 9, private health, including to PHIAC or the agency? No, we do not. Ms Halton, I apologise to PHIAC and the agency. I was told you would be required; otherwise I would not have wasted your time bringing you here, so thank you for your patience.

We will now move to outcome 7, hearing services. I believe that there are very few questions, so we are aiming to get this completed by 12.30 pm.

Ms Halton—While we have this interregnum, Senator, you asked about any costs associated with the briefing session which I conduct before every estimates, and always have done. One officer, who is located interstate, was in Canberra on that day and had a number of meetings, including with the head of the NHMRC, with the head of Cancer Australia and with our adviser on cancer. That was the head of NBOCC. She also attended that meeting. I have clarified that on the day when she attended she had an airfare of $471.09.

Senator FIERRAVANTI-WELLS—Thank you.

CHAIR—Welcome to the officers for outcome 7, hearing services.

Senator FIERRAVANTI-WELLS—I have some questions in relation to the direct bone conduction hearing device. I understand that children with hearing loss in one ear only are not eligible for a subsidy for a direct bone conduction hearing aid device. I understand that this device costs about $6,000, and hearing loss in one ear from birth can cause learning problems. How many children are born with hearing loss in only one ear in Australia per annum? Do we know that?

Ms Ward—We could take that on notice.

Senator FIERRAVANTI-WELLS—What services are provided for children with severe hearing loss from birth in only one ear?

Ms Ward—All children are provided with free services through Australian Hearing. It is about 18 per cent of total devices fitted by Australian Hearing. I can get a number for you.

Senator FIERRAVANTI-WELLS—I am particularly after the number of children that are born with hearing loss in only one ear. That is what I am asking about. I would like to know what services are provided for those children. Is a direct bone conduction hearing aid device subsidised or not subsidised in Australia? If it is not, could you explain why not? Are there any plans for any such devices to be subsidised? That is the gist of my question.

Ms Ward—I can get that for you shortly.

Senator FIERRAVANTI-WELLS—Thank you.

Senator SIEWERT—I realise that I am again being a little cheeky in that we are currently having an inquiry into this, but if you cannot answer it now, I would appreciate the information at some stage. Have you done any modelling around what it would cost to provide support for people over 21 to maintain the provision of services? You would be aware

of the debate that is going on around the provision of services to people after they turn 21. Have you done any modelling around that?

Ms Ward—We have.

Senator SIEWERT—Are you able to provide that to us?

Ms Murnane—We have done some modelling. It is very preliminary, and we are not able to provide it yet. Like all modelling, it rests on a number of assumptions. At some stage we may be able to provide it, but I think you would realise, fit and proper, that that is provided first to the government.

Senator SIEWERT—So, have you not provided it? Okay, I hear what you are saying.

Ms Murnane—We are in the process of formulating advice, and this has to be considered. I should have said considered by the government rather than provided. We are aware that there is public comment on this. This is not a new thing; it has happened for some time. This is an issue that is being considered, modelling has been done and more modelling will probably be done.

Senator SIEWERT—I appreciate that it is a complex issue, but are you able to provide us some of the parameters that you are considering to do that modelling?

Ms Murnane—I will take that on notice. We would rather have time to actually look critically at what we have already done, get comment on that, and then try to refine and get more complete results than we have at the moment.

Senator SIEWERT—Thank you. When did you start doing the modelling?

Ms Murnane—I think this is something that has been looked at from time to time over many years. But in the last few months, I am aware that some work has been done, and that has been discussed with me. More work is now being done.

Senator SIEWERT—In other words, it is recent modelling?

Ms Murnane—Yes. This is not going back to what might have been done many years ago, because this issue was an active issue from 1997.

Senator SIEWERT—I appreciate that. That is why I was asking about whether it was recent modelling. Thank you. I am encouraged that you have been doing recent modelling.

Senator BOYCE—I am not sure who might be able to assist me with this, but one issue that did arise during the Senate committee hearing that Senator Siewert referred to was the fact that classrooms are not being designed with the idea that a hearing loop may well be needed, which raises the issue of not only the people who are born with hearing problems but the developing issues we are going to have with the growth of people with hearing problems. What is the department doing in terms of planning, both for health and the sorts of infrastructure that other departments might develop in this area?

Ms McDonald—Largely that is an area in terms of classroom design. It is a responsibility of state and territory governments.

Senator BOYCE—But is anyone perhaps suggesting to the states and territories that there is one way that might be a better way or making suggestions at all on the area?

Ms McDonald—In terms of our area, there is no work underway at the moment. However, I know that Australian Hearing have been working with various state governments and school groups, and I think probably a question to them would be better because they are the ones with the technical expertise in this area.

Senator BOYCE—However, then I come around to the infrastructure that the Department of Health and Ageing facilitates, I suppose, primarily through the states. What is being done in those areas, such as hospitals, aged- care centres, community centres—let us keep the list going. What work is the department itself doing particularly in relation to hearing and building design?

Ms Murnane—The issue of loops in public buildings, in picture theatres, in concert halls and in churches has been something that has been gathering strength for a long time.

Senator BOYCE—I realise that, yes.

Ms Murnane—In terms of schools, a lot of work has been done by Australian Hearing on advice from the National Acoustic Laboratories about services particularly, and assisting Indigenous people who may have hearing loss.

Senator BOYCE—I am aware of that, Ms Murnane, but the question goes to not just backfilling to help people but in design.

Ms Murnane—As Ms McDonald said, we have not done work on this.

Senator BOYCE—What about in terms of hospitals and aged-care homes? Have building design questions been considered?

Ms Halton—No, and we do not get into issues in respect of building design with our state and territory colleagues in that level of detail.

Senator BOYCE—Again, there are no national standards around hearing as one of the disability areas that you might consider in a building design that the Commonwealth government is going to fund?

Ms Halton—Not that we are responsible for. I cannot make a comment in relation to building design in terms of national standards, because it is not our area of portfolio responsibility.

Senator BOYCE—Whom would you see as being responsible for trying to bring together all those issues that are going to be relevant, not just to building design but to all sorts of other services and infrastructure in terms of the ageing of the population?

Ms Halton—I think there are probably two answers to that question. Building standards, as you understand, evolve over time to take account of particular issues, and we do have building standards that go to disability access. Disability access does not just mean physical access; it also means other matters of access.

Senator BOYCE—Absolutely.

Ms Halton—But that is a matter for the national standard. I think it is fair to say that we do advocate, if I can put it in that way, issues in respect of, for example, Indigenous communities and matters that we see when we come across them. But I would not regard this as being our portfolio responsibility. I would describe it as more adventitious than systematic.

Senator BOYCE—Okay, thank you.

CHAIR—Thank you. As there are no further questions on outcome 7, Hearing services, we will now suspend until 1.30 pm, when we will return with outcome 2, Pharmaceutical services.

Proceedings suspended from 12.29 pm to 1.30 pm

CHAIR—Welcome back. We will go back into outcome 2. Senator Fierravanti-Wells has some questions. I have also been told that Senator Boyce and Senator Siewert have questions in this area as well.

Ms Halton—Can I correct an answer given by one of the officers earlier. Professor Calder was asked what extra elective surgeries had been undertaken in relation to the additional operating theatre funded at Ipswich Hospital through the elective surgery waiting list reduction program stage 2. She replied that the project had been announced in June 2009 and was unlikely to be in operation. The answer should have been that the opening of the facility was announced in June 2009 and it is in operation.

CHAIR—Thank you.

Senator FIERRAVANTI-WELLS—In relation to this section, can I ask general questions and then you can redirect me? I am finding my way through this.

CHAIR—I think so, if that is easier for you, and then we can work it out.

Senator FIERRAVANTI-WELLS—I would like to start in relation to the PBS reform. I understand the minister supported reform in 2007, but asked that a review of the impact of the PBS be conducted within two years. I understand that is in the legislation. The report was required to be prepared by 31 December; is that correct?

Mr Stuart—Yes. The legislation required that the minister received a report from the department by the end of December and tabled by the fifth day of sittings.

Senator FIERRAVANTI-WELLS—If that is the timing, can you explain to me why you did not go to tender on the contract for the review? PwC was hired to conduct a report of the impact of the PBS and the contract date is 23 November to 28 January 2010.

Mr Stuart—Yes, I do have a small confession to make. The report has been tabled on time, but the department was unable to provide the minister with the report by the end of December. Nevertheless, the minister has done her part of the deal. The minister has tabled the report by the end of the fifth day of sittings, which was yesterday.

Senator FIERRAVANTI-WELLS—My concern is that if the contract period is for 23 November through to 28 January, that is the Christmas period. Was there any consultation at all with industry?

Mr Stuart—Yes, there was consultation with industry during 2009. I might ask Ms Santiago to go to what that was.

Ms Santiago—Excuse me for one moment while I find my brief.

Mr Learmonth—There are a couple of things. Firstly, in relation to the consultancy, Pricewaterhouse was awarded the job after a competitive tendering process. Secondly, in

relation to your question, there were a number of organisations that were consulted over the course of the review. They include the Consumers Health Forum of Australia, Choice, the AMA, Generic Medicines Industry Association, Medicines Australia, the Pharmacy Guild, the National Pharmaceutical Services Association and Australian Pharmaceutical Industries.

Senator FIERRAVANTI-WELLS—The consultation occurred before Pricewaterhouse was appointed. You were telling me that there was consultation throughout the year. I do not understand how that can happen if you award a contract to PricewaterhouseCoopers after 23 November to undertake a review and, I would assume, have some consultation between that relatively short period, bearing in mind Christmas and the New Year period.

Mr Stuart—The report of the review is the Australian government's report. There are several inputs into that review. One set of inputs into that review was submissions made by a range of organisations that Mr Learmonth has already read into the record. Another input into the review was specific modelling work for which the department contracted with PricewaterhouseCoopers. In doing their work, PricewaterhouseCoopers, again, did have some discussions with particular players that would add to their modelling work. However, they were not asked to conduct the entire review. They were simply asked to undertake modelling work as input to the minister's review.

Senator FIERRAVANTI-WELLS—The review was virtually done in house and all that PricewaterhouseCoopers were doing was the modelling?

Mr Stuart—They independently conducted modelling, which is reported as part of the minister's report.

Senator FIERRAVANTI-WELLS—Has the department considered and included the impact of further PBS changes made, for example, with the introduction of these new therapeutic groups? Has that been factored into this document? It was only tabled yesterday so I have not had the opportunity to absorb it. I just wondered if those sorts of changes had been considered?

Mr Stuart—This is a report about the impact of the reforms, not about subsequent policy. Therapeutic groups were formed both before the reforms and after the reforms, so the report does not discuss therapeutic groups. To the extent that the therapeutic groups have an impact on the bottom line, they would be factored into the baseline estimates, but that would be the only relevance.

Ms Halton—Therapeutic groups are existing policy and have been for many years.

Senator FIERRAVANTI-WELLS—Mr Stuart answered insofar as the price component of those changes.

Ms Halton—Correct; reform.

Senator FIERRAVANTI-WELLS—Did the report also include information on the level of pharmacy discounting and trends?

Mr Stuart—That is a difficult thing for us to get at. The report looks at the impact of the reforms on industry, wholesalers, consumers and government expenditure. The impact on discounting is something about which we do not have direct information, and the impacts on

discounting are shared between the pharmaceutical manufacturers, wholesalers and pharmacy in proportions not necessarily known to the department.

Senator BOYCE—I am sorry, I did not hear all of your answer. What bucket of funding was that in relation to?

Mr Learmonth—The question related to the impact of discounting down the supply chain.

Ms Halton—And the disaggregation of that and where it actually falls.

Mr Learmonth—That is right. Mr Stuart was making the point that there is no consolidated available data that tells us either about the full extent of discounting or about where it might fall at different points in the supply chain for different products.

Senator BOYCE—I have some questions that are tangential to that.

Senator FIERRAVANTI-WELLS—You should do those now.

Senator BOYCE—My questions were around the community service obligation for pharmaceuticals and the funding pool for PBS medicines, which was set up in July 2006. As I had understood it, the initial object of the community service obligations had been to ensure that rural and remote PBS clients got the same access and the same pricing for medicine as would metropolitan PBS clients. Is that correct?

Mr Stuart—I do not think it is a pricing matter. It is an availability and timeliness objective. The CSO commitment asked for supply for a range of medicines to be available within a 24-hour period everywhere in Australia.

Senator BOYCE—How much funding for 2009-10 has been provided under the community service obligation?

Mr Hurman—$182.5 million.

Senator BOYCE—Can you give me the year before and the year after as well?

Mr Hurman—Were you asking for 2008-09 earlier?

Senator BOYCE—I asked for 2009-10.

Mr Hurman—I gave you 2009-10. For 2008-09 it is $177.9 million and for 2010-11 it is $186.5 million, based on an assumption—

Senator BOYCE—Yes, that can only be an estimate.

Mr Stuart—Mr Hurman was just making the point that that last figure is provisional on the completion of the pharmacy agreement.

Senator BOYCE—Is that the fourth one or are we up to the fifth?

Mr Stuart—The 2010-11 figure.

Senator BOYCE—The community service obligation does not specifically mention rural and remote areas, but it is about equity of access. How do you go about deciding who falls under the obligation—for want of a better word—and who does not?

Mr Stuart—Are we talking about which pharmacies we are delivering to?

Senator BOYCE—Areas or pharmacies. How do you decide?

Mr Hurman—There are a number of requirements under the CSO. For example, CSO distributors must supply to any community pharmacy and ensure they meet the set thresholds, supply any brand, low volume. But I think the question you are getting to is that there are measures within the agreement on how much is supplied to particular—

Senator BOYCE—I will just exaggerate for the sake of example. With a national chain that had 20 pharmacies in Sydney and two in Mount Isa, would all of those pharmacies come under the CSO?

Mr Stuart—The requirements of the CSO apply to the wholesalers/distributors.

Ms Halton—Which are not the same as the pharmacies.

Senator BOYCE—I realise that.

Ms Halton—I think we need to be clear about what it is you are asking. I think that is why the witnesses are struggling.

Senator BOYCE—The community service obligation sets out to provide equity of access to PBS medicines and other low-volume medicines, as I understand it. How do you decide who gets funded to deliver these by the distributor? What is the eligibility?

Ms Halton—What we are talking about here is the distributors. We do not fund the pharmacy.

Senator BOYCE—The distributors are funded to provide to pharmacies.

Ms Halton—That is correct. As to the criteria that were just outlined to you by the officer—they have to meet those criteria in order to be funded out of the CSO.

Senator BOYCE—Do they have to be a certain distance from a CBD or from a distribution warehouse?

Ms Halton—No, we are not funding the pharmacy.

Senator BOYCE—Are we funding all delivery to all pharmacies?

Ms Halton—We are funding the distributor to meet the service requirement.

Senator BOYCE—How do you know if the distributor has or has not in fact delivered 95 per cent of those items into CBD pharmacies?

Ms Halton—Because distributors distribute all items to all pharmacies mostly. In fact, to have national access they actually have to be national distributors. There is a state element to this as well for state distribution. But as to the national distribution, to be party to this arrangement you actually have to be distributing nationally. One thing I can tell you is pharmacies complain pretty jolly quickly if they cannot get what they need.

Senator BOYCE—I think we have five wholesaler distributors who are approved under the CSO. Is that right?

Mr Stuart—Yes.

Senator BOYCE—How do they go about claiming from the department?

Mr Bessell—The CSO distributors provide data to an administration agency that has been set up purely for the administration of the community service obligation. The data that is

provided goes down to the individual units that are provided by the CSO distributor to individual pharmacies. The CSO administration agency undertakes the calculations and makes the payments on their behalf. They divide up parts of the pie. There is a fixed CSO pool which is a fixed value for the period, and then based on the market share of the units delivered by each of those distributors they get a portion of the pie.

Senator BOYCE—We are talking about Australian Healthcare Associates, are we?

Mr Bessell—They are the CSO administration agency, correct.

Senator BOYCE—Do you use Healthcare Associates to determine that all claimed deliveries are deliveries that are eligible under the CSO?

Mr Bessell—The CSO administration agency has quite a rigorous audit process in place to ensure that the CSO distributors are complying with the standards and are complying with the particular thresholds that are required. They audit the data on a monthly basis. They also have the power to visit the particular distribution facilities to audit for all of the particular compliance requirements, whether stocking requirements or storage of the medicines at the correct temperatures, and also to drill further down into the data. The CSO administration agency has the power to undertake very rigorous audits.

Senator BOYCE—What about in terms of delivery to pharmacies as specified?

Mr Bessell—There is also a complaints mechanism in place. If a pharmacy has not received an order that it required within 24 hours it can make a complaint to the CSO administration agency and that complaint will be followed up.

Senator BOYCE—What if a delivery were made to a pharmacy and claimed under the CSO when it did not meet the CSO, where a pharmacy obviously would not be—

Mr Bessell—The audit procedures and the data procedures that are in place with the CSO administration agency are thorough enough for that to be identified.

Senator BOYCE—Do you monitor the wholesale margins that are charged on PBS prescriptions under the CSO?

Mr Bessell—Again, one of the requirements for a CSO distributor to participate in a community service obligation is that they deliver to the approved community pharmacy the medicines at a price no greater than the approved price to pharmacist. The approved price to pharmacist is a combination of the ex-manufacturer price plus the wholesaler mark-up. They are obliged under their requirements to deliver to the pharmacy at no greater than the approved price to pharmacy. Again, if the pharmacy were to identify that the wholesaler had charged them a price greater than the approved price to pharmacist there is the complaints mechanism in place.

Senator BOYCE—But if they had not charged over and above but the pharmacy was selling at, let us say, recommended retail price, and if there were a little margin which in fact was being funded out of the CSO but not actually being spent or charged by the distributor to the pharmacy, would you be aware of it?

Mr Bessell—The money from the CSO pool goes directly to the CSO distributor and not to the pharmacy.

Senator BOYCE—If a distributor and a pharmacy together were to attempt to defraud the system, would they be able to do so and what checks do you have to attempt to ensure that they could not?

Mr Stuart—We are a little bit confused about the line of questioning, but I think the answer to your question is that we pay the distributor for the outcomes and the outcomes are known and checked.

Ms Halton—And you cannot double dip.

Senator BOYCE—I am just having some problems thinking about how to phrase these questions in a fair way, I guess. If, for instance, a distributor and a pharmacy were to decide to charge the highest possible rate for PBS medicines to be delivered—because the cost of delivery was not at that level—would you know that they were using that money to underwrite the cost of non-PBS medicines?

Mr Bessell—Who is doing this, the pharmacist or the distributor?

Senator BOYCE—If the distributor and the pharmacy together were using this. For instance, a distributor would deliver PBS medicines that are covered by the CSO and other medicines that would not be covered by the CSO to numerous pharmacies, would they not? If there were an attempt by a distributor and a pharmacy group to subsidise their non-PBS medicines by getting the maximum that they were allowed to from the CSO, irrespective of the real cost, would you know about it?

Ms Halton—There is a false premise in that question. If you have some allegation, it might be better just to tell us what it is. But in terms of the false premise, as has been indicated, what we have is an amount of money. We divide the amount of money by the eligible PBS prescriptions and that is the basis on which the funding is distributed. It is not a cost model. It is a quantum of funding. As you know, this was set under the previous government and this methodology was set under the previous government. As has been indicated, there is a mechanism, including the phone call from a friendly pharmacist to say, 'I didn't get what I was supposed to get and they have breached the obligations.' But that money is provided to those distributors on the basis of their share of the eligible population, if I can describe it that way, of the things that are distributed. The notion of it being in respect of cost is a false premise.

Senator BOYCE—I guess some of the concerns raised about this come from the perception that in fact it is the larger pharmacy chains and pharmacy groups that are now in receipt of CSO delivered goods, if you are with me—

Ms Halton—To the extent that it is their share of the overall pie?

Senator BOYCE—Yes. Is it your view that rural and remote pharmacies are receiving their fair share of goods, the delivery of which is funded through the CSO pool?

Ms Halton—Again, we keep talking about 'fair' and 'share'. We keep referring to—

Senator BOYCE—We must know how many PBS items get delivered to rural and remote pharmacies.

Ms Halton—We keep talking about pies and this is beginning to sound a bit like the Mad Hatter's tea party and the divvying up of pies.

Senator BOYCE—I think you used the term 'pies'.

Ms Halton—Yes, we did. I am sorry about that. But essentially there is not a fair share of the CSO pool in respect of individual pharmacies. The fairness is that pharmacies, regardless of where they are, get access to PBS medicines which they will then dispense to their clients, their patients, on the same basis as pharmacies in metropolitan areas. In other words, if you are a patient in wherever—Kununurra, Cunnamulla et cetera—and you go into that pharmacy and have a need for a particular medicine there is a minimum service standard that we expect in terms of your being able to get access to that medicine, and that minimum service standard applies to you regardless of whether you were in Cunnamulla or Cronulla, if that makes sense.

Senator BOYCE—Would it be possible to get the amounts that were paid to Australian Pharmaceutical Industries, Sigma Pharmaceutical, Symbion Pharmacy Services, Friendly Society Medical Association and Central Hospital Supplies for those years that you gave me earlier?

Ms Halton—Yes, of course.

Senator BOYCE—Can you give me the figures for those three years as to how that pie was split up, to use a brilliant and witty term.

Ms Halton—Yes.

Senator BOYCE—What is publicly available in terms of problems, complaints, improper or illegal activity or breaches of the CSO that are reported by AHA to the department?

Ms Halton—I would suggest that we take all of this little section on notice, because I will have to see, first of all, what information we have. There are also commercial issues here. If we can give you a comprehensive answer to this on notice, including what we can tell you, we would be happy to do that.

Senator FIERRAVANTI-WELLS—Did the PBS reform review take into account delays in price disclosure that are the result of legal action or the subject of legal action?

Mr Stuart—Yes, the report does mention the issues that the department has had in relation to price disclosure.

Senator FIERRAVANTI-WELLS—There have been delays?

Mr Stuart—There have been some delays in relation to some medicines.

Senator FIERRAVANTI-WELLS—Has that delay cost the government in forgone savings?

Mr Stuart—Yes, it has.

Senator FIERRAVANTI-WELLS—What were the causes of the delay in relation to implementing price disclosure or price reductions?

Mr Stuart—We have a total of 38 medicines currently to which price disclosure applies and we have had some successful price disclosure rounds concluded, so I would not want you to think it is entirely a tale of woe but there have been one or two reasons for delay. We had

one medicine in the first round, Meloxicam, for which the department had to concede the first round price disclosure due to legal technical difficulties, and that one has now been rounded up in the fourth round of price disclosure and is proceeding.

Senator FIERRAVANTI-WELLS—Has the department taken action to correct and ensure that these administrative anomalies—

Mr Stuart—Price disclosure has successive rounds and if we do not succeed in the first then we can—

Senator FIERRAVANTI-WELLS—Try, try again, yes.

Mr Stuart—come back later.

Senator FIERRAVANTI-WELLS—It is the old adage.

Ms Halton—Try, try, try.

Mr Stuart—Try, try, try, yes.

Senator FIERRAVANTI-WELLS—Yes. It actually comes with a dollar sign with it and I would be interested to know how much that dollar sign is.

Ms Halton—We might have to take that on notice.

Mr Stuart—Yes. We estimate the cumulative four-year impact of conceding the first cycle of savings from meloxicam to be around $11 million.

Senator FIERRAVANTI-WELLS—In relation to the preparation of the PBS reform, did the department consult with other agencies?

Mr Stuart—In relation to the minister's report?

Senator FIERRAVANTI-WELLS—Yes.

Mr Stuart—I think it would be fair to say that we have discussions with other agencies about the matters that are in the report on a regular basis. but we have not had a specific consultation with other agencies about the report.

Senator FIERRAVANTI-WELLS—So, there was no interdepartmental committee or anything like that?

Mr Stuart—Not in relation specifically to the report, no.

Senator FIERRAVANTI-WELLS—In terms of savings, the PBS reform measures were originally anticipated to generate about $3 billion savings over 10 years. There were various other reports that varied those figures, but the original saving over the forward estimates was $580 million, later reduced to $103 million. Has the government revised this figure since then?

Mr Stuart—The modelling conducted by PricewaterhouseCoopers puts the 10-year saving figure in the range from $3.6 billion to $5.8 billion over 10 years. That is not exactly the same 10 years as the original $3 billion figure; it is a .year later 10 years. That compares with other estimates by other parties which have been presented which we cannot speak to ourselves.

Ms Halton—Which we cannot speak to.

Senator FIERRAVANTI-WELLS—I think you responded to a question on notice to Senator Cormann about projected savings of $580 million over four years being revised to $103 million. Is that figure being revised?

Ms Halton—No.

Senator FIERRAVANTI-WELLS—That answers my question. Senator Siewert wanted to go to the pharmacy agreement. Do you want to go ahead and then I will follow in after you have done your bit?

Senator SIEWERT—I wanted to ask some general questions first. Where are we up to with the fifth pharmacy agreement? From information that has been made public from the Pharmacy Guild in mid-January it would seem that there are some aspects of it that have already been agreed. Are negotiations completed or are they still going on and could we find out, if they are still ongoing, which bits have been agreed, which have not been and where we are up to?

Mr Stuart—We have an in-principle agreement through a letter of intent between the government and the Pharmacy Guild about key elements of the next agreement but not yet an agreement; we are still negotiating with the guild.

Ms Halton—What do we mean by an agreement? There is an agreement between the government and the guild in relation to the features of the agreement. In terms of the line by line, every single detail, you would probably understand that what we have done in the past is produce these vast schedules, so in terms of actually getting every single word nailed down, that is basically what is being discussed in some detail as I look at my colleagues, who look relatively sanguine about this. The minister, together with the guild, announced that there was an agreement, but the finer wordings are still being worked through.

Senator SIEWERT—I need to try and word this in a way that you will not say, 'We cannot tell you that because we are still negotiating.' What are the areas that you have negotiated where there has been a significant change from the current approach under the present agreement? What have you learned from the reviews that you have done—and we have been through the different reviews—that you have incorporated into the fifth agreement?

Ms Campion—Unfortunately, it is too early to answer that question because we have not completed the negotiation process. It is also the case that many of those reviews that you are referring to have not yet been completed, so there is still some work to do to try and bring all of those elements together and we cannot confirm that at this stage.

Ms Halton—We can refer you to the information that is in the public domain. But you are quite right; we do not want to look unhelpful but the reality is we actually cannot go into this detail yet.

Senator SIEWERT—Of course, the problem here is that you are currently negotiating an agreement for a very, very large sum of money that fundamentally affects the way Australians access pharmaceuticals. We do not know what the outcomes of the reviews have been so we do not know what the learnings are and we do not know what learnings you are taking from that. It sounds like the first the community will know about it is once the government has signed off on it.

Ms Halton—I think we can be absolutely confident that the way this agreement is being structured will not be to the disadvantage of the community in terms of access to community pharmacy.

Senator SIEWERT—That may be in the government's and in your opinion; that may not be the opinion of the consumers and we will not know until you have made that public. How have the health consumer advocates been involved in the negotiations over this pharmacy agreement?

Ms Halton—They have not been and they are not party to it.

Ms Campion—It is also the case that the agreement will specify certain commitments at a reasonably high level of detail and certainly we and the guild are aware that we are negotiating this agreement at a point in time where we do not have complete information from all of the reviews that have been conducted, so we will be mindful of that in how we frame the agreement. Obviously, we will be wanting to allow some flexibility to come back and revisit those reports when they are finalised and to work out how we can incorporate the findings from those reviews in the future.

Senator SIEWERT—How have health consumers been incorporated in the negotiations to date?

Ms Halton—The are not party to the negotiations but certainly we do have a dialogue with, for example, the Consumers Health Forum on what they think. It is a bilateral agreement between the government and the guild and, obviously, they cannot be party to that agreement.

Senator SIEWERT—And it is purely with the guild? You are not going outside the guild?

Mr Stuart—We have discussions with a wide range of parties, including the Consumers Health Forum. We have met them on a number of occasions and they are actually providing a report for us on their views. They also meet with the Pharmacy Guild themselves, so the Consumers Health Forum, for example, are interested and involved both with the department and with the guild.

Senator SIEWERT—Would you be able to provide me with the dates and the frequency of the meetings where you have sat down and discussed this with the Consumers Health Forum?

Mr Stuart—We could do that but there are a large number of high-level discussions—I mean I have met with them at least a couple of times; others have met with them more often—and then there are worker level discussions at a high volume.

Ms Halton—It is not like there is one or two that we can point to; there is a dialogue that goes on.

Senator SIEWERT—Do you tell them about what you are actually negotiating? It is all very well to say that you meet with them but there is a difference between meeting with them and having them engaged in meaningful discussion about what you are actually negotiating with the guild. What is the nature of the meetings that you are holding with consumers?

Mr Stuart—For example, there is a two-page note put out by the Pharmacy Guild early in January to its members which represents something about the state of the discussions. We had

a specific discussion with the Consumers Health Forum about that document and where it was leading and they have also gone off to have a discussion with the guild about that document and where it says we are leading. The Consumers Health Forum are having some consultations now with their own members internally and coming back to us with their views.

Senator SIEWERT—On specific issues in the agreement or the broad banner issues?

Mr Stuart—I think they are doing both. They are looking at broad issues about access, timeliness and so on and also looking at specific issues that are historically a part of the agreement.

Senator SIEWERT—I will get some feedback in May, I presume. What is the time line now? Where to from here? You have got in-principle agreement on key elements; there is obviously detail to be refined. What is the time line and then can you fill me in on when the reviews that have not reported yet are due to report back?

Mr Stuart—To take the first question first, obviously the bottom line is that this needs to be completed in time for the expiry of the fourth agreement, which is 30 June, and we will have to see where the discussions with the guild take us. We hope it will be rather sooner than that, but there are two parties to a negotiation and you do not have an outcome until you have an outcome.

Senator SIEWERT—You have got to finish it by 30 June; have you set a time line on when you will complete them?

Mr Stuart—No.

Senator SIEWERT—So, it could well be that you are negotiating right up to 30 June; is that the point?

Mr Stuart—We do not expect so.

Senator SIEWERT—In terms of where the reviews are up to, could you tell me when you expect to get the outstanding reviews?

Mr Stuart—There are a range of reviews.

Senator SIEWERT—I am aware of that; I have been asking about them.

Mr Stuart—A number of them are already completed and some are available on the website, but there are others still being done.

Senator SIEWERT—I have been asking about this for some time, so what I am after now is when you expect the outstanding ones to be finished.

Mr Hurman—We are expecting the review of location rules to be completed by the end of June.

Senator SIEWERT—By the end of June? So, how can you incorporate that into the negotiations if you are not expecting that until the end of June?

Ms Campion—As I mentioned before, the agreement will describe outcomes of negotiation at a certain level of detail, but it does not preclude us from making changes or committing to considering further changes to things like location rules through the period that the agreement operates, provided both parties to the agreement agree to the outcomes. We

have done that throughout the fourth agreement; in fact, we have reviewed the location rules from time to time and made changes.

Senator SIEWERT—I know location is a very significant issue for consumers; certainly, some of them have raised that issue with me. Do I take from what you have said that those issues are still on the table?

Ms Campion—Given we have got a review being conducted and a wide range of stakeholders will be consulted about that, it would be premature to make any high level changes to the rules until such time as that review is complete.

Senator SIEWERT—I think some people are concerned that no changes will be made. What you are saying is that you are not locking in current arrangements?

Ms Halton—I think we should be clear about this. The high level of agreement struck between the guild and the government does not anticipate significant change to the location rules.

Senator SIEWERT—Thank you.

Ms Halton—But there is a review and there are things from time to time that do change in relation to the location rules, but if you are talking wholesale change, no.

Senator SIEWERT—Sorry, I interrupted. Where are we up to? We have done location.

Mr Stuart—The others are either complete or nearly complete. The others will all be completed by the end of this month.

Senator SIEWERT—And on the website by the end of this month?

Mr Stuart—I cannot guarantee that; there are clearance processes.

Senator SIEWERT—That is why I am asking. When will they be publicly available?

Ms Halton—Can we have a look at this one by one and we will give you an answer on notice in relation to when we expect them to be available?

Senator SIEWERT—Yes, that would be appreciated.

Ms Halton—Yes.

Senator SIEWERT—I am flipping back to consumer involvement. In those meetings do you report back on the actual progress and negotiations? You consult them on issues; do you report back on how negotiations are going?

Mr Stuart—Of course not, no. What we do is we talk about policy issues that are of interest to them.

Senator SIEWERT—Will the reviews and evaluations going on at the moment all be published on the web?

Mr Stuart—Yes, progressively they have been. They all have been so far.

Senator SIEWERT—Is there an intention to publish what your overall feelings are for evaluation on the delivery of the fourth agreement?

Ms Halton—No.

Senator SIEWERT—You are undertaking that series of reviews that were committed through the process that we talked about, but there is going to be no overall evaluation of the effectiveness?

Ms Halton—I do not believe that there is a commitment to so do.

Senator SIEWERT—I am not saying that you are not meeting your commitment.

Ms Halton—Not that I am aware of.

Senator SIEWERT—I cannot ask any more questions there if you are not undertaking it. Actually, why are you not undertaking it?

Ms Halton—Because we are not. It is one of those circular questions. Essentially, the process that was committed to at the beginning of the last agreement basically contained agreements to review certain elements and that is what we are doing.

Senator SIEWERT—Can you write into the fifth one that there will be an evaluation of the fifth one?

Ms Halton—I do not know the answer to that question. We will have a look at it.

Senator SIEWERT—It sounds like it is not currently up for negotiation.

Ms Halton—As I said, I am happy to have a look at it. As the officers have indicated, we have not finished those negotiations.

Senator SIEWERT—Could you take that on notice so that I can get the answer before estimates in May?

Ms Halton—Yes.

Senator SIEWERT—That is still prior to when it is being signed off. I have another couple of questions that I am looking for.

CHAIR—Is there anything else under item 2?

Senator FIERRAVANTI-WELLS—Yes, I have some questions on the pharmacy agreement. Pursuant to the finalisation of the major components of the agreement, will the cost of the PBS in coming years be higher or lower than the budget forward estimates when the 2009-10 budget was presented? Table 8 in statement 6 of Budget Paper No. 1 for 2009-10 gives a five-year cost of pharmaceutical services and benefits at $51.663 million and it lists them as follows for 2008, 2009, 2010, 2011 and 2012, giving a five-year total of $51 million. Can you provide revised year-by-year estimates on the same basis in the wake of negotiations of the Fifth Community Pharmacy Agreement?

Ms Halton—You will need to put that question on notice because millions do not actually rate in the pharmaceutical benefit world. It is always billions. I am struggling to understand the question.

Senator FIERRAVANTI-WELLS—I will put that and incorporate the table.

Ms Halton—Thank you.

Senator FIERRAVANTI-WELLS—There has been no public announcement about e-script payments. The pharmacy sector seems to be openly saying that they have agreed with

the agreement that the next pharmacy agreement will include an e-health payment for electronic prescriptions. Can you tell me why the pharmacies are the only health professionals to be given an e-health payment for electronic prescriptions? Is that the case and, if so, why are they the only group?

Ms Campion—We can only comment on the PBS, an outcome 2 component. In terms of broader payments to other professionals you would need to direct that question to the e-health people.

Ms Halton—I will answer that.

Ms Campion—As we have previously alluded to, we have reached an in principle agreement with the Pharmacy Guild around a number of elements; one of those is electronic prescriptions, but the final details of the agreement, including that element, are yet to be determined.

Ms Halton—I can add to the second part of the question.

Senator FIERRAVANTI-WELLS—I would like to ask a couple of questions specifically. Therefore, we do not know how much the pharmacists will be paid for each of those electronic prescriptions. Is that still to be determined?

Ms Campion—It is still to be determined.

Senator FIERRAVANTI-WELLS—How will you arrive at that amount of payment for the pharmacies?

Mr Stuart—Through negotiations.

Ms Halton—And inside an allocation which is prescribed.

Senator FIERRAVANTI-WELLS—And your comment—

Ms Halton—The next point is, as you would know from the announcement that was made in relation to the agreement between the government and the guild on the agreement, this is an agreement that actually represents a saving. Inside that saving amount the guild has negotiated that some of the funding available would be redirected, effectively, to the prescription, so it is tagged as prescribing and is in the context of savings. The fact is that no other component of the health system is doing this yet. It is available to people, but understanding that this is in the context of the guild and the government reaching an agreement which was a saving agreement, so it is not a cost-plus.

Senator FIERRAVANTI-WELLS—I would like to ask a couple of short questions. I have one on the pharmacy location rules. There seems to have been government indication of one-stop shop health care services in the superclinics. Can you tell me why the government has locked in pharmacy location rules for another five years when these rules will hinder improved access to pharmacy services collocated with other health services in a single location?

Mr Stuart—In applying the location rules we specifically look at whether the application is for a site which might be a multifunction kind of arrangement, including superclinics and other arrangements of that nature. There is provision and we take account of that.

Senator FIERRAVANTI-WELLS—What is the situation with the pharmacy and the Pharmacy Guild? You are locking in location rules, so they say where pharmacies are going to be located. Is that the gist of it?

Mr Stuart—The location rules approach currently taken is that there is a range of factors set out in legislation under which people can apply to have a pharmacy located in a particular place. That is administered through an independent authority located within Medicare Australia and new pharmacies are set up all the time, even within the framework of those rules. New pharmacies are not excluded, and one of the things that we look at in approving applications for new pharmacies is whether there is merit in the application because, for example, they are part of a GP superclinic or other kind of arrangement.

Senator FIERRAVANTI-WELLS—If the Pharmacy Guild is not happy with location then what is their say? Do they have a say in relation to location of pharmacies?

Mr Stuart—We negotiate with the Pharmacy Guild in relation to the policy structure of location rules, but not in relation to individual locations of pharmacies.

Senator FIERRAVANTI-WELLS—So there is a parameter?

Ms Halton—Absolutely.

Mr Stuart—They are independently assessed within Medicare Australia by an independent authority.

Senator FIERRAVANTI-WELLS—I wanted to ask some questions on chemotherapy. Is this the appropriate time?

Ms Halton—Yes, absolutely.

Mr Stuart—I would just like to correct that. Technically, ACPA, the authority, is not within Medicare Australia, but the delegate that decides on its recommendations sits within Medicare Australia.

Senator FIERRAVANTI-WELLS—Is the 2008 chemotherapy measure still being considered with the intention to implement the measure in its original form?

Mr Stuart—No. We are looking at a proposition that has been put forward by a group of interested parties and we are still engaged with them on a possible alternative approach.

Ms Halton—It is important to understand that part of the heads of agreement in relation to the agreement covered off that matter.

Senator FIERRAVANTI-WELLS—In December the minister issued a media release saying that in principle agreement had been reached on the agreement, but I understand that no mention had been made of chemotherapy treatment. Is the measure still being considered?

Ms Halton—Yes.

Senator FIERRAVANTI-WELLS—Are there alternatives being considered?

Ms Halton—The approach to implementing the measure is what is being considered.

Senator FIERRAVANTI-WELLS—In the period between 20 August and today has the department provided advice to the minister on this issue?

Ms Campion—No, not yet, because it is part of the negotiation of the fifth agreement.

Senator FIERRAVANTI-WELLS—I would like to ask about PBS access for nurse practitioners and midwives. Has any progress been made in determining the extent of PBS prescribing rights for nurse practitioners and midwives?

Mr Stuart—We are making excellent progress there. I have been chairing a couple of working groups. One is in relation to midwives and the other in relation to nurse practitioners. We have been making very good progress in working out what the formularies would be and on what basis the access would be given to the Pharmaceutical Benefits Scheme.

Ms Halton—Senators who come to this committee regularly would understand when Mr Stuart demonstrates that much enthusiasm he really is making progress. It is not a normal feature of his style.

Senator FIERRAVANTI-WELLS—Because I am here for the first time he is just trying to impress.

Mr Stuart—The secretary is suggesting I am more Eeyore than Tigger.

Ms Halton—That is true.

Senator FIERRAVANTI-WELLS—Will all eligible nurse practitioners have the same prescribing rights or will there be some method to recognise specialisation?

Mr Stuart—It is probably fair to say that is still under discussion. The interesting issue about nurse practitioners is that they have such differing scopes of practice. A nurse practitioner can be a specialist in, for example, management of chronic disease, palliative care or cancer care. We are working through what that means in terms of what a formulary will be for nurse practitioners. We have not arrived at a point yet where we are finally satisfied and ready to advise the minister about that.

Senator FIERRAVANTI-WELLS—I would like to ask a question on PBS authority requirements and the Productivity Commission review of regulatory burdens on business which has recommended the removal of the PBS authority system. What is the department's response to this Productivity Commission's suggestion?

Ms Halton—Essentially, that is a matter for government. They have made a recommendation. The issue of how government decides to deal with all of the Productivity Commission recommendations is a matter for government. It is a policy change. The issue of what costs that would bring with it to the bottom line is always a relevant matter.

Senator FIERRAVANTI-WELLS—I understand that this has not been touched on. Am I correct in my assumption?

Ms Halton—There is no policy decision to vary the existing arrangements at present.

Senator FIERRAVANTI-WELLS—I wanted to ask some questions in relation to therapeutic groups. I understand that there have been four new therapeutic groups created. They have all been announced in the last 10 months, with the first being in the budget and the next three announced at the same time MYEFO was released. I understand that they are now subject to a Senate inquiry. In relation to those four groups, what is the basis for the PBAC, in the first instance, determining the need to create the therapeutic group?

Mr Stuart—One of the roles of PBAC is to regularly review all medicines that are being listed and are listed to see if they would fit within a therapeutic group. The legislation provides for the minister to make new therapeutic groups. She must first have advice from the PBAC and the PBAC, according to the legislation, provides her advice in relation to whether the drugs are interchangeable on an individual patient basis.

Senator FIERRAVANTI-WELLS—What is the process to actually determine whether these medicines are interchangeable and they achieve the same health outcome?

Mr Stuart—The Pharmaceutical Benefits Advisory Committee is a committee of experts which considers the matter and then provides advice to the minister.

Senator FIERRAVANTI-WELLS—What clinical information do they take into account in making their recommendation to the minister?

Mr Stuart—They have clinical information in front of them which goes to the nature of the drugs. Very often they have in front of them very recent information which has been derived from when the drugs were listed.

Senator FIERRAVANTI-WELLS—One would assume that the most pertinent information in relation to particular drugs is held by the companies that have produced the drugs. Is there an opportunity for those companies to be consulted? Do they have an opportunity to submit in relation to the establishment of a therapeutic group?

Mr Stuart—Yes.

Mr Learmonth—With reference to drugs which are on the PBS or about to be put on the PBS, the PBAC will have access to all of the clinical information that a company has put forward in relation to the listing of its drug, whether it has been listed previous to that point or is a drug about to be listed. It will have significant clinical information about the things that go to a determination of a therapeutic group. It will have information about target patient population. It will have information about the mechanism of actions of the relevant drug and about the health outcomes that are expected from that drug. Those are the core things that the PBAC would need to consider in order to make a recommendation for listing in the first place and that also go to the consideration of creation of a therapeutic group.

Senator FIERRAVANTI-WELLS—But what if time has passed and that company has additional information going to that particular drug and its effects and other things—don't you take that into account if you are going to consider the interchangeability of drugs?

Mr Learmonth—If there is further patient information, typically it is available in things like published peer-reviewed journals and studies and the expert analysis that underpins the PBAC recommendation, and the decision is reviewed within the expert committee.

Senator FIERRAVANTI-WELLS—So there is no obligation on you to go to the company and seek further information, and nor do you—nor would you, for that matter?

Mr Stuart—In this case the companies were given an opportunity to comment. In relation to the most recent three announced at MYEFO—the announcement was on 2 November—the department wrote to the companies on 2 November noting the intention to create the groups and asking for comment. Opportunity for comment remained open, including comment to the Pharmaceutical Benefits Advisory Committee, until about 13 weeks later on 16 December,

and a number of companies in fact took the opportunity to provide input to the PBAC and the PBAC then further advised the department and, following that exchange, confirmed the advice that they thought that the groups could be formed.

Senator FIERRAVANTI-WELLS—But was that not after the determination had been made?

Mr Stuart—No, the determination was made subsequently to the second advice from the PBAC.

Senator FIERRAVANTI-WELLS—Did the minister in that instance consult, or is there any obligation for the minister to consult, with the chief medical officer before making that determination, or is this purely something that is within the purview of the PBAC?

Mr Stuart—The determination is made by the minister's delegate in the department, by a departmental official, and that departmental official took into account all of the available information, including the advice from the PBAC. In this matter it is the clinical experts of the PBAC that form the clinical expertise on the basis of which the decision is made. We do not feel it is necessary to go to alternative sources of clinical information; they are the expert body that has been appointed.

Ms Halton—I do think it is important to underscore here that there is considerable clinical engagement from the department's perspective in relation to this line. I spy Dr Primrose who has appeared at the end of the table who is I think best described as intimately involved. Is that a fair description?

Dr Primrose—Yes. The PBAC and the department consider the drugs that are candidates for a therapeutic group as part of a therapeutic class according to the anatomical, therapeutic and chemical classification. So all the drugs have to be in the same class. They have to have similar effectiveness at equivalent doses. They have to have a similar safety profile and similar indications. The new data that you are referring to actually would be incorporated in the TGA-approved product information, so that information is available to the PBAC at each of its meetings.

Senator FIERRAVANTI-WELLS—Specifically as to the first group that was created that dealt with the statins that go under the brand names Crestor and Lipitor which lots of people in Australia take—

Ms Halton—By the look of the bill we get for it, I think everyone in the country is on both. But maybe that is a slight overstatement.

Senator FIERRAVANTI-WELLS—You will be pleased that I am not.

Ms Halton—Yes but everyone else I know and all my friends and relations are.

Senator FIERRAVANTI-WELLS—Obviously the department has determined which of the two in this group is going to have its price cut as a result of the formation of the new group. How much is the price going to drop? Dr Primrose, is that something within your purview?

Ms Halton—No. Dr Primrose is not the pricing guru, he is the chemical and physiological effects guru.

Mr Stuart—In relation to the statins, we do not have that information in front of us. We would have written to the companies at the time that the group was formed, but I do not have that in front of me.

Senator FIERRAVANTI-WELLS—There is obviously going to be a process because of the status of these two brand names. They are either patent protected or have data exclusivity here in Australia. There will be some sort of price implication as a consequence of this measure; is that the case?

Ms Halton—The issue is price to whom, but yes.

Mr Stuart—Usually when a therapeutic group is made, the government policy then is that the government will pay for all the drugs in a group at the price of the lowest-priced drug in the group. This is on the basis of a fairly simple policy notion that we should only pay the same amount for the same health outcome.

Senator FIERRAVANTI-WELLS—Now I am coming down to the question of somebody at the surgery. I am assuming it will be a matter of whichever one of those drugs then becomes the cheapest. I gather that the dose relativity of these two drugs from one to the other is one to three. As I understand it, one milligram of Crestor is roughly equivalent in health outcome to three milligrams of Lipitor. Is that your understanding?

Dr Primrose—I do not have that exact relativity in front of me, but it is something along those lines.

Senator FIERRAVANTI-WELLS—Can I just ask you to make that assumption. Somebody goes along and let us say Crestor becomes cheaper—whichever one of those becomes cheaper—and the doctor says to the patient, 'Look, you know, the price has gone up,' et cetera, and it then becomes a price issue for the patient. If you have interchanged and the dosage level is one to three, one to four or one to two, what assurance does that patient have about that interchangeability? Do you get my point?

Mr Stuart—That is not how it works. Let me try to untangle this a little bit. This is an issue about: how much does the government pay the pharmaceutical company for the supply? When it comes to the client at the doctor, the doctor remains completely free to prescribe whichever of the drugs the doctor believes is the most beneficial for the patient. The issue of therapeutic groups in no way infringes upon the prescribing rights of doctors. Then when the patient goes to the pharmacy they will be dispensed the drug that has been prescribed, and they will pay the same whichever drug is prescribed because they will pay only the standard patient co-payment unless there is a therapeutic group premium charged.

Senator FIERRAVANTI-WELLS—That is my point. What happens if the company refuses to accept and there is a price differentiation? What I am coming down to is basically this: in the end what are the implications? In simplest terms, people are going to have in front of them one drug that is cheaper and so they will probably go for the cheaper one—

Ms Halton—No. Let us get this clear. We need to be really clear about this. What usually happens with therapeutic group is that basically the companies usually offer the product at the same price.

Senator FIERRAVANTI-WELLS—What if they do not?

Ms Halton—If they do not, that is their choice. What usually happens is they lose market share. A doctor can, if they so choose, indicate that there is, and seek authority for—but I may be corrected on that—a particular need for a particular patient if they genuinely believe that there is not a good reason for interchangeability in this patient, but they actually have to get agreement to that. In other words, it is our view that there is interchangeability and that the product that is the cheaper one—if there is a premium, and in our experience mostly there is not—is adequate. If the clinician genuinely believes that there is a reason that the person has to have, hypothetically, a higher priced product, they can actually say that and then the patient is protected, but they have to have a good clinical reason for that to be the case.

Senator FIERRAVANTI-WELLS—So you are assured that there is complete interchangeability between these two products?

Ms Halton—That is the whole point of these groups.

Senator FIERRAVANTI-WELLS—Even though there is a dose relativity difference of one to three, one to two, one to four, or whatever, if that is the case?

Dr Primrose—Yes.

Senator FIERRAVANTI-WELLS—Somebody must have worked out clinically whether these two products are the same. I am just asking. Is that your considered view, Dr Primrose, that these two products, Lipitor and Crestor, are the same? That is my basic question.

Dr Primrose—Yes, it is the considered view of the PBAC, which is our group of therapeutic experts. I have checked; the ratio is one to three, as you indicated. But all of these group therapeutic equivalencies are based on equivalent doses. Obviously with different agents you are going to have different dose relativities. It is a matter of getting an equivalent dose of each agent for that patient. At equivalent doses they are equally effective.

Senator FIERRAVANTI-WELLS—That is my point. If at the moment it is one to three and you say they are interchangeable, if you have to make them equal then one of them will be more expensive.

Ms Halton—No. I am going to ask Professor Bishop—

Senator FIERRAVANTI-WELLS—I will just leave it there. You have said to me that out there in the marketplace these two drugs are completely interchangeable; that is the assurance you have given me.

Prof. Bishop—I would like to say something, if I may. These are different formulations so that something that weighs differently, three milligrams versus one milligram, can have the same biological effect. The actual weight of a product with different formulations you would expect to be different. So one is not three times the value of the other; rather the expert group that we have been talking about clearly has made a decision, based on all the evidence, that that dose of a different formulation is the same as this dose, which might be a bigger or smaller dose, of that formulation, so they are clinically equivalent in their effect. So the milligram dosage is not relevant to that discussion.

Senator FIERRAVANTI-WELLS—We will see what happens the next time. That is all I have in this area.

CHAIR—As Senator Siewert is not here I will make the decision that her questions in this area can go on notice, so we can keep going. On that basis we have completed Outcome 2.

[2.44 pm]

CHAIR—We now move on to Outcome 4, Aged Care and Population Ageing.

Senator FIFIELD—I would like to start off with an update on where the transition from the Continence Aids Assistance Scheme to the Continence Aids Payments Scheme is at?

Ms Halton—I seem to recall you had a passionate interest in this last time.

CHAIR—This is the third time you have followed up on these issues?

Senator FIFIELD—It is. These are issues that do impact directly on the quality of life of a lot of people. I was after an update on the transition.

Ms Koukari—We are very well progressed in terms of the transition arrangements for the program. We have been in discussions with Medicare Australia about changes to the payment scheme and we also have a range of communication activities in place to provide clients of the service and also service providers with information on the scheme. The build for the system in Medicare Australia is on its way.

Senator FIFIELD—What was the build?

Ms Koukari—The computer/IT build. Arrangements are in place to make the payments from 1 July. In terms of communication activities, we have a range of frequently asked questions that are available on the bladder/bowel website for people who are making the transition. I am sorry, I have only been in the office for a month and I am still learning. This is for eligible clients. We have commissioned KPMG to do information workshops for us across the country. They will start rolling out in March and will be completed before the commencement of the new scheme. They will be right across the country in urban, rural and remote areas as well, right up to the cape.

The Continence Foundation of Australia has been very busy in building up its telephone line to take phone calls and inquiries about the changes to the new scheme, and we have also been working with them to get a directory of alternative service providers of continence products. Some of those continence providers have contacted us and come to discuss with us arrangements around the new scheme. We will be providing information at those information sessions to people on the range of continence providers available. Arrangements are well in hand for the transition.

Senator FIFIELD—Have you taken over from Ms Bromley?

Ms Koukari—Yes.

Senator FIFIELD—You mentioned that KPMG is undertaking the information sessions.

Ms Koukari—That is correct.

Senator FIFIELD—What is the contract with KPMG? How much are they receiving for that work?

Ms Podesta—We will get that for you in a moment.

Ms Koukari—Up to $500,000, depending on the days worked and those types of things.

Senator FIFIELD—You said that the Continence Foundation is providing some assistance. Are they receiving any payment for the assistance they are giving? How much is that?

Ms Koukari—It is approximately $150,000 to upgrade their telephone lines and it is also to take on additional nurse advisers that staff the hospital lines.

Senator FIFIELD—Will there be an ongoing payment to the Continence Foundation or is that a one-off to assist them in the transition?

Ms Koukari—That is a one-off to assist them with the transition, but we do have arrangements in place with the Continence Foundation of Australia to provide ongoing services to people who have issues in relation to continence. There are a lot of information and education activities that they do.

Senator FIFIELD—How much is that?

Ms Koukari—We have provided them with approximately $600,000 over the past four years for those services. The contract with the Continence Foundation will be coming to an end in June and we will be negotiating new arrangements after that.

Senator FIFIELD—Negotiating new arrangements or putting it out for tender?

Ms Koukari—A new contract.

Senator FIFIELD—Is KPMG handling the information sessions for consumers, health workers and the industry?

Ms Koukari—Yes.

Senator FIFIELD—They are covering all of those baskets?

Ms Koukari—That is right, including home and community care operators, people who work with older people and provide services to them, and we will also be inviting Aboriginal medical services to those sessions as well.

Senator FIFIELD—Have those information sessions begun?

Ms Koukari—No, they will be rolling out from the middle of March.

Senator FIFIELD—And the scheme comes into place on 1 July?

Ms Koukari—That is right, although it is not the first time we have provided information to clients of the scheme. We have written out to them once. We will be writing out to them again to let them know that the information sessions will be taking place, and Medicare Australia has also been writing to them to seek information to populate the information that they need to enable them to make the payments to the clients.

Senator FIFIELD—Would you be able to take on notice to provide the dates, locations and participants for those information sessions?

Ms Koukari—Yes. We have the locations. We just do not have the dates.

Ms Halton—We cannot give you participants.

Senator FIFIELD—I do not mean individuals, but just organisations.

Ms Koukari—Yes.

Ms Podesta—Would you like the locations?

Senator FIFIELD—Yes. Thank you for that. What is the current number of people receiving assistance under the scheme at the moment? I think it was 58,000-odd last time

Ms Koukari—It is approximately 62,000 people.

Senator FIFIELD—Your predecessor wrote to participants in the scheme in September outlining some of the new arrangements. In the letter it said, 'As an existing client you will have the opportunity to transfer to the new scheme without the need to reapply', which is good. The letter also said, 'You will be transferred to the new scheme provided you meet Medicare's request for additional information. I am assuming the objective is not that there will be some people who will be excluded as a result of having supplied additional information. It is just a fact that if you do not provide the additional information then Medicare cannot provide the service to you.

Ms Koukari—If you do not give us a bank account then we cannot—

Senator FIFIELD—I was sure that was what it was, but I just wanted to check. What is the additional information that is required?

Ms Koukari—It is basically the bank account details and whether the client would like one annual payment or two payments, which is a provision under the scheme if people prefer to be paid that way.

Senator FIFIELD—Thank you for that.

Ms Koukari—There are also arrangements where people can nominate within the form that they provide the information on whether they want payments made into a guardian's bank account or to transfer those payments to another provider or a service provider of their choice.

Senator FIFIELD—It took a couple of rounds of estimates to get a dollar figure for the annual freight costs. As I am sure you are very aware, under the current scheme you can get four shipments of product to your home at no cost to the individual. It did take a few estimates and we received on notice from the last estimates that it was over $2.5 million for the 2008-09 financial year for those freight costs.

Ms Halton—That is correct.

Senator FIFIELD—I think there is also a component of transport costs that come under the general administrative payments for the contract—or so the answer to the question on notice stated. Anyway, it is in excess of $2.5 million per annum for freight costs, so in my thinking that means that it is $2.5 million of freight costs that are now going to be absorbed by individuals receiving these products—costs that they did not previously have to outlay?

Ms Halton—That is not quite true.

Ms Podesta—What will happen is that clients who receive the payment will be in a position to purchase locally or to negotiate with other suppliers, and a number of continence suppliers already provide free postage as part of that. What this really provides for the clients is choice. They can choose and get more competitive deals. We anticipate there will be some competition for clients—this is a significant payment for people—and there will be a number of providers who will be keen to make arrangements that are as competitive as possible. The

money that was provided for freight was essentially provided to the sole supplier of the products previously and what will happen now is that, as consumers receive this money, they will be in a position to make a range of different purchasing arrangements, and indeed they can choose to stay and use their money with the current provider and supplier.

Senator FIFIELD—Is the current value of the support that the clients receive $489.95?

Ms Halton—Yes.

Ms Koukari—It is $489.95.

Senator FIFIELD—Will that be the same value under the new scheme?

Ms Koukari—Indexed annually.

Senator FIFIELD—Indexed, but that will be the same?

Ms Halton—That is correct.

Senator FIFIELD—Obviously we hope there will be competition with the choice of provider.

Ms Podesta—In fact, we know there will. Industry have made it very clear to us that they are very keen to get into this industry and that there are a lot of offers that will be made to clients.

Senator FIFIELD—Absolutely. But there is no guarantee that clients will not be up for more costs. There is no guarantee that whatever discount is offered or whatever improvement in price there is as a result of competition will be more than the costs for an individual of those four free deliveries a year?

Ms Podesta—We will make sure that consumers get a lot of information so that they can make informed choices and that the professionals who advise them and who work with them are given a lot of information about the way the scheme works. We will make sure that on the website and in the frequently asked questions there is significant information so that people can make good choices about the products and getting good value for money from this payment. We also will continue to have a telephone information line that will provide information for clients, care givers and providers.

Senator FIFIELD—You cannot guarantee that there will be a $2.5 million saving to consumers of these products as a result of new arrangements? I am not being critical at all of competition. I think that is a good thing.

Ms Podesta—We cannot determine the individual purchasing arrangements that individuals will make, but what we can be fairly confident about is that there will be a wide range of choice within the market for continence products for people with severe and permanent incontinence.

Senator FIFIELD—What is the total saving to the Commonwealth of the move to the new arrangements? I have a figure of $10 million in the back of my head.

Ms Podesta—It was $10.7 million over four years.

Senator FIFIELD—There is a saving to the Commonwealth, and that is usually a good thing. But you can probably see that if you are a consumer or a member of the community

looking at this, when people who are consumers of these products, which are not products that they have any choice over using—it is just force of circumstance—to the casual observer it would look like $2.5 million a year of those $10.7 million of savings overall have to be at the expense of people who are consumers of these products.

Senator Ludwig—I recall we have discussed this before. The changes will allow a client choice and flexibility, and that would be one of the issues that you could and would take into account. It is also about where they can access the products as well. When you look at the current provision through the subsidised incontinence products through a sole provider, which is to a value of $489.98 per year, you can see that the transition period from the old to the new, which will take place as we go through to 1 July 2010, will provide a much better service for those people.

Senator FIFIELD—You might be able to enlighten the committee as to why it would not have been possible to introduce these new arrangements, this choice, and to maintain the arrangement where there are four free deliveries a year.

Senator Ludwig—I guess that comes down to a policy choice by the minister and the government of the day. This is the preferred choice that has been established and it provides a proper transition period. It also provides choice and flexibility and is responsive to the customers' needs. It is very hard to argue that you should continue with a sole provider in the face of the need for flexibility for people to access in various locations and to be able to take and make their own decisions in relation to these very private issues.

Senator FIFIELD—Multiple providers and free delivery are not necessarily mutually exclusive. It just looks like quite a bit of penny-pinching meanness, particularly when set against the backdrop of $16 billion on school halls. That money can be found, but the poor old person who uses continence aids has to start paying for their deliveries to assist the Commonwealth. It just seems a bit of penny-pinching meanness against that backdrop.

Senator Ludwig—The payments will be delivered by Medicare straight to a client's nominated bank account. I am reasonably confident that the people who will benefit from this will be the vast majority, if not all, and they will be able to access these products where and when they require them. That flexibility really overrides some of the arguments that you have been putting up.

Senator FIFIELD—I guess ultimately the clients, the consumers, will let us know under the new scheme if they feel that they are out of pocket compared to the old one, and I am sure we will be able to share that here. I thank Ms Halton and officers at the table.

CHAIR—We will move on to other questions under outcome 4. Do senators have questions for the Aged Care Standards and Accreditation Agency?

Senator FIERRAVANTI-WELLS—That will be part of my questioning.

CHAIR—I am aware that the agency is there and I do not want them to be having to go without questions again.

Ms Halton—I suspect the agency will feel no ill will at all towards senators in the event that they did not find it necessary to ask them a question.

CHAIR—The agency are looking disappointed already.

Ms Halton—The Cheshire cat does not have a grin on its face like this man behind me.

CHAIR—We have questions from Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS—Ms Halton, earlier in the day we talked about the ETS and the costs of the ETS, and you indicated that I should ask in relation to the specific areas. What will be the cost of the ETS impost on aged-care facilities?

Ms Halton—We cannot give you a particular dollar cost.

Senator FIERRAVANTI-WELLS—Have you investigated or have you done any modelling on operating costs in these facilities and presumably what the impact of an ETS will be on aged-care facilities?

Ms Podesta—We have not commissioned any modelling. We have certainly done some very preliminary work looking at some of the costs within the aged-care industry.

Ms Halton—As you would understand with many of these things, broader whole-of-government matters in this respect and modelling are a province of the Treasury, not of us.

Senator Ludwig—What also may be relevant is that the government has established the $1.97 billion Climate Change Action Fund to provide targeted assistance to businesses and community organisations, and that would include non-government and local government organisations as well that operate aged-care facilities. It is about smoothing the transition to a low-carbon economy. The Climate Change Action Fund will also operate over eight years. It will go right up through till 2015-16. The second point, of course, is that those people who are in aged-care facilities, many of them through the Secure and Sustainable Pensions announced in the 2008-09 budget, will also be able to access the package, which has additional funding of $713.2 million for the aged-care industry to provide improved care to their residents. The government further announced that the Productivity Commission will undertake an inquiry into the aged-care sector and it will also consider funding arrangements for residential community aged-care providers. Like you, we do have an interest in this particular area and we do recognise that there will be a range of matters such as I have described that will assist in the transition.

Senator FIERRAVANTI-WELLS—We know there are going to be cost increases but we do not know how much for aged-care facilities. That is it in a nutshell.

Senator Ludwig—What I have indicated is what information I have to hand at the moment. Certainly I am happy to see whether the minister wants to add anything further to the comments I have made.

Senator FIERRAVANTI-WELLS—I think the minister was asked in the House the other day and did not seem to be even as informed as you, but I will not go there. Obviously there are going to be cost increases. How much will aged-care operators have to increase their residents' fees to cover the increased operating costs? You have clearly said there are going to be cost increases and those increases will likely have to be met by residents' fees.

Senator Ludwig—The Climate Change Action Fund is designed to assist business. I did not say there would necessarily be costs. As we have said, the government has also announced the Productivity Commission will undertake an inquiry to consider funding arrangements. The government is aware of these matters and is working very hard to ensure that both the Climate

Change Action Fund is there to assist but also the Secure and Sustainable Pensions is there, which was allowed for in the 2008-09 budget. If you have some specific questions about the broader issue I will see whether the department can answer them, but if they go into areas I cannot answer specifically I am happy to see whether the minister wants to add anything further.

Senator FIERRAVANTI-WELLS—Given that in this industry a high level of providers are operating in the red, an additional impost of this new tax is going to have an effect on them. Given the state of the industry at the moment, surely it is pertinent for the department to have at least considered what the impact is going to be on aged-care facilities. I would have thought somebody would have at least thought about it. Has anybody thought about it?

Ms Halton—As I have indicated, yes, we have thought about it. In terms of the modelling, I have referred you to the Treasurer.

Senator FIERRAVANTI-WELLS—Given this is such an important component of this department, have you asked the Treasury what their views are or have you provided input into Treasury's modelling in relation to aged-care facilities?

Ms Halton—You would understand that in terms of the detail of that I cannot provide a particular comment other than to say that we have given, as Ms Podesta has indicated, some consideration to this matter. In terms of the macromodelling work, that is a matter for Treasury.

Senator FIERRAVANTI-WELLS—Can you take on notice that I would like detail—not just some one-liner that 'we have provided input'—of information that has been provided to Treasury about the costs of the ETS on aged-care facilities?

Ms Halton—We will see in the context of what we can provide, but I am happy to take that question on notice.

Senator FIERRAVANTI-WELLS—Equally, Ms Halton, I would like to know the extent of the work that you have done and, if you have not done any work on it, I would like to understand why you have not done work on it, given the parlous state of this industry at the moment.

Ms Halton—As I have said, I will answer that question on notice.

Senator FIERRAVANTI-WELLS—I would like to now ask some questions on Ms Noeline Brown, the Ambassador for Ageing, who with much fanfare was announced on 12 April 2008. I would be most interested to know what Ms Brown has actually been doing.

Ms Podesta—I am happy to provide that information.

Senator FIERRAVANTI-WELLS—We paid her $17,000 in the period 11 April 2008 to 30 June 2008 for provision of services under a direct contract. Then we have, for the period 30 June 2008 to 30 June 2011, a figure of $162,072 for provision of services in relation to the Ambassador for Ageing. Can you tell me what she has been doing or not doing?

Ms Podesta—Since her appointment the ambassador has been involved in a wide range of activities: media interviews; many regional and rural interviews; television appearances, for example, on Anzac Day; many health promotion events, for example, flu vaccination for the

elderly; falls prevention; community events, including positive ageing expos; conferences, for example, on community care and water safety; and meetings. I have a list of all of her appearances, her interviews and her attendances between 12 April and 31 April. They go to many, many pages. The feedback that we have had about the ambassador has been extremely positive—that she has been very popular with a wide range of activities and that the active ageing messages that she has been promoting have been very well received by senior Australians. The invitations for her to attend events continue to pour in and we currently have events scheduled for her to appear up till October 2010.

Senator FIERRAVANTI-WELLS—That is all very well, Ms Podesta. However, from her website it does not look like she has done anything since April 2009.

Ms Podesta—She has undertaken a wide range of events.

Senator FIERRAVANTI-WELLS—She is obviously being paid a sum of money right to 2011, but it is not obvious on the public record what she is doing. Since the public are paying for her I would have thought it would be good to put that sort of information on the public record.

Ms Podesta—I will go and check the website myself immediately after estimates to make sure that that is updated.

Senator FIERRAVANTI-WELLS—I would do that. I think the public should know why they are paying for somebody up to 2011 and she really has not done anything since April 2009.

Ms Podesta—She genuinely has been a very active, involved and prominent speaker. I will give you some examples: the Jewish Communal Appeal, the University of the Third Age at Castlemaine, the Senior Superstar in Queensland, the Adult Learning National Seniors at the Sunshine Coast, the Federation of Indian Associations of Melbourne, the Shoalhaven Breast Cancer Support Group, the Cancer Council of Far North Coast, the City of Casey guest speaker at the Ageing Positively Festival, Musica Viva Australia, the Older Women's Network conference, the Retirement Village Association conference, the Turramurra Uniting Church seniors and community living information day, the Northern Tasmanian Branch of the Association of Independent Retirees— she is genuinely a very active advocate for positive ageing.

Senator FIERRAVANTI-WELLS—I am glad to see we are actually getting out money's worth. Could you give me a list and all the dates of those?

Ms Podesta—I would be happy to do that.

Senator FIERRAVANTI-WELLS—How does that then work with Maggie Beer? Is there a clash of responsibilities here?

Ms Halton—I am tempted to say that one cooks and the other makes jokes, but that would be inappropriate.

Senator FIERRAVANTI-WELLS—One has not stood for the Labor Party.

Ms Podesta—I cannot give you a lot of details about Maggie Beer, who was recently announced as the Senior Australian of the Year. She will be involved in a wide range of ceremonial activities.

Ms Halton—There is actually an important distinction here. Essentially the Senior Australian of the Year conducts activities organised by the Australia Day Council. The secretariat has a very full program, I know, for each one of those people. The reality is they extend right across interests of government and community groups et cetera. I think this is a more particular role, which I think Ms Podesta has given you a flavour of in terms of the sorts of events. As we have indicated, we are happy to give you that, in vast and glorious detail, on notice.

Ms Podesta—The role of ambassador is about promoting the positive ageing message. She gets more invitations than she can deal with in many senses.

Senator FIERRAVANTI-WELLS—We might move on to some questions on aged care and the stocktake, 30 June 2009. Have you completed your annual stocktake of aged-care places as at 30 June 2009?

Ms Podesta—That is an internal piece of work that we do. We do a stocktake on 30 June each year. Yes, we have.

Senator FIERRAVANTI-WELLS—Can you provide the stocktake outcomes?

Ms Podesta—Is there anything in particular?

Senator FIERRAVANTI-WELLS—I would like stocktake outcomes across all jurisdictions and aged-care service types for the period ending 30 June 2009. Please take it on notice.

Ms Podesta—Would you like us to tell you now?

Senator FIERRAVANTI-WELLS—You can take it on notice.

Ms Podesta—Thank you.

Senator FIERRAVANTI-WELLS—In analysing the stocktake or in preparing the report for industry for the period 2008-09, have you also undertaken an analysis of occupancy levels across the industry? Is that part of the work?

Ms Podesta—Yes, we do.

Dr Cullen—Senator, you had a question about occupancy?

Senator FIERRAVANTI-WELLS—I just wanted to know, as part of the analysis of the annual stocktake, whether you also undertake analysis of the current occupancy levels across the industry.

Dr Cullen—We do not do it as part of the stocktake, but we do a continual analysis of occupancy.

Senator FIERRAVANTI-WELLS—Can you provide that for all jurisdictions and all aged-care funding service types? Can you take that on notice and provide that?

Dr Cullen—I can provide it to you right now.

Senator FIERRAVANTI-WELLS—It is probably better if you take it on notice than my reading figures in the transcript. For some of these it is easier if you provide them on notice for me. In previous estimates reference was made to the department having conducted a cost of care study.

Dr Cullen—No, not at any Senate estimates that I have attended.

Senator FIERRAVANTI-WELLS—You have not done a study of the actual cost of care? I would have thought that, if you are planning, knowing what it costs would be fundamental.

Dr Cullen—The question we have received before is: have we undertaken an analysis of the benchmark cost of care? That is something the industry has asked for on a number of occasions. The department has not undertaken that. That does not mean that the department does not analyse what the cost of care is and whether funding is adequate to meet that care. But it has not undertaken a cost of care benchmarking study in the sense of measuring how many X, Y and Z it requires to do something like that.

Senator FIERRAVANTI-WELLS—Dr Cullen, you are satisfied that the information within your purview is sufficient for you to make considered decisions in relation to funding so that you are confident that you actually then do have adequate cost of care information?

Ms Podesta—We do not make the decisions around that. We provide advice.

Senator FIERRAVANTI-WELLS—Is the cost of care in the aged-care sector not information that would be pertinent to your considerations?

Dr Cullen—We analyse, based on the general purpose financial statements of providers, what is currently expended on the delivery of care; yes, we make such an analysis.

Senator FIERRAVANTI-WELLS—Do you consider that the current situation is adequate to meet the cost of care per your analysis of what the industry provides you with?

Dr Cullen—We make an analysis that compares revenue with costs and that analysis shows that revenues are growing faster than costs.

Senator FIERRAVANTI-WELLS—In other words, you believe therefore that the level of funding that is provided is adequate?

Ms Halton—You are asking the officer to express an opinion. As you would well understand, this is not something the officer is prepared to do.

Senator FIERRAVANTI-WELLS—I will withdraw that. Obviously within the purview of the department you have analysis of cost of care. Is that information that you can provide to this committee? The industry has asked you to undertake a study and this committee has clearly asked you in the past to undertake a study. If you do not want to undertake a study, can you then provide us with the information that you do have within your purview?

Dr Cullen—My recollection is that, in answer to a question on notice at the last estimates, we provided this committee with the department's analysis of the daily cost of care in each jurisdiction.

Ms Podesta—And we have made available on our website the deidentified data from the general purpose financial report.

Senator FIERRAVANTI-WELLS—I will come to that in a moment. As part of the ACAR information do you make available to the sector data on the population 70 years and over and the number of allocated and operational places at the statistical local area levels and the local government area levels?

Dr Cullen—We certainly publish on our website population figures for the 70-plus population by local government area. I understand that we publish places by region. However, on the department's website we also publish an Excel spreadsheet that lists every service and the address of that service and the number of places in that service on which a provider could look at their region or their local area and work out for themselves what was in their local area.

Ms Podesta—We certainly provide detailed information to the aged-care planning advisory committees, who also provide—which is their role—significant input to us as part of our planning for aged-care approvals rounds.

Senator FIERRAVANTI-WELLS—I just want to touch on some questions about reviews and processes being conducted within the portfolio: a review of accreditation standards, a review of accreditation processes and a review of the complaints investigation scheme. What is your timetable for each of these reviews?

Ms Carolyn Smith—Your first question was in regard to the accreditation standards review; is that correct?

Senator FIERRAVANTI-WELLS—There is currently a series of reviews in the department: a review of accreditation standards, a review of accreditation processes and review of the complaints investigation scheme. Could you tell me what your timetable is for these reviews?

Ms Smith—The review of accreditation standards and the review of accreditation processes are being handled as two separate but linked processes. In terms of the review of accreditation standards, we have established a technical reference group to support the department in that work and we have also engaged PricewaterhouseCoopers to work with the department and the technical reference group to review the current standards and develop some draft revised standards. They have been asked to do that piece of work by the middle of this year. Then we would envisage that we would be going out and consulting, firstly, with the Ageing Consultative Committee and then more broadly with the sector about those revised standards. We are working closely with the Aged Care Standards and Accreditation Agency on that piece of work.

We have also been looking at the accreditation processes. There was a discussion paper that was released in July I think of last year and we sought input from a wide range of players. We also talked to the Ageing Consultative Committee about that process as well. We hope to be in a position shortly to provide advice to the minister before we go out on a consultation process. In terms of the complaints investigation scheme, there was an external review commissioned last year by the minister. That review has been completed and is under consideration by the minister.

Senator FIERRAVANTI-WELLS—Will these reports be released?

Ms Halton—That is a matter for the government.

Senator SIEWERT—When was the complaints report finalised and given to the minister?

Ms Smith—It was towards the end of last year.

Senator FIERRAVANTI-WELLS—You have said the standards and the processes were linked, so I assume they would have gone to the minister as well?

Ms Smith—As I said with the review of standards, the aim is to have revised draft standards by the middle of the year, but they would be standards that would then need to be the subject of consultation with the sector. In terms of the process review, we would hope to have advice to the minister shortly and then to go out on a consultation process also. In terms of any implementation, that is a matter for the government.

Senator FIERRAVANTI-WELLS—As part of those reviews did you take submissions or soundings from industry in relation to those reviews?

Ms Smith—As to the review of the standards, as I said earlier, we established a technical reference group to support that work. That includes people with expertise from industry and from other sectors. As I said, we will be going out to consult once we have got a draft set of revised standards. In terms of the accreditation process, there was a consultative process and we received submissions from a wide range of organisations. In terms of the CIS review, likewise the external reviewer sought submissions and also met personally with a number of interested stakeholders.

Senator FIERRAVANTI-WELLS—That means you are now going out to consult again. You have input at the review point, but you are now going out to review the review, if I can put it that way.

Ms Smith—I think it was important that the work that the department did was informed by the views of the sector. Obviously, if you are going to come up with a set of revised accreditation standards or revised processes—because it is so fundamental to the way the industry does it business—it is important that they see what is being proposed and have an opportunity to comment on how it will work in practice.

Senator FIERRAVANTI-WELLS—Particularly if it is fundamentally different from what they may have put forward as part of their input to the review.

Ms Smith—We think it is an important part of the regulatory arrangements and important that we ensure that industry, other consumers and other interested parties are able to contribute to the process.

Senator FIERRAVANTI-WELLS—You have had these reviews. You have obviously had a process in place, which has included consultation with industry, and now you will get your review, get your report and now—it is bit like the hospital—you are going to go out and do a serious of road shows and consultations again. Is that the sort of thing that you are thinking about? What is the next phase of your consultation?

Ms Smith—I cannot talk in general. I have to talk in relation to each of the three reviews. As I said with the accreditation standards, the intent is that we would have a revised set of draft standards and that they would need to be the subject of consultation and possible

piloting in the sector to ensure that they are workable. As I understand it, that would have been done 10 years ago when they were developed in the beginning. It would be very unusual in an accreditation environment to go straight from a draft set of standards to implementation without going through a piloting phase.

Senator FIERRAVANTI-WELLS—I had not understood the nature of your next phase. You said, 'We're going to go out and talk to people.' Does that mean that the next phase includes consulting with people that you have not consulted with before?

Ms Smith—What I am trying to distinguish is a general garnering of views, as opposed to a more focused and practical period of consultation where you actually solicit views on the practicality of application and implementation before you proceed to implement across the board.

Senator FIERRAVANTI-WELLS—When do we say that these processes will be completed? Do we have any idea?

Ms Smith—That is a matter for the government to determine.

Senator FIERRAVANTI-WELLS—Do you have any idea?

Ms Smith—I could not speculate.

Senator FIERRAVANTI-WELLS—This year, next year or after the election?

CHAIR—You are not going to get anywhere, Senator.

Ms Smith—That is a matter for the government.

Senator Ludwig—It is a matter—

Senator FIERRAVANTI-WELLS—Senator Ludwig, it really would be useful to have this, for the reasons that I said before. There are a lot of issues in this industry. To give them some degree of certainty at least that they have some idea, particularly in view of—

Senator Ludwig—The challenge always is from opposition; when I was there I got the same response. I do understand that response a bit better now.

Senator FIERRAVANTI-WELLS—You also persevered.

Senator Ludwig—I very well may have, but I do not recall ever being given an answer.

Ms Halton—Your recollection is extremely accurate.

Senator Ludwig—It does mean that the government is considering these matters. It does mean that the government will provide an answer in due course. These all fit in within timeframes that the government sees. It does understand the nature of the issue very well and understands that there is a community expectation.

Senator FIERRAVANTI-WELLS—As to these returns on investment general purpose finance reports, the minister put out a press release on 23 December about the deidentified financial performance data provided to the department in relation to residential aged care facilities for 2007 and 2008.

Senator SIEWERT—As usual just before Christmas.

Senator FIERRAVANTI-WELLS—Yes, I did note that. I also noted that the minister's comment was that the data indicates that the most efficient providers in the industry are continuing to improve their performance. What the minister's press release did not say is the qualification in the report, which I will come to in a moment. As to the analysis and methodology used by the department to arrive at the conclusion that there was a 10 per cent return on investment on 31 December 2008, in answer to question E09271 on the last occasion—I do not have it in front of me—you stated that the figure was from an analysis of the financial performance of the providers in the top quartile. What data source was used to obtain this answer?

Dr Cullen—The published data source—the GPFR data. It is the data source which is on the website.

Senator FIERRAVANTI-WELLS—The list of items on the website?

Dr Cullen—Yes.

Senator FIERRAVANTI-WELLS—The deidentified data for 2006 contains a caveat as to the accuracy of the data. Was the data cleansed of inaccurate information before being loaded on to the website? I am just interested—

Dr Cullen—We discussed the caveat at the last Senate estimates.

Ms Halton—At length.

Dr Cullen—The caveat is not meant to indicate that we have doubts about the data. The auditors of the individual providers sign off the data. The caveat, as I recall it—and I do not have it in front of me—says that the department has not discussed with the individual accountants what their interpretation of the accounting standards are. We have operated on the assumption that their interpretation of the accounting standards is uniform across the industry. We have not gone through the process of discussing with each individual accountant what his or her interpretations are.

Ms Podesta—Because they are required to be completed according to Australian accounting standards and then we require them to be signed off by the company auditor, we obviously take them as professionally produced and meeting the appropriate standards. The department does not then undertake a further analysis to see whether those standards were met at individual home or entity level.

Senator FIERRAVANTI-WELLS—That is the basis on which you put your qualifier?

Ms Podesta—Yes. We make the appropriate assumption that, given that their company auditor signs them, they are therefore meeting the required standards.

Senator FIERRAVANTI-WELLS—I have quite a number of questions, but other senators may have other questions.

CHAIR—I think we will take a break now. We will then have another three-quarters of an hour on this program before we finish, so everybody's questions will be either asked or put on notice in that period. We now stand adjourned until five to 4.

Proceedings suspended from 3.39 pm to 3.58 pm

CHAIR—Thank you, Ms Podesta, for the *Australian Government Directory of Services for Older People*, and thank you for pointing out to me that it has bigger print. It is a really beautiful thing, so we do appreciate it.

Ms Halton—This is about as popular as a first run of a Harry Potter novel. It has been walking off the shelves. It is very, very popular.

CHAIR—It is on each of our shelves now.

Senator FIERRAVANTI-WELLS—In view of the time, I will put quite a number of questions on notice. I would like to ask a question in relation to the conditional adjustment payment index. Is that going to be maintained in the 2010-11 financial year?

Ms Podesta—The forward estimates provide for it.

Senator FIERRAVANTI-WELLS—I understand that industry participated in a review of the cap index and that review was undertaken by the department at the end of 2008. Have you completed your review and will the review be made public?

Ms Podesta—I am just updating myself because we changed in between. This review was provided to cabinet as part of advice to government.

Senator FIERRAVANTI-WELLS—When was that provided?

Ms Halton—I do not think we can tell you when it was provided through a cabinet process. We are not allowed to provide you with that detail.

Senator FIERRAVANTI-WELLS—Perhaps you can tell me when it was provided to the minister?

Ms Halton—We will take that on notice.

Senator FIERRAVANTI-WELLS—I have other questions that I will put on notice.

Ms Podesta—I would like to correct the record. I apologise; I think we may have inadvertently misled you. It was in response to a question from Senator Fifield. He asked us about the funding that was made available to the Continence Foundation and while we were correct in the figure that we said, approximately $600,000 per year, that was specifically for the help line, which was the function that we were discussing at the time. But the total funding to the Continence Foundation is $6.2 million over four years. That is a contract that goes until 30 June 2010. That includes the help line, but also awareness education, community functions and the nurses. I just wanted to correct that so we did not inadvertently mislead you.

CHAIR—Thank you. Senator Fierravanti-Wells, do you have any other questions under this outcome?

Senator FIERRAVANTI-WELLS—I do.

CHAIR—We will get your questions completely done and then we will move on to the others.

Senator FIERRAVANTI-WELLS—I have probably got about 10 to 15 questions in all. I would like to ask for some statistics in relation to how many low-care residents have utilised allied health services under MBS items. Please feel free to take it on notice.

Ms Halton—We will not be able to tell you that because we do not know.

Senator BOYCE—Who does?

Ms Halton—Nobody, because it will require data matching, which is not provided. It is actually prohibited.

Senator FIERRAVANTI-WELLS—On that note, Ms Halton, you will remember the access card review. I think that we stood at that time in favour.

Ms Halton—Indeed, I recall that.

Senator FIERRAVANTI-WELLS—I still stand by my views on that issue. I will be proven right one day.

Senator Ludwig—I think—

Senator FIERRAVANTI-WELLS—As a former government lawyer, Senator Ludwig, I think you understand where I was coming from.

Senator Ludwig—I do. I was just recalling the section, which I think was 155AA.

Senator FIERRAVANTI-WELLS—I would like to ask a question on the aged-care approval round. At the election in 2007 the government committed to undertake a review of the aged-care approvals round process. Has that review occurred?

Ms Podesta—The ANAO undertook a review of the aged-care approvals round process.

Senator FIERRAVANTI-WELLS—Is there another review process planned in the near term?

Ms Podesta—No, as we understand it.

Senator FIERRAVANTI-WELLS—The latest ACAR round talks about 12,000 places that are on offer.

Ms Podesta—There are 12,218 places that have been advertised. The aged-care approvals round was advertised on 30 January 2010.

Senator FIERRAVANTI-WELLS—I understand that they were to be released by the end of the year, but they were late, so they have now gone back into timetable.

Ms Podesta—The aged-care approvals round is roughly held at the end or the beginning of the year.

Senator FIERRAVANTI-WELLS—It is flexible.

Ms Podesta—As you know, this is quite a large round. Having spoken to the industry they implored us to make sure that the advertising for the round did not run into the Christmas-January period to the degree that we could control that. I was very conscious that their key staff were not going to be available. They asked specifically—to the extent that we could control these things—that we not advertise the round sometime just before Christmas or in the middle of January because it would have meant bringing people back.

Senator FIERRAVANTI-WELLS—For obvious reasons.

Ms Podesta—It was advertised on 30 January and it will close on 15 March. It is a very small variance to other times and we are conscious of keeping good relations with our colleagues in the sector who will be putting in applications. It is a very big round.

Senator FIERRAVANTI-WELLS—It has been very noticeable that community care applications have been oversubscribed across most jurisdictions, whereas the residential applications have been undersubscribed. In answer to question EO 9203 you gave us a breakdown on the last occasion.

Ms Podesta—We did.

Senator FIERRAVANTI-WELLS—In relation to those totals, you advertised 2,784 community aged-care places; you received 1,686 applications seeking 29,000 or almost 30,000 places. One presupposes that roughly equals the demand out there for places.

Ms Podesta—They are applications by providers to provide the services. I think there is no question that there is enormous popularity by providers and potential providers who wish to deliver those services. To the degree that it is a measure, it measures the level of competitive interest within the industry about being providers of those services.

Senator FIERRAVANTI-WELLS—I appreciate that, but it also would indicate that as a provider you do not just ask for them; you obviously know there is a demand there, otherwise you would not be asking for them. Surely one can draw the assumption that, if providers ask for approximately 30,000 places, that must mean that there is a demand for approximately 30,000 places.

Mr Broadhead—Many of those bids are actually in the same region, so they are competing, in a sense, for the same places. They want to be the provider of those places, but you cannot simply translate the number of places bid for into an assessment of the number that they believe should be provided.

Senator FIERRAVANTI-WELLS—What you are saying is that the demand, therefore, really is only 2,784, because that is what you advertised.

Mr Broadhead—No. We advertise in relation to the target level that the government is committed to providing. That is what drives our release of places or the creation of places by the minister.

Senator FIERRAVANTI-WELLS—The actual demand is somewhere in between.

Ms Podesta—There is no question that many consumers enjoy having services provided to them in their home.

Senator FIERRAVANTI-WELLS—I appreciate that.

Ms Podesta—Overwhelmingly, consultations make it very clear that people like that. It is part of the reason that we have not only the package program and the community care program but the significant investment in the Home and Community Care program, which is part of a continuum of care around community based services in the home.

Senator FIERRAVANTI-WELLS—Is that like last year? Last year there were just over 10,000 places and the mix was varied at the last moment. Can you explain that mix at the last moment? You know the question that I am trying to get to.

Ms Podesta—Certainly. We did discuss in some detail in the previous estimates that in the last approvals round a decision was made to allocate additional community care places.

Senator FIERRAVANTI-WELLS—I appreciate that. Did the department make that decision or did the minister make that decision based on a recommendation from the department?

Mr Broadhead—Under the act the places are created by the minister, but they are allocated by the department.

Senator FIERRAVANTI-WELLS—That is a decision by the delegate based on what you actually achieve. That means, potentially, this time round, you have gone out to the market with 12,000 places. I do not have in front of me what the breakdown of that is, but it could be that the mix could be varied by a decision by the delegate once all the paperwork is in front of him.

Ms Podesta—That is potentially possible.

Mr Broadhead—The number allocated depends, obviously, on the applications that we receive. You talked about the relationship between the number of places applied for and the number allocated in relation to community care. In the last round there were 7,600-odd residential places made available. We actually got applications for a total of 14,000-odd residential places. In that sense the residential round was also oversubscribed. It depends where those applications are, by whom they are put in, whether they pass muster under the assessments required under the act and so on.

Senator FIERRAVANTI-WELLS—Even though you have delineated the framework, it is clear that the allocation may not necessarily fall into the same parameters as what you have advertised for.

Mr Broadhead—It is fair to say that the last round was undertaken under unusual circumstances in terms of people making judgments about investments. It was a round undertaken when the world, at large, was somewhat doubtful about the economic situation and so on. It is reasonable to suppose that this affected the aged-care sector as well as every other sector in the world's economy and in Australia's economy.

Senator BOYCE—What do you think will happen this time?

Mr Broadhead—I cannot predict the future.

Senator BOYCE—No, but it is reasonable to assume.

Mr Broadhead—Certainly the situation that pertained at the time the last round was undertaken is not the same now, so we may find that we get a different response than we got in the last round.

Senator BOYCE—Would it be a higher level of response?

Mr Broadhead—As I said, we got applications for more places than were allocated in all categories last time around. What we do not know is the distribution of applications, who will put their hand out, whether they will pass muster under the assessment required under the act and so on.

Senator FIERRAVANTI-WELLS—It is not unreasonable to assume, given the pattern and trend of recent years, that it may well follow the same pattern.

Ms Podesta—I do not want to be a Pollyanna about it; I am not intending to be in the slightest. We have advertised now. We are holding information sessions for potential applicants. There has been good interest in that. It is important to remember that we have not just advertised places; we have also advertised capital grants, an additional zero real interest loans round, and community and flexible grants this round. We anticipate that there will be significant interest. Certainly the level of inquiries and registrations at the information sessions does not indicate to us that this will be a round that attracts little interest; to the contrary. I think the critical question will be—and this is what we do and it is why the aged-care approvals round is a fairly complex and detailed process—can we ensure that we are able to match the applications we receive with the information that we have around planning, the need for investment, the need for build and the need for delivery of services in the right place with providers who have a record of being able to deliver that aged care. As you have seen, sitting at this table; it is not just about build anywhere; it is not just about provision by anyone. It is about having a good quality, high-quality aged-care system that people want to use.

Senator FIERRAVANTI-WELLS—I guess to some extent—I use the 'integrity' of the current planning ratios—it really does bring those into question because there needs to be this sort of variation. You go out into the marketplace with one expectation, then people tender on that basis and then there are variations there too. I will not traverse it. This is not the place.

Ms Podesta—It is not a tender. It is an application process. We are working towards the overall target ratio of 113 places per 1,000 persons 70-plus. Our anticipation is that will be met through this round.

Senator FIERRAVANTI-WELLS—What is the impact on the number of allocated places over the next 30 years by moving from a target ratio of 113 places per 1,000 persons 70-plus to one based on persons 85-plus, as foreshadowed in the NHHRC recommendation? You could take that on notice.

Ms Podesta—We will.

Senator FIERRAVANTI-WELLS—In relation to the *Intergenerational report*, I note Ms Halton's comments earlier that those are projections. I turn specifically to the various tables in the *Intergenerational report*, which talk about projections and major components. You can take this on notice. As to table A4, the projections of major components of Australian government spending in the *Intergenerational report* and also table A3, as a percentage of GDP, I am interested in the projected figures on aged care, both residential and community. How were those figures worked out? Did you provide input in relation to it? I am just trying to understand where those projections came from insofar as your department is not responsible for those figures, but did you contribute to the preparation of those figures? Could you look at both those tables and the projections—that is, the real spending per person and the percentage of GDP?

Ms Podesta—We will take it on notice.

Senator FIERRAVANTI-WELLS—I will actually put a bit more into that question on notice. I just thought I would flag it and then I will add a bit more to that. In relation to the

Productivity Commission's public inquiry into aged care, which was foreshadowed in August 2009, I take it that inquiry is still somewhere in the distance? It has not been abandoned?

Ms Podesta—We understand that the government will commission an inquiry.

Senator FIERRAVANTI-WELLS—But we do not know when? It has not gone to the Productivity Commission yet. I checked on its website the other day—yesterday, in fact. Can you tell me when the terms of reference will be released and when it is likely that the inquiry will commence?

Ms Halton—To start with, those terms of reference are technically and officially the responsibility of Treasury.

Senator FIERRAVANTI-WELLS—Do you have any input into arrangements?

Ms Halton—Yes, we do.

Senator FIERRAVANTI-WELLS—Have you provided those terms of reference yet to Treasury?

Ms Halton—We have had extensive discussions with Treasury on those terms of reference.

Senator FIERRAVANTI-WELLS—But the terms of reference have not been finalised?

Ms Halton—Indeed, and that is a matter for government, as you would understand.

Senator FIERRAVANTI-WELLS—When the report of the National Health and Hospitals Reform Commission was delivered by the Prime Minister he announced that there would be a referral to the Productivity Commission of a range of issues surrounding the recommendations contained within the report in respect of aged care. Is that a separate inquiry to the Productivity Commission's?

Ms Halton—No, that is the Productivity Commission's.

Senator FIERRAVANTI-WELLS—What was foreshadowed in August 2008?

Ms Halton—I would need to see the reference. I do not know that I can answer that immediately.

Senator FIERRAVANTI-WELLS—Can you have a look at the National Health and Hospitals Reform Commission? I will put a bit more on that on notice. There seemed to be two Productivity Commission reports on aged care floating around—

Ms Halton—We hope not. We think one is enough.

Senator FIERRAVANTI-WELLS—That is what I thought, but I just wanted some clarity on that, so I will put that on notice. When do you anticipate that the ACFI review will be completed?

Ms Podesta—We have announced the terms of reference for the ACFI review and submissions close in March this year. We will then take some time to analyse them, depending to some degree on the number and extent of submissions that we receive, but it will be this year.

Senator BOYCE—Are you publishing those submissions as you receive them?

Dr Cullen—It is the intention to publish them. We are not publishing them on a day-by-day basis but we are not going to wait until the end before we put them up on the website. The last time I looked we had received six submissions so far.

Ms Podesta—The department has released an information paper about the ACFI review. The commitment we gave to the industry—and we have been very public with our Ageing Consultative Committee about this and with our ACFI technical reference group—is that we intend to share information that we receive from ACFI that arises from the review. This review is a very cooperative process. I think the introduction of ACFI has by and large been relatively well received and we have certainly worked closely with the sector around this. The commitment around the review has been part of the commitment we gave to do this.

Senator FIERRAVANTI-WELLS—There was another review of the concessional resident ratio with the intention of bringing the ratio into line with the regional targeted numbers for concessional residents rather than a universal national target. Is that review still on foot? What is the story with that? I know one loses track of all the number of reviews in the department. I will ask on notice, if you would not mind, if you could just tell me how many reviews you have in your department at the moment.

Ms Halton—We had that question before.

Senator FIERRAVANTI-WELLS—You may take that as a global question. Dr Cullen seems to be looking quite bemused, so perhaps you might like to add this one to that list as well.

Ms Halton—I am tempted to say that is his normal state, but that would actually not be an accurate statement.

Senator FIERRAVANTI-WELLS—Can you just take on notice if there is a review at present on the concessional resident ratio and what has happened to that review?

Ms Podesta—We will take it on notice.

Senator FIERRAVANTI-WELLS—I have some last questions in relation to the extra service round approvals. This has a sort of history of having four extra service rounds and now it is down to two, I think. The last extra service approval rounds closed at the end of July 2009. I am told that industry is still awaiting advice as to the outcome of those applications. Is that the case?

Mr Broadhead—No, the results have been provided.

Senator BOYCE—When was that?

Ms Podesta—They were announced on 21 January and letters went out that day.

Senator FIERRAVANTI-WELLS—I thought that the decision should have been announced within 90 days of the close of the application process. It seems a long time between the end of July and 21 January.

Ms Podesta—We are looking puzzled about 90 days. We will check that. We had a lot of applications and they were very carefully assessed. As you will appreciate there was a policy introduced—by Minister Andrews, I believe it was at the time—in regard to the 15 per cent limit of extra service. We try to ensure extra service provides choice but we also try to ensure

access principles are maintained. The analysis of the extra service applications was complex and required significant discussions with our planning people in our state and territory offices.

Senator FIERRAVANTI-WELLS—My question goes to the 90 days. My understanding is that there is a 90-day requirement from the close of an application process. Is that an internal guideline? Could you take that on notice and just tell me about the 90 days?

Ms Podesta—I do not believe that is the case in the legislation but I—

Senator FIERRAVANTI-WELLS—Six months is a long time.

Ms Podesta—It was not exactly six months. It did close at the end of July. But it was a very complex piece of analysis. You will appreciate we are very conscious that people put in applications for extra service often as part of their business planning and we need to balance the issues and the requests of individual providers with the issues overall of potential aged-care residents.

Senator FIERRAVANTI-WELLS—Roughly how many applications do you receive?

Ms Podesta—In that round it was 50 applications.

Senator FIERRAVANTI-WELLS—I will put the rest of my question on aged care on notice.

Senator SIEWERT—Can I go to the issues around amendments that were made to the Aged Care Act when a series of amendments went through to remove discrimination from all pieces of legislation for same-sex couples? In recent months there has been a series of fairly negative media reports around the treatment of some parties being gay—in other words, the LBGTI groups in aged care. What is the department doing in terms of any education, guidance or directives that have been provided to aged-care services around the changes to the act and the requirements to give support and high-quality care to those people in the LBGTI group?

Ms Podesta—There are two things that I would say. All aged-care providers are required as part of their responsibilities to treat residents with respect and dignity, and it is a critical part of their responsibility. If there are instances where people are not treated with respect and dignity, my colleagues, as part of the complaints investigation scheme or accreditation standards, could comment further.

But we are also conscious of the specific needs of groups. I met just recently in the last month with the AIDS Council of New South Wales specifically to talk about this issue and we commenced our discussion about some of the matters that they had raised with us. We have made a commitment that we will continue to talk with them about specific issues or examples and consider what may be able to be provided if that is deemed to be required.

Senator SIEWERT—Have there been complaints around the treatment of LBGTI people?

Ms Halton—I am pretty certain I have seen a media report in relation to that issue. I am not conscious that we have had direct approaches but because we have seen that media report as a result of something we did have a conversation about it. So it is something which has been brought to our attention but I cannot say more than that.

Senator SIEWERT—It has been brought to your attention but you have not had a formal complaint. Is that right?

Ms Smith—I could not tell you with 100 per cent certainty that no person in amongst the many thousands of complaints we receive each year has not raised this issue but it has certainly not been drawn to my attention. We can check for you. I am aware of the broad issue, as Ms Halton said. We have also had input through the review of accreditation processes about the need to ensure that accreditation appropriately recognises the needs of people who are gay or lesbian. The issue has broadly been raised but I am not aware of it as an issue that is causing lots of specific complaints.

Ms Halton—The thing that started the conversation amongst us about this issue was that media report.

Ms Podesta—From the discussion that I had with advocates about this matter just in the last weeks, there are really two sets of issues. As I said, we are very open about looking at what kind of education materials or activities can be provided.

There are two very separate groups here. There are people who enter into residential care and there are particular issues around sensitivity, training and knowledge that we would expect any provider to undertake for a diverse resident group. There are also services around that are delivered within the home, so we need to make sure that people who enter into people's homes also have an understanding and cultural sensitivity around those issues. We discussed what role organisations such as ACON would be able to take in working with the industry and they already have some arrangements with community care providers.

In the same way that we have partners in community care, we have partners in cultural care, so there is recognition. I think that there is potential—and that is what we talked about with the advocates—to provide that sort of linkage and support and follow-through.

Senator SIEWERT—Do you provide any additional funding or do you have any funding initiatives to help with this issue?

Ms Podesta—We have not at the moment but we would leave the door open to look at that. We would need to make a consideration of that in regard to priorities. At the moment there is no specific funding, but in regard to complaints, training et cetera we would look at this issue.

Senator SIEWERT—We have spoken before about the initiative around forgotten Australians and the issues around aged care and institutionalisation. What progress has there been on that initiative that the government announced not so long ago?

Ms Podesta—Should we start with the forgotten Australians?

Senator SIEWERT—Yes.

Mr Tracey-Patte—Since the announcement there has been some development work on an educational package of support for forgotten Australians. We have started to consult with the peak bodies, the Alliance for Forgotten Australians, which is a national group of existing organisations and individuals who provide support for people raised in an institution and other out-of-home care. We have commenced a procurement process to bring in some consultancy work so that we can better understand who this group are and what their particular needs are, so that that can inform the development of the educational material.

In addition to that development work and commencing the procurement, we have also identified the forgotten Australians as a special needs group under the aged-care legislation through an amendment to the allocations principles.

Senator SIEWERT—Firstly, while CLAN are fantastic, I hope you are consulting with more than CLAN because, as you will probably know, there are a number of groups involved.

Mr Tracey-Patte—Certainly. The consultation phase is going to be with a number of stakeholders, including the alliance.

Senator SIEWERT—Secondly, how long do you foresee the procurement process taking?

Mr Tracey-Patte—The procurement process itself should be completed in a matter of the next two months or so. We are anticipating the project itself to develop the materials will be completed this calendar year, so by the end of this year.

Senator SIEWERT—Is it possible to see the brief that you are giving for the education materials?

Mr Tracey-Patte—What we can provide is the information in the advertising for the procurement. That would have a pretty good coverage of the sorts of issues that we are trying to identify to cover in the educational material.

Senator SIEWERT—You said that they will undertake a consultation process for the development of that material?

Mr Tracey-Patte—That is correct, and that will be conducted by the consultant engaged through the procurement process.

Senator SIEWERT—I know I am short of time so I am going to move on to young people in residential aged care, getting an update on where that program is up to. I actually have some quite detailed questions which I know I am not going to get time for, so I will start the process and then I will put the other questions on notice. Where are we up to now with the numbers of young people with disabilities that have actually now received assistance out of aged-care facilities? Out of the three categories that that program funds, can we have an update on the numbers that have now been assisted?

Ms Podesta—Do you want the under 50s?

Senator SIEWERT—Yes.

Ms Podesta—There are about 820.

Dr Cullen—You are asking about the three categories which the actual COAG program has specified. I am sorry; we try and anticipate what questions you are going to ask but I did not bring those numbers with me. I can take those on notice. What I can tell you is that the numbers of people under 50 are continuing to decrease quite markedly. As you know, in 1998-99 there were 1,200; there are now just over 800 in aged-care homes. Those numbers, I think, tend to understate the success to an extent because in terms of the share of the numbers of residents—of course, aged care is growing—in 1998-99, people under 50 made up 0.9 per cent of all residents and they now make up 0.5 per cent of all residents, so there has been a considerable move downwards there.

Senator SIEWERT—So, in other words there is not a continuing trend of younger people going into nursing homes?

Dr Cullen—There are still admissions but the admissions are also tending downwards. I mean, in 1998-99 people under 50 made up 0.8 per cent of all admissions and they now make up 0.4 per cent of all admissions, so again that rate has been halved over the decade.

Senator SIEWERT—If you could provide the actual figures and the number of people that have been assisted in those three COAG categories, that would be useful.

Dr Cullen—I know the categories you mean.

Senator SIEWERT—Yes. In terms of the overall delivery, is it a five-year program?

Dr Cullen—That is correct.

Senator SIEWERT—Are you going to meet the targets of that program within the five years, because there was a little bit of a lag at the beginning, was there not, particularly in sourcing and providing accommodation?

Dr Cullen—I will have to take that on notice as well.

Senator SIEWERT—Thank you, that would be appreciated. Could you also take on notice the provision of details of funding by the state and territories in terms of what they have been providing for this initiative? Do you keep those records?

Dr Cullen—FaHCSIA actually manages the initiative for the Commonwealth.

Senator SIEWERT—I will ask FaHCSIA tomorrow.

Dr Cullen—I will ring them and tell them that you are going to do that.

Senator SIEWERT—I do not know if forewarning them is a good idea. I am just double-checking to see if my next lot of questions are ones that I should be asking you or them. I know you will not answer; that was me thinking that you might look into your crystal ball and pre-empt government, and there is no point in doing that really, is there?

Ms Halton—No, you would be right there.

Senator SIEWERT—It is late in the day and I am trying to pre-empt my own questions.

Ms Halton—And thinking aloud.

Senator SIEWERT—Yes. I think the other questions I have are probably ones that I should be best be asking FaHCSIA about.

Ms Podesta—Excellent.

Senator McEWEN—I would like to ask questions about the Nursing Home Oral and Dental Health Plan and also about bushfires. I understand that the Nursing Home Oral and Dental Health Plan was announced last year. I would be interested in an update on the progress of the implementation of that plan, including aspects of what training has been provided for aged-care workers and how aged-care facilities access the plan.

Ms Smith—As you indicated, the plan was announced last year by the minister, and it was in recognition of the fact that oral health is an incredibly important area for elderly people in nursing homes, and it relates quite a lot to their general health. If their oral health is poor it

can have quite wide-ranging implications for the resident. It is not a replacement for professional dentistry services, but it is intended to provide an increased awareness of oral hygiene issues right through from the initial assessment on entry into care through to the overall care planning and management. I might ask Ms Nicholls to give you an update on where we are up to with actually rolling it out.

Ms Nicholls—As Ms Smith has said, this plan has three components which are designed to strengthen oral and dental care in aged-care facilities right from the initial ACAT assessment through to the care planning and care delivery in the aged-care facilities. The plan has three key components.

The first one is strengthening the assessment that is undertaken as part of the entry into residential aged care and a validated dental health assessment tool will be provided as part of the set of assessment tools that will be used by the aged-care assessment teams. This tool will provide documentation on dental concerns, it will provide some baseline information on a person's oral and dental status before they go into an aged-care facility and it will also provide the opportunity to trigger, if needed, referral to specialist dental services. There is a suite of tools being developed for the aged-care assessment teams and this will be one of the tools. It is expected that the final set of tools will be available for use by ACATs by the commencement of the 2010-11 financial year and training for the ACATs in the use of assessment tools will be provided.

The second key element of the plan relates to training about better oral health care in aged-care facilities themselves. The training will be delivered at two levels. One is about training aged-care workers in how to provide daily oral hygiene and we are using a 'train the trainer' approach in relation to that. So, a resource kit and a training manual has been developed and training will be provided to registered nurses or key training officers within each aged-care home, multipurpose service and Indigenous flexible care services in the use of that kit, in daily oral hygiene procedures and in how to train the rest of the aged-care workers in how to undertake that care on a day-by-day basis.

The other education support that is being provided is to give registered nurses a self-learning package about how to undertake oral health assessments so that as part of their care planning they can undertake a comprehensive oral health assessment, they can build that into the care planning and they consider when it is appropriate to refer for specialist dental services, so that when that is needed that can occur.

We recognise that it is more difficult to get training out to rural and remote areas and, whilst we are going to provide training through registered training organisations to rural and remote areas as well as all aged-care homes, we are also in the process of developing a training package that can go out through electronic means, such as through the aged-care channel. A number of rural and remote services access that, so that will be some back-up training.

Now, the training commenced in December of last year and will roll out throughout 2010. We would anticipate that the majority of the training would be undertaken by August. We have already started a communication strategy with aged-care homes in relation to this and sent letters out in relation to that. We have already had a great deal of interest from aged-care

homes; a number of them have contacted us. The registered training organisations are now also in the process of contacting the services that they will be training to let them know what the training schedule will be in their area. After the training has been implemented we are also doing some work about how we can build this into the nationally accredited training models that personal care workers access so that we can build in some sustainability around these skills.

The final element of the plan was to review the accreditation standards to ensure that the standards that relate to oral and dental hygiene were sufficiently robust to ensure that that was being picked up. So, those are the three elements that we have got and we think that we are on track.

Senator McEWEN—What is the budget commitment for this program?

Ms Nicholls—It is a little bit over $3 million.

Senator McEWEN—Over what period of time?

Ms Nicholls—Until 2010. There is nearly $1 million that will be expended in the production of the training resources and the resource kits that go with that, which will go to all aged-care homes, and then there is another $2.1 million involved in the training delivery.

Senator McEWEN—So, by later this year ACAT teams will be implementing this particular aspect of this assessment?

Ms Nicholls—They will certainly have that as their range of assessment tools that they use when they undertake assessments.

Senator McEWEN—Is there any indication of its reception from the professional dentistry mob?

Ms Nicholls—The Australian Dental Association has been very supportive of this training package. They had some of their members involved in the development of the package, so they have been quite supportive of the package and we have received some quite interesting interest from overseas as well in terms of the use of the package.

Senator McEWEN—That sounds good. I will follow that up next estimates to see how we are going. Shall I do my bushfires now?

CHAIR—Yes.

Senator McEWEN—The other area I was interested in is what role the federal government has in evacuation procedures in aged care homes, particularly in the context of disasters like bushfires. Of course, we recently acknowledged the anniversary of the Victorian bushfires and I understand the federal government also provided some money to the Victorian government to assist in support services for aged individuals who may have lost equipment and services as a result of the Victorian bushfires. There is that aspect of it, but also what are we doing for the future to ensure that Australians in aged care facilities are cared for in the event of disaster?

Ms Veneros—In relation to the funding that is being provided—I will answer that part of the question first—the government has allocated $263,446,000 to 23 Australian government funded residential aged care homes and community care providers to meet extraordinary costs

incurred in the course of ensuring their clients' wellbeing during the fires. An additional $22,701 was also provided to assist three frail older people and their carers to repair or replace their independent living aids lost in the fires. In addition, we provided $500,000 to the Victorian state government for extra home and community care services in fire affected regions, and a further $150,000 to the Victorian state government for 450 additional aged care assessments in fire affected regions.

Senator McEWEN—That is good. Is it part of an accreditation process for aged care facilities that they have some kind of evacuation programs in place?

Ms Veneros—Yes. There is a standard that provides for the preparedness of aged care facilities in responding to and looking after their residents during an emergency event. In line with this, the department has done a number of pieces of work, but specifically around the aged care standards we liaise directly with the agency. In December 2009 the agency released a special edition of its bulletin called the *Standard* to the sector, flagging their expectations in preparing for and responding to emergency events. I am not sure if the agency would like to provide any further comment on that.

Ms Smith—The February 2009 bushfires in Victoria really did present a unique challenge for the entire community, and particularly for the residential aged care sector. We have been engaged in quite an intense program of work since then to ensure that the residential aged care sector is as prepared as possible for the sort of event that we experienced in February of last year. It was not the sort of bushfire that maybe some had envisaged where you would be able to relocate to somewhere a bit closer to home. The sort of relocation required was very significant.

We saw that there were some particular challenges around transport and accommodation, so our Victorian state office has been working very closely with the Victorian government to ensure that the sector is very well advanced in its planning for evacuation. The department is able to provide advice on alternative accommodation should that be required. The work that we have been doing down in Victoria between our state office and the Victorian government is proving to be a bit of a model for our other state offices. They have also been refreshing their relationships with emergency services to ensure that anyone who is in a bushfire prone area is well connected to their local emergency services.

We have also provided, through a whole-of-government process, information to the royal commission and, in fact, counsel assisting the royal commission actually commended the Victorian and Commonwealth governments for the level of cooperation in assisting residential aged care.

Senator McEWEN—As someone from a bushfire prone state, I am always worried about our residents in aged care facilities in bushfire prone areas. It is good to know that we are addressing those issues. Thank you very much.

Senator FIERRAVANTI-WELLS—I have some questions in relation to award modernisation in the aged care sector. Is it appropriate here or general health?

Ms Murnane—The answer is yes. I was also wondering if we could take the questions on the aged care workforce now because we have the officers here. Later tonight we will have to bring them back to take them.

CHAIR—We can go to the questions on workforce. I will get Senator Furner's question and Senator Williams's questions on record first as they have been waiting. We will then go to the workforce and have a look. We are running desperately short of time, but the senators want to ask questions. Senator Furner.

Senator FURNER—My question relates to the Zero Real Interest Loans Initiative of the government. I understand the government has committed $300 million into this initiative. I would like some appraisal of how it works and, in particular, how many placements might be committed as a result of the outcome; also, what the progress is to date and, in particular in Queensland, where those locations are.

Ms Podesta—I will do the general and my colleague will do the specifics. On 17 September there were $150 million in loans offered. As of 4 February we have now executed 24 of those loans. There is $5.24 million that has been operated and there are now 52 places completed. Currently under construction, using ZRIL, there is $22.1 million, with 205 places to come on line very shortly. In the planning and development stage there is $41.8 million, with 452 places. It is important to know that this is a financing tool available to the sector.

It really depends; when the places become actualised to some degree reflects similar issues as we have in an aged care approvals round. It depends where an aged care provider is in their cycle of being able to bring places on line. A number of the places in the Zero Real Interest Loans Initiative are for greenfield sites, which inevitably take a little bit longer. I will ask my colleague to give the specific information about Queensland.

Mr Broadhead—Unfortunately, the list I have is not sorted by state. Going down the list, the Aged Care Service Group Pty Ltd in Deception Bay in Queensland have completed work and are in the process of operation. I believe that was a loan for about $3.5 million and involved 34 high care places. Innisfree Aged and Community Care in White Rock had 30 high care places and I understand that the loan agreement has been executed and they are currently going through development application processes. The development application might have been approved in September. Bowen Old People's Home in Bowen applied for a loan under $1 million and is in process at the moment. We are expecting the development application approval next month. There are two others where the offers have been made but not yet accepted, in Caboolture and Ipswich, for the providers there. Those are the ones that have made offers and/or accepted and/or completed work in Queensland.

Ms Podesta—There will be additional loans offered as part of the ACAR that has just been advertised. I would like to clarify a previous answer. It is in regard to the question you asked about 90 days.

Senator FIERRAVANTI-WELLS—Yes.

Ms Podesta—The act does require that applicants are notified within 90 days. It is not that the decision is necessarily made, but notification. I will clarify and follow up with my colleagues to ensure that they undertook that process.

Senator FIERRAVANTI-WELLS—Thank you.

CHAIR—Senator Williams.

Senator WILLIAMS—I would like to talk about smaller regional aged care facilities. We have some in country areas where they have 12 beds or less, and I know they are struggling. Do you see a lot in your industry where these smaller facilities are actually closing?

Mr Broadhead—I do not have figures in front of me for the number that may or may not have closed by size, as it were. Certainly it is true that it is harder to make a go of it at a smaller size for a variety of reasons, largely related to economies of scale. We do take this into account in viability supplement payments, where those are applicable, so the size of the facility can result in a higher level of viability supplement. I would have to take on notice the question about the degree to which there are homes that closed where they are very small. I do not have a number for that.

Ms Halton—We will have a look at it, but we do need to be reminded that sometimes what we might do is transition a service into an MPS, for example. You have to look at this in a bit more richness and not just in terms of a straight number who have closed because it may be that they have gone on to something else.

Ms Podesta—There has been an ongoing process within the industry of transitions and a number of the smaller services have become flexible services or have become multipurpose services, as the secretary indicated. Nevertheless, in some communities there is an ongoing effort, continuation and desire where activities are put in place to support relatively small aged care facilities. They occupy a significant amount of attention within regional offices.

Senator WILLIAMS—Yes, they do. Are you familiar with the Grace Munro Centre at Bundarra?

Ms Podesta—Certainly.

Senator WILLIAMS—I would like to talk about that. It was managed by McLean Retirement Village based in Inverell. I think over the years they have lost something like $600,000 in the Grace Munro facility and have had to pull out of it. Did they apply for extra funding to keep the Grace Munro Centre open or did the local member, Tony Windsor, request the department for more money to keep it viable at any stage?

Ms Podesta—I believe HN McLean are still operating Grace Munro at this point in time.

Senator WILLIAMS—Yes, until next Monday.

Mr Broadhead—Correct.

Senator WILLIAMS—It is an 11-bed facility and it is down to four beds.

Mr Broadhead—Four occupants who are permanent residents.

Senator WILLIAMS—They were losing up to $20,000 a month. They are a business and care for almost 700 elderly people in the north-west of New South Wales. I think that they were going to leave earlier, but they were requested to stay on, which they did, and they have suffered a substantial loss as a result. I believe the situation is that the local community has formed a company that has applied for a provider number and so on.

Mr Broadhead—Correct.

Senator WILLIAMS—Where is that up to?

Mr Broadhead—There is now a company called Grace Munro Aged Care Limited. They applied for approved provider status under the act and that has been approved. That is one part of the process that they are going through to establish themselves, they hope, as the provider of aged care at Grace Munro. There is currently before the department an application for transfer of places. These are the places at Grace Munro. They are held by HN McLean, the current operator, and the application is to transfer those places to Grace Munro Aged Care. We are currently assessing that application for transfer.

Senator WILLIAMS—Has Grace Munro Aged Care Centre Limited now qualified through all the hoops, if I can put it that way, to carry out and manage the facility?

Mr Broadhead—It has not yet gone through all the hoops, no.

Senator WILLIAMS—What are some of the hoops that are left? I believe there have been some more requests for information.

Mr Broadhead—Correct. It is happening as we speak, so forgive me if I am not completely up to date as to what has been done.

Senator WILLIAMS—Fair enough.

Mr Broadhead—I am aware that as of this morning there were probably two further requests for information and that we were seeking expert advice in assessing one aspect of their application for transfer of places. I believe there has been some follow-up requests for information in relation to the proposed arrangements for care, so we have had commentary from our own nurse adviser in relation to the proposed arrangements seeking clarification around those. That is part of assessing their application for the transfer of places. I think we have sought clarification—again, I do not know exactly where this is at because it is happening as we speak—but I believe we have sought clarification in relation to the arrangements they are making with the owners of the property, which is Yooralla Shire Council, who actually own where the centre is.

Senator WILLIAMS—That is right.

Mr Broadhead—There is a management agreement, which I understood was going to be executed between the parties last night, but I do not have advice to hand as to whether in fact it was.

Senator WILLIAMS—Have you had to fast-track this application for the Grace Munro Aged Care Centre Limited?

Mr Broadhead—It is certainly true that we are considering it as quickly as possible.

Ms Halton—But we have not fast-tracked it. It has been done properly.

Ms Podesta—It has been done properly. We are acutely conscious that there are people who are currently residing there who have a desire to continue there. We are acutely conscious of the need to balance their wishes with the importance of making sure that anybody who seeks to become an approved provider meets all of the requirements of the act and that any transfer of places is done appropriately. So, while it has an importance because we know the desires of the residents, we have kept the communication going with the residents—with the

parties. We have sought all of the information that we need to be able to make a balanced and correct decision.

CHAIR—Senator Williams, it might be better to seek a briefing with the department on this particular issue. Is there anything you particularly want to get on record in the estimates?

Senator WILLIAMS—My concern is about what will happen next Monday, when McLean will be leaving and perhaps four residents will be left in the facility. I believe that McLean have certain steps to go through to do the right thing when closing down a facility. I think the local member said, 'Just stay there; don't move from there.' To me, that seems to be a serious piece of advice. What will happen Monday if the new company is not in place to run the facility and those people are discharged? That is my concern. What will happen to those people come next Monday? McLean have made it quite clear that they will be leaving on the 15th.

Ms Podesta—There are a number of factors that we were permitted. We have made it a priority for the department to ensure that the residents are made aware of their rights, and we have made it very clear that the approved provider is aware of their obligations. We have enabled the Aged-care Rights Service to visit the residents. We have also had an independent person visit the service to ensure that people are aware that, in choosing to make a decision about their life to reside in a place that perhaps does not have the status of an aged care facility under the act, it is a very important requisite that they understand the implications of making such a decision. We understand that the current approved provider has made appropriate provision for those people to be cared for in an approved aged care facility—

Senator WILLIAMS—That is right.

Ms Podesta—and they are meeting their obligations to do that. If the residents make a decision that they choose not to do so, as long as they have been fully informed about that decision, they have agency to be able to make their own decisions around that. We will not forcibly remove people or make them go somewhere that they choose not to go.

Senator WILLIAMS—In summary, my last question is: if next Monday those four residents in that low-care facility at Grace Munro Centre decide that they do not want to leave and simply stay in the building and the McLean Retirement Village withdraws the staff and walks away from the facility after offering those people beds in Inverell at McLean Retirement Village, what happens then?

Mr Broadhead—There is nothing under the act that enables us to do anything. If they choose to remain there, that is their choice. To my knowledge, HM McLean has met its obligations under the act to make available alternative services or accommodation. We have done as much as we can, I believe, to ensure that residents are making an informed decision—in other words, that they are aware of the implications and what is available to them.

Ms Podesta—And that other people within their community are aware of that—

Mr Broadhead—Yes; or their families, if that is relevant.

Ms Podesta—and that their family members are aware of that.

Mr Broadhead—If they choose to stay, we cannot and probably should not—

Ms Podesta—They will have chosen voluntarily to live there. They can choose voluntarily to live elsewhere or to stay there. We have made a lot of provision to ensure that they and their families understand any implications that would arise from that. We cannot provide nursing care et cetera in an unapproved facility. I am not trying to pre-empt a decision that it will not become a facility that is recognised under the act; it may well become one. But if it comes to the point that we have not agreed to transfer the places to that and if they are not able to demonstrate that they can provide the appropriate care, then we have made it very clear to the residents, through the services that we have funded and through the visits to the residents, what the implications of that mean. It is not just about their physical wellbeing, although that is the critical issue, of course; it is also about the financial implications, if they choose voluntarily to leave aged care in regard to the financial commitment that they have made through their bonds et cetera.

Senator WILLIAMS—I will put the rest of my questions on notice. Thank you, Chair.

CHAIR—We will now move to the issue of 'aged care workforce'.

Senator FIERRAVANTI-WELLS—Has the department considered the impact of award modernisation on grants or in general in relation to aged care programs or in the aged care sector?

Dr Cullen—Yes.

Ms Podesta—Senator, as you are aware, more than 50 state and federal awards have been replaced by three modern awards—the Nurses Award, the Aged Care Award and the Social, Community, Home Care and Disability Services Industry Award—we have looked at the changes that have been made as a result. You will appreciate that we are not responsible for workplace relations policy overall, but we certainly are aware of the award modernisation process.

Senator FIERRAVANTI-WELLS—You also paid $144,320, in the period 3 August 2009 to 31 December 2009, to Access Economics to do analysis and modelling of the financial impact of award modernisation on the aged care sector.

Ms Podesta—Yes, that is on the record.

Senator FIERRAVANTI-WELLS—Is that available?

Ms Podesta—It is not completed yet.

Senator FIERRAVANTI-WELLS—Will those findings be made public?

Ms Halton—It is a matter for the government.

Senator FIERRAVANTI-WELLS—What point is it at now?

Ms Podesta—We have not received the final report yet.

Senator FIERRAVANTI-WELLS—So when do you expect to get a final report from Access Economics?

Ms Podesta—I cannot—

Dr Cullen—We have provided feedback on a draft report and we would hope to receive a final report shortly.

Senator FIERRAVANTI-WELLS—Then you will have to give it to the minister.

Ms Podesta—Yes.

Senator FIERRAVANTI-WELLS—I will dovetail in here a related workforce issue. There is a program regarding nursing scholarships for aged care, with the intention of bringing more nurses back into the workforce. I understand that scholarship program was extended.

Ms Carolyn Smith—Do you mean bringing nurses back, or do you mean the Aged Care Nursing Scholarship Scheme?

Senator FIERRAVANTI-WELLS—I am sorry. I mean the nursing scholarship scheme for aged care. I am sorry; perhaps I am getting that confused.

Ms Carolyn Smith—Yes. We do have a range of different workforce programs in the aged care area, in terms of both supporting nursing scholarships and vocational training for personal care workers.

Senator FIERRAVANTI-WELLS—I will just ask this question about the scholarships and put on notice the rest of my questions in relation to other areas. How many nurses have the various scholarships delivered on the ground to the aged care sector; that is, how many nurses are actually on the ground?

Ms Nicholls—In relation to the aged care nurses scholarships, which is our More Aged Care Nurses Program?

Senator FIERRAVANTI-WELLS—Yes.

Ms Nicholls—The More Aged Care Nurses Program has been operating for a number of years. The Royal College of Nursing, Australia, administers the scholarship scheme and has been doing so since 2002. The total number of scholarships that have been provided since then is 2,997.

Senator FIERRAVANTI-WELLS—Can you take on notice to provide the number and the location?

Ms Nicholls—I am not sure whether we will have the location. We can certainly provide you with the number by years that they were awarded, and I can take on notice whether we have the other information available.

Senator FIERRAVANTI-WELLS—All right. What was the intended target number for these scholarships? I read it somewhere.

Ms Nicholls—I would have to take on notice the original target for it. We have funding available every year. I think originally the target was about 250 undergraduate scholarships a year. We have been able to deliver more scholarships than that a year because the costing originally was based on students studying full time and a number of students elect to study part time; so we are now in a position to award more scholarships than we used to.

Senator FIERRAVANTI-WELLS—I am reading from the Royal College of Nursing, Australia, media release. It says:

The Aged Care Nursing Scholarship Scheme: Undergraduate, administered by Royal College of Nursing, Australia, opened 27 June 2009 and assists those with aged care experience to study registered nursing.

With that program, how many were intended to come out of that scholarship scheme?

Ms Nicholls—I would need to check my figures in terms of how many we intended. That was the funding round for that financial year. The scheme has been operating since 2002.

Ms Carolyn Smith—We advertise every year and offer scholarships every year.

Senator BOYCE—But don't you offer a specific number of scholarships? Do you know how many scholarships you are going to offer when you start?

Ms Carolyn Smith—As Ms Nicholls has indicated, because quite a lot of students choose to study part time, it has actually enabled us to offer more than had previously been envisaged.

Senator FIERRAVANTI-WELLS—Is that the reason for the extension?

Senator BOYCE—So how many full-time scholarships had you anticipated offering?

Ms Carolyn Smith—Originally, back in 2002, we believed that the target was 250 per year.

Senator BOYCE—I have some questions about Bringing Nurses Back into the Workforce. However, they go across public and private in aged care, so I presume that I am to ask them later. Is that right?

CHAIR—Is there anything specific on aged care that the—

Ms Halton—Ask the aged care ones now.

Senator BOYCE—I was going to ask later for the exact figures over the first two years of the program. According to the minister—I think it was today or yesterday—the Bringing Nurses Back into the Workforce program had attracted only 800 nurses and midwives in the first two years of the program. At this stage, am I able to get the number that were attracted to residential aged care homes?

Ms Carolyn Smith—Yes. We have 139 nurses as at 3 February.

Senator BOYCE—Out of the 1,000 that you had.

Ms Carolyn Smith—There was a target of 1,000 but over a five-year period.

Senator BOYCE—But that is two years ago now.

Ms Carolyn Smith—It was announced in—

Senator BOYCE—January 2008.

Ms Carolyn Smith—Yes, that is correct.

Senator BOYCE—I am sorry; I am a bit confused by splitting this all up. I will ask for those other figures later on. To meet the target, you need to get 861, to be exact, over the next three years.

Ms Carolyn Smith—This program has had a somewhat slower uptake than we would have hoped for. We have been working with the Aged Care Workforce Committee on strategies to

increase uptake. There was also a promotional campaign last year and we have certainly noticed an increase in inquiries since the promotional activity. We will keep it under review.

Senator BOYCE—Can you perhaps quantify that? What do you mean by 'an increase in inquiries'?

Ms Carolyn Smith—The Royal College of Nursing administers the aged care component of this program. They have reported that, following the promotional campaign, they received more inquiries than they had previously received. I would need to take it on notice.

Senator BOYCE—But you do not know whether that has gone from two to three or 200 to 300.

Ms Carolyn Smith—It was always significantly more than that. The RCNA has received 848 aged care specific inquiries.

Senator BOYCE—Over what period was that?

Ms Carolyn Smith—Since the inception until the beginning of this month.

Senator BOYCE—So, again, that is over two years, basically.

Ms Smith—Yes, two years; that is in a two-year period. Then the website has been viewed just over 8,000 times. But we did not have the contract in place to administer the program with the RCNA until, I think, mid-2008.

Senator BOYCE—So it is 18 months.

Ms Smith—So it is more like in 18 months.

Senator BOYCE—I will just leave it at that, Chair. If I have any other specific aged workforce questions that I should have asked here, I will put them on notice.

Senator FIERRAVANTI-WELLS—In relation to the agency, I think the minister announced somewhere that there were to be 7,000 unannounced visits at nursing homes and aged-care facilities over the 2008-09 period.

Mr Brandon—The unannounced visits program started back in May 2006 and the visits policy was that each home would receive at least one unannounced visit each year. That policy has continued and each home has received at least one unannounced visit each year. To my knowledge, there was no statement that homes would, in fact, get 7,000 unannounced visits. My recollection is that we advised the minister some time back that we thought that, by doing it through the fourth round of accreditation, we would probably do around 7,000 visits.

Senator FIERRAVANTI-WELLS—Yes, and a portion of those were unannounced.

Mr Brandon—Of course.

Senator FIERRAVANTI-WELLS—Was it 3,000 that were unannounced?

Mr Brandon—I have no idea.

Senator FIERRAVANTI-WELLS—Do not worry about that. Are you aware of a study done by Monash University last year that looked at nutrition and undernutrition in residents in aged-care facilities?

Mr Brandon—Yes. I think it is the one that we asked them to give us the details of and they were unable to provide us with the background, because the study itself was completed some time earlier.

Senator FIERRAVANTI-WELLS—The assertion on their part was that 'not one of the hostels studied by Monash University researchers provided enough vegetables and only 11 out of 103 residents studied showed no signs of undernutrition'. What is your view in relation to that? Is that true or not true?

Mr Brandon—I cannot say whether or not it is true, because I have not seen the background detail.

Senator FIERRAVANTI-WELLS—What is your view on it?

CHAIR—You cannot ask for an opinion, Senator.

Mr Brandon—I do not have a view, because I have not seen the background detail.

Senator FIERRAVANTI-WELLS—Based on the observations you made during your visits—which I assume deal with a whole range of things, including nutrition of residents—have you formed a view in relation to nutrition standards in aged-care facilities?

Mr Brandon—I can tell you what we found in relation to nutrition and hydration, which is one of the expected outcomes under the accreditation standards. I think you pointed out or mentioned previously the unannounced visits. You may recall that, at the time that the unannounced visits were announced, the minister of the day said that they would serve two purposes: one was to identify non-compliance and the other was to deter non-compliance. I think the language used was 'to keep homes focused on delivering services rather than waiting for the agency to attend.' So that sort of feeds into the whole thing.

In the year 2006-07, which was the first year of the unannounced visits program—if that is the link that one is making—we identified 59 homes that were non-compliant in nutrition and hydration; in the following year, we identified 38; in the year 2008-09, we found 50 homes that were non-compliant; and, in the six months to 31 December, we found 12 homes that were non-compliant. It is not that we said to these homes, 'Well, things aren't looking too good and you need to fix them'—because that is the other part of our work where we are telling people that they are trending towards non-compliance; this number of homes particularly were identified as being non-compliant. As a result of their not being compliant with nutrition and hydration, we put them on timetables for improvement. Within the period of the timetable for improvement—most of them did improve in around three months—they improved themselves to the extent that they then became compliant with the nutrition and hydration expected outcome. By way of background, I might also say that, in identifying serious risk, we frequently find that nutrition and hydration are some of the things that are problematic and they are a couple of the things that we look very closely at as part of our normal assessment.

Senator FIERRAVANTI-WELLS—Just as a general part of the work that you do, do you regularly put together sorts of analyses of your observations; and are they available?

Mr Brandon—Yes. We have published material that talks about the frequency of non-compliance with the 44 accreditation standards. We have published material that identifies for

nursing homes things that can happen in a home that create risk and that recommends to them that they adopt risk management strategies. The way we do that is through our case management committees. That is part of our internal risk management process of looking to see what it is that we know about homes that will inform our visits schedule; it informs the timing of the visit and it also informs what we look at when we go there.

Senator FIERRAVANTI-WELLS—Thank you. I have no further questions.

CHAIR—That is the last of the questions in outcome 4. Thank you very much to the officers. Senator Siewert has questions in outcome 3. Can I get an idea of who else has questions in outcome 3? Outcome 3. I have Senator Siewert and Senator Fierravanti-Wells wanting to ask questions. Senator Siewert.

Senator SIEWERT—Thank you. I may be asking about this in the wrong place, so I will put that on the record right now. I am after the provision of Medicare numbers to foster parents. Is that a policy issue, or should I just ask that of Medicare?

Ms Halton—It depends on what the question is.

Senator SIEWERT—I have been chasing this issue for a little while and I thought it was resolved: easy access for foster parents to Medicare numbers for foster children, particularly when they first take the children into care and take over their care.

Ms Halton—That is Medicare Australia.

Senator SIEWERT—It is Medicare Australia?

Ms Halton—If that is the question.

Senator SIEWERT—I will raise it with them. I was just double-checking on whether it is a policy or a mechanical question.

Ms Halton—If that is the question, it should be put to Medicare Australia.

Senator SIEWERT—Thank you. I have another set of questions, but I would prefer to follow up with them in a minute.

Senator FIERRAVANTI-WELLS—I want to ask about the Healthy Kids Check—and again forgive me if I am not asking about this under the appropriate program. I understand that a key election pledge of this government was that doctors and nurse practitioners were to do eyesight, hearing, body mass index, dental and allergy checks on all four-year-olds nationwide—that is approximately $250,000 per annum—to ensure that they are healthy, fit and ready to learn when they start at school. Am I correct in saying that only about 62,000 children have been treated under the program in the 18 months since it was introduced on 1 July 2008 and that the government has increased the Medicare fee to doctors to increase the uptake?

Ms Halton—I stand to be corrected on this, but I do not recall there being a suggestion that all children would be checked. That sounds as though they are all going to be frogmarched forward for a check. I think it was a question of making an item available that would enable that check. But we could go back and check the actual words of the commitment, if you would like.

Senator FIERRAVANTI-WELLS—Perhaps I might read to you from what I think is your website, Ms Halton. It says:

The aim of the Healthy Kids Check is to ensure every four year old child in Australia has a basic health check to see if they are healthy, fit and ready to learn when they start school.

Ms Halton—Yes, 'aims' and 'will enable'. But the bottom line is that we cannot force them; that is the message here.

Senator FIERRAVANTI-WELLS—But it 'aims to ensure that every four-year-old'. I am sorry; I thought you were saying that it is not—

Mr Kingdon—We will check that formal commitment. But I cannot imagine that any commitment would—

Senator FIERRAVANTI-WELLS—Perhaps you might like to look at the extract from your own website.

Ms Halton—Regardless of what is on our website, I need to go and check the commitment.

Senator FIERRAVANTI-WELLS—I printed it off on the 7th—

Ms Halton—It is available for all children.

Mr Kingdon—It is just like immunisation: you will never have 100 per cent immunisation, but it is available. It is the same here. You were right: the figure is 62,800.

Senator FIERRAVANTI-WELLS—Would you consider that this campaign has been a success?

Mr Kingdon—I do not think I would make a judgment about 'a success'. I think the thing is that it is a program that is done in collaboration with the states and we have had a take-up rate that is probably somewhere around what you would expect with a new initiative, particularly with medical checks. They are not going to be something that will be taken up immediately. So we are reasonably satisfied that it is tracking as well as you could expect. But we did actually put in a higher estimate because, if it came on higher, we did not want to be caught short with inadequate funds.

Senator FIERRAVANTI-WELLS—I understand that you wrote to almost 600,000 families with preschool children; that is what your website says.

Mr Kingdon—The minister did, yes.

Senator FIERRAVANTI-WELLS—So you obviously would not agree with a headline that says 'Health check for kids proves a flop,' which headed an article in the *West Australian* on 2 February.

Ms Halton—Are you asking for an opinion?

Senator FIERRAVANTI-WELLS—Ms Halton, I think I will get used to not asking for an opinion in this committee.

Senator Ludwig—I was wondering whether you were just reading out of a press release.

Senator FIERRAVANTI-WELLS—Are you aware of that press release, Mr Kingdon? You are not—yes, no? It is about an article in the *West Australian* of 2 February.

Senator Ludwig—If you want to ask the witness a question about a press release, the usual practice is to provide a copy to the witness so that they can then look at it in context.

Senator FIERRAVANTI-WELLS—Let me ask: are you aware of any negative reports or media reports in relation to this program?

Mr Kingdon—I am aware that there have been negative reports; they were at the beginning of the program. I am not aware of the particular press release you are talking about, but we can find that.

Senator FIERRAVANTI-WELLS—Is it correct then that less than 20 per cent of four-year-olds of an expected eligible level of approximately a quarter of a million youngsters actually underwent the medical check in the first year of the program's operation?

Mr Kingdon—I did not quite get that full question. Could you repeat it, please?

Senator FIERRAVANTI-WELLS—Is it correct that less than 20 per cent of four-year-olds of an expected eligible quarter of a million youngsters actually underwent the medical check in the first year of the program's operation?

Mr Kingdon—That would roughly equate to the figures that went through the particular program that the Commonwealth was offering through GPs. But there is also another program that is offered through the states, and some states had that operating long before we introduced this supplementary program. In some states there is a very high uptake in total. Therefore, you really have to compare the two; you cannot just look at the Commonwealth's contribution in isolation.

Senator FIERRAVANTI-WELLS—I am asking in relation to the Commonwealth. This program is a Commonwealth program, isn't it?

Mr Kingdon—This is a Commonwealth program. But, if the state already has a high level of uptake under their own program, we clearly will not have a significant number.

Senator FIERRAVANTI-WELLS—Are you aware of what the uptake is at the state level?

Mr Woodley—We have an indication from a couple of states of uptake in particular jurisdictions. Perhaps I can just take a moment to find that.

Senator Ludwig—It is about an additional 54,366 from five jurisdictions. There is not a complete dataset from all of the states. You might recall that there was also money—effectively, $7.4 million—made available by the government so that the states and territories could support the Healthy Kids Check.

Mr Woodley—Victoria provided services to approximately 39,000 of the children in 2008-09.

Senator FIERRAVANTI-WELLS—The numbers seeing doctors and nurse practitioners in the six months to last December have fallen away even further. Please take on notice to give me some figures in relation to those who have seen doctors and nurse practitioners since the program commenced. Do you intend to continue this program, given the low uptake?

Mr Kingdon—That is a decision for the government. That is not my decision.

Ms Halton—There is no indication that we will not be continuing with it.

Senator Ludwig—I think the witness said that it was tracking on target to date. I think that is what the witness indicated, and I am sure that he will correct me if I did not get that right. You have made a pejorative statement that there is a low uptake. The service is available for those people who choose to use it and, given that there are 54,000 from five jurisdictions in the states, it certainly seems popular to me.

Senator FIERRAVANTI-WELLS—Perhaps you could take on notice to provide me with that. I assume that, when the program was established, you expected uptake for various periods. If you could provide me with what your estimated uptake was for this program, as opposed to the actual uptake of the program, it would be good. Thank you.

Mr Woodley—We can certainly provide an estimate of the expenditure under the program published in budget papers. I am not sure that we can provide estimates of numbers of children who receive the services.

Senator FIERRAVANTI-WELLS—In that case, please provide me with the estimated and then the actual. That would be good; thank you. Senator Siewert, do you want to ask your questions and then I will come back?

Senator SIEWERT—I want to ask two questions about the MBS Quality Framework. I have other questions, but I specifically want to deal with that. I am sorry that we are jumping you around. On the MBS Quality Framework website, it notes:

The Department would like to engage and collaborate effectively with a broad range of stakeholders in implementing the MBS Quality Framework.

How will you incorporate those stakeholder viewpoints—and, in particular, health consumers' viewpoints—into that process?

Mr Kingdon—We have been putting out discussion papers that people have been invited to respond to and we have had a round of consultations on a bilateral basis with a number of peak bodies.

Senator SIEWERT—Is it possible to find out who those peak bodies are?

Mr Kingdon—Yes, we can give you that.

Senator SIEWERT—Perhaps you could take it on notice.

Mr Kingdon—Yes, we will take it on notice. I think it would be quite a long list—and I think my colleague here has spent most of his time out of Canberra for the last few months.

Senator SIEWERT—Congratulations.

Mr Kingdon—In addition, we will be having advisory groups that will bring together peak bodies that we will bounce ideas off. So we are very much in the information collecting and ideas stage. We are hoping then to be able to synthesise those thoughts and people's views. So it is a very consultative process.

Senator SIEWERT—In fact, you have pre-empted my next question with your comment about the advisory committees. Do you have time frames for the establishment of those committees and do you have an idea of the stakeholders that you will be including on those committees?

Mr Kingdon—It is probably better that I take that on notice. I have that information, but I would be reading out a long list and I think your time is pretty short.

Senator SIEWERT—If you could, that would be appreciated. Can you tell us whether that includes health consumers?

Mr Kingdon—It certainly does; I can tell you that now.

Senator FIERRAVANTI-WELLS—I might just ask a question on Medicare rebates and the cataracts saga. During the process, was any consideration given by or investigation or other internal steps taken within the department to backdate the new Medicare rebates from 1 February to 1 November last year?

Mr Kingdon—Was any consideration given to it?

Senator FIERRAVANTI-WELLS—Yes.

Mr Kingdon—Consideration was given to a range of options and one was the possibility of backdating. But it would seem quite difficult, given that the arrangements that people entered into during the period from November through to February related very much to what they had negotiated with their provider and also what the private health insurers were prepared to cover as gaps. We understand that a number of private health insurers did cover people's gaps and different fees were adjusted according to people's circumstances. So we do not have a clear picture. In addition, it would have actually created more confusion by trying to do a standard backdate because, if a provider had reduced their fees, to give the reimbursement under Medicare we would have to give it to the patient as a rebate; we do not rebate providers, unless they bulk-bill directly.

Senator FIERRAVANTI-WELLS—So was the backdating canvassed in discussions with the ophthalmologists?

Mr Kingdon—I cannot say; I do not know. That is not something that I was involved in.

Senator FIERRAVANTI-WELLS—Do you know how many Australians were forced to pay hundreds of dollars more for cataract surgery during that period?

Mr Kingdon—I have no information. As I have tried to explain, it is quite a complex one and I do not think anybody is ever going to be able to find that.

Senator FIERRAVANTI-WELLS—So I read into that that you do not intend to worry about how many people may have been affected.

CHAIR—That is not at all fair, really.

Senator FIERRAVANTI-WELLS—Let me ask the question another way: do you intend to establish the number of people who were affected?

Mr Kingdon—I am saying that it would be almost impossible, without going out to every individual, to determine that, and we do not think it is warranted. I do not think you want to raise issues of whether I care or not.

Senator FIERRAVANTI-WELLS—Well, I withdrew that. Have you been asked to establish the number of people who are in this cohort?

Mr Kingdon—I would have to check but, no, I do not think we have.

Ms Robertson—I do not believe that we have.

Senator FIERRAVANTI-WELLS—Have you had any people who have approached the department or are you aware of people who have sought information from the department in relation to this?

Mr Kingdon—Not personally.

Ms Robertson—Not to my knowledge.

Senator FIERRAVANTI-WELLS—Are there any plans to reconsider the whole issue of Medicare rebates and cataracts?

Mr Kingdon—Yes. The minister has said that the cataracts that have now been negotiated with the ophthalmologists will be reviewed under the quality framework, and I think there is a promise to do that within the two-year framework.

Senator FIERRAVANTI-WELLS—I have a few questions in relation to GP subsidies. The minister opened the Strathpine GP Super Clinic on 29 January and, that day, the AMA Queensland called for financial support for existing GP practices to extend their services. In addition, a local newspaper reported that the minister indicated that an AMA proposal for funding of $300 million for GPs was being considered favourably by the government. Is that true?

Ms Halton—I do not know what that statement is and obviously we cannot comment on it.

Senator FIERRAVANTI-WELLS—I will give you a copy of the newspaper article and ask you to take the question on notice. Around the general framework, is consideration being given by the government to similar funding to other GP practices to extend their services, other than the super clinics?

Ms Halton—This program does not cover GP superclinics, so these people cannot answer that question.

Senator FIERRAVANTI-WELLS—I am sorry; but is that part of this outcome?

Ms Halton—No. We have already dealt with GP superclinics.

Senator FIERRAVANTI-WELLS—What about GP subsidies that come within that?

Ms Halton—That is not for these people; this is medical benefits.

Senator FIERRAVANTI-WELLS—I am sorry. What outcome does that come within?

Ms Halton—Five.

Senator BOYCE—Mr Kingdon, I just want to go back to the *Hansard* of last time when we talked about two items on the Medicare schedule—50124 and 50125—which were joint injections.

Ms Halton—I think they were the questions that we all flinched at.

Senator BOYCE—I beg your pardon?

Ms Halton—You might recall that we all flinched when we had this conversation last time.

Senator BOYCE—I am sorry; I was looking down this time, so I do not know what the reaction was.

Ms Halton—Yes; you might remember that we had all had joint injections.

Senator BOYCE—You told us that you had had representations from a number of groups with particular concerns about parts of this, and the minister had undertaken to look at it. Could you please tell us what the outcome of that has been, Mr Kingdon?

Mr Kingdon—We understand that the rheumatologists are going to put in an application for a new item and we are waiting for that application. I need to check whether it has arrived. I am sorry; we have actually received it.

Senator BOYCE—Could you tell me when that was received?

Mr Bartlett—It was received in the post on 30 January.

Senator BOYCE—What would be the normal process, now that you have received it?

Mr Bartlett—We have a new listing process that was put up on the website at the beginning of January. So, in a sense, it is a new process and there is no normal process. But we are in the process of assessing it at the moment.

Senator BOYCE—What do you anticipate that your new normal process will be?

Mr Bartlett—Sure; I appreciate the question.

Ms Halton—That is an excellent question, Senator.

Mr Bartlett—We are working through it at the moment. Dr McGuigan, the person who has put the application together, is overseas for two weeks. We anticipate that, when he returns, we will be liaising with him about specific questions we have where there are gaps in terms of the information that we are looking for as against what he has provided us with.

Senator BOYCE—That sort of relates to one particular part of the concerns that were raised around joint injections; so I will go back to the other parts. Mr Kingdon, you mentioned that the view had been taken that joint injections were a minor procedure that could form part of a consultation in numerous circumstances but that you had had some representations about those not being the case. Obviously, the rheumatologists are one group. From what other groups did you receive representations around joint injections and aspirations?

Mr Kingdon—We have received concerns from the radiologists who use it, and the offer stands for them as well to put in an application. I think there is a recognition that there are certainly some injections in the joint where it is quite appropriate to incorporate it in the normal procedure. So this is a very important way of deriving the appropriate reimbursement for the actual activity.

Senator BOYCE—These would be new MBS numbers; is that correct?

Mr Kingdon—If they were accepted as being legitimate—

Senator BOYCE—If it were to be approved.

Mr Kingdon—yes, proven—they would have new numbers. Under our new quality framework, they would be temporary items, which would usually have a three-year review period, and then they would be reviewed. If it comes up in evaluation that they continue to be appropriate and that the remuneration is about right, they would then become permanent items on the MBS.

Senator BOYCE—In the meantime while these are not on the MBS, are patients who go to rheumatologists or, indeed, radiologists just expected to be out-of-pocket? What happens to them?

Mr Kingdon—The expectation is that it would be absorbed in the cost of the procedure. It was not expected that patients would have to bear that cost. But, under our arrangements, if a rheumatologist, a radiologist or whoever chooses to pass that cost on, they have the right to do so. We cannot tell them not to pass that cost on; that is what I am saying.

Senator BOYCE—No; and, as you are well aware, they would argue that it was not just part of a normal procedure but an extra and time-consuming procedure.

Mr Kingdon—I think some would argue that. I think some would accept that some procedures are more simple and probably would not charge, and others who may have to spend quite a considerable time may feel that they are entitled to reimbursement. So it would not be a yes or no answer.

Senator BOYCE—Mr Bartlett, do we have any sense of when a decision might be arrived at using the new normal process?

Mr Bartlett—Not as yet.

Senator BOYCE—But your standard would be for there to be a decision within three months or six months or something like that?

Mr Bartlett—We would be aiming to go through and process it and to provide advice to government within three to four months.

Senator BOYCE—Three to four months; and you would advise 'government', meaning the minister—

Mr Bartlett—Yes.

Senator BOYCE—who would be the one to make the decision.

Mr Bartlett—Yes.

Senator SIEWERT—In answer to a question that Senator Boyce asked last year around this discussion about removing the two items, you said words along the lines of it being difficult to discuss because it was a budget measure. It seems to me and to a number of us that there is now a second way of amending the MBS, and that is through the usual advice committee in the consultation process and now through the budget process. Is that now going to be an accepted mode of amending the MBS without consultation?

Mr Kingdon—The government has always reserved its right to take decisions in the budget process, and that is what we referred to when we said that this was a budget decision. I think my context was that we did not have an opportunity to consult, because that was a decision in the budget process. Now we do have an opportunity to consult and there is a different process there. I do not think the government would ever want to lock itself into saying that it will never use the budget process. But it has committed itself to this new quality framework; it has invested quite a considerable amount of money in setting it up. So one would expect that that will be the norm. But I cannot promise that that would always happen.

Senator SIEWERT—I am a relative newcomer to the health portfolio. How many times in the past has it happened that items have been removed in this sort of manner?

Mr Kingdon—It is quite a common feature. Particularly when items are removed, they are much more likely to be in the budget than an item that is added, and it is obvious why. The norm for removing items has been to do it through the budget process, but it could—

Senator SIEWERT—Without consultation?

Mr Kingdon—Usually. Quite often a particular item will get removed because there has been prior advice from appropriate professional bodies that it is now no longer appropriate or it is actually—

Senator SIEWERT—But there has been a consultation process that way.

Mr Kingdon—There can be, yes.

Ms Halton—But not always. In fact, one of my more favourite Senate Estimates stories that I tell junior bureaucrats—which I will not regale you with now—is where the punchline ended up being something of the nature of: 'So what exactly is your position on genital warts, Senator? That was because of an item that had been removed. That goes back to early in the 1980s—and I probably shouldn't confess to how long I have been coming to these estimates. But this process of taking items off and then having a debate about it has been going on forever.

Senator SIEWERT—Thank you. Do I take it then from the previous discussion that you would anticipate that, through the new quality framework process, we could expect a more consultative approach to be taken and that would be the favoured approach?

Mr Kingdon—I would expect that to be the intention but, as I say, I cannot tell the government what they can do.

Ms Halton—He can advise, and he will do that appropriately and professionally.

Senator SIEWERT—Thank you.

Senator FURNER—I have a couple of questions relating to the Medicare Teen Dental Plan. Firstly, may I ask what the Medicare Teen Dental Plan eligibility requirements are and how a teen would be aware of their eligibility to access the services?

Ms Hancock—The Medicare Teen Dental Plan, which is an annual preventative check for teenagers, is a means tested program. It is a rebate that is paid to teenagers who are eligible. The target population is low-income families. Teenagers who are in eligible groups include those receiving Abstudy, Carer Payment, Disability Support Pension, Parenting Payment, Special Benefit, Youth Allowance, Veterans' Children Education Scheme, Military Rehabilitation and Compensation Act Education and Training Scheme, Family Tax Benefit Part A or the Double Orphan Pension.

Senator FURNER—The second part of the question was: how would they know that they were eligible; how does that occur?

Ms Hancock—Teenagers who are eligible are sent a voucher in January of each year or, if they become eligible during the year, they receive a voucher thereafter in the mail.

Senator FURNER—What does the check cover and what are the outcomes of the services being provided to date?

Ms Hancock—The check covers a range of preventative services—an oral examination and a scale and clean. It can include X-rays, fissure sealants and those sorts of minor restorative things, if they are clinically indicated at the time.

CHAIR—Are there any further questions on outcome 3?

Senator FIERRAVANTI-WELLS—Yes. Mr Kingdon, following on from the answer that you gave earlier on cataracts, is it not the case that Medicare records the total charge wherever it pays a benefit? So, if it paid a benefit in relation to a cataract operation, wouldn't you have a record of that?

Mr Kingdon—Most of these would be done privately and, if they were done in hospital—and most of them are—Medicare would pay a 75 per cent rebate and the private health insurer would have to pay 25 per cent; and they often have gap arrangements that they have negotiated with various providers. So we do not have the information that the private health insurers have.

Senator FIERRAVANTI-WELLS—I appreciate that, but you do have a record of the fact that that person claimed from Medicare whatever they had done in relation to a cataract operation.

Mr Kingdon—We would certainly know how many cataract operations were claimed for because we would have that 75 per cent.

Senator FIERRAVANTI-WELLS—I was confused when you referred earlier to establishing how many people were affected. I got the impression that it was difficult to assess how many people may have been affected.

Mr Kingdon—I am sorry; I meant 'affected' in the sense of those who might have been out of pocket. That is what the tenor of the question was about: were people disadvantaged?

Senator FIERRAVANTI-WELLS—One assumes that they were.

Mr Kingdon—That is what I cannot tell you.

Senator FIERRAVANTI-WELLS—Mr Kingdon, are you aware of media reports in December about hospitals being accused of rorting the Medicare system? Are you aware of any media reports in relation to that, most specifically in relation to the *Age* reporting that two Melbourne hospitals stood accused of exploiting Medicare by shifting millions of dollars of patient scans and diagnostic tests onto the Commonwealth by sending public hospital outpatients to private firms for those tests? One quote described this as 'institutional sanctioned Medicare fraud'. The report says that a federal department spokesman said that such action would be contrary to the National Healthcare Agreement. Are you aware of that report?

Mr Kingdon—I am certainly aware of those accusations. It is quite a complex area because, in some areas of diagnostic testing, such as MRI—and I will need to be corrected if I am wrong—the states are allowed to transfer that cost to the Commonwealth; but that is for MRI only and not for X-ray or CT.

Senator FIERRAVANTI-WELLS—Are you investigating this practice, or is this something that you have just read about in the paper? What are you doing about it? Are you investigating it at all?

Mr Kingdon—The problem with this is that we have nothing specific to follow up, other than this sort of suggestion of rorting. I think it is unfortunate because not everybody understands how the MRI procedure works; some people think that is a rort when, in fact, it is a legitimate transfer of costs. So we would have to have the specific circumstances. Unless the people who are making the allegations report it to us or to Medicare Australia, it is very hard to follow up. Going to a hospital and asking them how are they rorting us is unlikely to get a very open answer.

Senator FIERRAVANTI-WELLS—I appreciate that. You have answered my question. You have read these reports, but you have not had any formal—

Mr Kingdon—No, no formal advice.

Senator FIERRAVANTI-WELLS—approach, and for you to investigate it—

Mr Kingdon—If we had formal advice, we would always follow it up. I cannot speak for Medicare Australia and it is quite possible that someone may have taken their concerns to them.

Senator FIERRAVANTI-WELLS—There seems to have been an indication of the development of a new evidence-based quality framework for the MBS. Information provided to date indicates that the intention of the new framework is to establish new listing, pricing and review mechanisms. Do you want to comment in relation to that new initiative? Where are we at with that?

Mr Kingdon—That was what I was discussing earlier, when I said that we had this process, when I was answering the question about consultation; it was introduced in the last budget. From 1 January this year, all new items—as we were discussing when referring to the injection in the joints—will have to be assessed through this quality framework process. Another part, which will come in progressively—at the moment we are in the business of working up a framework, because government has not given us ongoing funds for this approach but only money to explore it—will be to review all our items on the Medicare schedule. That is where I discussed the papers that we have put out for consultation and how we will be consulting extensively with stakeholders as to the best way that this can be implemented. That will be advised back to government in the budget after next.

Senator FIERRAVANTI-WELLS—That would include potentially adding and subtracting, if I can put it in simple terms.

Mr Kingdon—One would expect that to be the case; it would have to be a two-way street.

Senator FIERRAVANTI-WELLS—And with potential cost implications.

Mr Kingdon—There could be, but I think the intention of the process certainly would not be to add significantly to costs. I think most stakeholders understand that we would be looking for things that were reasonably budget neutral.

Senator FIERRAVANTI-WELLS—So you are not anticipating an expansion of items for services provided by health professionals other than doctors.

Mr Kingdon—We might have expansion but we might have contraction. What we want to do is get appropriate practice and there is a feeling out in the community—of doctors—that the Medicare schedule does not necessarily reward or encourage best practice. Sometimes best practice is to discourage certain items and to encourage others. That is why I say I think it is going to be very much swings and roundabouts.

Senator FIERRAVANTI-WELLS—And the timeframe for that?

Mr Kingdon—As I have said, we have to report back to government before the 2011-12 budget.

Senator FIERRAVANTI-WELLS—In relation to joint injections, what was the outcome? Have you done an analysis of the withdrawal of the Medicare items in relation to joint injections and what was the outcome of your review on that?

Mr Kingdon—No, where we had concerns raised the various parties have been invited to put submissions in for new items, because clearly some people feel they have a stronger case than others. That was what we were discussing earlier. The rheumatologists, for example, have now put in a submission and we will be examining their case. We are at the preliminary stages of reviewing items where different professions have wanted to make a case for an item for injections.

Senator FIERRAVANTI-WELLS—Just out of interest, does that include consideration of alternative therapies available for patients who can no longer receive joint injections?

Mr Kingdon—It has not been brought to my attention. Again, we would have to be careful what we mean by 'therapy'. If it is using allied health then that becomes another issue, and whether the person is seen as having complex needs and therefore can qualify for some assistance for allied health through Medicare.

Senator FIERRAVANTI-WELLS—Can I ask some short questions in relation to GP bulk-billing data? The department was publishing data up to 2006 on bulk-billing rates by a federal electorate. That is no longer publicly available. Why did that stop?

Mr Kingdon—It was a government decision not to release that data.

Senator FIERRAVANTI-WELLS—Do you still collect information, though?

Mr Kingdon—That information is very clearly a by-product of the Medicare system.

Senator FIERRAVANTI-WELLS—Do you collect it by location?

Mr Kingdon—That would be included in the collection of the data, yes.

Senator FIERRAVANTI-WELLS—You do still collect it. You do not publish it like you used to, but where does that information go now? Does it just sit in a repository somewhere? Is it used by people in government?

Mr Kingdon—It sits in our database, but there is no published report. Sorry, I am being corrected here.

Mr Woodley—Some further bulk-billing data was published in November 2009.

Senator FIERRAVANTI-WELLS—Not by electorate, though?

Mr Woodley—Yes, it was.

Senator FIERRAVANTI-WELLS—In November 2009?

Mr Woodley—That is right.

Senator FIERRAVANTI-WELLS—By electorate? Was it in the same format that it was before?

Mr Woodley—Yes, some electoral boundaries may have shifted since the last time it was published, but it was published by electorate.

Senator FIERRAVANTI-WELLS—By the new boundaries?

Mr Woodley—By the most contemporary boundaries—

Senator FIERRAVANTI-WELLS—In Queensland and in New South Wales there was a change in boundaries. Can I ask a question on a more local point, an MRI licence for Warrnambool in Victoria? I ask this on behalf of Senator Ryan, who has a particular interest in it. When will Warrnambool be granted an MRI licence? I understand this is an issue that has been brought to the minister's attention as well. Is that in contemplation? I think there has been some media over it as well.

Mr Kingdon—There is no planned expansion of MRI eligibility at this point, but there is a review of diagnostic imaging being conducted under the quality framework process, and that will also be reporting to government in the 2011-12 budget. That is one of the items that will be considered. That does not mean Warrnambool specifically, but the whole question of how access to Medicare is provided will be reviewed.

Senator FIERRAVANTI-WELLS—In that area I understand that the people of south-western Victoria have to travel up to six hours to access MRI scanning. Obviously in terms of priorities has it been considered? Has it got to the point where it was considered and then rejected or is it just still one of the possibilities in the mix?

Mr Kingdon—Without a commitment from government to expand the program it really is nothing more than they have made an application. But I think the important point in this is that there is this review of how MRI is allocated. Of the diagnostic imaging procedures it is the only component that has this sort of so-called licensing.

Senator FIERRAVANTI-WELLS—In relation to the decision in the budget to reduce fees payable to providers of diagnostic and pathology services, what effect has this had on bulk-billing levels for these services? Please take it on notice if you need to.

Mr Kingdon—Did you say a reduction for diagnostic imaging?

Senator FIERRAVANTI-WELLS—A reduction to fees payable to providers of diagnostic and pathology services.

Mr Kingdon—I do not think there were any reductions in diagnostic imaging, because they actually were given a bulk-billing incentive in the last budget. Pathology did have some cuts that were in the budget. It is too early to tell what impact that has had on bulk-billing as it only came into effect from 1 November, so I do not have data. But we have seen—and it has

been in some published data—that bulkbilling in Queensland for pathology has taken about a four per cent reduction. But that has happened—

Senator BOYCE—Four per cent?

Mr Kingdon—I think it is about four per cent. We will have to check it and if I am wrong I will correct the record, but it was somewhere in that order. That has occurred in the last data we put out for the September quarter. We do not have the December quarter published yet.

Senator FIERRAVANTI-WELLS—Has the Medicare rebate for angiograms been reduced and, if so, by how much? How many patients are likely to be affected by this measure and face a gap payment?

Ms Robertson—Part of the measure involving the injection into the joints and the cataract cuts also had cuts to a certain number of cardiac angiography items. They were cut by 20 per cent. I do not have the numbers.

Senator FIERRAVANTI-WELLS—Can you take that on notice?

Ms Robertson—Yes.

Senator FIERRAVANTI-WELLS—I will put other questions on notice.

CHAIR—To the officers of Outcome 3, thank you very much. As you would expect, there will be significant questions on notice for your area. We now move to outcome 14: Biosecurity and Emergency Response.

[6.08 pm]

Office of Health Protection

Senator BACK—As we have had discussions in previous estimates, I have a strong concern and I hope you do too for emerging zoonotic diseases.

Ms Halton—Absolutely.

Senator BACK—I have discussed with you the concept of a one-health approach. Can you tell me whether the department shares that view and is moving towards a one-health approach or are we continuing down the paths separately?

Ms Halton—It might be sensible for the purpose of the record if you would just explain what you mean by one health and we will answer your question.

Senator BACK—Yes, certainly. The process I guess centralised around the CRC for new and emerging infectious diseases, the funding of which has now been discontinued, for conjoint research for emerging diseases affecting both humans and animals. We have discussed hendra and I will continue to in the next few minutes. The discussions we have had in the past, as I understand it, are the attitude of the department and DAFF has been to pursue different research paths. My question is: is there any conjoining of this process into the future?

Ms Halton—I will ask the officers to go to the detail of your question, but in terms of the concern that you express you can be assured we have a similar concern.

Ms Murnane—Thank you for the question. Emerging infectious diseases is a very big issue indeed. The concept certainly does link both animal health and human health. Most of

the emerging infectious diseases—in fact I think really all of them because there has not been an emerging disease that was not zoonotic, that is, that did not come from animals. That is a very important issue for us. We do not work in parallel to DAFF. That is the first point I want to make. We have a number of common fora with DAFF.

Secondly on the agenda of the Australian Health Protection Committee is the establishment of a northern Australian strategy that would involve both preparedness, including off-border preparedness, and a response plan. That is there to some extent in an ad hoc way, but what we need to do is bring that together and give it traction. This will involve our working with the three jurisdictions that have Top End geography and also looking at and working with AusAID on what needs to be done pre-border.

At the moment, DAFF does some sentinel work pre-border. AusAID provides funding, for example, to the western province of PNG. Our department has provided funding to build up capability in that area and also to assist Queensland in provision of services on the Torres Strait.

Senator BACK—Can you tell me or give me some encouragement with respect to the cessation of funding for the CRC of new and emerging diseases. What is going to replace it as a permanent body into the future? Is there an intention for such a move?

Ms Murnane—Yes, I think there is a lot of research and activity being done in Australia and overseas, including research activity in countries to our immediate north. What the aim is, and what sort of structure you need to do that, is something that yet has not been settled on. But there is a need to have coordination of research, to have exchange between researchers both in Australia and overseas particularly but not exclusive to countries to our north. Certainly one way of doing that would be to have a coordinating structure in the way of a small hub or a centre. Another way might be to engender more collaboration among institutions and to have some sort of rotating leadership of that. We are not saying which way it would be. The point is there are a number of means to be able to pursue this very important issue. But in terms of recognition that this is a really important issue you can be assured that this is something of great importance to the department.

Ms Halton—Can I just add to that that coincidentally I have actually had a visit in the last week from an academic from the United States who is actively talking about this in a global sense, just to talk through those issues. This is something we are actively discussing.

Senator BACK—I am encouraged by that because that is what those of us involved would have seen the CRC doing. I am encouraged that that is happening, but I will move on if I may. Remaining with Hendra that, of course, is the condition of which at least four out of seven humans who have contracted it have died—obviously, mortality high, morbidity low. You would be aware of recent Canadian research in which scientists have been able to infect pigs and guinea pigs with the Hendra virus. Obviously, this is not yet in Australia, but in Australia we had the Menangle viral infection in the late nineties. I think that was a paramyxovirus, quite close to the henipavirus group that infected pigs and then a couple of piggery workers. We are aware of the possibility of bat to pig to human. Is any action being taken or proposed to be taken here in Australia to extend that Canadian work?

Ms Murnane—As you are aware, because you were there, last year this department sponsored an international conference on the henipaviruses. We continue to work with Australian scientists who were behind that and who delivered papers at that conference. In terms of any additional research that needs to be done, in the normal course of things that would not be funded by our department. On the animal side the Australian Research Council would probably fund it.

Prof. Bishop—I can add one thing. Some of the questions you are asking about research could be directed towards NHMRC. Obviously we are after a high-quality research program that is competitively applied for and peer reviewed, and that goes to the point that you made around the CRC. Secondly, as you probably know, there are emerging academic groups, as Ms Murnane said, who are interested in this field. You may be aware of one that has been developed recently at the University of Sydney centred with Tania Sorrell from Westmead Hospital which is looking at these issues. That is set up in a proper academic environment, which we very much support.

Senator BACK—Absolutely.

Prof. Bishop—You will see a number of these groups emerging that will be competitive, but they will need to compete and be shown to be internationally competitive under our usual system.

Senator BACK—Yes. Also, I am wondering whether the department is aware, although this is more directly for horses, but I think AL, with CSL's assistance, is in the process of developing an Australian vaccine for Hendra virus. Again, from a funding point of view to assist that work, it would be more other agencies than yours that would be able to contribute to that?

Ms Murnane—That is correct.

Senator BACK—At the moment I understand that from the $1 million they need they have committed about $350,000 and they are waiting desperately for assistance. It also adds to the question in terms of the development of vaccines. I know AL has utilised the financial resources of the United States government in developing some of these vaccines and then missing out on, or at least reducing, the commercial benefit of the development of the vaccine as a result of the IP. Again, that is probably for another place. I will now move to health screening. I am speaking now of personnel in immigration detention centres. I am aware that this is an immigration department matter, but can you advise me whether the Department of Health and Ageing plays any role at all, either an active, advisory or a consultative role, in the provision of health services to our border protection agencies?

Ms Halton—Yes. This is an issue that I think causes some confusion. The immigration department is fully responsible for services in this area. Occasionally they do consult us in terms of some of the medical elements in relation to their guidelines. That is intermittent. This is something they are solely responsible for, particularly in terms of detention centres.

Senator BACK—In the event of a medical incident, for example—a case of tuberculosis was recently diagnosed amongst personnel on Christmas Island in the detention centre—would your department be called in for such an event?

Ms Halton—No. On the contrary, they would have notification obligations to the state as relevant, but in terms of our being called in as a matter of course, no. If there were some broader issue that went to the obligations that they have where they would seek our advice then maybe, but it is a matter for them.

Senator BACK—Would notifiable diseases be notifiable to your department or to state authorities? I am just not clear.

Ms Halton—As relevant. It depends on what it is.

Ms Goodspeed—It would be notified to the state department. The states provide that information to the Commonwealth and it is consolidated in reports.

Senator BACK—If I can just be clear, contribution to the immigration department in terms of diagnosing, treating, isolating and so on would be a state issue? In the case of Christmas Island, is it the state of Western Australia or is it the Department of Health and Ageing?

Ms Halton—It is not us.

Senator BACK—It would be the state of Western Australia?

Ms Halton—That is correct.

Senator BACK—Would the same apply to the various immigration transit locations here on the mainland? What would the circumstance be for people who overstay and are in detention in mainland centres?

Ms Halton—Immigration is responsible.

Senator BACK—Again, if notifiable, is it notifiable to the state authorities?

Ms Halton—It is the same deal.

Senator BACK—I have one last question and then I will defer to others. This caused me to reflect on our own Defence personnel, Customs officers, Australian Federal Police and others who are, for example, on the vessels negotiating with asylum seekers and others. Can you advise whether the department has any role at all in surveillance, prevention and examination afterwards of Australian personnel in contact?

Ms Halton—No. Again, we do have some interactions with our colleagues in Defence, but they have responsibilities for their own staff. Most of our interactions with them would be characterised as follows—Professor Bishop or Ms Murnane might want to make a comment. I see a number of documents in relation to their request for access to particular things. They are largely in respect of TGA-type regulatory clearances. But in terms of responsibilities to their staff, they have those responsibilities as an employer.

Ms Murnane—As you know, Defence has its own medical teams. You would have to ask the Department of Immigration and Citizenship for the details, but they contract for medical treatment.

Senator BACK—Thank you for those answers. That was the extent of my questions.

Senator FIERRAVANTI-WELLS—I would like to take you to a contract issue. There is a contract to CSL for the period 10 September 2009 to 31 January 2010 for $132 million for the supply of H1N1 pandemic vaccine. Is that for the 21 million doses of the vaccine?

Ms Murnane—Yes, it is and for some other services that CSL provided. That is particularly for clinical trials.

Senator FIERRAVANTI-WELLS—The contract says 'supply of the vaccine'.

Ms Murnane—Yes, that is true.

Senator FIERRAVANTI-WELLS—Is it just supply of the vaccine?

Ms Murnane—I will correct myself. That amount you mentioned is for the vaccine itself.

Senator FIERRAVANTI-WELLS—What has been the uptake of the vaccine to date?

Prof. Bishop—I can give you an answer to that. The initial uptake for the first two months was of the order of three million doses. That is the first two months where we have the best data; otherwise what we have is data of supply to our suppliers. So far around seven million doses—and I will get the correct figure—have been distributed throughout the country up till the end of January. In terms of the actual uptake of that, we do not have complete data from the states and we are dependent on the states to tell us exactly how much of that has been used, but around seven million doses have been distributed.

Senator FIERRAVANTI-WELLS—Is there a target for vaccination levels across the population before the next flu season?

Prof. Bishop—Yes. The situation that we are facing up to now is, of course, that based on the North American experience we would expect that 95 per cent or thereabouts of flu this season will be H1N1 pandemic swine flu. Therefore, we anticipate that it is important to consider vaccination of the population leading up to this particular winter.

The other experience in the US, Canada and Northern Europe is that the flu arrived early and finished earlier. In the United States it peaked higher in the second wave. We do not know what will happen here. We cannot predict it exactly. But based on that experience, we would expect the flu season to start earlier and then, if it were repeated the same as last year, based on the first wave the majority of the population is still not fully protected. We would anticipate that that could occur without an appropriate vaccination.

Senator FIERRAVANTI-WELLS—If the take-up of vaccinations remains low, what happens to the stockpiles of the vaccine? What is their use-by date?

Prof. Bishop—Firstly, I do not believe that uptake is low. I think the uptake is going on a trajectory that will provide a higher level of protection as we go through February and March and obviously we are doing our best to bring this to the public's attention.

Senator BOYCE—What do you base that on?

Prof. Bishop—If all of the seven million doses were given—and they will be given—that relates to around 33 per cent of the population having a dose.

Senator BOYCE—You are saying that you do not have data back from the states to say what is happening.

Prof. Bishop—No, we do not. We are looking at continual demand for the vaccine, and as we go through that we will be able to give more accurate information.

In terms of the question in relation to the expiry, the usual approach to seasonal flu vaccine is that the TGA will normally give a 12-month shelf life. That does not mean that the vaccine will be useless at the end of 12 months. What it means is that the initial shelf life given by the regulator is usually 12 months. The expiry date is something that will be revisited based on what might be available at the end of that time.

Senator FIERRAVANTI-WELLS—Could it be extended by a year?

Prof. Bishop—Yes, it could be extended by a year.

Senator FIERRAVANTI-WELLS—That is still a lot of doses. It is 21 million doses. This is from seven million to 21 million. You are probably aware of the media reports that are out there in relation to the uptake and, in fact, hard sell. I will not trawl you through those, but I am sure you are aware of some of the media reports out there in relation to this. We might be stuck with millions of doses of swine flu vaccine that are not going to be used.

Prof. Bishop—As to if the majority of the population do not take advantage of the free vaccine—what we are trying to avoid, of course, is a repeat of last year. Last year there were around 700 people admitted to intensive care. Swine flu compared with seasonal flu is similar but different, and different in important ways. That means higher hospitalisation rates for children under five—higher ICU, about 700 versus around 55 or so on average over the last five years—and obviously more viral pneumonia and more involvement of Indigenous populations. We want to avoid that.

Our job is to make the public aware. It is important to have sufficient vaccine available to cover this year. As I have just said, the majority of flu this year is going to be this particular virus, and we do have a method of dealing with it. We do not want to necessarily say that we are not going to use before this flu season has played out, because we think that once flu comes back and starts to develop cases in our community, if the vaccine program has still got some left at the end of that time I think that will be a big incentive for people to get vaccinated. I think we have to be prudent and keep sufficient vaccine and have sufficient vaccine available for a flu season that could repeat what we saw last year.

Senator FIERRAVANTI-WELLS—We have gone out and we have bought 21 million doses of the swine flu vaccine, and then there is a contract here for 1 December 2009 to 31 March 2010 of $9 million to do clinical trials of the vaccine. We have bought 21 million doses and we are doing the trials after the purchase.

Prof. Bishop—The clinical trials are inserted at the beginning of the process. The clinical trials were done before the vaccine was broadly available and they were done because this was a new, novel virus and the outcome in terms of the number of doses required and all the rest of it was not known. The best advice that we had at the very beginning of this activity—the response from all the experts—was that we would probably need two doses to cover immunity in this situation. The clinical trials were done and they have been published in the *New England Journal of Medicine* and elsewhere, both for adults and for children, and what they show is that there is a high level of immunity with one dose but not for children.

The difficulty we have is that the trials show the outcome three weeks after the first dose. While they show a high level of immunity, the TGA experts have said, 'For children under 10 you need two doses,' because that is the normal requirement for children, who may be less developed from their immune point of view. In fact, we have ended up with a hybrid situation where children require two doses and adults probably require one. There are some caveats around that because we have only got three-week data on the trials at the start of the process. The caveats are around people with immunosuppression and other conditions, who may require more than one dose, but the situation is that, when the decisions were being asked for in relation to how much to buy, we were certainly expecting to give two doses to everybody.

Senator FIERRAVANTI-WELLS—Perhaps I have not understood clearly. We are now doing clinical trials for a vaccine?

Prof. Bishop—No, we are not.

Senator FIERRAVANTI-WELLS—What is this second contract for $9 million in clinical trials? I just want to know what it is for.

Ms Murnane—No, that was done at the same time. Normally there are not clinical trials in Australia or in the United States for seasonal flu. Our advice, including from Professor Bishop, was that because this was a novel virus we should—even taking account of the fact that we thought we needed to get the vaccine very quickly given what had happened in Mexico and the United States—build into the process a two-stage clinical trial.

Senator FIERRAVANTI-WELLS—I do not understand. Your contract on tender was direct procurement for a contract period of 1 December 2009 to 31 March 2010 for $9 million.

Ms Halton—This sounds to me like an error in terms of how it has been posted on AusTender, and I will have to look into that.

Senator FIERRAVANTI-WELLS—Ms Halton, I am coming at it from another angle. Are we doing clinical trials afterwards—

Ms Halton—No.

Ms Murnane—No.

Senator FIERRAVANTI-WELLS—please let me finish my question, Ms Halton—that should have been done before but were not done because we did not have enough time?

Ms Halton—No.

Ms Murnane—No. The clinical trials preceded the dispersal of the vaccine.

Senator FIERRAVANTI-WELLS—That is all very well, Ms Murnane, but I cannot find the contract for clinical trials that were—

Ms Halton—That is it.

Senator FIERRAVANTI-WELLS—Ms Halton, you have obviously—

Senator Ludwig—The fact is that you have very distinguished public servants telling you, and they are available for you to question. I do not question the accuracy of their information.

Senator FIERRAVANTI-WELLS—No, I am not.

Senator Ludwig—That is what is starting to concern me.

Senator FIERRAVANTI-WELLS—I am not questioning them. Professor Bishop did say earlier that there was not a lot of time at the beginning. I see a contract for clinical trials for a contract period from 1 December—

Senator Ludwig—They have answered that question, which you have asked three times.

Senator FIERRAVANTI-WELLS—So, somebody is telling me that is wrong—is it? Is it an error?

Ms Halton—That is my understanding, and I have asked for an explanation about that, but I can be absolutely categorical that these trials were done before; and the fact that there is apparently something to do with a posting on AusTender I have just said to you I will have a look at, but it does not reflect when the trials were done—period, end of story.

Senator FIERRAVANTI-WELLS—Perhaps you could provide some documentation to support that assertion. You are probably aware that during the height of the swine flu infection—

Senator Ludwig—The senator has said 'the assertion'. It is not an assertion. Eminent public servants have provided evidence to the committee about it. I just wanted to make sure the record was very clear about this, because I do not want misreporting out of this.

CHAIR—I am sorry; I did not hear that.

Senator FIERRAVANTI-WELLS—All I am asking is for the secretary of the department to provide documentary evidence to show that that is the case. That is all I am asking for. If I have a document in front of me that is incorrect—that is what Ms Halton is saying—I would just like some documentary evidence to show what the correct position is.

Ms Halton—I think we should also remind ourselves that in fact the results from the trials were published in the *New England Journal of Medicine* and that went to the dates when the trials were actually conducted. My understanding is that it was first administered in July. That was actually published—

Senator FIERRAVANTI-WELLS—I am only going on a document that I have read in a public place.

Ms Halton—And I have explained to you it is an error.

Senator FIERRAVANTI-WELLS—So, please, don't shoot the messenger. If your department got it wrong in posting it, that is a matter for you to correct.

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—It is not a matter for you to question why I am actually asking the questions. I am fully entitled to ask the questions.

CHAIR—You have a reply from the department. It is clear they will consider it. You have 10 minutes.

Senator FIERRAVANTI-WELLS—During the height of the swine flu there were reports of hospitals struggling to cope with the number of people presenting for treatment at emergency departments and some of the worst affected people had to be flown between major

centres for intensive care treatment. What assessment has been made of the nationwide response to the swine flu threat and, in particular, the impact on the nation's hospitals?

Ms Murnane—There are a number of things planned, so I will start with, first of all, the COAG Pandemic Influenza Group convened by the Department of the Prime Minister and Cabinet, which is considering this on this coming Friday. I will be presenting at that. On 24 and 25 February we are having a consideration of how we proceed with a full evaluation of all aspects of the response, including the impact on hospitals, with the states and territories through the Australian Health Protection Committee.

Senator BOYCE—'We' is the Australian Health Protection Committee?

Ms Murnane—Yes. We are still in the protect phase. As Professor Bishop has said, this pandemic is still present, but we are planning to begin an evaluation within the next couple of months.

Senator FIERRAVANTI-WELLS—Professor Bishop, can I just direct this one to you? The Bond University Dean of Health—you may be aware of it—I understand was part of a team that investigated the effectiveness of Tamiflu and called it into question in an article in the *British Medical Journal.* Are you aware of that work?

Prof. Bishop—Yes, I am aware of that article.

Senator FIERRAVANTI-WELLS—We went through the stockpiles. This research questions the effectiveness of Tamiflu to protect complications from influenza. What is the department's response to the findings of this research and, consequently, is there other research that is similar to this and which in consequence calls into question the 21 million doses or whatever is going to be left after this flu season and the next flu season? Do you want to comment in relation to that?

Prof. Bishop—I might just make a couple of comments about that. Firstly, what we are talking about with Tamiflu is an antiviral drug; it does not relate to the vaccine. They are two different medicines, so it does not relate to a vaccine at all.

Senator Ludwig—Do you want to withdraw your question and then target the 21 million vaccines?

Senator FIERRAVANTI-WELLS—Can I withdraw that question and simply ask two questions? Firstly, in relation to the vaccine have there been, or are you aware of, instances of adverse effects of the vaccine on people? Are there instances where people have reported adverse effects of the vaccine?

Prof. Bishop—The clinical trials that were done in June and July and reported in August and September that we talked about before clearly included adverse events that occur with vaccines. The TGA, through their expert bodies, and also the editors of the *New England Journal of Medicine,* have made comment that in fact these are within the normal range of side effects you would see with seasonal flu vaccines. There is an ongoing process with the TGA that collects adverse events reports, and that is available on the TGA website for anyone to access. The TGA has commented on that on that website, and you will see in fact that they regard the side effects as mild in almost all cases and consistent with what you would

normally see with seasonal flu vaccines. It is a fairly extensive report on that website and I can refer you to it.

Senator FIERRAVANTI-WELLS—You are aware of that university research by Bond University; do you have some comments in relation to that?

Prof. Bishop—Yes. Firstly, that paper relates to a report of Tamiflu in seasonal influenza, not in H1N1 pandemic. H1N1 pandemic is unusual in that it is very sensitive to Tamiflu, which seasonal flu is not.

Senator FIERRAVANTI-WELLS—Are you aware of comments by doctors and David Rosengren, the Chair of the Australasian College for Emergency Medicine in Queensland, who made comments in the *Courier-Mail* on 1 December warning that our hospitals would 'melt down if a true pandemic hit'. Do you have any comments in relation to that?

Ms Murnane—The hospitals, the emergency departments and the ICUs in hospitals responded very well indeed. They had to employ some adaptation arrangements, but they did respond well. In terms of looking at how exactly hospitals would be able to respond if the scale were doubled or trebled and how we, as a country, would respond with much, much larger numbers requiring this sort of care, that is something that will come up in the evaluation and may well require further exercising. So all of these are being taken account of, but we cannot give you immediate answers as to what our response is.

Ms Halton—You used the term 'a true pandemic'. The truth of the matter is that this was and is a pandemic; there is a question here about severity, but in terms of the—

Senator FIERRAVANTI-WELLS—I was just quoting from a piece and I put 'true' in inverted commas, and can I for the record correct that. The article warns that our hospitals would 'melt down' if a 'true' pandemic hit.

Ms Halton—I want it on the record as well that this is a pandemic. If we understand that that is a quote in context I am very happy with that.

Senator Ludwig—That is why I do persistently ask for people who read from newspaper clippings to provide them to the witness so that there is not any confusion over the content or context of the news article.

Senator FIERRAVANTI-WELLS—Ms Halton, you were aware of those comments in the *Courier-Mail*?

Senator Ludwig—It does not matter whether the person was aware of the content or may have some recall of it. It is always worth while to show the document so that the person can refresh their memory and see the context of the document and see the actual words in print.

CHAIR—Yes, Minister, you are persistent in that point.

Senator FIERRAVANTI-WELLS—I am sure you were diligent in doing that when you were on this side.

Senator Ludwig—I always was.

CHAIR—Senator Fierravanti-Wells, Senator Ludwig was. We now break for dinner for one hour. We come back at 7.45 pm and we will have half an hour with sport—Senator Mason will be running that session—and then we will be moving on. I rejigged it so that it will go

through for the evening. Ms Halton, I have been advised by the opposition that they have no questions for ARPANSA.

Ms Halton—I am sure they will be grateful for that advice.

Senator FIERRAVANTI-WELLS—I would just mention that we have had some rejigging and some senators who because of various commitments were not able to attend today, so I regret the inconvenience that has been caused as a consequence of that.

Proceedings suspended from 6.45 pm to 7.47 pm

CHAIR—We will reconvene and go straight to outcome 15, which is sport performance and participation.

Senator MASON—I have some questions regarding the Crawford report. In November the government released the Crawford report, which was designed to review all aspects of sport in Australia and chart a new direction. I understand the independent sports panel consisted initially of five individuals, but I think one of them withdrew. How were those panel members selected?

Mr Rowe—The panel members were selected by the minister.

Senator MASON—Was a list of names provided to the minister for her approval?

Mr Rowe—Do you mean by the department?

Senator MASON—Yes.

Mr Rowe—No.

Senator MASON—Did the department have any input into the selection of board members at all?

Mr Rowe—No.

Senator MASON—Do you know when the board members were selected?

Ms Halton—I am sorry—who are we talking about?

Senator MASON—The independent sports panel.

Ms Halton—Not board members, members of the panel?

Senator MASON—Members of the panel. Would your answer, Mr Rowe, still relate to the independent sports panel?

Ms Halton—'Board' means other things in the sport context.

Senator MASON—Okay, the independent sports panel.

Mr Rowe—Was the question when were they selected?

Senator MASON—Yes.

Mr Rowe—I do not have that information with me. I am sure that we could provide a copy of a letter for the minister inviting them, but I cannot answer the question when they were selected.

Senator MASON—How much remuneration do those panel members receive? As you are looking for that, I just want to reiterate this. Did the minister choose the panel? Did she also choose the chairman, Mr Crawford? I assume that is right.

Mr Rowe—That is correct.

Senator MASON—Did members of the panel complete declarations of conflicts of interest before becoming members of the panel?

Mr Rowe—Yes, they did.

Senator MASON—Are they available?

Mr Rowe—I do not have copies here.

Senator MASON—Are they publicly available?

Ms Halton—We will take advice about whether we can provide those. If we can, we will.

Senator MASON—You will take it on notice and you will provide them if you can.

Ms Halton—Yes.

Senator MASON—Do you know if those declarations required panel members to outline their affiliation with particular sporting organisations in Australia or internationally?

Mr Rowe—I do not recall the specifics of those declarations. We would have to take advice on that.

Ms Halton—I can point you to the press release that went out at the time that the panel was announced which I think included a short biography of each of the members which, from memory, actually included those affiliations.

Senator MASON—I have that. It was 28 August 2008. Will you take that on notice and get back to the committee?

Ms Halton—Yes, sure.

Mr Rowe—I can advise you of the remuneration. The chair received a daily sitting fee of $1,050 and other members $600.

Senator MASON—That is per day. What was the total cost of the report?

Mr Rowe—I have not finalised that yet, so I cannot give you that figure.

Senator MASON—When will that be available?

Mr Rowe—I think we will have the final costs after 1 March.

Senator MASON—Can you give the committee any idea when the government's response to the report is likely to eventuate?

Senator Ludwig—You understand these things just as well as I do. It is a matter for the minister to determine when that report will come forward.

Senator MASON—When do the Winter Olympics start—tomorrow? That would be a good precursor to an announcement.

Senator Ludwig—Friday the 12th, should it snow.

Senator MASON—Let me move to a perhaps more contentious issue. There was a bit of media about both the panel members and also the recommendations of the report. There was some suggestion that panel members—except, as I understand, it Ms Tye—were all associated with AFL and that that may have skewed the report's recommendations. Is that right, do you know?

Mr Rowe—It is not for me to comment on whether the background of members may have skewed the report.

Senator MASON—No, but as a matter of fact do you know if the members of the panel, other than Ms Tye, were all associated with AFL?

Mr Rowe—I think Ms Halton indicated before that there were short CVs circulated at the time. I would have to refer back to those to be absolutely accurate, but I believe there was an indication in those short CVs.

Ms Halton—I would be in much the same position as Mr Rowe, but my observation of those CVs was that if you looked at the combination of sports that they were all associated with you would be hard pressed, other than probably indoor skittles, to find something that mostly they had not had anything to do with. A number of those people have had associations with more sports than you and I could even begin to imagine.

Senator MASON—I will get to that combination of sports in a minute because that is also interesting. Before I do, are you convinced that the recommendations of the Crawford report were made in a transparent and objective manner?

Senator Ludwig—The objective answer to that is yes. It is the minister that would receive it. That is an area where the minister has been very clear.

Senator MASON—Well covered, Minister. I have several articles on this, but let me just grab the *Sydney Morning Herald* of Tuesday, 24 November last year, page 1.

Ms Halton—Do you have a copy of that as you ask these questions?

Senator MASON—I do, but you can trust me. I would not mislead the committee, would I, Chair?

Ms Halton—We have complete confidence you would not mislead the committee, but, if you are about to ask us a question about it, it would be good to see what you are about to ask us a question about.

Senator MASON—I will just read the paragraphs.

Senator Ludwig—I have been pretty consistent about this. The challenge is not you reading the paragraphs out; it is the article itself that the committee should have available.

Senator MASON—This is not an opinion. These are questions of fact.

Senator Ludwig—Then ask your question, and do you need the prop?

Senator MASON—Irrespective of the prop, let me ask the questions and if you are unable to answer them that is fine.

Ms Halton—Would you mind reminding us whose by-line it might have been?

Senator MASON—Sure. Jacqueline Magnay.

Ms Halton—I think I might have got a mention at the end of that report.

Senator Ludwig—Ask the question.

Senator MASON—I ask the question and you answer it. That is what the Constitution says. You are accountable to the committee, not the other way around. The article says that nine of the sports recommended for increased funding are listed as clients of Gemba on its website. In appendix I of the report, which would seem to have a significant influence on the findings of the report, there is a document prepared by Gemba entitled *Australian sport: commercialisation challenges and opportunities*. I think we agree on that. Is that right? That is appendix I of the Crawford report.

Ms Halton—There is a substantial appendix of that nature.

Senator MASON—It is my understanding that the full document is not provided publicly because of commercially confidential information. Is that right?

Mr Rowe—That is correct.

Senator MASON—What type of information was considered commercially confidential?

Mr Rowe—I am not trying to be cute, but it is information that is commercially confidential to the body providing it—in this case, Gemba. I have not—

Senator MASON—You cannot give any broad subject headings for the committee's benefit?

Mr Rowe—No, I cannot, not at this time.

Senator MASON—Do you know how much the Gemba group were paid for their work with the independent sports panel?

Mr Rowe—I can find that out, so I can take that on notice.

Senator MASON—Nine of the sports recommended for increased funding are listed as clients of Gemba on its website. I just went to their website before and that seems to be the case. Does that worry you that Gemba may have been too close, that it may have had clients who would have benefited, as they would have, from the outcomes of this report?

Ms Halton—I think you should be a bit careful about this. My position on this is quite clear. The positions and opinions outlined in the report are the positions and opinions of the members of the committee. At the end of the day they are responsible for those opinions. They may or may not have commissioned work as part of their consideration. Not only did they commission work but can I also say that they took the views in a series of consultations with all manner of stakeholders. They have actually sought the views of people right across the sporting community, voluntary, professional et cetera. At the end of the day, the views expressed in the report are the views of Mr Crawford and his colleagues on the committee. Essentially they own those recommendations and they have been given to government. It is a matter for government—

Senator MASON—The panel, sure.

Ms Halton—The panel, exactly. The fact that they had commissioned work and/or received the views of people in submissions both in writing and verbally in those

consultations—all of that is input. The things that you point to in terms of (1) a report that was commissioned and indeed (2) who the clients of a particular person might be is in fact all in the public domain.

Senator MASON—I know. I am sure you would agree with this. I am raising issues which, as you know, have been ventilated in the public arena.

Ms Halton—Totally.

Senator MASON—I am just ventilating it.

Ms Halton—It is a reflection of the ventilation. I get that. Secondly, I would make the point that I do not believe, in terms of the actual recommendations in the report, any particular sport is singled out. There might be commentary in the report, but in terms of the recommendations, unless I have missed it, Mr Rowe—

Mr Rowe—I can add to that. There was one recommendation relating to funding, from recall, and it was along the lines that the government should maintain current levels of funding. There is no recall of any particular sport being recommended for funding.

Ms Halton—If I could make a somewhat gratuitous observation, I think what the report has done is provoke exactly the kind of debate that should be had. The balance between participation, elite, the whole question of the level of government engagement, obesity and so on, which are all issues which you know from past experience that I am particularly interested in.

Senator MASON—Yes, I do know. I accept that. There is always a time for public debate and perhaps it is time for a debate on the future of sport and what the relativities of concerns should be, but the committee is concerned about the process. That is where my concern is. The policy is a matter for government and indeed for the department. The issue really is when the evidence is that the minister selected these people. Were they selected appropriately and with a view to them being able to give a totally objective across-sport perspective? As you know, the Australian Olympic Committee, a powerful organisation in their own right—

Ms Halton—I have received a large volume of correspondence from the Olympic Committee.

Senator MASON—From Mr Coates and others, I am sure. They argue that the report is skewed. I do not know, but that is what I am ventilating. I have not heard any evidence to the effect that that is wrong, rather it is neutral. Put it this way: last year the Olympic Committee considered the advice so flawed and the figures so wrong that it was preparing legal action against Gemba. You might recall that. I am not sure if that has gone anywhere.

Ms Halton—Not that I am aware of.

Senator MASON—No, not that I am aware of either. I did check, but I could not find anything. To me, the issue is about process. I will leave the policy to the minister and to you, Ms Halton, because it is a big debate.

Ms Halton—Yes, it is.

Senator MASON—Minister, are you satisfied that everything is in order in terms of process, including the selection of the panel?

Senator Ludwig—The minister selected the panel, but what I can go through is that this has been the independent sports panel and report. If you look at the work, the panel's report contained a number of findings. There are 39 recommendations in all and the report obviously generated considerable media interest and national interest amongst many stakeholders. Minister Ellis called for responses from stakeholders and many individuals and organisations have provided comment, and comment continues to come in in relation to it. If you look, two further groups have been established to support a working group. She welcomed the report and agreed to establish a Crawford response working group to assess issues. If I go back to the previous government, I am still waiting for some of the reports, from my recollection. In this instance, this was put out in the public domain and two working groups have been established. Together with that, two further working groups, as I have said, have been established and the government is now considering its response to the panel's recommendation.

Senator MASON—I understand all of that.

Senator Ludwig—The process has been, from what I can see, held to the government's record of delivering reports, putting them into the public domain, and ensuring that people have been widely consulted in relation to the report.

Senator MASON—The issue that was raised by the Olympic Committee, Mr Coates and others is whether the selection of the panel was appropriate. One is whether we have conflicts of interest, have they been filled out correctly, and there has been entertaining of the idea that there are affiliations with all sports organisations. Whether that was broached in the conflicts of interest declaration is still to be found out, and whether in fact the process was appropriate.

Ms Halton—I can make one comment about that. You understand extremely well—better than most—that that is a matter for government. The thing I would point you to is that even in the press release that went out—and we will go back and check the details—

Senator MASON—I have it here.

Ms Halton—The press release did not contain all these affiliations these individuals had. You know that sport came into the portfolio two years ago after the election. You also know that I am quite delighted to have sport in the portfolio because I think, for us, it is a really good fit and it is the right place for it to be, but my observation about this is that it is an area that, I think I can say without too much hyperbole, generates considerable passion and that all the people who are engaged in this area have huge commitment and huge fire in the belly about the issue, which I think is great. The fact that there is a report and all the people concerned come from a sporting background or have connections all over the sporting world generates a huge debate. We are getting constructive feedback from all sorts of people about the report and the government has to respond to that.

Senator MASON—You always give very interesting answers, Ms Halton, and you are quite right. The question whether the winning of gold medals is a measure of national greatness is a question that I will leave to you. I am not convinced it is.

Ms Halton—Thanks a bunch.

Senator MASON—That is a hot political topic. I have other questions, but Senator Fierravanti-Wells does want to ask questions, so I will leave it there.

Senator FIERRAVANTI-WELLS—Again, on contracts, if I may. There are a couple of contracts. One is for 1 August 2008 to 9 August 2008 for $30,000 to the Hilton Hotel in Beijing for food and beverage for the Commonwealth sports ministers meeting in Beijing. The other one is 2 May to 25 August 2008 for $10,000 for the venue for the meeting, payable to Austrade. Can you tell me what was the value of the meeting in Beijing, or what was the reason for Minister Ellis to go to Beijing because the Olympics were on?

Mr Rowe—Since the 2002 Games in Manchester Commonwealth sports ministers have met as a group in the margins of the Commonwealth Games and the summer Olympic Games. It has been the convention that the host of the Commonwealth Games would host the meeting of the subsequent summer Olympic Games. As Australia hosted the Melbourne 2006 Games, it fell to the responsibility of the Australian sports minister to host the meeting of Commonwealth sports ministers at the following summer Olympic Games in Beijing. One of the reasons for that was that it was an obligation that Australia had as the host of the Melbourne Games.

As to the content of the meeting, I am more than happy to take that on notice. There was a detailed communiqué, which I do not have with me, but we can provide that to you. It is in the public arena already, so I can provide that to you.

Senator FIERRAVANTI-WELLS—I would also appreciate if you could provide to me a detailed itinerary for the minister's visit. She was obviously there for a period of time.

Ms Halton—We need to be clear that we are not responsible for the minister's itineraries. Depending on whomever the minister is and whichever government, that is not our responsibility, so I do not think we can provide that. I can confirm that; we can provide it if it is our responsibility—

Senator FIERRAVANTI-WELLS—I would assume that I will have to go to the department of finance for it.

Ms Halton—Yes, that would be correct.

Senator FIERRAVANTI-WELLS—If you do have that documentation I will take it, but otherwise I will go to finance for it. I would also be interested to know, from a sporting perspective, what meetings she may have attended and whether she did find some time to do a bit of lobbying for Mr Rudd's UN bid, which I am sure she probably did.

Ms Halton—Again, you understand that, as departmental officials, we have—

Senator FIERRAVANTI-WELLS—I am not asking you to defend it. I am just asking you some questions.

Ms Halton—I am not.

Senator FIERRAVANTI-WELLS—As far as you, as the secretary of the department, can do so, please answer my questions. If you cannot, then answer accordingly, and I will go to the department of finance and get the information.

I would like to ask about a second contract. This one is for 11 December to 31 January for $27,500 for the FIFA World Cup bid negotiations payable to a Mr Ronald Harvey. Could somebody enlighten me on what Mr Harvey is doing precisely as part of this FIFA World Cup bid?

Ms Halton—Yes, certainly. I will be happy to do that. I am joined by Mr Eccles, who is running the FIFA task force. You would know that the Prime Minister committed Australia to very seriously backing the bid to be made by the Australian Football Federation for the World Cup, recognising that world cups are both enormous world sporting events, but they are also serious business. As part of the bidding process, the Australian government is assisting the Football Federation of Australia and, indeed, governments themselves have a whole series of responsibilities which go from stadia to guarantees, and that we have sought the advice of a small number of people who have particular expertise in relation to the bidding for world sporting events. In this particular case, Mr Harvey has been engaged by us to assist with that process.

Senator FIERRAVANTI-WELLS—What is he doing for his $27,500?

Ms Halton—He is advising us on the requirements of the bid, as I have indicated, understanding that there are a number of requests of government put by FIFA in terms of guarantees, put both to the Commonwealth government and to state governments. These are very complex processes and the guarantees are non-trivial. The stadia requirements are non-trivial. It involves everything from security, the availability of accommodation through to the capacity to seat a certain number of people at a certain number of competition venues and training venues. I could go on. Mr Harvey has a significant level of experience as a result of his history in this arena and he is assisting us with that.

Senator FIERRAVANTI-WELLS—That does not seem to be very clear from the information and certainly not from the minister's press release. It just sounds like he is a bit of a travelling envoy and is going to introduce us to a few people.

Ms Halton—I can promise you, absolutely, that he is not an introduction agent.

Senator FIERRAVANTI-WELLS—Perhaps you might like to take that on notice, because I would be interested to know what he is doing and, for that matter, what Mr Dixon is doing and how much we are paying Mr Dixon. Presumably we are going to pay Mr Harvey $27,500 for this work. What further work is envisaged for both him and Mr Dixon, and what remuneration and what other financial engagements in relation to these two gentlemen are there, or for that matter, other people? Are there other people like Mr Harvey who are being engaged for specialised or professional skills?

Ms Halton—No, there are not.

Senator FIERRAVANTI-WELLS—Is it only Mr Harvey?

Ms Halton—Indeed. Mr Harvey has been engaged for his professional skills and his background in respect of sport. I am not saying that, for example, in the future we may not have a need, but at this particular point I do not envisage such a need. I cannot guarantee that at some point in the future we might not identify such a need.

Senator FIERRAVANTI-WELLS—Perhaps you might provide to me, on notice, the full parameters of his obligations, rather than the more generic, 'He's going to help us.' I would like a bit more specific information. Thank you.

Senator BOYCE—I would like to put two questions on notice because I think it will speed things up. Can I have a list of direct funding provided by the department to junior sports programs and/or junior sporting activities for whatever is a convenient time, but presumably, say, the last financial year? Can I also have a list of indirect funding that the Commonwealth would provide perhaps to state organisations or other organisations which would, to your knowledge, fund junior sporting programs or junior sporting activities?

Ms Halton—You mentioned the department.

Senator BOYCE—I am sorry, I am just using a really broad term because I was not quite sure.

Ms Halton—Funding provided for by the Australian government through this portfolio.

Senator BOYCE—Thank you.

Ms Halton—No worries.

Senator BOYCE—Apropos of that there was a report produced by Dr Rhonda Galbally and others about August last year called *Shut out: the experience of living with disabilities and their families in Australia*. One of the recommendations of that was that government should not fund junior sporting activities if it did not ensure that children with disabilities were allowed to participate. Has that recommendation been looked at and, if so, what has been done about it?

Ms Halton—It is actually an issue for the Sports Commission but we are happy to take that on notice and get you an answer.

[8.16 pm]

CHAIR—Are there any questions for outcome 6, rural health?

Ms Halton—I have to share with you a secret. This is Ms Bennett's last estimates.

CHAIR—We will miss you.

Ms Halton—Not as much as we will. That is exactly correct. I would normally do this at the end but in case we get pushed for time, as you know, when we have officers of longstanding in the department we do make some remark on the record about their contribution. I think it is fair to say Ms Bennett has been an absolute stalwart of the department. The fact that she is abandoning me to go to grandchildren and cows down the coast I think is completely unforgivable, but I think she has made an enormous contribution on rural health and all manner of issues including representing us internationally, so on the record I would like to thank her.

CHAIR—The committee shares your appreciation and wishes you well, despite the fact that you have two more outcomes.

Senator Ludwig—The government would also like to express its appreciation and join with the chair, thank you.

Senator FIERRAVANTI-WELLS—In relation to the new zoning system for regional and remote communities, I understand that there is a planned 1 July changeover date. Are we on track to meet that changeover on that date?

Mr Andreatta—The change you are referring to is on track for a 1 July start. The change is a transition from one classification to another. On 1 July a number of programs will adopt the new classification. The majority of those programs are in the rural health area.

Senator FIERRAVANTI-WELLS—Have you done some modelling to assess the impact on regional and rural communities of this change?

Mr Dennis—Yes, we have done some modelling to that effect.

Senator FIERRAVANTI-WELLS—Are there those who could be detrimentally affected?

Mr Dennis—There is a small number of communities that may be detrimentally affected, or there would be a small number of doctors within a small number of communities that may be detrimentally affected by the transition, that is correct.

Senator FIERRAVANTI-WELLS—Can you identify those?

Mr Dennis—In the majority of cases they are doctors practising in the area of the Sunshine Coast and Gawler in South Australia.

Ms Bennett—That is only notional at this point; the system has not rolled out and will not do so until 1 July. In the case of both of those I guess it needs to be balanced against the fact that there are 500 additional communities across Australia that will actually become eligible for the first time—

Senator BOYCE—I am sure the people of the Sunshine Coast and Gawler will be taking that into consideration!

Ms Bennett—I guess it is a question of all of the priorities around rural. These are measures to support rural and remote communities. The issue with the previous system was that the data was 17 or 18 years old and there had of course been substantial population movement and change, particularly around the Sunshine Coast but also Gawler in that time so that they no longer appear to be as remote as many other parts of the country which are suffering significantly.

Senator FIERRAVANTI-WELLS—You have obviously consulted with rural health organisations and have got feedback and opinions from them and discussed these issues with them.

Ms Bennett—During the process for undertaking the review of the rural health programs which we carried out throughout last year we had a group which was consulted throughout that process and that included the six key stakeholder groups with an interest in rural health. We also had some particular submissions on the issue of geographic classification, but more importantly we have looked at where people are residing as general practitioners as closely as we can, noting that it is not a precise science; as was mentioned earlier on. We have done that. We have adopted this system because it is one that is developed by the ABS, is maintained by the ABS and is adopted by a range of government departments, not just health, as being the more up to date technical system for deciding these sorts of geographical issues.

Senator FIERRAVANTI-WELLS—Do we have many more small rural towns that would be now reclassified in a regional classification, and how will that affect incentives for doctors to practise in these towns?

Ms Bennett—The budget package that was introduced at the time of the change of the geographic classification system includes quite a significant bundle of incentives, and the incentives are scaled in a way that they had not been done before. That means that the payments escalate quite steeply in accordance with the remoteness. So the more remote the area is that you are prepared to move to or remain in, the more money you will get for practising in those areas. There is a substantial increase for moving to, say, the most remote areas versus the more regional towns.

Senator FIERRAVANTI-WELLS—That is on the positive side, but what about on the negative side. Have you been able to estimate how many doctors might quit practising in these small towns?

Ms Bennett—There are only in fact those two areas of Australia which you could claim to be negatively impacted, but again the system has not rolled out. We are not convinced that any individuals will be disadvantaged and in addition, as part of the package of benefits, any existing doctor receiving a current payment will be grandfathered, which means that they will not lose money. So no individual will be paid less. Any entitlements they currently have will be matched, so to speak, for the next—

Senator BOYCE—For the duration that they practise?

Ms Bennett—For the period of the budget measure initially, which is a three-year period, and then of course government will review the measures.

Senator FIERRAVANTI-WELLS—Will this put these small communities in direct competition with their larger surrounding regional cities?

Ms Bennett—We have heard that as a suggestion and that is something that we are keen to monitor. Theoretically, yes, that is always a possibility and it will always be the case within any geographic system where, whatever the boundaries, you will have some larger towns and some smaller towns in any geographic area. So it is always theoretically possible that the larger region will draw people from the smaller. We are aware that this is a possible impact with these changes and we will be clearly monitoring that once the system begins to roll out. I guess I would say, though, that the same criticism could be made about the previous system. There are in any of those boundaries some big towns and some small towns. There is a range of regions why doctors choose to practise in either of those sorts of locations.

Senator FIERRAVANTI-WELLS—Can I just give a couple of examples, if I may? If you had a case of a coalmining town of Moranbah, say, in central Queensland that has a population of about 7,200 people, would the doctors receive the same incentives as those in Townsville with a population of more than 100,000?

Ms Bennett—I am sorry, I missed the first part of your question.

Senator FIERRAVANTI-WELLS—Take a small coalmining town with a population of about 7,000 people such as Moranbah in central Queensland, would the doctors receive the same incentives as those in Townsville, which has a population of a bigger regional centre?

Ms Bennett—I would have to take that on notice.

Senator FIERRAVANTI-WELLS—Can you just take a couple of examples for practical purposes on notice? For example, could you take Balaclava with a population of 1,600 people that would have to compete with a far larger centre? I will put these on notice for you.

Ms Bennett—That would be helpful because we would need to check.

Senator FIERRAVANTI-WELLS—I will also use an example of Hay as well. In other words, obviously you realise that there are some anomalies. Is the objective to try to iron out as many as possible?

Ms Bennett—As I said, the system does not really begin until July and then we will need to monitor it over the first year in particular but ongoing to see whether in fact those anomalies which are theoretically in fact come to play. We do not know. We know that that is theoretically a possibility just as we know that it is theoretically a possibility at the moment under the current geographic system.

Senator FIERRAVANTI-WELLS—Do you assess that the incentive schemes to attract doctors to rural and remote areas will be as effective under the new scheme?

Ms Bennett—No, we think they will be significantly more effective than the current scheme. The current scheme has not seen as many doctors move to the more remote areas as we would like and the priority is clearly on getting doctors to move to the most disadvantaged areas.

Senator BOYCE—The Rural GP Locum Program was announced late last year as providing $6.1 million over four years to support rural and remote GPs. The applications for locums to apply under this program were to be received from 21 December until when? When was the closing date for applications, or is it ongoing?

Mr Dennis—It is ongoing.

Senator BOYCE—How many applications have you currently received?

Mr Dennis—We have in fact received a number of applications and seven locum placements have occurred since that date.

Senator BOYCE—Are you able to give us a list of where those locum placements have been made, not necessarily now, but on notice?

Mr Dennis—By state, three in Victoria; two in Tasmania; one in Queensland and one in the Northern Territory.

Senator BOYCE—Are you able to tell us what towns they have been allocated to?

Mr Dennis—No, I cannot.

Senator BOYCE—Simply because of the level of information that was provided, or would you be able to provide that on notice?

Ms Halton—We will see what we can provide on notice.

Senator BOYCE—How many are you anticipating that you would deliver, for want of a better word, to expend your $6.1 million over four years?

Mr Dennis—In the first year 42 is the target, then in 2010-11, 84; 2011-12, 137 and then in the final year 2012-13, 140.

Senator BOYCE—Are you able to provide those broken down by states as well?

Mr Dennis—They have not occurred yet—

Senator BOYCE—But if you got 20 applications for Tasmania and two for New South Wales, for instance, that would not suit your formula, presumably?

Mr Dennis—The agency that manages the scheme on our behalf, Rural Health Workforce Australia, will prioritise the placements because they are in a position to do that. There is no strict formula that one state will get X amount and another will get Y. They will be prioritised in accordance with need.

Senator BOYCE—You said you had a number of applications. Are you able to tell us how many, up to say 31 January?

Mr Dennis—Not the exact number, no.

Senator BOYCE—Would you be able to supply that on notice for me?

Mr Dennis—I certainly will endeavour to do that, bearing in mind that it will be a moving feast.

Senator BOYCE—Just to a particular date. I am just thinking 31 January.

Mr Dennis—Certainly.

Senator FIERRAVANTI-WELLS—I will finish off on the new zoning system. Some doctors may stand to lose tens of thousands of dollars in incentives because of the reclassification and this will put pressure on their ability to bulk-bill. Have you taken this into account?

Ms Bennett—No individual doctor will lose any money with this change. The system will grandparent any doctor who is in receipt of a current benefit.

Senator FIERRAVANTI-WELLS—You can still say 'grandfather'. I know it may be politically incorrect.

Ms Bennett—But I am a grandmother. Doctors who are in receipt of incentives will not lose any money. No individual will lose any money that they are currently receiving as an entitlement, at least during the initial three-year period. Then government will, of course, review and determine what to do from there.

Senator FIERRAVANTI-WELLS—What about any impact on the public hospital presentations for treatment with any prospective lower levels of bulkbilling?

Ms Bennett—I do not think we could conclude that providing greater incentives to encourage doctors to go to more rural, remote and regional areas is going to have a negative impact on bulkbilling. I do not think we could make that link.

Senator FIERRAVANTI-WELLS—What about the changes in the classification scheme and the impact that it will have on the number of overseas trained doctors and the number of overseas trained doctors that must practise in some rural locations before they become eligible for unrestricted practice?

Mr Dennis—The system that allocates overseas trained doctors to eligible localities remains entirely separate from the rural workforce incentives. The effect will be that those overseas trained doctors will receive greater reward for going to more remote localities. We would hope that is in fact the effect that occurs, that overseas trained doctors go to more remote localities to discharge their responsibility under the moratorium. The incentive program does not have a direct effect on the eligibilities of particular localities, nor does it influence in any way the number of overseas trained doctors that may be recruited. We would hope that the incentive would act as an attractant for doctors to come to Australia in general.

Senator FIERRAVANTI-WELLS—What about any impact on bonded medical students in terms of the time that they have to serve in some rural locations after graduation?

Mr Dennis—One of the elements of the rural package involves scaling of their return of service obligation, meaning that they are able to elect to discharge that return of service obligation more rapidly if they choose to work in a remote locality.

Senator FIERRAVANTI-WELLS—What about incentive schemes such as the practice incentive payments, which have been based on the old system? Will they change?

Mr Dennis—No. There is no plan to change the geographical classification system that determines those payments presently.

Senator FIERRAVANTI-WELLS—Based on your previous answer, nobody is going to lose incentives; that is the bottom line?

Mr Dennis—That is it in a nutshell. In relation to overseas trained doctors, another element allows for overseas trained doctors, similar to the bonded medical students, to defray their return of service obligations more rapidly in these rural centres. Again, the more remote they go, the more quickly they can become unrestricted.

Senator FIERRAVANTI-WELLS—In summary, you are confident that there will be no significant implications for rural and remote communities in terms of their health workforce?

Ms Halton—Actually, we think there are, but we think they are positive.

Mr Dennis—We hope they will be positive.

Senator FIERRAVANTI-WELLS—You think the workforce availability is in the positive rather than in the negative?

Ms Halton—Yes.

Senator FIERRAVANTI-WELLS—I would like to ask a couple of questions on the Rural Health Workforce strategy. There was funding in the 2009-10 budget of $134 million. I know it is early days, but can you advise whether there has been a positive response to the initial funding?

Mr Dennis—With the exception of the locum program that we have discussed, the bulk of the programs associated with that strategy do not come into effect until 1 July 2010. The stakeholders and the industry have met the programs and the changes in an extremely positive way, as you might expect.

Senator FIERRAVANTI-WELLS—Do you have any assessment or modelling as to the numbers of doctors that you anticipate will be attracted to work in these areas as a result of

the program and contrast this with the attrition of the remote medical workforce due to natural reasons?

Mr Dennis—We have used a range of data to project the number of doctors that different sized incentives will attract, and course that is on the positive side. The rate of attrition should also slow, given that one of the components of the strategy that you spoke about, the Rural Health Workforce strategy, is aimed at retention of existing workforce. We hope that there will be a dual effect of attracting more doctors to localities of greater remoteness but at the same time having elements that increase the retention of existing workforce in those rural and remote localities.

Senator FIERRAVANTI-WELLS—Have you put some substance or numbers to what you anticipate? You anticipate there will be a net positive gain, but you do not know how much that will be. Is that what I read?

Mr Dennis—Not exactly. It is very difficult to do small area statistics to see where those changes will be positive. We are extremely confident that nationally—which is of course the scope of our purview—the effect will be positive overall, especially in those remote localities.

Senator FIERRAVANTI-WELLS—When do you anticipate that you will be able to have some meaningful assessment of the strategy?

Mr Dennis—As Ms Bennett has indicated, we will be monitoring this closely, using a range of mechanisms, so within a year we will be in a position to determine, with some degree of accuracy, the effect that we have had. Of course, that accuracy will increase over time as we gather more and more data.

Senator FIERRAVANTI-WELLS—Thank you. I do not have any more questions for rural health.

CHAIR—Are there any more questions on Outcome 6?

Senator BOYCE—How much longer do we have?

CHAIR—A maximum of five minutes.

Senator BOYCE—I have a number of questions from Senator Adams. As you all know, Senator Adams is very interested in rural health. I will ask a small proportion of them.

Ms Halton—As you know, we always welcome Senator Adams's interest in this matter and we miss the fact she is not here today.

CHAIR—Is there any reason why Senator Adams's questions could not be on notice?

Senator BOYCE—Some of them could, but there are a few I would like to ask to see whether we are going down the right track. How much of the money provided to the states for public hospitals, including allocations made outside the national health care arrangement, has been allocated by state authorities to hospitals in regional and rural areas?

Ms Halton—That is not a question for this program. It is more of an acute care question. It would be a matter that we would have to refer to the AIHW statistics in any event.

Senator BOYCE—I will put those on notice. There are also some questions relating to the closure of surgical facilities and birthing centres in regional and remote hospitals. Again, is that a question to ask here?

Ms Halton—No.

Senator BOYCE—The Medicare deficit was mentioned.

Ms Halton—Can you define what you mean?

Senator BOYCE—That is what I am doing. During the consultations around the National Health and Hospital Reform process a number of rural communities raised what they call the Medicare deficit, which suggests that because of closeness to services urban citizens get a larger share of Medicare funding per head than rural and remote Australians. Are you aware of that suggestion and do you agree with it?

Ms Halton—I presume that is a reference to the MBS rather than Medicare more broadly?

Senator BOYCE—It is called the 'Medicare deficit' by the people who talk about it.

Ms Halton—As long as we understand what we are talking about. I think this is a matter that we have already canvassed today. In terms of the distribution of fee-for-service remunerated through the MBS practitioners, yes, there is a loading towards metropolitan areas. You would be aware that there are a number of mechanisms we use for the funding of alternative types of services. Again, we have canvassed some of those things. AMSs would be an example which we have not yet canvassed here. But, yes, I am aware of those issues.

Senator BOYCE—Have you measured the so-called 'Medicare deficit'?

Ms Halton—There are a number of data points in the public arena about that issue and we are conscious of the issue.

Senator BOYCE—What can the department advise rural and remote Australians, who perceive this deficit, about what the measure looks like and what the deficit is?

Ms Halton—We are talking now about the aggregate of health services available for people who live in those areas. This is a complicated piece of analysis. For example, take cancer services. I know Senator Adams is particularly interested in this matter. In some areas there are not the population sizes to support the number of patients you would have, for example, for a linear accelerator. In some cases, by definition, you are going to have to travel for those services. We endeavour to make sure they are as available as they can be, but by definition you are not going to have a linear—

Senator BOYCE—You do not want me to ask questions about PATS, though, do you?

Ms Halton—No. We have been talking to Senator Adams about PATS. She knows our complete sympathy with her view on this. All I am pointing to is the complexity of analysis in terms of what people in rural and remote Australia actually get by way of allocations. You cannot measure this just by looking at MBS distribution. However, the point is that people in rural and remote Australia tend, as a general rule, not to get the same level of access. I think that is robust and we understand that completely.

I have indicated to you that there are some mechanisms we look at to try to redress some of those things—AMSs being an example. The measure that has just been talked about here is precisely another one of the measures that is attempting to redress some of those issues.

Senator BOYCE—As you point out, it is a complex analysis. Is there any intention for work to be done around quantifying whether the concerns of rural and remote Australians are legitimate?

Ms Halton—In terms of whether one quantifies or not, we can acknowledge that there is a legitimate concern. I mentioned cancer. You probably are aware that there was an announcement in relation to the provision of regional cancer centres. That is precisely around trying to address this sort of matter so that you get a more equitable spread of cancer services and you deal with issues that people experience in terms of the difficulty of travel. Again, we have talked about this at length with Senator Adams, and I think you know that we are highly aware of and alert to this matter. The measure we have just talked about is one of the things that we are attempting to use to address those concerns.

Senator BOYCE—Is this where I should ask about regional cancer centres? I think we had that under Health System Capacity.

Ms Halton—Yes, Outcome 10.

Senator BOYCE—I will put the rest of the questions on notice.

CHAIR—I thank the officers from Outcome 6. Ms Bennett, thank you for all the times you have shared with us. We will now move to Outcome 12, which is Health Workforce Capacity in all areas except aged care.

[8.44 pm]

CHAIR—We now move to outcome 12, Health Workforce Capacity.

Senator FIERRAVANTI-WELLS—What impact will the government's supposed fair work system and its award modernisation process have on the nursing workforce?

Ms Halton—It is fair to say that, other than aged care where you have already asked this question, we are not the direct employers of nurses and, therefore, this is not a matter that we can address.

Senator FIERRAVANTI-WELLS—In other words, you have no view about pay cuts that nurses may be faced with in various sectors of the health system?

Ms Halton—No. It is a matter for DEEWR, not for us.

Senator FIERRAVANTI-WELLS—You have had no input at all into policy and other matters in relation to nurses?

Ms Halton—No.

Senator FIERRAVANTI-WELLS—None whatsoever?

Ms Halton—No.

Senator FIERRAVANTI-WELLS—Is this the appropriate place for the Bringing Nurses Back program? I know that Senator Boyce asked some questions in relation to this. I would like to clarify some statistics. I understood that the promise in this was to bring 7,750 nurses

back into hospitals and 2,250 nurses into nursing homes over a five-year period by offering $6,000 bonuses. The announcement was dated 15 February 2007. The plan was to bring 1,000 nurses back into hospitals in year 1, but I understand that just 541 had been recruited by the end of June 2008. Is that the case?

Ms Jolly—I understand there were some figures provided earlier on the aged care component of the program. For the hospital component, as at November last year, 2009, there were 617 nurses that have returned.

Senator BOYCE—Can we have that figure up to 3 February so it matches the aged care figures?

Ms Jolly—Unfortunately, our data collection processes are quite different. We work through states and territories for the majority of this measure and have our data updated twice a year. The next update will be in April.

Senator BOYCE—Would you be able to split that between public and private hospitals?

Ms Jolly—We could certainly provide you some further detail on that.

Senator FIERRAVANTI-WELLS—The target was 1,000, but you are well short of that target just in year 1, and overall in the program that puts you at about 10 per cent of the five-year target. What is your target for year 2? Is it another 1,000?

Ms McLarty—The target was only set for the first year and then the rest of the program runs through the four years. It is 6,750 over four years.

Senator FIERRAVANTI-WELLS—You could get just 10 or 100. What do you anticipate? Have you done some work in relation to what you think you will get? Based on current trends you are really going to struggle to get to the 1,000.

Ms Jolly—In this area we are working with our state and territory colleagues, as well as the private sector, to continue to encourage uptake. I would not want to predict the exact uptake, but present the figures that we have to date.

Senator FIERRAVANTI-WELLS—Do you envisage that the scheme will continue over the five-year lifespan, particularly if the recruitment targets are not met? Will there be a point where you will assess this?

Ms Halton—We cannot speculate. All I can say is that that is existing policy.

Senator FIERRAVANTI-WELLS—Are any changes to the scheme being considered?

Ms Halton—A number of changes to the scheme have already been considered.

Senator FIERRAVANTI-WELLS—I am asking: are any further changes to the scheme being considered? You are obviously not meeting the targets that you have set. Are you going to tweak it, change it or do anything to it?

Ms Halton—That is a decision for government.

Senator FIERRAVANTI-WELLS—Have you considered any changes? Are you putting any up? Have you been asked to?

Ms Halton—It is fair to say that the performance of the program has been a matter that has been canvassed.

Senator BOYCE—Is there concern about the marketing of the program? What does that mean for *Hansard*, please, Ms Halton?

Senator FIERRAVANTI-WELLS—Exasperation—I think that is what it means.

Ms Halton—I think it means that there are a number of complex matters in this—and I am not allowed to say 'in this space', because I will get fined by the department if I do; we have a swear box for sayings that are banned, and 'in this space' is currently on our hit list, just for the information of senators.

CHAIR—We have bingo words.

Ms Halton—That is right. Yes, exactly, as do we. And we raise money—

Senator BOYCE—As long as you get your share of the pie; that is the main thing.

Ms Halton—That is right. We are not going back to Alice in Wonderland. We have already done that on another program. Obviously the performance of the program is a matter that is being canvassed. I cannot speculate about what might be the future of it. We know there are state governments that already have returning nurse programs. This is a separate program from that. All I can say is that those are the numbers as they currently stand.

Senator BOYCE—When this all started the estimate was that there were 30,000 qualified nurses out there who could hopefully be brought back in. Do you have a current estimate of how many qualified nurses there are currently working outside the nursing workforce or can you provide that on notice?

Ms Halton—If you are happy with it, we will do it on notice.

Senator BOYCE—Yes, thank you.

Senator FIERRAVANTI-WELLS—I would like to ask some questions in relation to medical education and training. Is this the appropriate place?

Ms Halton—Depending on what the question is, absolutely.

Senator FIERRAVANTI-WELLS—What progress has the Commonwealth made in its dealing with the states through COAG and other processes to ensure that there will be a balance in coming years between medical school graduates, on the one hand, and intern and postgraduate training places on the other?

Ms Jolly—There was an agreement in 2006 between the Commonwealth and states around this very matter where the Commonwealth agreed to increase medical school places and the states agreed to provide high-quality intern training places. That commitment is still in place and many states are increasing their effort to ensure that 'pipeline', as it is called, of medical students to be trained in that way.

Senator FIERRAVANTI-WELLS—Can you give us some statistics? I am particularly interested in New South Wales, given what I constantly read about the system in New South Wales. I would appreciate it if you could take on notice some statistics around that.

Ms Jolly—Yes.

Senator FIERRAVANTI-WELLS—Are you on track to deliver your commitment in the budget 2009-10 to increase GP training places by 212 from 2011?

Ms Jolly—Yes, we are.

Senator FIERRAVANTI-WELLS—What about the commitment to create 73 additional specialist training places in the private sector?

Ms Jolly—Yes, we are in that initiative as well. They were 73 additional training places. There will be over 350 training opportunities in specialist training this year.

Senator FIERRAVANTI-WELLS—Can you provide some statistics around that in terms of how many you have already? Do you have some statistics in relation to that?

Ms Jolly—Yes.

Senator FIERRAVANTI-WELLS—I would like to ask some questions on the 10-year moratorium on international medical graduates. Have you conducted a review into the impact of the 10-year moratorium on international medical graduates and, if so, what are the findings and recommendations of that review?

Ms Halton—Just for information, we have wandered back to the previous program.

Senator FIERRAVANTI-WELLS—I am sorry.

Ms Halton—That is okay. The officer is still here.

Mr Dennis—Not specifically the impact of the moratorium on the participants. Was that the question?

Senator FIERRAVANTI-WELLS—Yes.

Mr Dennis—We have not conducted a review.

Senator FIERRAVANTI-WELLS—You have not conducted a review?

Mr Dennis—Not exactly on the effect that the moratorium has on the participants. The action and the activity of the 10-year moratorium was part of the audit of rural and remote health, and that was essentially what instigated the budget measure that we spoke of earlier.

Senator FIERRAVANTI-WELLS—Just recently we passed the legislation in relation to exempting New Zealand trained doctors from the 10-year moratorium. Have you given consideration to ending the arrangements that require overseas trained doctors to work in areas of workforce shortage?

Mr Dennis—The amendments to the bill are not directly related.

Senator FIERRAVANTI-WELLS—They are. They were just to the New Zealand trained doctors. Are you going to look at overseas trained doctors in general?

Mr Dennis—More generally, no. The amendments were confined to doctors from New Zealand, for specific reasons.

Senator FIERRAVANTI-WELLS—I appreciate that, but are you giving consideration to—

Ms Halton—No.

Mr Dennis—No.

Senator FIERRAVANTI-WELLS—Those are all of my questions.

Senator SIEWERT—You said that we could deal with the issue around midwives here. Is that not what we said, that we could deal with it in workforce?

Senator FIERRAVANTI-WELLS—We did.

Senator SIEWERT—We did not realise that we should have dealt with it under acute care when we raised it this morning.

CHAIR—When Ms Murnane was at the table and we were asking about midwives, people had missed their opportunity, and she said she would give it a go this evening. I am not quite sure what kind of detail you will be able to give us. You might want to take some questions on notice.

Senator SIEWERT—We will give it a go. Going to the issue of collaborative arrangements and advice that the Australian Private Midwives Association has received—written advice—from at least one medical insurer that doctors will be unable to enter an agreement with a midwife if any portion of the midwife care is uninsured. Have you looked into this issue? Firstly, has this issue been raised with you? Secondly, have you looked into it? Thirdly, if it has been raised with you, and you are looking into it, what actions have been taken to deal with it?

Ms Flanagan—We actually had this discussion in the committee on this issue when it was raised.

Senator SIEWERT—It came up. There is actually written advice now. I do not know if there was at the time that it had been raised, but there is now written advice. Where are you going to from here?

Ms Flanagan—Do you have written advice?

Senator SIEWERT—No. The Australian Private Midwives Association has written advice.

Ms Huxtable—My recollection was that we had responded to that question in writing. We will need to check now, because I certainly recollect—and I think Ms Flanagan was involved in the response—that we went to the specific issue and that there were some associated issues raised in the written material that you provided or that you had given as an example in the community affairs committee and we did respond. Maybe something has become lost.

Senator SIEWERT—I may have missed that. This is only part of my estimates response and I may have missed it in the committee response.

Ms Huxtable—I believe that we provided written response to a number of questions that were taken at committee.

Senator SIEWERT—Yes, you did.

Ms Huxtable—Just in case that did not happen as we recollect, perhaps we could have the advice again that you received and we can take that on notice.

Senator SIEWERT—Yes. I apologise if I am repeating it. I have been through those and I cannot recollect it, but as I said this is only part of the responses I have received.

Ms Hancock—As we understand it from the insurer concerned, the query was from a person who was covered as a general practitioner, not as an obstetrician. The core of the insurer's answer was that they would not be covered for obstetrics, because they were not a person of the appropriate skills and qualifications to be insured as such.

Senator SIEWERT—If that is the response, it limits the number of people a midwife can have a relationship with, doesn't it?

Ms Hancock—I understand what you are saying, but the answer the insurer gave was specific to the question that was asked in that case and the personal circumstances of the doctor who was inquiring. We have since inquired with other insurers, who have assured us that an insured doctor would remain covered, notwithstanding that they had a collaborative arrangement of some kind with a midwife who happened to be uninsured in relation to homebirth.

Senator SIEWERT—Let me just double-check whether I understand you correctly. Is any doctor who has insurance still covered, even if the midwife is not covered for homebirths?

Ms Hancock—For the two insurers that are referred to, it is correct that an insured member would remain insured and be insured in respect of an incident that happened during the course of practice that involved an uninsured midwife.

Senator SIEWERT—Did you receive that advice in writing?

Ms Hancock—No, we do not have it in writing, but we could probably arrange something.

Senator SIEWERT—That would be appreciated.

Senator BOYCE—I think people would like to see something in writing with a signature at the bottom in regard to something like this.

Ms Hancock—There is a fundamental difference between the nature of insurance for doctors and that which is proposed for midwives. Some doctors have conditions imposed by their insurer in relation to their practice.

Senator SIEWERT—I appreciate that.

Ms Hancock—So there is a lot of individual variation.

Senator SIEWERT—And this is the issue of concern. This is another layer of complexity, if the collaborative arrangement process goes ahead, that is put on a midwife. It is not just a simple matter of finding a doctor who is willing to collaborate; the midwife also has to find a doctor who is willing to collaborate and who is not going to breach their individual insurance policies with their individual arrangements.

Senator BOYCE—And whose task would it be to ensure that that was not going to happen?

Senator SIEWERT—Yes, exactly. If some doctors are getting advice that their insurance may be void, they are going to be reluctant.

Ms Hancock—As far as I understand it—and we have checked with all the insurers—no insurer has issued any kind of a general warning to its members concerning collaboration with midwives.

Senator SIEWERT—I certainly have not claimed that they had.

Ms Hancock—I am just trying to be clear.

Senator SIEWERT—Before, you said you had checked with two insurers.

Ms Hancock—We have contacted all of them. We have confirmation from two. There are only five. One of the remaining three insurers is the insurer concerned in the specific query that you mentioned earlier.

Senator SIEWERT—Could you give us in writing the process that you have used, the questions that you asked and their response? That would be very much appreciated.

Ms Hancock—Yes.

Senator BOYCE—There was a stage where the department provided some actuarial figures around assumptions they had made in developing the initial proposals around midwives, particularly midwives who are practising in hospitals, and the number of births and dangers thereof. They were done right at the end of a hearing, and they did not appear in estimates. I am just wondering if anyone is able to re-create them for me.

Ms Hancock—Just to clarify again, I am certainly happy to provide some of those figures for you.

Senator BOYCE—What you went to the insurers with—saying 'this is the sort of thing we would need to identify people'.

Ms Hancock—To be clear, we asked for actuarial advice to help us to work out the cost to the Commonwealth of supporting indemnity insurance for midwives. In the course of doing that work the actuary did some research—for example, on the history of obstetric claims in Australia: their size and frequency. The results of that research have been fed into our calculations that led to the provisioning of $25 million over the period of the forward estimates.

Senator BOYCE—So could you provide all that research, if possible, or as much as possible, please.

Ms Hancock—I do not think we can provide all of it because, basically, we asked the actuary to do some work and they went away and did some work. I recall the discussion to which you refer and the figures to which you alluded—for example, a claims rate of 1.1 per thousand births—

Senator BOYCE—That is right. Yes.

Ms Hancock—and an average claims size of $227,000. Is that the type of information that you are seeking?

Senator BOYCE—That is right,

Ms Hancock—We can give you some of that information.

Senator BOYCE—Somehow it did not end up on the record, so I would like that.

Ms Hancock—Yes.

Senator BOYCE—If you could also tell us if state by state is relevant information then that too would be useful.

Ms Hancock—It is pretty straightforward. It is the size of claims, the frequency of claims and the number of midwives in the insured pool.

Senator BOYCE—Thank you. That would be excellent.

Senator SIEWERT—Can you tell me about the proposal—that certainly we have looked at—that some midwives have suggested of using collaborative practice rather than collaborative arrangements? Is it an issue that we can canvas here or should I canvas that somewhere else?

Ms Huxtable—I think to the degree that we would respond to that, we would go over information that we provided to the Standing Committee on Community Affairs that looked at the legislation. We said at that time that there were certainly a number of different interpretations—and they ranged across a spectrum—about what collaboration meant and how you would effect it in practice. We have continued to have discussions, certainly, with all the parties since that hearing. We are in the process of developing advice for the minister, and at the end of the day the minister will come to a view about how collaboration should be reflected in the regulations. But nothing has changed materially since we last discussed it, which was just before Christmas.

Senator SIEWERT—Yes. It was—the 17th if I remember accurately. There has been no progress in trying to resolve that particular issue?

Ms Huxtable—I think we have had some very productive discussions. There is quite a deal of clarity on both sides about areas of where there is probably more agreement and areas where there is less agreement. Suffice to say, at the end of the day the minister will come to a view about the merits of those positions. But certainly, Ms Flanagan and I were both involved in a good meeting with some of the key parties.

Senator SIEWERT—Watch this space in this regard. Okay, thank you.

Senator BOYCE—Just briefly, on a different area which I did start to ask questions about earlier and was told that here was the place to do it: there was a recent survey in the *Journal of Clinical Nursing* suggesting that 75 per cent of nurses suffered some kind of abuse in the workplace and that only one-sixth of those incidents were ever actually reported. One of the comments was that nurses felt it was just part of the job. What does the department know about this? What programs are in place? What else needs to happen if that is the current situation?

Ms Jolly—We are aware of the article that you refer to. It is in the *Journal of Clinical Nursing*.

Senator BOYCE—Do you agree with the statistics in that article?

Ms Jolly—The article actually talks about a survey that was conducted in a hospital in Western Australia. It was a survey based study. It is largely consistent with what we understand international evidence shows. But the article itself also points to the fact that this is largely an organisational issue about the way in which the hospitals, and the hospital concerned, talk about the need to improve the safety of the workplace environment for the

hospital. I am just alluding to the fact that I have seen the article and it is largely about one hospital and a particular survey in that hospital.

Senator BOYCE—It is not just the level of abuse that is alarming; it is the level of non-reporting of abuse that is also alarming. Are you able to talk about what programs there are, if any, or what encouragement you are giving to states to deal with this problem?

Ms Jolly—This study is largely a state and territory matter. These are employees of states and territories within their public hospital environments. They have obligations under their industrial awards and workplace arrangements to look at these.

Senator BOYCE—Obviously, but it could clearly be improved.

Ms Halton—It is a fair observation to say that we inside the Commonwealth have had discussions about issues around the satisfaction that nurses have with the workplace and the kinds of issues that they find that are genuinely barriers to remaining in some of those workplaces.

Senator BOYCE—Or barriers to coming back to them.

Ms Halton—Indeed, you would be quite right there. The issue for us—and Ms Jolly has rightly pointed to it—is the mechanism that we have to influence that, other than having the Chief Nurse talk with chief nurses about some of those issues, even though chief nurses are not the employers. It is something, in fact, we have only very recently had a conversation about amongst ourselves.

Senator BOYCE—Is that likely to result in some sort of Commonwealth action? A conversation is good. I am glad it is on the radar, but now what?

Ms Halton—I cannot answer that because it is a prospective question. What I can tell you is we have, literally only in the last couple of days, had exactly this conversation. I do not think it is our intention to leave it as a straight conversation, but I do not know yet where that takes us.

Senator BOYCE—So we could perhaps end up with a more thoroughgoing survey or some such happening.

Ms Halton—Potentially. I cannot have this seen as a commitment, but certainly we are aware of the issue.

Senator BOYCE—I will ask more questions next estimates.

Ms Halton—That is fine. We look forward to them.

[9.14 pm]

CHAIR—We are now moving to outcome 10.

Senator BOYCE—I put some questions on notice and asked some questions at the last estimates about e-health. I was told in the answer to question E09-245:

NEHTA is … working with the primary care sector and primary care software vendors to develop an implementation pathway.

Would you be able to give me a list of who in the primary-care sector are the primary-care vendors that NEHTA has been working with in terms of developing an implementation pathway?

Ms Bennett—I am sure we could provide that information, though we may have to go to NEHTA to get it and then provide you the detail in follow-up, if that is all right.

Senator BOYCE—So you would provide that on notice?

Ms Bennett—Yes, if that is okay.

Senator BOYCE—That is fine. My next question was, when we have that list: when did the work on implementation which each of these organisations in the primary care sector and the primary care software vendors begin?

Ms Forman—That work and that collaboration is still very much at the discussion stage I think.

Senator BOYCE—So has the work actually commenced or are they talking about working?

Ms Forman—They are talking about working. They also have a working group relating to secure messaging where quite a significant amount of work has been done with the vendors.

Senator BOYCE—Is secure messaging being undertaking or is talk about secure messaging happening?

Ms Forman—Talk and development of software so the vendors are able to work towards bringing their software in line with the NEHTA specifications and then testing that.

Senator BOYCE—So is that being trialled?

Ms Forman—That is underway.

Senator BOYCE—Are there actual trials happening? Is software that has been developed to meet the NEHTA specifications actually being trialled right now?

Ms Forman—It is being developed, and we are expecting there to be a testing workshop in April.

Senator BOYCE—Can you explain to me what happens at a testing workshop?

Ms Forman—I can. In fact, the department is assisting in sponsoring this through IHE. They develop a system that sets up all of the specifications and the vendors are able to come together and test their product and see where it is meeting the specifications and where it is not.

Senator BOYCE—So who comes along to this meeting? NEHTA is there and anyone who would like to be a software vendor?

Ms Forman—That is correct.

Senator BOYCE—This is happening in April where?

Ms Forman—The location?

Senator BOYCE—Yes.

Ms Forman—I would have to take that on notice.

Senator BOYCE—And this is just around secure messaging?

Ms Forman—That is right.

Senator BOYCE—It is not in Canberra?

Ms Forman—I do not think so. I am not sure of the location.

Senator BOYCE—If you could take that on notice, that would be good. Does this assume that all those software vendors want each other to see what they have done? Are they all going to be in the one room demonstrating how they think they have dealt with the issue?

Ms Forman—I would have to take the fine detail on notice. I can get a description for you.

Senator BOYCE—Wouldn't part of this be that some of those vendors would be hoping to get a commercial advantage over other vendors by having thought of a way of doing it in a way that other people are not doing it?

Ms Forman—It is very much around meeting the standards. There are a number of ways that vendors can meet the standards.

Senator BOYCE—But the standard is not prescriptive, is it? It does not say you have to do this, this and this. It says, 'This is what the outcome has to be,' doesn't it?

Ms Forman—A standard does give a range of ways of achieving the outcome.

Senator BOYCE—Would any of those vendors in your view be concerned about confidentiality issues at that workshop?

Ms Forman—I am not sure. I can certainly ask NEHTA for advice on that issue.

Ms Bennett—Just to be clear: the workshop is a NEHTA workshop. It is not something the department directly—

Ms Forman—No, we are actually funding IHE to run the Connectathon.

Senator BOYCE—If NEHTA are not going to appear themselves, there has to be a forum in which we can ask questions regarding what NEHTA is doing. The minister today introduced the Healthcare Identifiers Bill 2010 into the House of Representatives. This is to bring NEHTA from a transition to a reality. Is it intended that all the healthcare identifiers would be rolled out nationally?

Ms Halton—When you say 'all the', the healthcare identifier nominated in the legislation would be national, yes, Senator.

Senator BOYCE—But we have the individual, the medical provider and the organisation—that is what I mean by 'all the identifiers'.

Ms Halton—Yes.

Senator BOYCE—There are three categories of identifier.

Ms Halton—Yes, but basically you will have one and it will be relevant nationally.

Senator BOYCE—Who will have one?

Ms Halton—You would have one. I would have one.

Senator BOYCE—As an individual consumer?

Ms Halton—Yes.

Senator BOYCE—But all the medical providers also have to have one—

Ms Halton—One.

Senator BOYCE—and all the hospitals would have to have one.

Ms Halton—The thing about this is that it sounds so simple, but, boy, when you try and crash your way through the existing arrangements, you realise it is not simple. I am sure the minister next to me would have some views on this from when he was Minister for Human Services. With the way we currently classify 'location of practice', for example, an individual practitioner may have multiple identities because they practice in multiple locations. What we will do here is uniquely identify the practitioner, regardless of where they are, and uniquely identify locations and, dare I suggest, you and me.

Senator BOYCE—There are three categories of identifier, but it could get even more complicated for medical practitioners who are patients as well, couldn't it?

Ms Halton—Yes, but let's be honest—

Senator BOYCE—But we will not worry about that one.

Ms Halton—They are allowed to have two identities, Senator, because they are not inconsistent.

Senator BOYCE—With these three types of identifier, each—oh dear, we get into the organisational side of things there—individual entity within each category will have a unique identifier.

Ms Halton—That is right.

Senator BOYCE—It is intended that this be rolled out nationally through all three categories by when?

Ms Huxtable—Subject to the passage of the legislation, the health identifier service comes into effect on 1 July this year. As you will see in the legislation, Medicare Australia is the HI service operator from 1 July.

Senator BOYCE—And you would expect an operational national identification service—

Ms Huxtable—There has been a very significant amount of development work leading up to this point, both in crafting legislation and in ensuring that the appropriate structures are in place. The actual testing of the identifier service cannot happen until the legislation is passed, but that will set us on train to implementing the HI service.

Senator BOYCE—The states, in the main, already have their various independent health identifier systems. How is that brought into alignment? When will that happen?

Ms Huxtable—Senator, the states and territories are very much part of the development of this legislation. In fact, the legislation has been worked through in a subcommittee of AHMAC, the Australian Health Ministers Advisory Council. The Commonwealth legislation establishes the HI service and the identifiers will apply to state organisations also. It is only in

regard to privacy that there is some state legislation that will need to be passed in time. However, the Commonwealth legislation has pre-eminence in that regard until that occurs.

Senator BOYCE—So what you are saying is that the states will stop using their current identifier systems and start using a national one? Is that what you are saying?

Ms Halton—Yes.

Ms Huxtable—Yes, the states, as you would know, have a range of identifiers that are currently in use. The major issue that the HI service will address is where patients, as they present at different settings, are identified in different ways. That leads to all sorts of discontinuity and impediments to continuity of care, increases duplication and leads to time being wasted in trying to match the record with the patient. These unique identifiers will apply nationally and will be incorporated into state systems as they are into private practice, effectively.

Senator BOYCE—Ready to start being used by patients, hospitals and medical practitioners by 1 July.

Ms Huxtable—The way in which it works for the individual patient is that when a patient presents for a GP consultation, for example, and provides their Medicare card, that Medicare card enables the provider to draw down the unique identifying number for the patient, so patient records will be populated over time as people present at a practice and have a consultation.

Senator BOYCE—So the time of population starts on 1 July, is that right?

Ms Huxtable—Yes, subject to the passage of legislation, of course.

Senator BOYCE—Obviously, yes. Are live trials of these systems being conducted with real patients now?

Ms Huxtable—I would need to get the details. NEHTA and Medicare Australia have worked together very closely in establishing the service. I can be corrected if I am wrong, but my understanding is that the systems are in place but will not be fully tested until the legislation has been passed. I can correct the record if that is incorrect.

Ms Halton—Essentially, Medicare Australia have set up a model health community and they have been doing—

Senator BOYCE—What is a model health community?

Ms Halton—It is a demonstration of what the e-health—what the capability is—

Senator BOYCE—It is a virtual community, so to speak.

Ms Halton—Yes, but in test, if I can describe it that way. You know how a lot of things are done in test environments to demonstrate capability and capacity. In much the same way, the health identifier arrangements have been set up to ensure that they are robust, they work et cetera. They have not been doing it in respect of real people, if I can put it that way, but they have done it in such a way that we have confidence that it will work if the legislation passes and we can push the 'go' button.

Senator BOYCE—Would you go into a bit more detail as to what gives you that confidence? What have you seen?

Ms Halton—There are a number of things that give me that confidence. Basically, this is a project that we have been working on for a good number of years—as you know well because you keep asking us questions about it. Medicare Australia are the agency who have had responsibility for running the Medicare arrangements for a long time—they understand these issues particularly well and they have had phenomenally close working relationships with NEHTA as part of this. We have had state and territory jurisdictions and the IT providers crawling all across it—it has been a very open and transparent arrangement. Medicare have put the proposed arrangements into a test environment so they can demonstrate the capability actually works. Short of going live—and as you understand full well, until you actually do push the green button you cannot give a guarantee—but to the extent you can test, retest and practise these things—

Senator BOYCE—But you could do a live test in a contained environment, for want of a better term.

Ms Halton—That is effectively what we have been doing, without real people in it. Does that make sense?

Senator BOYCE—Real people are always the scary bit of any equation though.

Ms Halton—Indeed, but we have, sort of, dummy people—can I put it that way, Ms Forman?

Ms Forman—Yes.

Senator BOYCE—You can, Ms Halton!

Ms Halton—This is going to look terrible in *Hansard*. Notional people! I am corrected—notional people.

Senator BOYCE—The reason I was asking about that is that I have been told by people in the industry that the full specifications for the universal health identifier and how this testing has taken place are still a secret to people in the industry. They do not know what the full specifications are for the UHI and other identifiers—these have not been shared with people in the industry.

Ms Halton—The legislation is pretty jolly clear.

Ms Huxtable—We have consulted significantly. As to the specific discussions that may have occurred between NEHTA, Medicare Australia and others, we would need to take that on notice—if you are talking about the technical specifications of the service.

Senator BOYCE—So who does know the technical specifications—Medicare and NEHTA?

Ms Huxtable—Medicare and NEHTA are the ones that have worked collaboratively to get the service up and running. The work that we have done is around the legislative framework which, basically, is the umbrella under which the service operates, and there has been very significant consultation in respect of this legislation.

Senator BOYCE—Yes, but my questions here are going towards the more technical specifications.

Ms Halton—Yes, I understand. Medicare, as the deliverer, can answer those very particular questions. If I sit here with effectively two hats on—as a director of NEHTA and also as a portfolio secretary—I can say to you that I do have confidence in this.

Senator BOYCE—And as a director of NEHTA, presumably.

Ms Halton—Absolutely.

Senator BOYCE—Let me just confirm with you, Ms Forman, that anyone who wants to come is invited to your workshop for software companies that are interested in this.

Ms Forman—That is correct. It is the IHE Connectathon.

Senator BOYCE—A connectathon! Okay!

Ms Halton—That will go into the lexicon, Senator!

Senator BOYCE—Again, I have had concerns expressed to me that, even with this sort of development, six months would be a quick and short time frame in which to assure yourself that the software and the interfacing of all these identifiers worked. But you are saying that it can be done in the period from when the legislation is passed until 1 July.

Ms Halton—Senator, we have been working for a lot longer than six months on this.

Senator BOYCE—Sorry, but it has been said to me that you would want six months from when you first did live testing to get it right.

Ms Halton—We know that providers—I am not allowed to say 'in the space', because I will be fined—

Senator BOYCE—Sorry—what are you not allowed to say?

Ms Halton—'In the space', but, if I acknowledge that I am not allowed to say it before I say it, I do not get fined.

Senator BOYCE—I would have thought that was a double fine, personally, Ms Halton!

Ms Halton—This is a really large industry and a large part of the health system. There are a whole series of issues about rolling this out. We do not expect that on 2 July, miraculously and all of a sudden, capability will appear across the health system. We know that some people are preparing themselves now and will be in a good position very early while some people will take longer.

Senator BOYCE—When you say 'some people', do you mean software vendors or organisations or GPs or what?

Ms Halton—All of the above. Some people who put software onto doctors' desktops are already looking to make sure that they are NEHTA compliant so that they are in a position to use this capability whenever it becomes available. Some people will be slower to react. That is an issue for the market. My strong advice to software providers is that this is going to happen, subject to passage of the legislation, and they ought to be thinking about NEHTA compliance, because we all know that, inevitably, e-health is going to happen. If they want to be part of that world they need to be looking at issues around compliance.

Senator BOYCE—Are you confident that they all have sufficient information to do that and to be compliant by 1 July?

Ms Halton—I cannot give you any assurance as to what level of attention they have paid to this.

Senator BOYCE—All the information is publicly available—all the specifications et cetera—that any one of those parties would need?

Ms Halton—We believe that there is sufficient information in the public domain for anybody who wishes to use the capability in the short term, subject to passage of the legislation, to be able to do that. We know that a couple of the big providers are already moving in this area. People have made investment decisions. We absolutely understand and respect that; that is their choice. Some people are making those decisions; some people are not.

Senator BOYCE—I am not talking so much about the investment decisions but simply the availability of information so that I, as an individual in any of those areas who needed an identifier, could satisfy myself that I have all the knowledge I need to be confident that I could be compliant on 1 July.

Ms Halton—I believe that is the case. Indeed, this workshop that we have just talked about is precisely part of people being able to assure themselves of exactly that matter. Ms Forman, is that correct?

Ms Forman—Yes.

Senator BOYCE—Could we just go back to the answers you gave, Ms Halton, when I asked, 'Is it a national rollout from 1 July. Will all the identifiers for all the parties, all the stakeholders—whatever we want to call them—be ready from 1 July?' The answers were 'yes', but now you are saying, 'Not everyone will be taking part on 2 July.' Can you try to explain to me what you think it will look like on 2 July, then?

Ms Halton—Probably very much like it does now, because, as I said, there will not be a revolution overnight. The capability will be there. Some people will get their identifier; some people will go to a provider who has, for example, picked up the software, which is already looking to enable this. So what you will have is progressive rollout over time, and what we expect it is that you will see some things happen more quickly: you will see point-to-point communication happen more quickly; there are some geographical areas that are already more prepared for this; we have some provider groups who are already working on these issues quite proactively. So I think what you will see is progressive rollout in different ways in different areas across the country. One of the things I genuinely hope, quite frankly, is that patients will go to the doctor and say: 'Why can't we get this stuff electronically now? I understand there is the potential. Why can't we?'

Senator BOYCE—I am told that we have developed a standard here for the organisational identifier number that we have. Is that correct?

Ms Halton—There is a standard. There is a standard for all these numbers. It depends what you mean.

Senator BOYCE—I know, but I mean the one related to organisational identifiers.

Ms Halton—I am not clear how you are differentiating that from the other identifiers.

Senator BOYCE—Okay, so is there one standard for all identifier numbers?

Ms Halton—There is a standard. There may be some subtlety to your question which I do not understand.

Senator Fierravanti-Wells interjecting—

Senator BOYCE—No, we are talking about a national standard.

Ms Halton—Yes.

Senator BOYCE—But I understand that there is an international standard—it is on 8824:1990(e) for anybody who wants to know—that has been around for over 20 years now. On the basis of information I have—and I am certainly not an expert on this topic—it is considered safe and robust, and yet it was not used for our identifiers. Can you tell me why?

Ms Halton—We will have to take that on notice.

Senator BOYCE—I would just like a fairly careful explanation of what we thought was wrong with the international identifier and what problems, if any, that could create in terms of international competitiveness for anyone developing software and the like here.

Ms Halton—On one occasion the media commentators took great offence to my use of the term 'geek speak' in estimates, so I will take great delight in saying again in estimates that we will give you an answer in plain English.

Senator BOYCE—Thank you. I will move through this a bit faster, shall I, Chair?

CHAIR—I think you should, and then Senator Siewert has some questions.

Senator BOYCE—Have any clinician groups yet signed up to use the identifier system from 1 July?

Ms Forman—The sense of it is probably not really one of 'signing up'; it—

Senator BOYCE—Have any committed? Do you know who is going to be there on 1 July saying: 'Give me my identifier. I am starting in this system tomorrow'?

Ms Forman—We have certainly had a lot of very positive feedback from the provider sector, particularly, during the public consultations. We had consultations during July-August and then again from November to January, and there was a lot of enthusiasm amongst a whole range of provider groups. We had a lot of the organisations represented there—surgeons, allied health, GPs, nurses—and a lot of enthusiasm. That is probably the best indication we have that providers are keen to get this and keen to use it.

Senator BOYCE—I guess the question is: how do we know when that enthusiasm is likely to turn into action? You do not have any sense of that, Ms Forman?

Ms Forman—I do not have a sense of that, no.

Senator BOYCE—Perhaps you would be the best person to answer this next couple of questions, Ms Halton. NEHTA is corporation limited by—

Ms Halton—It is a company limited by guarantee.

Senator BOYCE—You may or may not be able to answer this: is there any intention that NEHTA—when we drop the 'T' out, presumably—will function as a commercial entity?

Ms Halton—It is owned by the Commonwealth, states and territories so, whilst it is constituted as a company, it is a company with a particular purpose. We have not had, amongst the states and territories, a discussion about the future governance arrangements. I have to say my personal opinion is it is unlikely it would function in a commercial way. I cannot say one way or the other, but certainly given its function is quite specified and its owners are Commonwealth and state ministers, I cannot see why that would be the case.

Senator BOYCE—This concern has been put to me by people from private companies or who are stakeholders who are concerned that they are being asked to share secret commercial information with an organisation that they are not entirely confident may not at some stage be in competition with them.

Ms Halton—Yes. Let us be clear, whilst I cannot give you a categorical guarantee in relation to anything because it is not my guarantee to give, I think we do need to understand that NEHTA has been set up by the jurisdictions for some very particular purposes, most notably to ensure the efficient, economical rollout of electronic health across the country. If I, in my case as a director, with my state and territory colleagues were interested in basically building some vast monolith we would have indicated that. That is not what we are interested in. We are actually interested in the e-health world where the commercial sector actively has a role in delivering and driving adoption et cetera. The notion that we as governments could supplant or indeed play in that space, I frankly think is laughable.

As I said, I cannot guarantee that, but NEHTA has a very particular charter which is about ensuring that the investment that we are going to put in as governments means we do not get multiple rail gauges but we actually get the capacity of this system to deliver good outcomes for patients. State and territory colleagues are running very large systems and they want to get maximum value for dollar. I have the national interest absolutely front and centre in terms of patients and the dollars we are spending. It is not our business, core or otherwise, to be competing with the commercial sector.

Senator BOYCE—Thank you. I will put my other questions with regard to this on notice.

[9.43 pm]

Cancer Australia

CHAIR—We now move to Cancer Australia.

Senator FIERRAVANTI-WELLS—Is it part of Cancer Australia's parameters to look at areas of cancer research in Australia? I know there has been a lot of emphasis on breast and ovarian cancer and increasingly now on prostate cancer, but what about other less well-known forms of cancer? Are those the sorts of things that you consider and give priority in terms of putting them on the national agenda?

Prof. Currow—Cancer Australia was established—and part of is function is quite explicitly—to coordinate and liaise between a large range of groups and organisations and to oversee a dedicated budget into cancer. We have taken that forward by ensuring that we work with a large range of providers, both funders and researchers, and that has been melded into

the Priority-Driven Collaborative Cancer Research Scheme. That process puts forward priorities, either for policy or for practice, to the research community on an annual competitive merit based program jointly with evaluation by the National Health and Medical Research Council. Then, subsequently, Cancer Australia and its committees seek to ensure that we are investing across the full spectrum of cancer. To that end, Cancer Australia did an audit of the investment in cancer research, looking at the sort of cancer research that was being funded at a national level from a range of funders, not just government but from the non-government sector and, indeed, international funders. It has put together a range of priorities which really are incredibly broad in their remit and target a number of cancers that may otherwise not be in the public eye. Cancers such cancer with an unknown primary, cancers such as some of the other very rare cancers that have not necessarily attracted the sort of attention that one would otherwise hope for. So the range of cancers covered by the priorities set in this program I think reflect very genuinely the burden of cancer across the spectrum of the community.

Senator FIERRAVANTI-WELLS—Please take on notice a question in relation to growing awareness in our community and, in particular, to oral cancers and where they sit in the priority and what work Cancer Australia may have done. I have a particular personal interest, if I can put it that way.

CHAIR—No further questions?

Ms Halton—Before he disappears, I should acknowledge again that this is Professor Currow's last estimates. He is escaping us. We will think about forgiving him at some point in probably the very distant future. He is going on to another very important role in cancer and I would like to place on the record our acknowledgement and support for the work he has done as the inaugural CEO and as someone who had, when he came to us, a very significant reputation in the field. I think he has done nothing but augment that reputation in the time he has been with us. We all understand that cancer is a very important issue and we wish him well.

Senator Ludwig—Speaking for the government, I am sure Minister Roxon would concur with those remarks.

CHAIR—Professor, you have had a long relationship with this committee. I think one of your first tasks was coming towards our committee on ovarian cancer. It was a tough introduction with the committee. We thank you for the time you have spent with us and for the commitment you have shown to the Senate estimates process—consistently being on either second last or last every time!

Prof. Currow—Thank you for the continued interest by this committee in cancer and ensuring we improve cancer outcomes.

CHAIR—It will continue. Good luck.

Senator BOYCE—Thank you, Professor Currow.

Prof. Currow—Thank you.

CHAIR—Now we move on to mental health.

Senator BOYCE—Sorry. What about my questions about ovarian cancer? It says here that these are questions for Dr Zorbas.

CHAIR—Yes, and they were told they could go because Senator Xenophon said he did not need them.

Senator BOYCE—Who is Dr Zorbas? Which one is he?

CHAIR—She. Dr Zorbas is with the National Breast and Ovarian Cancer Centre.

Senator BOYCE—They were the only ones I said we did need.

CHAIR—That was not the message I got, Senator Boyce. I do apologise.

Senator BOYCE—Okay.

CHAIR—I apologise, that was my decision. I was told that they were not required so I told the department that this morning.

Senator BOYCE—No, it was Cancer Australia and the National Health and Medical Research Council that we did not need. I have questions here about digital mammography machines. Are they questions to ask now or will all these have to go on notice?

Ms Halton—We can do that next—outcome 1.

Senator BOYCE—And the population health.

CHAIR—I will now move to Mental health, Outcome 11.

Ms Halton—While we are doing that, can I indulge in a shameless amount of self promotion because you know I cannot resist?

CHAIR—Certainly.

Ms Halton—You might be interested, because we have just been talking about cancer, to know about the skin cancer campaign that we ran and New South Wales skin cancer campaign. There is a contest run by the University of Colorado for the best video promoting skin cancer prevention and it is sponsored by one of the dermatological institutes. The campaign organised by the department was nominated and we came second. New South Wales came first with the one, you might recall, about 'There is nothing healthy about a tan'. This was recently announced at the American Academy of Dermatology meeting. I thought it was worth acknowledging that these campaigns are recognised globally for their reach. Because the team cannot resist bringing you collectively a show bag, we have actually got the sunscreen and the lip stuff. We thought if senators are out talking in the community about skin cancer awareness, it is really important to remind people that slip, slop, slap is still appropriate, including lip stuff and including for the fellas.

Senator BOYCE—Could we have a nice pair of sunglasses as well?

Ms Halton—I do an awful lot for you but this is the best I can do tonight!

Senator FIERRAVANTI-WELLS—Joe, you really need it more than all of us!

Senator Ludwig—That is why I was keen to get in!

Senator FIERRAVANTI-WELLS—I just thought I would put that on the record—my olive skin next to your very pale skin.

Ms Halton—Let it also be recorded on the record that I have just given Senator Ludwig his show bag so he can look after himself in sunny Queensland.

Senator SIEWERT—I am talking about the COAG National Action Plan on Mental Health. Can you tell me how much money we have now expended against the allocation of nearly $57 million for phone and web based counselling services?

Ms Krestensen—I have the responsibility for that program. We have had a full spend against that measure for each year in which it has been in place. I am just finding the historical spends for you as I speak. In 08-09 we expended $12.5 million and we are looking to spend $13.1 million in 09-10. I am just digging through to find the 06-07 funding. We have expended a total of $38.59 million up to the end of the June 2009.

Senator SIEWERT—$13.9 million?

Ms Krestensen—$38.59 million.

Senator SIEWERT—And that is up to date?

Ms Krestensen—That is up to June 2009.

Senator SIEWERT—Okay. That is to June 2009 and we are on target to spend $13.1 million in 09-10?

Ms Krestensen—That is correct. We have not fully expended that to date.

Senator SIEWERT—We are still only halfway through.

Ms Krestensen—That is correct.

Senator SIEWERT—But is it allocated?

Ms Krestensen—It is allocated; that is correct.

Senator SIEWERT—By the looks of that you expect to have expended the full five-year commitment. Will it have all been allocated?

Ms Krestensen—The initial agreement by COAG expires in June 2011. At this stage we are on track to fully expend this financial year. I see no reason why we should not fully expend next financial year, but it is a little bit far away for me to make any promises at this stage.

Senator SIEWERT—Yes, I appreciate that. In other words, you are managing to make sure the funding is getting out there and the services are being delivered?

Ms Krestensen—That is correct, Senator.

Senator SIEWERT—I will not ask for it now but will put it on notice. Could I have a list of which organisations get funding under that scheme?

Ms Krestensen—Certainly. I can give that to you now if you wish for it. Otherwise I can take it on notice.

Senator SIEWERT—Give it to me if you have got it now and it is not going to take you an enormous amount of trouble to provide it.

Ms Krestensen—Certainly. I can read through the organisations that are funded. I think there are about 12 of them so it will not take very long.

Senator SIEWERT—Okay. I am interested in what funding is provided too.

Ms Krestensen—Sure. I can give the organisation and the total funding for that organisation if that helps you.

Senator SIEWERT—Thank you.

Ms Krestensen—For Lifeline Australia, there was $26,475,000; Kids Helpline, $7,806,000; depressioNet, $3,898,000; Kids Helpline, further funding under bushfires under this measure, $300,000; Crisis Support Services, $100,000; Swin-PsyCHE for the anxiety online project, $1,553,400; the Centre for Mental Health Research at the ANU for their e-hub program, $2,353,700; the CRUfAD Clinic, at the University of Sydney, $869,000; the Inspire Foundation for their Reach Out program and peer forum, $3,422,900; the Black Dog Institute for a mobile tracker system and online mobile phone tool, $1,880,000; contribution towards a trial of telephone based cognitive behaviour therapy through the ATAPS program, $550,000; and further funding for the Black Dog Institute for policy implications of some research projects, $2 million.

Senator SIEWERT—Thank you. That is much appreciated. I will move on now to the mental health nurses plan and the funding that was committed for that, which I understand was $1.11 million. Am I off track?

Ms Harman—I think you are referring to the Mental Health Nurse Incentive Program. Is that correct?

Senator SIEWERT—I beg your pardon, sorry.

Ms Harman—We might need to call on our colleagues in Health Workforce Division to assist us with that question.

Senator SIEWERT—I was not sure whether I should be dealing with it under that division. I was trying to keep all my mental health questions together instead of splitting them up.

Ms Harman—I do not think they are here anymore.

Senator SIEWERT—I will put those on notice. I will try and remember for next time that I should ask those questions there. I apologise. Are you going to tell me I should have asked the rural and remote questions in rural and remote?

Ms Harman—If you are talking about the rural and remote area services measure, that is definitely us.

Senator SIEWERT—That is what I mean. It is a bit confusing. Maybe I am just being dense but I was trying to ask them all together. It is a bit confusing where you do ask sometimes. As I understand it, that program has nearly $60 million over five years. Is that correct?

Ms Harman—The mental health services in rural and remote areas has got $6.7 million over four years.

Senator SIEWERT—Is that over six years?

Ms Harman—It is over four years.

Senator SIEWERT—Has that been spent and in which areas?

Ms Hart—I will expand on that because I have a fairly detailed listing of the areas and services for the program. There are two stages under the Mental Health Services in Rural and Remote Areas program. Stage 1 has had various injections of money and has funded 15 organisations, which I am happy to run through. Over that extended period it actually totals $20.3 million for the entirety of stage 1. In stage 2, 24 organisations have been funded. If we look at the outyear period for stage 2 organisations, that brings the total to $30.5 million. I am happy to run through, if you would like me to, the names of the organisations.

Senator SIEWERT—Can I just clarify that: stage 1 was 15 organisations for $20.3 million—

Ms Hart—That is correct.

Senator SIEWERT—and stage 2 was $30.5 million.

Ms Hart—Yes, for 24 organisations. I will run through the organisations. In stage 1 we have the North-West Slopes Division of General Practice, which is $2.09 million. That is located in Tamworth. In the Northern Territory we have the General Practice Network NT, which is $1.9 million, and the General Practice Network in Katherine, which is $1.8 million. In South Australia we have the Nganapa health council in the APY Lands receiving $1.1 million and the Eyre Peninsula Division of General Practice in Ceduna receiving $1.1 million.

In Queensland, Frontier Services in Croydon are receiving $225,179; the Royal Flying Doctor Service, which is spread across a number of Queensland regions, including far north, north-west and central west regions of Queensland, is receiving $2.4 million; Wuchopperen is receiving $1.068 million; and North and West Queensland Primary Health Care in Mount Isa is receiving $1.07 million.

In Tasmania, the North West Tasmania Division of General Practice is receiving $1.05 million. In Victoria the Mallee Division of General Practice in the northern Mallee is receiving $1.05 million.

In Western Australia, the Kimberley Division of General Practice is receiving $2.066 million, the Eastern Goldfields Medical Division of General Practice is receiving $1.02 million, the General Practice Down South Division is receiving $1.321 million and the Mid West Division of General Practice is receiving $1.091 million. That is stage 1. Would you like me to go to stage 2?

Senator SIEWERT—We are running out of time. Is it possible to table that? I am keen to get the list sooner rather than later. If I ask you to take it on notice, it will mean I will not get it for a significant period of time. Is it possible to table the list so we get it now?

Ms Hart—No. We don't have—

Senator SIEWERT—All right.

Ms Halton—The officer can read them quickly.

Ms Hart—Do you want me to read them very quickly?

Senator SIEWERT—Yes. I am not trying to be rude; I am just conscious of the time.

Ms Hart—These are the stage 2 organisations. In New South Wales, the Royal Flying Doctor Service in the far west region received $2.55 million, the New South Wales Outback Division of General Practice received $1.2 million, the Barwon Division of General Practice received $1.6 million, the New England Division of General Practice received $1.5 million, the South-East New South Wales Division of General Practice received $1.1 million, the Hunter Rural Division of General Practice received $1.24 million, and Dubbo Plains received $1.09 million. In the Northern Territory: the General Practice Network of the NT in East Arnhem received $1.5 million and the Royal Flying Doctor Service covering south-east Alice Springs received $2.5 million.

In South Australia, the Flinders and Far North Division of General Practice received $990,399 and the Yorke Peninsula Division received $1.245 million. In Queensland, the Queensland Royal Flying Doctor Service for the Far North region received $1.885 million, Far North Queensland Rural Division of General Practice received $683,981, Wuchopperen Health Service received $887,204, Central Queensland Rural Division of General Practice received $1.055 million and Southern Queensland Rural Division of General Practice received $1.3 million.

In Tasmania, the North West Tasmania Division of General Practice received $715,200. In Victoria, the Mallee Division of General Practice received $735,850, the West Victoria Division of General Practice received $908,441, Murray Plains Division of General Practice received $1.3 million, North East Victorian Division of General Practice received $1.42 million and Goulburn Valley Division of General Practice received $1.363 million. Finally, in Western Australia, the Pilbara Division of General Practice received $1.694 million, Eastern Goldfields Division of General Practice received $1.212 million and Mid West Division of General Practice received $1.341 million.

Senator SIEWERT—That adds up to $50.8 million. Is that right?

Ms Hart—That is right. The total I gave you is over the two periods of stage 1 and stage 2. Did you say you totalled it up to $51 million?

Senator SIEWERT—If it is $20.3 million and $30.5 million then the total should be $50.8 million.

Ms Hart—I gave you figures to two decimal places, so if I take it to three decimal places my total is actually $51.7 million. There is probably some rounding in the figures I read out.

Senator SIEWERT—That is fine. That is a bit different to what was originally allocated to the program—or did I mishear?

Ms Hart—When I gave you the figures, they were over the periods for stage 1 and stage 2. If we take it from the period 2006-07, when it was initially announced, to the final year of the allocation, which is 2012-13, then the total amount of program funding is actually $91.49 million. So I think I was taking different funding periods for stage 1 and stage 2.

Senator SIEWERT—Is there more to be allocated or have the allocations used up that $90 million?

Ms Hart—That is right. We are in the process of extending stage 1, which is occurring at the moment. That will be extended to June 2011. Stage 2 runs for the remaining period to 2012-13.

Senator SIEWERT—When you said 'expand stage 1', can I make the assumption that the organisations that have been funded to date will get refunded?

Ms Hart—Yes, we are in negotiations with them now to finalise the deed of variation on their existing contracts.

Senator SIEWERT—Thank you; I appreciate that. I will ask a broader question and then I will put questions on notice about the more detailed funding programs. There are a number of programs that do not appear to have reported in the progress report of May last year. Either the programs are not reported on or they were reported in a previous COAG report but not in the May progress report in 2009. I can detail where I think that has occurred, but is there an overall reason for that? Is it because funding programs change or different decisions were made? There does not seem to be much detail on some of the programs in that report.

Ms Harman—I think we will have to take that on notice in terms of the specificity of the question.

Senator SIEWERT—Okay. Do I take it from that—and I am not trying to put words in your mouth—that there has not been any overall change in the way you are reporting the programs, but it is to do with the individual programs?

Ms Harman—That is my understanding. As I said, we are happy to take that on notice.

Ms Krestensen—I would like to add to that from the point of view of the program editor of that particular report. Sometimes I have asked my staff to be more concise in their reports, so there has been a change in the reports over time, I think. We have compacted our summary of where the programs are up to.

Senator SIEWERT—Thank you. There seems to have been a drop in the funding for the new Personal Helpers and Mentors program. Is that the case?

Ms Hart—In the PHaMs program?

Senator SIEWERT—Yes.

Ms Hart—That is a FaHCSIA program. It is not one of DoHA programs.

Senator SIEWERT—I will ask them tomorrow.

Ms Hart—I might just add that there is a very recent progress report that was put on the website two days ago. It covers the 17 Commonwealth measures. You might find that helpful.

Senator SIEWERT—Two days ago? No wonder we have not seen it yet—we must have missed it. It is an admission I do not check your website every day.

Ms Hart—The brief progress reports are mainly updated every month, but we had a bit of a lag over the Christmas period.

Senator SIEWERT—So the updates for the 17 programs went up two days ago.

Ms Hart—Yes, for the programs that we administer in the department.

Senator SIEWERT—All of them or just your programs?

Ms Hart—Just those administered within the Department of Health and Ageing.

Senator SIEWERT—Thank you.

Senator BOYCE—I have one preliminary question and then one follow-up question. Professor Patrick McGorry, who has been appointed Australian of the Year, is going to assist in lifting the profile of mental health and mental health treatment over the coming year. What involvement, if any, has the division had or is it intending to have with Professor McGorry in that role?

Ms Halton—I saw him in Parliament House—I think it was yesterday—but in terms of any formal support that we give him that is not a role that we have. It is the Australia Day Council's program—

Senator BOYCE—No, I did not intend to infer that you support him. I thought you might be using him to support you.

Ms Halton—A cheer squad—yes, I think that is probably a fair observation.

Senator BOYCE—In interviews, he has talked about the need to develop a seamless delivery of services right from very acute care through to community based care. SANE Australia put out a study just this month saying that 30 per cent of people who attempted suicide were not offered ongoing health treatment. Do you support those figures or does your research support those figures? If so, what are we doing to improve those figures?

Ms Krestensen—We are not in a position to assess the extent to which people are not receiving treatment after discharge from hospital, but we are aware of the problem where people do not always get seamless care in the aftermath of a suicide attempt. We are working closely with states and territories to try and better align our suicide prevention actions with theirs. A concrete example of that is a project we have developed under the Access to Allied Psychological Services program where we are providing intensive, ongoing, 24-hour-a-day access to support for individuals upon discharge from hospital after a suicide or a self-harm attempt.

Senator BOYCE—I might put some more questions on notice so you can give me more detail. Thank you.

CHAIR—That is the end of outcome 11. Now we are moving to outcome 1, which is population health.

Ms Halton—I would like to put something on the record. Senator Fierravanti-Wells, you asked about a number of contracts, particularly about the $11,250 which was for accommodation associated with the WHO Global Consultations held in Melbourne between 9 and 11 June 2009. It was, as I recalled, associated with the Global Consultation 2009 on 100% Voluntary Non-Renumerated Blood Donation, held in Melbourne from 9 to 11 June 2009. It was organised by WHO in conjunction with the International Federation of Red Cross and Red Crescent Societies and the Australian Red Cross Blood Service. We the department provided assistance for delegates from nine member countries from the Pacific. These are low-income countries that would otherwise have been unable send somebody to those consultations. These are also people who are supported through the Pacific Senior Health

Officials Network, which is funded by AusAID and which we as the department provide technical support to, and it was for their accommodation costs.

Senator FIERRAVANTI-WELLS—I will start on the national men's health policy ambassadors. Is this program still operating?

Mr Smyth—No, the men's health ambassadors program has concluded. Minister Snowdon is in the process of finalising the Male Health Policy for release.

Senator FIERRAVANTI-WELLS—So the services of the ambassadors, including Mr Mathieson, are no longer being used? I suppose they have fallen off the radar.

Ms Halton—Including the Governor of Victoria as well.

Senator FIERRAVANTI-WELLS—Could you take on notice the total costs in relation to that program? I noticed answers to questions on notice in relation to question E09-041. Perhaps you could augment that in the total cost as you wrap up that program. I have a question about the National Preventative Health Taskforce. I understand that the report is with the government and is being considered. I notice that you have started to recruit for the CEO of the agency, but the legislation in relation to that is still not—

Ms Halton—Yes, we are doing nothing about the recruitment of the CEO of the agency, because obviously that is all dependent on the legislation.

Senator FIERRAVANTI-WELLS—Have there been costs incurred thus far in relation to it?

Ms Halton—No.

Senator FIERRAVANTI-WELLS—So the $150,000 to Talent Partners to recruit the CEO is on hold.

Ms Halton—Correct.

Senator FIERRAVANTI-WELLS—It is valid till 30 June. Let me ask some questions about the consultation process. I understand the Public Health Association of Australia, the president of which is Professor Daube, ran the consultation for the National Preventative Health Taskforce. Is that correct? What was their role? What was their involvement?

Ms Somi—We did fund the Public Health Association of Australia to support the consultation process.

Senator FIERRAVANTI-WELLS—What do you mean by 'support the consultation process'?

Ms Somi—We used them on the ground. We gave them a small amount of money to assist with recruiting participants, facilitating locations et cetera.

Senator FIERRAVANTI-WELLS—So they were recruiting participants for consultation on the ground.

Ms Somi—Pardon?

Senator FIERRAVANTI-WELLS—What was the nature of that? Did you have consultations in different parts of Australia?

Ms Somi—There were around 40 consultations with up to 1,000 participants. The consultations ranged from general open meetings to specific roundtables focusing on key issues.

Senator FIERRAVANTI-WELLS—Were they run by invitation only?

Ms Somi—The roundtables were by invitation only, but the general consultations were much broader.

Senator FIERRAVANTI-WELLS—Could you provide me a list of each of those consultations and tell me which ones were by invitation only and which ones were more open consultations? Also, could you tell me, if possible, the people who attended each of those consultations and whether there was a mix of industry and public health people? Professor Daube is the President of the Public Health Association of Australia. Could you confirm with me whether he was solely responsible or in part responsible for issuing the invitations to those consultations?

Ms Somi—No, he was not. I might take that on notice but my understanding is that the consultations were issued from the department—he was not involved in selecting the participants.

Senator FIERRAVANTI-WELLS—So the department issued the invitations.

Ms Somi—That is right.

Senator FIERRAVANTI-WELLS—Okay, would you take that one on notice? As part of the task force there were discussions, and I gather a series of research papers was also undertaken—I think one of them went to the National Heart Foundation of Australia for $50,000 in August 2008 to June 2009. I understand that it went to another member of the task force, Dr Lyn Roberts, who is also CEO of the National Heart Foundation?

Ms Somi—What paper are you referring to?

Senator FIERRAVANTI-WELLS—Was a contract given to the National Heart Foundation of Australia for $50,000 to do research and monitoring of issues relevant to obesity as part of the discussion papers for the task force?

Mr Morris—A contract was let to the Heart Foundation to promote research and writing support to the task force. The contract was not for the services of Dr Lyn Roberts.

Senator FIERRAVANTI-WELLS—Was Dr Roberts also a member of the task force?

Mr Morris—Yes, she was.

Senator FIERRAVANTI-WELLS—Did she participate in any of the publications that were produced as a consequence of that contract?

Mr Morris—She directed the work that was undertaken by that officer of the Heart Foundation. The work of the task force was undertaken by a number of contracted writers who reported within three sectoral groups to the obesity, smoking and alcohol leaders within the Preventative Health Taskforce.

Senator FIERRAVANTI-WELLS—Would you take on notice the question: what other funds or otherwise were provided to people who provided papers?

Mr Morris—Certainly.

Senator FIERRAVANTI-WELLS—Okay. I understand that as part of the work for the NHHRC a contract was given to the Victorian Health Promotion Foundation for almost $11,000. Are you aware of that?

Ms Halton—These officers cannot answer that question. The Health and Hospitals Reform Commission is not under this item but I am happy to take that on notice.

Senator FIERRAVANTI-WELLS—But it is a contract from the Department of Health and Ageing for an amount of $11,000—a direct contract to the Victorian Health Promotion Foundation. That is why I am asking it here.

Ms Halton—I do not know the answer to that question, Senator, but I am happy to look at it.

Senator FIERRAVANTI-WELLS—The reason I ask it here is that it was for the establishment of a national agency for illness prevention and health promotion—so I am asking what this contract was in relation to. Was it for work done for NHHRC? What was the nature of the work? I am interested because the contract was for the Victorian Health Promotion Foundation and I understand that that is a group that the chair of the NHHRC, Mr Moodie, used to work for?

Ms Halton—But I think you said it was the Health and Hospitals Reform Commission, did you not?

Senator FIERRAVANTI-WELLS—The contract was to the Victorian Health Promotion Foundation.

Ms Halton—And, you said, in respect of the Health and Hospitals Reform Commission.

Senator FIERRAVANTI-WELLS—I am just asking if it was done for that.

Ms Halton—I will find out.

Senator FIERRAVANTI-WELLS—Yes, because it was done for the establishment of a national agency for illness prevention and health promotion.

Ms Halton—I do not even know what that is but I will certainly find out if there is some contract. If you have a particular reference, so I can find it, it would help me answer the question, Senator.

Senator FIERRAVANTI-WELLS—You will find it in the contract notices—it is in that list of contracts. But if you are happy, I will give you a copy of it.

Ms Halton—Would you mind? They would be very useful, thank you.

Senator FIERRAVANTI-WELLS—Sure. I would like to know the work that was done for that amount, the authors of that report and whether the authors of that report included the chair of the task force, Mr Moodie.

Mr Morris—My recollection is that it did.

Senator FIERRAVANTI-WELLS—It did, okay.

Ms Halton—Of that report?

Mr Morris—It was a discussion paper commissioned by the Health and Hospitals Reform Commission. They commissioned several discussion papers and this one was commissioned on the subject of a public health agency.

Ms Halton—There you go, Mr Morris knows the answer to that question.

Senator FIERRAVANTI-WELLS—So you have got the author of this report, Mr Moodie, who then became the chair of the task force?

Mr Morris—Yes, it was jointly written by Moodie and another author who I forget, but Moodie was one of them.

Senator FIERRAVANTI-WELLS—And this was a direct contract to Victorian Health, which is the organisation that Mr Moodie used to work for?

Mr Morris—That is correct.

Senator FIERRAVANTI-WELLS—The legislation is in the Senate and it has not been passed. Therefore, I am also interested to understand that the report of the task force was given to government at the end of August/September 2009.

Mr Morris—The work of the Preventative Health Taskforce was handed to government in June 2009.

Senator FIERRAVANTI-WELLS—Okay. Can you explain to me why there is a contract from 1 November to 31 March this year for almost $61,000 to assist the chair and deputy chair with research and writing for the work of the Preventative Health Taskforce?

Mr Morris—It is because the task force, unlike the Health and Hospitals Reform Commission, was established as an ongoing entity and, pending the resolution of the establishment of an agency, the government chose to continue the task force on an interim basis.

Senator FIERRAVANTI-WELLS—Okay. And that contract was awarded to Australian International Health. Are you aware of that contract?

Mr Morris—I am aware of the contract, yes.

Senator FIERRAVANTI-WELLS—Perhaps you might like to investigate that. It is a contract for $61,000 which goes to Australian International Health, which I understand is part of an international body called the Nossal Institute? Are you aware of that?

Mr Morris—That is correct.

Senator FIERRAVANTI-WELLS—And the Australian International Health is part of the Nossal Institute with which Professor Moodie is also associated?

Mr Morris—That is correct.

Senator FIERRAVANTI-WELLS—I am very concerned about the series of what seem to be potential conflicts in relation to this. You have got a group of people over here who are being paid by the government to come up with a solution and then on the other hand you have got the solution being set up. You have got this agency that is being set up and you have got a whole lot of people being paid by government to do research to set up an agency. I am just concerned about the potential conflict in this.

Mr Morris—I do not understand the conflict. The contracted support was to equip the task force members with the writing and research support they needed to do their job.

Senator FIERRAVANTI-WELLS—Perhaps you might like to go through and have a look at a each of these documents and give me a considered view in relation to potential conflicts of interest. It seems to me that there is scope for some sort of conflict of interest, particularly in relation to Professor Moodie and Professor Daube. I will leave it at that point but I would appreciate if you could take on notice a considered response to the matters that I have raised.

Mr Morris—Yes.

CHAIR—Thank you to the officers from population health. We will continue with the schedule and welcome officers from FSANZ.

[10.29 pm]

Food Standards Australia New Zealand

Senator SIEWERT—There is an issue that has come up in Western Australia in particular but it has come up before and I am sure you know about it. The vegetable growers are raising the issue around frozen vegetables and testing frozen vegetables.

Mr McCutcheon—I am not particularly aware of that issue, Senator. Would you be able to provide us with a bit more information?

Senator SIEWERT—One of your staff, Lydia Buchtmann, has been quoted in the Western Australian media talking about the tests. I am keen to know how you determine what chemicals are tested for in imported frozen vegetables, in particular.

Ms Fisher—I think you might be referring to earlier media coverage around the melamine incident.

Senator SIEWERT—No. I asked a series of questions around that, and the concerns that I had around that time are essentially quite similar concerns—that we did not have a test to pick that up. This relates to testing for chemical residues in frozen vegetables and how many we test for in Australia, which is different to what we test for in other countries. What do you determine you will be testing for, and how do you know that it is not there if you are not testing for it?

Mr McCutcheon—Senator, we will have to take that question on notice, if that is okay. This is a matter on which we would normally consult with the Australian Quarantine and Inspection Service, who look after the border testing arrangements.

Senator SIEWERT—Who say they look for what you tell them to look for.

Mr McCutcheon—Essentially, our job is to provide them with risk assessment advice. So, certainly in respect of testing that might be done at the border for chemicals. They would be reliant upon advice that we might provide them with on particular chemicals and particular products that would be subject to testing.

Senator SIEWERT—That is exactly what I want to know. How do you determine what chemicals? As I said, AQIS say—and they said it last time—that they test for what you tell them to test for. What do you tell them to test for, and on what basis do you make your decisions about what you tell them to test for?

Mr McCutcheon—I guess there are a couple of responses to that question. Firstly, there is a widely known range of chemicals that are used in the production of agricultural produce. Some chemicals are considered to be higher risk than others so we, along with other international regulatory agencies, would look at those particular chemicals that are considered to be higher risk and they would be the subject of advice to AQIS on whether testing would need to be done. The second response is that, from time to time, particular issues do arise in respect of chemicals—for example, in recent years there have been concerns around the use of antibiotics in some fish production overseas, so we specifically have provided advice to AQIS on the need for them to ramp up their testing at the border for those particular commodities and those particular antiobiotics.

Senator SIEWERT—Do you track when other countries start using different or new chemicals?

Mr McCutcheon—No. We do not track on the chemical usage of other countries.

Senator SIEWERT—How do you know what to put on the list if you are not tracking that? Do you wait and see until you get a problem? How do you keep up with the international scene in terms of what new chemicals are used, what people happen to be using in their agricultural production? And how do you know they are not 'shandying' chemicals, using a 'shandy' of chemicals? Just because they are not the ones that are commonly used, how do you know they are not 'shandying' chemicals and using them off-label?

Mr Brent—There is a range of intelligences that we use to try to predict what chemicals are being used. Certainly, the Codex Alimentarius Commission has various committees such as the committee on pesticide residues, the committee on food additives and the committee on food contaminants. We participate often as delegation leaders to those international committees, so we pretty much know which chemicals are being used, which chemicals countries are using and which chemicals Codex will be approving. There are other bodies such as the Joint Expert Committee on Food Additives that we also participate in. There are various other intelligences. We have networks with our food regulatory colleagues, such as the FDA and FSA, all around the world. We know pretty much which chemicals are being used, but, as far as knowing whether shandies are being used, I do not know that anyone can actually predict that—although we are trying to use some processes together to try to predict whether we might get another melamine incident, but it is pretty hard to know.

Senator SIEWERT—What are the processes you use to determine whether you are going to get another melamine incident?

Mr Brent—These processes are in the early stages of development, but we are all working together as food regulatory agencies.

Senator SIEWERT—Do you mean globally working together?

Mr Brent—Yes, globally working together. We travel around, meet each other and talk about how we might think about a post-mortem after melamine. There are agencies, such as FDA, for example, that have officers trawling through internet sites looking for chemicals that are being manufactured in large quantities and then trying to figure out whether any of those chemicals might get into food. That is the sort of intelligence-gathering work that we are doing. As I said, we also have these close networks with countries such as China, the US and

Europe. Their food regulatory agencies are pretty much on the same page as we are; they look for things that are happening or might happen.

Senator SIEWERT—Other countries apparently test for many more chemicals in imported food than we do. Why don't we test for as many chemicals as other countries? I know some other countries test for less than we do, but I am not interested in those ones. I want to know why we are not taking the precautionary principle—or a safety approach—and testing for more.

Mr Brent—We do not test, but we advise AQIS to test—

Senator SIEWERT—You are responsible for advising AQIS, so you are setting the benchmarks—or the rules.

Mr Brent—Each country decides which chemicals they are going to test for. Some countries are more precautionary than others. We do a lot of surveillance and monitoring ourselves. We look at the Australian Total Diet Study survey for example. We do targeted surveillance and monitoring looking for chemicals in the food supply. If you have some evidence or data to show us that other countries test more than we do, then certainly we would like to look at that.

Senator SIEWERT—That is certainly the claim. I will send you the examples that we are aware of.

Senator BACK—I will just go on from Senator Siewert. An article from the other day relates to a complaint that imported Chinese vegetables are only tested for 49 different agricultural chemicals by AQIS, under advice from you. In this particular case, Western Australian horticultural products are tested for 291 agricultural chemicals when they are exported to Japan; when exported to Europe they are tested for 315 chemicals; and when they are exported to the US they are tested for 326. The question being asked is: is it a level playing field? It had its origins when a Western Australian exporter was actually refused entry for the product, based on a false positive for the chemical isoprocarb, from a Japanese importer. This person then made application, I gather through processes in Australia, only to find out afterwards that it was a false positive. The question then asked is: to what extent can we be sure that our producers are not being disadvantaged when they are subjected to 315 or 326 residue tests as opposed to imported products which are tested for 49 agricultural chemicals?

Mr McCutcheon—I guess that is a reflection of the differing requirements of importing countries around what particular chemicals they want to test for. I must say that the figures you have quoted out of that newspaper article certainly do illustrate that there is quite a large difference between what we test for in Australia and what our overseas trading partners look at. We would be happy to have a look at that and to try to find some reason and rationale as to why there is such a discrepancy and perhaps come back to the committee with a considered response to that.

Senator SIEWERT—Can I just ask you to take something further on notice on that one? You have already talked about what you are doing in terms of looking at some standard approach to stopping a melamine incident happening again—I presume that is why you are doing it. Can you take on notice whether there is an approach internationally to try to

standardise this approach so that we are maximising safety but not having the trade issues. I am particularly focused on safety issues.

Mr McCutcheon—I think there are two separate issues there. The import testing regimes that we have in place and that other countries have in place are essentially for chemicals that are widely known to be used in agriculture. If you take melamine, that is a different situation. Essentially, that was criminal activity. That can occur anywhere at any time, and I guess our major tools in trying to deal with those sorts of issues are the intelligence gathering and information sharing that we have with our counterpart regulatory agencies around the world.

Senator SIEWERT—I will just put this on record so you know where I am coming from: my concern was the shandy and, particularly, the use of chemicals off-label. We know that happens. We know it happens in Australia, so it is likely that it happens elsewhere, particularly where the regulations may not be as strong around some of the chemical use as they are in Australia. That is the source of my concern.

CHAIR—You will be getting a number of questions on notice, so we appreciate your time.

Mr McCutcheon—We would be happy to answer those. Thank you, Senator.

CHAIR—Thank you very much.

Therapeutic Goods Administration

CHAIR—Our last witnesses for this evening are from TGA. I do note the fact that you are the final witnesses this evening—I always note who gets that honour each time. Senator Xenophon has questions in this area.

Senator XENOPHON—Dr Hammett, I have a number of questions to put to the TGA. I will try to keep my questions brief. I want to get through as much as possible in the next 17 minutes. What process does the TGA follow when deciding whether a drug should be approved for use in Australia?

Dr Hammett—The processes applying depend on the type of medicine that you are talking about. The TGA has a risk based regulatory framework that applies more rigorous, higher levels of evaluation for higher risk medicines such as prescription medicines, with varying levels of oversight prior to the release onto the market of products that are of lower risk. So, for instance, complementary medicines whose substances are determined by the TGA to be of lower risk are able to be listed through an electronic listing process within 24 to 48 hours.

Senator XENOPHON—But is there a much more rigorous level of testing in relation to prescription medicines?

Dr Hammett—There is.

Senator XENOPHON—Would that involve undertaking rigorous evaluations in terms of the prescription medicines?

Dr Hammett—Perhaps I can describe a typical example. A prescription medicine sponsor will deliver to the TGA an application for registration for a medicine. Usually the applications come in on palettes containing—

Ms Halton—Pantechnicons of data.

Dr Hammett—hundreds of thousands of pages of documents. The documents are compiled in dossiers that are described according to largely internationally harmonised requirements. Our scientists then evaluate different parts of those dossiers according to their scientific expertise, as do our clinical experts, and they form views on the scientific basis for an application to register the medicine according to the requirements of the Therapeutic Goods Act, which require us to make a determination about the safety, the quality and the efficacy of the prescription medicine. We also use widely external advice from expert clinical and scientific advisory committees that help advise our delegates prior to their decision.

Senator XENOPHON—And you would of course be advised of any adverse outcomes of the medication as well, if there had been adverse outcomes overseas, for instance?

Dr Hammett—In the period while we are evaluating the dossier the information is usually contained in clinical trials and it is a requirement of the application that any adverse events occurring during those clinical trials are noted to the regulator. Once a product is on the market, notification of adverse events in Australia is for the community and healthcare professionals a voluntary process. For the sponsors of medicines there are requirements in the legislation to notify the regulator.

Senator XENOPHON—How does this process differ from the process used to approve devices such as artificial joints in terms of medically implanted devices?

Dr Hammett—There are similarities and differences that reflect the differences between a pill and a joint replacement. To exemplify that, the similarities are that we apply a risk-based framework. For higher risk devices they undergo a degree of rigorous evaluation just as prescription medicines would, where we will require the devices to demonstrate safety, efficacy and certain performance characteristics as well as manufacturing requirements. We will also utilise scientific experts and clinical experts and expert advisory committees for those high risk devices. However, for low-risk devices such as things like tongue depressors or bandages, they can be automatically—

Senator XENOPHON—I am talking about implants: artificial joints, heart valves and pacemakers. Would it be fair to say that the level of testing is not as rigorous as for prescription medication?

Dr Hammett—No, I do not think it would be fair to say. The regulatory framework for those implantable devices is again an internationally harmonised framework called the global harmonisation taskforce framework for regulation of medical devices. It is the same framework that is applied in similar countries to Australia, the US, the EU. Again, it adopts that risk-based approach.

Senator XENOPHON—Can I go to a specific case. It is someone I have spoken to. In the case of Karen Carey, and you are no doubt familiar with the case, she suffered multiple strokes and other very serious health complications as a result of a faulty St Jude medical heart valve. What steps did the TGA take to independently ensure that the product was still suitable to be used in Australian patients, what were the processes involved in terms of, firstly, the approval, and what knowledge did you have of that device having problems?

Dr Hammett—I am a little uncomfortable talking about an individual case but I am aware that Ms Carey has in fact raised this matter publicly.

Senator XENOPHON—She is not uncomfortable about me raising it publicly either.

Dr Hammett—It is important to note right at the outset that there are some erroneous premises in your questions. You referred specifically to Ms Carey's problems relating to a faulty heart valve although that remains an assertion, and indeed when she pursued litigation I note and I quote from the extract of the judgment in that case:

… the applicant has been unable to establish liability in any of the respondents. It has not been shown that the St Jude medical valve was defective or unfit for its known purpose.

That is in contradistinction to the premise your question was based upon.

Senator XENOPHON—So what is your understanding of the strokes and health complications she suffered?

Dr Hammett—There are different types of heart valve. There are tissue heart valves and there are metallic heart valves. The particular type of valve that Ms Carey had at that time was a metallic heart valve, and it is a known complication of metallic heart valves that they cause increased propensity to form blood clots on the leaflets of the valves. Occasionally in a small percentage of patients those blood clots break off and go to the brain and cause a stroke. It is a recognised complication of the type of heart valve—

Senator XENOPHON—Two to five per cent?

Dr Hammett—Roughly.

Senator XENOPHON—Annually?

Dr Hammett—That is the figure that Ms Carey's partner quotes. I have to say I am not a cardiologist, I am a gastroenterologist, so my knowledge of the heart valve is limited. We could get the latest scientific—

Senator XENOPHON—Could we just go back a step then. The assertion is that the TGA said that they were not aware of any adverse incidents similar to Ms Carey's. That is correct, isn't it?

Dr Hammett—I am unaware of that assertion.

Senator XENOPHON—What is your understanding in relation to problems with that particular heart valve? What knowledge did the TGA have?

Dr Hammett—I would have to take on notice whether at the time the TGA was aware of any faults with that heart valve. But certainly in the examination that was undertaken following Ms Carey's case there was no evidence found by the TGA, the manufacturer or the courts of any fault with that heart valve. As I said, there is a recognised rate of this sort of complication arising with metallic heart valves. The alternative is for people to have tissue valves, which do not last as long.

Senator XENOPHON—Porcine valves.

Dr Hammett—That is right.

Senator XENOPHON—Wasn't there an issue, though, of the leaflet of the heart valve being chipped? There was a suggestion that it could have been chipped and that that led to a thromboembolism.

Dr Hammett—Yes. There are conflicting views on that. The initial analysis of the heart valve found no evidence of damage to the valve. However—

Senator XENOPHON—Sorry, can we go back a step. The analysis of the valve was carried out by whom?

Dr Hammett—I do not know the individuals. The treating clinicians—

Senator XENOPHON—But it was cleared up by the manufacturer, wasn't it?

Dr Hammett—The treating clinicians who removed the valve sent the valve back to the company that produced it.

Senator XENOPHON—As a regulator, as a gatekeeper of these devices, if there is a question mark over the efficacy and the safety of a particular medical device, wouldn't it be preferable for that to be independently assessed rather than to go back to the manufacturer?

Dr Hammett—As the regulator our interest is certainly in ensuring that the best possible public health protection occurs, and we have within the TGA well-established processes for investigating faulty medical devices.

Senator XENOPHON—But in this particular case, if you are looking at the best possible safety outcomes how can those be achieved if the valve in question went back to the manufacturer for assessment rather than being assessed independently? Isn't there a role for the TGA to intervene in that?

Dr Hammett—Potentially, when clinicians choose to send devices to the TGA for investigation, the TGA will willingly undertake an investigation. In fact we investigate those sorts of events on a daily basis. We do not have powers under the Therapeutic Goods Act to compel doctors, nurses or other healthcare professionals to refer these devices to us. That is not within our powers under the act.

Senator XENOPHON—In terms of best practice, wouldn't it be desirable for there to be an independent assessment and investigation of the actual device in question? Don't you accept that the manufacturers of these sorts of devices have billion-dollar reasons not to tell the truth, in the sense that you have situations where it is a multibillion-dollar market?

Dr Hammett—In fact the manufacturers of many of these devices actually share the same public health interest that you and I as concerned citizens might share for public health and wellbeing. Indeed, the TGA subsequently investigated the assessment of the heart valve that was undertaken by the manufacturer and found that their assessment was appropriate. This was confirmed subsequently in the legal case, where all of these issues were tested and examined forensically, with lawyers arguing the exact case that you are arguing, and the judgment found that there was no fault in the heart valve.

Senator XENOPHON—You are talking to an old civil litigation lawyer. Isn't there a problem here in the sense that the forensic evidence was based on a forensic examination by the manufacturer and that there was never an opportunity for a completely independent assessment of the heart valve that was the subject of the court case? Furthermore, wasn't it the case that there were hundreds of similar reports overseas expressing concerns about the efficacy and the safety of the St Jude valves?

Dr Hammett—I am unaware of reports of hundreds of similar concerns. I am aware of reports by Ms Carey that one of the officers of the company that conducted the assessment of that device had looked at similar surgically removed heart valves as part of the company's quality assurance program. So, whenever one of their valves was taken out of a patient for whatever reason, the company, quite rightly, would examine it to see if there were any problems. That is good practice.

Senator XENOPHON—I will ask a final question in relation to Ms Carey's case, because I see it as perhaps emblematic of a broader issue. Where there is an issue where the efficacy or safety of a device is in question and there have been serious medical complications, where there is a question of the causality of that, isn't it desirable that there be an independent assessment—isn't that best practice?—rather than the manufacturer looking at its own device?

Dr Hammett—It is a hypothetical question, in a way. The difficulty in discussing this is that—

Senator XENOPHON—As a general principle, though?

Dr Hammett—As a general principle, any adverse event that a patient who has had a medical device in place suffers may be the result of a number of factors. It may be the result of factors related to the patient themselves. So you or I, when we have our heart surgery, may have no problems but Ms Halton may suffer complications, or—

Ms Halton—I am worried now.

Dr Hammett—I am not wishing anything on anyone—something may occur within the clinical team that is performing the procedures. So the rates of adverse events with one surgeon may be different from those of another, or there may be a problem with the device. Part of what we do is to try and unpick those factors and work out that causality.

Senator XENOPHON—But in terms of the forensics of this, do you not concede that it is better for there to be an independent assessment of a device if the device is in question?

Dr Hammett—There is an independent assessment of the devices and of the manufacturers through TGA processes. The devices are independently assessed at the time they are registered—

Senator XENOPHON—But, if there is a problem, what is wrong with it going somewhere independent to be assessed?

Dr Hammett—Nothing at all, and we would encourage clinicians around the country—

Senator XENOPHON—But you do not demand it?

Dr Hammett—to send to the TGA—

Senator XENOPHON—You do not mandate it, though?

Dr Hammett—the devices that they would like investigated.

Senator XENOPHON—In the remaining three minutes I just want to traverse some other areas. The National Joint Replacement Registry's 2009 annual report noted that 16 hip prostheses which are still in use have what is known as an identified rate of revision higher than anticipated. In other words, they fail more than they should. Of these, seven were

identified in previous annual reports of the National Joint Replacement Registry. So why are these seven artificial hip joints still on the market?

Dr Hammett—This goes to the comment I was making earlier, that this is quite complex. I do not know if you have been briefed on how we utilise the Joint Replacement Registry data—well in advance of any similar regulatory agency around the world. We have established a medical device expert advisory committee specifically looking at orthopaedic implants as a result of the Joint Replacement Registry. And since that data has been available to us, we have in fact taken regulatory action, including removing several devices from the market over that time.

Senator XENOPHON—To clarify: you have actually withdrawn devices from the market?

Dr Hammett—Correct—as a result of information coming from the National Joint Replacement Registry. If there is time, I can look up our—

Senator XENOPHON—There isn't time, but perhaps you could take that question on notice; I would find it very useful to get details of that.

Dr Hammett—Yes.

Senator XENOPHON—Is there an obligation on manufacturers, sponsors or importers to report safety concerns with a device to the TGA, including any reports or concerns from overseas? And, subsequent to that, if a manufacturer or sponsor does not report safety issues with a device, what are the penalties?

Dr Hammett—Absolutely there are requirements for them to report adverse events to us. I will have to take on notice what sanctions we have available, unless any of our officers here are able to enlighten us. But we can certainly take that on notice. I could perhaps clarify some of those time frames. The mandatory time frames under the legislation for reporting are as follows. In the case of an adverse event that would or could result in a serious public health threat or concern, such as supply of a contaminated or non-sterile device which is in common public use, sponsors are required to report to us within 48 hours. If it would or could result in serious injury or death, it is 10 days. Or, if it was just a near adverse event—if something might have gone wrong—they have to report that within—

Senator XENOPHON—Has anyone been prosecuted for not complying with that?

Dr Hammett—I would have take that on notice.

Senator XENOPHON—Can you explain this to me: why is it that Sweden, which has a different regime for dealing with these, has a revision rate—just for artificial hips and knee joints—which is about half, as I understand it, of the revision rate here in Australia, which costs our health system, for just hips and knees, for those revisions, about $156 million a year? Isn't there something wrong in the way that we deal with the issue of hip and knee joints alone if they have a revision rate much higher than in other jurisdictions?

Dr Hammett—There are a lot of theoretical and potential causes for that difference. First of all, the data could have anomalies and we could be looking at different statistical factors affecting that result. Alternatively, it may be related to the relatively narrow range of joint

prostheses available in Sweden, which has a very different health system with very different controls. You and I, as we approach the ages where we may seek orthopaedic intervention—

Senator XENOPHON—I just had neurosurgery over Christmas.

Dr Hammett—will probably appreciate the vast number of devices that are available in Australia to meet the needs of particular patients. Some orthopaedic prostheses work better in particular patients. The problems with looking at the sorts of national data you are talking about is that it does not necessarily always account for the individual and appropriate clinical specifics that we are dealing with.

Senator XENOPHON—Finally—and I will put a number of questions on notice—what is the TGA's position on the way that some manufacturers seem to encourage some doctors to use their devices? There seems to be the case that some devices seem to be used more often than not and they have a higher failure rate. I know orthopaedic surgeons are coming to see me about this soon. There does seem to be a concern that some devices have a much higher failure rate, a much higher revision rate, have been warned about in the registry and yet it appears that no action has been taken.

Dr Hammett—It seems to me that the issue you are raising is indeed one that is best raised with the orthopaedic surgeons who are coming to see you.

Senator XENOPHON—What about the role of the TGA?

Dr Hammett—The TGA's view would always be that we would like to see the most appropriate device utilised for the individual clinical patient to produce the best health outcomes possible.

Ms Halton—There are issues to do with the medical practice of a practitioner or practitioners. That is actually a professional issue that needs to be dealt with in that context.

Dr Hammett—So we do not regulate—

Senator XENOPHON—I think this is a conversation we will be continuing. Thank you for your time.

Dr Hammett—Thank you.

CHAIR—Thank you, Ms Halton, and thank you to your officers, as always. Thank you, Minister, Hansard and the secretariat.

Committee adjourned at 11.02 pm