COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Consideration of Budget Estimates

TUESDAY, 23 MAY 2000

CANBERRA

BY AUTHORITY OF THE SENATE

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Tuesday, 23 May 2000

Members: Senator Knowles *(Chair)*, Senator Allison *(Deputy Chair)*, Senators Denman, Evans, Mason and Tchen

Substitute members: Senator Ray to substitute for Senator Denman for the committee's consideration, in accordance with the order of the Senate of 10 April 2000, of aditional estimates relating to magnetic resonance imaging scanner installations.

Senators in attendance: Senator Knowles *(Chair)*, Denman, Evans, Gibbs, Tchen, West, Lundy, Schacht and Calvert

Committee met at 9.06 a.m.

HEALTH AND AGED CARE PORTFOLIO

Consideration resumed from 22 May.

In Attendance

Senator Herron, Minister for Aboriginal and Torres Strait Islander Affairs

Executive

Mr Andrew Podger, Secretary

Professor John Mathews, Head, National Centre for Disease Control

Mr David Borthwick, Deputy Secretary

Ms Mary Murnane, Deputy Secretary

Portfolio Strategies Division

Ms Lynelle Briggs, First Assistant Secretary

Mr Robert Wooding, Assistant Secretary, Private Health Industry

Ms Joanna Davidson, Assistant Secretary, Policy and International Branch

Mr Philip Hagan, Assistant Secretary, Information and Research Branch

Ms Virginia Hart, Assistant Secretary, Budget Branch

Ms Natasha Cole, Director, Policy Projects Branch

Eccles, Mr Richard

Corporate Services Division

Mr Neville Tomkins, First Assistant Secretary

Wynne Hannon, Head, Legal Services

Mr Peter Moran, Assistant Secretary, Contestability Branch

Mr Michael Mobbs, Legal Services

Ms January Feneley, Assistant Secretary, Public Affairs, Parliamentary and Access Branch

Outcome 1—Population Heath and Safety

Population Health Division

Mr Brian Corcoran, First Assistant Secretary

Mr Eamonn Murphy, Acting Assistant Secretary, Communicable Diseases and Environmental Health Branch

Ms Judy Blazow, Assistant Secretary, Primary Prevention and Early Detection Branch

Ms Sue Kerr, Assistant Secretary, Drug Strategy and Population Health Social Marketing Branch

Mr Brendan Gibson, Acting Assistant Secretary, National Health Planning Branch

Ms Jodie Grieve, Director, Population Health Social Marketing Unit

Mr Greg Sam, Director, Surveillance and Management Section

Mr Paul Currall, Acting Director, Policy and Budget Strategy Section

Ms Jenny Taylor, Research and Marketing Group

Ms Georgia Tarjan, Director, Primary Prevention Section

Mr Mark Cooper-Stanbury, Director, Information Section, National Population Health Planning Branch

Ms Wendy Dielenberg, Director, Self Management, Policy and Projects Section

Ms Sarah Major, Director, Cancer Screening Section

Australia New Zealand Food Authority

Mr Ian Lindenmayer, Managing Director

Mr Peter Liehne, General Manager, Standards

Ms Claire Pontin, General Manager, Monitoring and Operations

Mr Greg Roche, General Manager, Legal and Safety

Dr Marion Healy, Chief Scientist

Ms Fiona Matthews, Acting Program Manager, Legal

Ms Janine Lewis, Acting Program Manager, Monitoring and Surveillance

Mr Kent Brown, Corporate Services

Therapeutic Goods Administration

Mr Terry Slater, National Manager

Ms Rita MacLachlan, Acting Director, Conformity Assessment Branch

Mr Pio Cesarin, Acting Director, Chemicals and Non-Prescription Medicines Branch

Dr Susan Alder, Director, Special Projects

Dr Joe Smith, Director, TGA Laboratories

Dr Fiona Cumming, Office of Complementary Medicine

Dr John McEwen, Director, Adverse Drug Reaction

Ms Liz Cain, Director, Interim Office of Gene Technology Regulator

Australian Radiation Protection and Nuclear Safety Authority

Dr John Loy, Chief Executive Officer

Dr Ches Mason, Director, Standards Policy and Corporate Support Branch

Health Insurance Commission

Dr Jeff Harmer, Managing Director

Mr Daryl Lapsley, General Manager, Finance and Planning

Mr Ralph Watzlaff, General Manager, Professional Review
Ms Lisa Paul, General Manager, Program Management
Outcome 2—Access to Medicare
Health Access and Financing Division
Dr Louise Morauta, First Assistant Secretary
Dr Peter MacIsaac, Medical Officer, Pharmaceutical Benefits Branch
Mr Brett Lennon, Assistant Secretary, Pharmaceutical Benefits Branch
Mr Charles Maskell-Knight, Assistant Secretary, Financing and Analysis Branch
Mr Alan Stevens, Assistant Secretary, Diagnostics and Technology Branch
Dr John Primrose, Medical Officer, Diagnostics and Technology Branch
Mr Alan Keith, Assistant Secretary, Diagnostics and Technology Branch
Mr Ian McRae, Assistant Secretary, Medicare Branch
Dr Jane Cook, Medical Officer, Medicare Benefits Branch
Professional Services Review
Mr John Holmes, Director
Private Health Insurance Administrative Council
Ms Gayle Ginnane, Chief Executive Officer
Health Insurance Commission
See Outcome 1
Outcome 3—Enhanced Quality of Life for Older Australians
Aged and Community Care Division
Dr David Graham, First Assistant Secretary
Mr Andrew Stuart, Assistant Secretary, Policy and Evaluation
Ms Pieta Laut, Assistant Secretary, Accountability and Quality Assurance
Mr Marcus James, Assistant Secretary, Residential Program Management
Ms Jenny Hefford, Assistant Secretary, Complaints and Compliance Taskforce
Mr Stephen Taylor, SES Specialist (Legal) Complaints and Compliance Taskforce
Mr Warwick Bruen, Assistant Secretary, Community Care
Ms Lana Racic, Acting Assistant Secretary, Office for Older Australians
Outcome 4—Quality Health Care
Health Services Division
Ms Liz Furler, First Assistant Secretary
Dr Rob Pegram, Medical Adviser, General Practice Branch
Mr Peter Broadhead, Assistant Secretary, Acute and Coordinated Care Branch
Mr Dermot Casey, Acting Assistant Secretary, Mental Health and Special Programs Branch
Mr Robin Wells, Director, Fresh Blood Product Section
Mr Andrew Tongue, Assistant Secretary, General Practice Branch
Mr Michael Mossop, Director, Plasma Products and Organ Donations Section

Outcome 5—Rural Health Care
Portfolio Strategies Division
See Whole Portfolio
Outcome 6—Hearing Services
Mr Peter DeGraaff, Assistant Secretary, Office of Hearing Services
Health Insurance Commission
See Outcome 1
Outcome 7—Aboriginal and Torres Strait Islander Health
Ms Mary McDonald, Assistant Secretary, Program Planning and Development Branch
Dr David Ashbridge, Assistant Secretary, Health Strategies and Research Branch
Mr Steve Larkin, Assistant Secretary, Community Development and Social Health Branch
Outcome 8—Choice through Private Health Insurance
Portfolio Strategy Division
See Whole Portfolio
Aged Care Standards and Accreditation Agency
Mr Tim Burns, General Manager
Outcome 9—Health Investment
Office of the National Health and Medical Research Council
Mr Robert Wells, First Assistant Secretary
Ms Cathy Wall, Acting Assistant Secretary, Health Workforce Section
Dr Vin McLoughlin, Assistant Secretary, National Health Priorities and Quality Branch
Dr Greg Ash, Research Policy Branch, Centre for Research Management
Australian Institute of Health and Welfare
Mr Geoff Sims, National Information Policy and Coordinated Unit – AIHW

CHAIR—I declare open this public hearing of the Senate Community Affairs Legislation Committee considering the budget estimates. The committee will now continue examination of the Health and Aged Care portfolio. I welcome back the Minister representing the Minister for Health and Aged Care, Senator John Herron, and, of course, Mr Podger and the officers of the Department of Health and Aged Care. The committee has completed outcomes 1 and 2 and we will now commence outcome 3.

Outcome 3—Enhanced quality of life for older Australians

Senator CHRIS EVANS—Madam Chair, I thought if we could start with an agreed position on where we are on questions on notice it might be helpful. I think we had a discussion last time, Mr Podger, about some of the difficulties associated with this area and I think you undertook to try and do your best to get some of the answers to things I asked last estimates before this round, but according to my records there are still quite a lot outstanding. Sometimes they are lost in the system, although I saw some coming through on the email late last week. Could we have a common understanding before we start about where we are with that issue.

Mr Podger—From the February additional estimates we had 218 questions taken on notice. As at the 2 May supplementary hearings, all but 20 were answered, and since then

another 11 have been answered. So there are nine outstanding from the February additional estimates.

We had, of course, a special hearing on MRI on 11 February with 20 questions raised then. I believe all those have been now answered by the department. I think they were sent over on Friday, 19 May. From the 2 May additional estimates we had a total of 184 questions. I should mention that 67 of them were taken at the hearings but the other 117 were forwarded to us after the hearings, including quite a few which were not related to the issues identified for that hearing.

Senator CHRIS EVANS—Mr Podger, my focus is on the aged care questions.

Mr Podger—I understand that.

Senator CHRIS EVANS—I want to set the context for how we proceed from here, that is all. Please go on.

Mr Podger—As at last Friday, 15 answers had been sent to the committee but 131 had been sent to ministers' offices. I have not got right here the breakdown of those between aged care and the rest of the department.

Senator WEST—Do you have a date when they were sent to ministers' offices please?

Mr Podger—As I said, 131 went to ministers' offices by the end of last week. Twenty-nine had been sent by the end of the week before. I should mention that the normal deadline would have been 18 May, last Thursday, and by then 124 of the 184 had been sent to the ministers' offices. As I said before, this portfolio gets an extraordinarily higher level of questions than other portfolios. For example, Family and Community Services, I believe, had seven questions in the last hearing.

Senator CHRIS EVANS—Mr Podger, I raise it now because I want to be clear how we were going to proceed in aged care with the outstanding issues. I want to follow up the same issues I followed up with you last time. I think I gave you notice about that at the last hearing. It seems to me that a lot of the questions I put on notice last time—and you undertook to try to get that information to me quickly—has not arrived, therefore, I am in the position where it would be my intention to ask you the same questions again. I would be happier not to do that. I would prefer to have the answer. So I am asking where we are at with the aged care questions which were the subject of the discussion you and I had last time and which were put on notice because the department was not able to answer them at the last hearing.

CHAIR—Mr Podger, do you know how many have in fact been answered but are still sitting in the ministers' offices?

Mr Podger—As I said, 131 have been sent to ministers' offices and 15 have been sent to the committee from the 2 May additional estimates hearing.

Senator CHRIS EVANS—That includes the health ones?

Mr Podger—That includes the health ones.

Senator CHRIS EVANS—I am trying to get a bit of focus onto the aged care ones because we are about to kick off on aged care. If your answer to me today is going to be, 'We've taken that on notice, Senator, and we can't help you,' we are going to have a bit of a disagreement this morning because, Mr Podger, we had this discussion last time. You undertook to do your best—I appreciate that. I am not saying necessarily that the fault lies with the department, but I do want to get the context right—how we are going to proceed; how we are going to get answers to these issues; and whether you are in a position to answer

these questions today given that you had a few weeks notice, or are we going to have the answer: 'They were questions you asked on notice, Senator, and they haven't been cleared by the ministers' offices'?

CHAIR—Is there a way in which we can get the breakdown of which minister has what outstanding?

Mr Podger—Yes. I can organise to get an answer to that this morning. I have not got it right here, but I can organise to have an answer to that before the morning is out on the breakdown between aged care and the rest of the portfolio around those questions. Senator, I think all we can do is see how we go. We will do our best to answer your questions this morning rather than defer too much.

Senator CHRIS EVANS—I appreciate the efforts made by officers, Mr Podger, but I think we are getting to a structural problem here. I do want to have this discussion and get it clear because, quite frankly, not only are the answers not coming from the aged care minister but the quality of answers in recent times has changed dramatically to the point where—and I do not know who does them—the effort to not answer the question and to avoid the point of the question is down to a fine art form. Some of the answers in the last few months on aged care questions are examples of complete avoidance of the key central point of the question and I think they are almost deliberately misleading on occasions. So I am becoming increasingly frustrated about our ability to get simple answers to simple questions in the aged care area. I just thought we might as well have this debate now. I will not be satisfied if questions that I asked last time are attempted to be taken on notice again—if you get my point.

Mr Podger—Senator, I hear you. I am saying that we will do our best to answer the questions this morning but, rather than debate them in a vacuum, I think it is easier if we try to test it. It is nonetheless true that we have had four hearings in total of this committee this calendar year. Of course, one of them was on MRI rather than on aged care, but we have had hundreds of questions go through. It is not only a workload for the department; it is a workload for the ministers' offices as well.

Senator CHRIS EVANS—I can see that, Mr Podger, and I am trying not to be too unreasonable. But last time I raised this same concern, you made some of the points you have made today. In the *Hansard* of last estimates, you say:

I think the issue is for us to try to get back to you on the specific ones, particularly on this one on Alchera Park; we will endeavour to get something back to you within a matter of days if at all possible.

Ms Murnane—Can you tell us what question that was, Senator? We may be able to answer it now.

Senator CHRIS EVANS—Before we do that, Ms Murnane, I want to know why that commitment was not kept.

Ms Murnane—My memory is that that was the question about the DVA letters, and we consulted with DVA. Their view is—and I understand this is what they will be saying in their committee too—that there are matters in those letters that are private and confidential and they do not want to release them.

Senator CHRIS EVANS—I am happy to come to that subject but, given that the department said they would get back to me in a couple of days, I would have expected to receive some notification from the department if that was the view. Here I am again having another go at it because no-one did get back to me in a couple of days. The answers to the

questions on notice were not provided. I have to take this opportunity to raise it again, otherwise it does not get resolved. I am asking why.

Mr Podger—We should have got back to you after a few days to say that we were not able to get the information back to you. I can assure you that those questions were given priority within the department, but the issues were complicated. We did give it priority. It is unfortunate that neither I nor my office got in touch with you to let you know that we were not able to meet what I had hoped to do.

Senator CHRIS EVANS—Mr Podger, we had this same debate last time. I had that same argument with Dr Graham about a very similar issue, about the Croatian nursing home. I am beginning to believe I am being deliberately prevented from getting answers to these questions. I got the same assurance last time, the same apology, that it would not happen again and that, 'We'd do our best.' I accept that the department has been under a lot of pressure on a lot of fronts and I am trying to be reasonable but, quite frankly, it has become systemic in the aged care area. It is not an isolated case, and the quality of the answers has become such that—I will provide that example on the question of the costs associated with moving residents to St Vincent's out of Riverside—they evade the questions. So I will not be putting the questions on notice. I will be taking the department through them, because it is clearly the case that we are not going to get answers unless I get them here. It seems now I cannot get them here either. I want to stress, Mr Podger, that I regard this as an important issue and assurances that it will be looked after and fixed up next time are not being honoured.

Mr Podger—I am not sure I can answer any further than I have done, Senator.

CHAIR—I think you probably do not have anything more to add. I advise the committee that I have checked with the minister's office and they will be coming back to me soon to tell me where these questions are. I understand that 30 went somewhere yesterday. The exact destination of those 30 answers still remains a mystery to me.

Senator CHRIS EVANS—Madam Chair, could I suggest we have an adjournment for a short meeting of the committee members?

CHAIR—Certainly.

Proceedings suspended from 9.19 a.m. to 9.26 a.m.

CHAIR—I call the committee to order. The committee has, as you know, met in private and it has been decided that the committee will proceed with aged care. I will now become a bloodhound and try to find some answers. So I will leave the meeting for a while and Senator Tchen will take over as acting chair.

Mr Podger—Senator, the aged care questions were raised. I have not got an exact account, but I think this is pretty close: there were about 83 questions, of the 184 that we got from the 2 May hearing, to do with aged care. A number of them, of course, were provided after the hearing. Of those, just over 70 have gone to the minister's office, of which seven have been passed to this committee. There are another 65 still coming out of the minister's office. I believe 33 have now been cleared and will be forwarded to the committee today. There are still 12 or thereabouts in the department that still have to go to the minister's office.

CHAIR—But the 33 that were sent yesterday have been sent somewhere and no-one appears to know where they are.

Mr Podger—I believe they had not arrived in the department this morning, but I will make sure that we chase that up to get them through to the committee today. I am advised by the

minister's office that they had cleared 33 to come back to the department but they had not arrived in the department this morning.

CHAIR—There are nine outstanding from February. Do we know where they might be?

Mr Podger—There are nine outstanding from February which are all on aged care.

CHAIR—So I understand.

Senator Herron—As I understand it, Senator Knowles, you are going to find out and give us the exact figures as to where everything is at at the moment.

CHAIR—No, not necessarily figures. I was going to try to find out where the answers are. There are so many of them that have gone—

Senator Herron—With respect, 83 questions, as I understand it from Mr Podger, have gone in the last three weeks. I do not expect that there will be 83 answers given within three weeks.

CHAIR—But there are 65 that have been sent to the minister's office for clearance.

Senator Herron—In the last three weeks.

CHAIR—And of that, only 33 have gone back somewhere—destination unknown—and there are 12 actually outstanding without answers so far. But there are 33 being cleared out of the 65, none of which we have got—

Senator Herron—Yes, I appreciate that, but I think it is a pretty good record personally to get a half of them answered within three weeks. I have been on the other side of the table and I can tell you that that is a lot faster than I used to get questions answered when I was in opposition. I think we can draw a comparison. It would be useful, I would think, if we could get clarified as to where it is at.

Senator CHRIS EVANS—There is this question of outstanding questions from 7 February, et cetera and I think that is starting to get beyond the pale. But my main question was about how this impacts on the effectiveness of the estimates' process—questions are taken on notice from the previous round and when you want to then take up the ground you are in the position where you do not have the answers. How do you make the estimates effective? Some of the questions may well be complicated and involve more detailed work that would take longer. I am happy to concede that. I also concede Mr Podger's general position about the speed at which the department gets them through to the ministers' offices and the fact that they have had a lot of requests. I am not trying to be unreasonable, but there is a sense now where particular questions about particular issues do not come forward and are continually delayed. As I said, my other concern with Mr Podger was the question of assurances being given that stuff would be provided by the next round and that it is not. That reduces one's ability to pursue those issues at the next estimates round. That is my concern about how we make today's hearing effective.

Senator Herron—Like Mr Podger, I hear what you say.

CHAIR—Our problem is that Senate estimates committees do not come as a surprise to anyone—the dates are known well in advance. We hoped that we would have more answers back than seven out of 83.

Mr Podger—It is difficult when you have got a hearing on 2 May and other hearings on 22 and 23 May.

CHAIR—I understand that, and that is beyond your control and mine, dare I say. But we both have to deal with the consequences of that. Be that as it may, I think there should be certain focus put on getting these questions back to senators so that they can proceed.

Senator WEST—It is not a new problem, Madam Chair. It certainly is one that we raised in February. As you would recall, when we actually looked at the figures, the department had, I think, made a fairly commendable effort to get the answers across to the ministers' offices, but somewhere there there seems to be a black hole into which they disappear for some considerable time before they re-emerge. Whilst I think there are occasions when the department can be tardy, I do not think that that is necessarily where the problem is on this particular occasion.

CHAIR—I think that is exactly correct, a very accurate assessment of the situation.

Senator WEST—Looking at some of the budget initiatives, I am wondering whether you can give me some indication of what you are planning to do. Page 109 of the PBS talks about 'Subsidisation of the accreditation fee for small residential aged care facilities'. I would like some details on how you are going to administer this, how it is going to work and the amounts of money you are talking about for the individual facilities because the cost of accreditation has been of major concern to these small facilities. Are we talking just hostel low care or are we talking both high and low care facilities?

Dr Graham—This was an activity that was flagged when the accreditation grant principles were put into place. The basis of it is that the government will fully subsidise for small homes, both high and low care, the accreditation fees for homes with up to 19 beds and on a sliding scale for those which have 20 to 25 beds. In fact, in the accreditation process, all facilities are subsidised to some extent by the other grant that the government puts into the accreditation agency. In the case of the smaller homes which, of course, have perhaps more viability challenges, this new policy has been brought into place. I do have a small facility fee schedule. When a facility gets to 20 places, the accreditation fee is $1,500. If it has below 20 places, there are no fees. They are paid directly from the government to the agency on behalf of the smaller homes—21 places, $2,000; 22 places, $2,500. It goes up in $500 steps up to 25 places when it is $4,000.

Senator DENMAN—You said up to 19 beds, but what is the lowest number? You would not be looking at homes with, say, five beds.

Dr Graham—There are some homes with as low as four beds.

Senator DENMAN—Thank you. That is what I need to know.

Senator WEST—How many homes are there with 19 beds or less?

Mr Stuart—Our number is 296, as at December 1999.

Senator WEST—How many have 20 beds? All I would like you to be able to tell me is the number of homes with 20, 21, 22, 23, 24 and 25 beds, please.

Mr Stuart—I do not have that with me, Senator.

Senator WEST—Can you take that one, dare I ask, on notice?

Dr Graham—My memory is that there is an equal number for those between 20 and 25 beds and those below 19 beds.

Senator WEST—So it is about another 290. What do you think the cost of the accreditation is going to be? How much do you think you are going to be paying? You said you are going to be paying the total accreditation fee for small residential aged care facilities.

Dr Graham—It is in the order of $20 million that the agency has received at this point in time for accreditation fees.

Senator WEST—That was not the question I asked. You have got here $1.8 million; I am wanting a breakdown of that $1.8 million. How have you arrived at that figure? If you have nearly, say, 600 institutions that you are going to be paying either all or part of the accreditation fee—

Ms Hefford—The $1.8 million was based on actually looking at the total number of facilities in that 0 to 25-bed category and calculating the cost for the government of meeting their accreditation fee subsidy for the first round. There was some allowance for the fact that a small proportion of those would apply during that first 1999-2000 period and get one year's accreditation, and there may need to be a subsequent accreditation fee subsidy to help them through a second time because the financial year overlaps that process. The second year figure was based on a proportion who only receive one year's accreditation again needing a subsidy. Does that answer the question?

Senator WEST—It probably does, but I cannot quite—

Ms Hefford—We actually knew the number of facilities at that size, and those were the figures.

Senator WEST—Yes. Now are you telling me that the $1.8 million for this coming financial year includes money you are going to pay out that is technically this financial year so that they can get—

Ms Hefford—Some will already have gone through the process and will need a second level of subsidy.

Senator CHRIS EVANS—This is not money you are paying out, though; this is fees forgone, isn't it? This is payment for the Commonwealth to compensate you for the fees you would have collected otherwise?

Dr Graham—We are paying directly to the agency. Instead of the small service paying to the agency, we are paying on behalf of that small service to the agency. The money does start next year, but as some small homes are now going through the accreditation process we will be covering those fees as well.

Senator WEST—The point I am trying to get at is the reason the $1.8 million this coming financial year is dropping to $1.3 million. If I understand it correctly, the coming financial year includes fees forgone in this financial year as well.

Dr Graham—Yes, but it would also reflect that all small homes are starting accreditation at this point, and in the future years there will be some with three-year accreditation and some with one-year accreditation, therefore the flow of fees will be smaller in future years.

Senator WEST—Yes, I can see that for the following two outyears, and then the third outyear you bump up again to $1.9 million. That is presumably to account for the fact that there will be a cluster of them going through on the three-year—

Dr Graham—Yes.

Senator WEST—But I want to make sure in my own mind that those who have already put in for accreditation or made the application when there should have been a fee go with it in this financial year are taken care of. Is that in the 2000-01 year? What is happening to those in this financial year who have already made the commitment?

Mr Stuart—The situation is that for this current financial year those small homes have already been subsidised by the department for their fees; the department has absorbed that cost. The $1.8 million for next financial year is entirely for next financial year's subsidisation of the fees.

Senator WEST—Okay. How much has the department absorbed for this financial year then?

Dr Graham—We have paid to the agency $49,000.

Senator WEST—That is not very much.

Dr Graham—But the form Bs, the start of the accreditation process, mostly came in at the end of March, and we are talking about May now, so there would have been only a small number of homes in this category that would have gone through the accreditation process fully.

Senator WEST—Can you run through with me again the accreditation fee structure?

Dr Graham—The fee structure is that for facilities with less than 20 allocated places, there is no fee; that is subsidised fully by the government.

Senator WEST—That is fine, but is there an individual bed rate at which you are going to be paying the accreditation agency? They do not pay anything, but you pay something. I want to know what you pay for that 296.

Dr Graham—We will just check that. There is a base rate of $95 for each residential care place.

Senator WEST—Right.

Dr Graham—We will check it. It is in the accreditation grant principles.

Senator WEST—I just could not recall.

Dr Graham—We would have to check back on the exact calculation, but within the accreditation grant principles there is a fee of $95 per residential place.

Senator WEST—Okay. You say the 0 to19s pay nothing. If you have got 20 beds, how much of the fee do you pay?

Dr Graham—The fee for 20 allocated places is $1,500 and it increases in steps, per bed, up to 25 places.

Senator WEST—The 25 places were $4,000?

Dr Graham—Yes.

Senator WEST—And that is what the institution pays?

Dr Graham—That is correct.

Senator CHRIS EVANS—'Facility' I think is the word.

Senator WEST—Sorry, I am an old health worker and they were institutions when I—

Senator CHRIS EVANS—I get told off whenever I say it.

Senator WEST—Okay, facilities. If that is what the facility pays, is the amount of money that the Commonwealth pays worked out at $95 per place?

Dr Graham—It is $95 a place. There is a base fee of $2,000. So $2,000 plus the $95 per place would be the normal fee.

Senator WEST—I can do some maths there and work that one out.

Senator CHRIS EVANS—I have a question about the National Strategy for an Ageing Australia. I see there is money provided in the out years for an ongoing strategy. Is any of that carryover money?

Dr Graham—No, Senator. That is new money. That is money to support activities through the Office for Older Australians. Certainly it is associated with the national strategy and the development of the national strategy, but there are ongoing activities which the office will be responsible for.

Senator CHRIS EVANS—So where are we at with the national strategy? One of the papers is still to be produced, isn't it?

Dr Graham—Yes. The attitudes, lifestyle and community support paper has yet to be released. It is in its final processes now and will go through the ministerial reference group some time within the near future, with the expectation that the national strategy and the consultative processes around that will be finalised later in the year.

Senator CHRIS EVANS—Have we got any time lines for the paper, apart from the 'near future'? These time lines have blown out a bit, haven't they?

Dr Graham—There was a request from consumer groups and some other groups in the community to have adequate time between the papers for consideration, rather than being swamped by four or five papers at once. We have responded to that: the world-class care paper was released two or three weeks ago and we expect the last discussion paper to come out, hopefully, within the next month or a little bit longer.

Senator CHRIS EVANS—You say 'later in the year' for the actual strategy. When can we expect that?

Dr Graham—I could not set a deadline. That really is up to the government. But the process will be that, once all the discussion papers are out, we will require adequate time to pull together the comments on those discussion papers—we are receiving comments now—and have consultation around the evolving national strategy, and then it will be up to the government to decide when it wants to launch the document.

Senator CHRIS EVANS—So there is no rough deadline for when that is likely to be?

Dr Graham—Not at this stage.

Senator GIBBS—On page 110, under 'Ensuring quality care', it is stated that this measure will ensure that residential aged care service providers deliver a minimum acceptable standard of care. How, exactly, is that going to work? Is this going to be like a disputes tribunal? I see that in the next paragraph you refer to a national network of specialised investigators.

Dr Graham—This is responding to some concerns that perhaps there were not sufficient resources in a couple of the existing mechanisms—accreditation, certification, spot checks

and the complaints resolution scheme. This measure provides funding for the agency to carry out spot checks through its rapid response teams, which have been set up by the agency already, and also—

Senator CHRIS EVANS—These are SWAT teams, are they?

Dr Graham—Rapid response teams.

Mr Podger—We do not want to use the term 'SWAT teams', Senator.

Senator CHRIS EVANS—So where did that come from, then? Is it just a press term and not a term used inside the agency?

Dr Graham—'Rapid response teams'?

Senator CHRIS EVANS—You used the words 'rapid response'. I had seen the word 'SWAT' used. That is not yours?

Mr Burns—We use 'rapid response teams'.

Dr Graham—The second part is to provide resources to the Complaints Resolution Scheme. The Complaints Resolution Scheme has been undergoing review, as you can imagine, in the light of experience to make sure it works particularly effectively, and there will be extra resources available to it to more fully investigate complaints where that is appropriate.

Senator GIBBS—How many teams will there be in each state and territory—one team?

Dr Graham—I might leave it to Mr Burns to describe the rapid response teams.

Mr Burns—There is no definitive number because we already have a number of registered quality assessors, and it is the quality assessors who are forming the rapid response teams. But we have specifically allocated numbers within each state to be available for rapid response, and that number can fluctuate depending on the number of requests that we receive.

Senator GIBBS—So you are not employing extra staff?

Mr Burns—We have employed some extra staff, yes.

Senator GIBBS—Because there has been a problem with the complaints, hasn't there? The response to the complaints has been a bit slow. Is that because you have not had enough staff to deal with that in the past?

Mr Burns—The Complaints Resolution Scheme is separate from the rapid response team. The Complaints Resolution Scheme is operated by the department, and where there is a systemic issue that comes out of the complaints scheme, or where there is a serious risk, it is referred to the agency. Then the rapid response teams are in fact available to investigate those, among others, at the level of the facility.

Senator GIBBS—It says here 'serious complaints', so are they different complaints that go to the—

Mr Burns—There are two components to the complaints system. The complaint first goes to the Complaints Resolution Scheme who look into the individual complaint. If, in undertaking that assessment, the Complaints Resolution Scheme believe that there is something serious or systemic behind the problem, then they refer that to the agency. The agency then could send in a rapid response team to look at that service against the accreditation standards.

Senator GIBBS—So people make the complaints to where they are making them now and then if it is serious these are the people who investigate?

Mr Burns—Yes. They continue to make them to the Complaints Resolution Scheme, and the scheme and the agency work close together in responding.

Senator GIBBS—Thank you.

Senator CHRIS EVANS—I am not clear in my mind about that money that is allocated. Has a decision been taken as to how that is allocated across the agency and the department—because the measure is talked about in terms of both aspects?

Mr Stuart—I think I can answer that one. The final split has not yet been agreed between the department and the agency. Looking at the level of activity required, we anticipate that in the vicinity of a half will go to the agency and in the vicinity of a half will go to the department.

Senator CHRIS EVANS—So the money is to fund the rapid response teams in the agency. Anything else?

Dr Graham—And the extra staff within the Complaints Resolution Scheme.

Senator CHRIS EVANS—I was talking about within the agency. What functions will the extra money fund in the agency—the rapid response teams?

Mr Burns—Yes. It is not completely separate from how we were performing before. We have to continue the targeting of aged care facilities; and we were doing that anyway. We were not responding with very short notice, but we were responding on an average of seven days. Because we have reduced the notice period, additional costs are incurred as a result of that for administrative costs and support in report writing and some additional staffing.

Senator CHRIS EVANS—There are not new rapid response teams, then?

Mr Burns—There are, yes. As I explained earlier, they are taken from a pool of registered assessors that the agency already employs, and we have employed other staff in some states specific to rapid response. But it is not an entirely new system; we have combined resources.

Senator CHRIS EVANS—Can you give us a breakdown of where you have taken on extra staff—or will be taking on extra staff?

Mr Burns—I have the numbers of assessors who are allocated to the teams at the moment, but I do not have the breakdown between new staff and existing staff.

Senator CHRIS EVANS—Perhaps you could take that on notice. Will there be a rapid response team in each state and territory?

Mr Burns—Yes. They exist at the moment.

Dr Graham—I can give you some information on what is available at the moment in terms of staffing in the rapid response teams. New South Wales and the ACT have a combined rapid response team, because the ACT is covered by the New South Wales branch of the agency. They have three registered assessors rostered per week. Victoria has four registered assessors dedicated to full-time spot checks and two assessors have been appointed to commence this month.

Senator GIBBS—Sorry, where were the two?

Dr Graham—Two more in Victoria—and that is an area that has most homes, of course.

Senator CHRIS EVANS—Are you saying that these are additional? From what you and Mr Burns are saying, I am not clear as to whether these are additional or whether they are officers who are currently employed to assess but who are now designated differently and organised differently.

Mr Burns—Some of them are additional. I do not have the breakdown on which are additional.

Senator CHRIS EVANS—Sorry, Dr Graham; I just did not understand what—

Dr Graham—I was just giving you the allocation of resources to rapid response teams. Tasmania is supported by Victoria, because the Victorian office covers Tasmania. South Australia has two assessors for spot checks and review audits. Western Australia has two assessors. I think that is it.

Senator CHRIS EVANS—When you say 'rostered', these are people who are on call if required, is it—because these are not necessarily people who work for you full time, are they, Mr Burns?

Mr Burns—Some of them will be, and they will be rostered on call 24 hours a day, seven days a week.

Senator GIBBS—You do not have anything for Queensland.

Mr Burns—Yes we do. I might have missed that out. I might have started with New South Wales.

Senator GIBBS—Did I miss that? I might not have heard it.

Mr Burns—Yes. There are two registered assessors dedicated full time.

Senator DENMAN—You said that Tasmania was covered by Victoria. Does that mean that no-one is based in Tasmania and they have to come from Victoria, or is there someone based in Tasmania?

Mr Burns—We have kept the scheme as flexible as we can so that we would either cover it from Tasmania or we would bring somebody in from Victoria.

Senator CHRIS EVANS—You have qualified assessors in Tasmania, don't you?

Mr Burns—Yes, we do.

Senator CHRIS EVANS—But they are just not necessarily rostered on.

Mr Burns—It depends what the accreditation schedule was in Tasmania at the time.

Senator GIBBS—When you say 'rostered on', do they work a certain amount of hours a week or do they simply work when there is a serious complaint?

Mr Burns—No, they are available 24 hours a day, seven days a week on call.

Senator GIBBS—Who actually establishes whether it is a serious complaint? When the complaint goes in and they have a look at it, how do they establish whether it is a really serious complaint so that it actually goes to the special investigator?

Mr Burns—There are several steps to the process. First of all, the Complaints Resolution Scheme will have made some assessment about the individual complaint which may indicate that there are some more serious problems in the service. They would then make the referral to us and we would respond with an unannounced visit to that service. Generally, the first visit that we make is an unannounced support visit, and that is to have a look at the service on a single day. That support visit might indicate that we have to go into a full review audit, which

is a more in-depth look at what is going on in the service. So there are several comprehensive steps to the process.

Senator GIBBS—Thank you.

Senator CHRIS EVANS—What is the extra money to fund inside the department?

Dr Graham—In the first year we expect that to be about half that amount.

Senator CHRIS EVANS—To fund what?

Dr Graham—To fund officers within the Complaints Resolution Scheme. The anticipation is that there will be a nursing officer placed against the scheme as well as another support staff member in the state offices. The distribution has to be—

Senator CHRIS EVANS—A nursing officer will be placed inside the complaints office; is that what you are saying?

Dr Graham—In the Complaints Resolution Scheme within the state office, yes.

Senator CHRIS EVANS—What does that mean? Is that something additional; you have got a nursing officer that you did not have before. Is that right?

Dr Graham—In some state offices they did have access to nursing staff. We do have our review staff for visiting agencies, but this will give a dedicated nursing officer who can advise on health or care aspects of the complaint.

Senator CHRIS EVANS—They are there to provide referral advice for the complaints officers; is that part of their function?

Dr Graham—The complaints officer would seek advice from qualified staff, yes.

Senator CHRIS EVANS—They are there as a resource for the complaints officers; is that how it is to work?

Dr Graham—Yes, and may participate in visiting facilities on a needs basis, too.

Senator CHRIS EVANS—As part of the complaints resolution mechanism?

Dr Graham—Yes. Where something may not have been referred to the agency, but it does require some investigation, this would provide extra resources to do that function.

Senator CHRIS EVANS—The nursing officer would be used if they thought there was a care issue or—

Dr Graham—Yes.

Senator CHRIS EVANS—Are you placing one of those in each of the states?

Dr Graham—We will have to look at the distribution. Some places like the ACT would not warrant that degree. We have to work through those issues.

Senator CHRIS EVANS—How many positions is this going to fund?

Mr Stuart—Between 11 and 12.

Senator CHRIS EVANS—Will the majority of the department's allocation go towards funding those positions?

Dr Graham—Yes. In fact it is for those staffing positions.

Senator GIBBS—With respect to the next item, the adjustment grants for small rural facilities, I understand it is going to provide increased funding—$30.8 million over four years. How will this work? Are new facilities going to be opened or are you simply going to

expand what is there? Out in rural Australia, the aged care facilities can be quite a long distance from where people live; people may have to go to another town. That is quite traumatic for old people when they are living in a little country town in Queensland and they have to go to a facility in the next town, which might be miles and miles away. What is this item for?

Dr Graham—This is to recognise that smaller rural facilities often have more substantial day to day expenses than city facilities. The money is to be allocated in two ways. At the moment we fund rural facilities which meet certain requirements with a viability supplement to recognise that. About $20 million of this money will allow us to double that viability supplement to rural facilities.

Senator GIBBS—Does that mean they can put in extra beds?

Dr Graham—No, it just gives them more recurrent money for their facility. The remainder of the money is to provide extra capital or restructuring assistance in existing facilities.

Ms Murnane—In terms of your concern about the availability of facilities in rural Australia, both last year's round and this year's round provide a significant proportion of the places available to rural Australia. That is an acknowledged need.

Senator GIBBS—That is good, because I get calls from quite a few people. Queensland is decentralised, and if you are living in, say, Emerald and you have got to go somewhere else—although Emerald probably has one—it is very traumatic for people. The distance makes it hard. You cannot just pop in and see mum every couple of days.

Ms Murnane—That is indeed so. It is also why we have got some special policy arrangements around small facilities that might couple with other facilities, like hospitals. We have the multipurpose service program into which aged care beds can be streamed, and we have also got the regional health service centre. We have got a much, much stronger focus now on rural Australia.

Senator WEST—How many multipurpose centre beds are included in that last round of additional beds?

Ms Murnane—None specifically, but the beds are available for streaming. If, in a planning framework, the most useful outcome would be for those beds to be in a multipurpose service, they will be streamed into that.

Senator WEST—What input and what involvement is your department, particularly the aged care area, having in the decision on these bed allocations?

Ms Murnane—A substantial input. The delegation for the allocation of aged care beds rests with an officer—the division head of aged care.

Senator WEST—So if there is any decision for a community to change their acute hospital structure into involving an MPS, an officer of your department will be involved with that from the beginning?

Ms Murnane—Indeed, yes. The department operates integrated planning for rural Australia, so we have got to look at it holistically.

Senator WEST—That is fine. You approve the number of beds and you approve the recurrent funding. What about the actual construction of the beds?

Ms Murnane—With the multipurpose service, the issue of construction has been one generally for the state government. The multipurpose facility, in the vast, overwhelming majority of the cases, comprises a small hospital—

Senator WEST—They usually comprise acute beds—

Ms Murnane—Or sub-acute beds, yes.

Senator WEST—with some high care beds and some low care beds, and often a primary care centre function.

Ms Murnane—Yes, that is right. And some HACC or care packages run from their facility.

Senator WEST—I am quite aware what is in a multipurpose service centre; I have seen a number of them. I am wanting to know what the federal government's role is in the construction of them. I have grave concerns that, when you say that there was an announcement made that there will be all these additional rural beds available, what you basically mean is that there will be all this recurrent funding for the actual cost of the person in the bed but none for up-front capital costs. There used to be programs where the communities would raise a certain amount of money and the Commonwealth would match that, and they would be able to construct a community based and community run facility. That has now gone, hasn't it?

Ms Murnane—There are a few things I would like to say. First of all, yes, it is true. There was such a capital program in the 1980s—

Senator WEST—And the early 1990s.

Ms Murnane—And in the early 1990s, yes, but that program was severely reduced by 1996. There was still something but it was very small. There is a specific capital component available for places in rural Australia. I will probably need some help here with the figures: that is $10 million a year ongoing—

Dr Graham—It is $25.6 million over the next two years.

Ms Murnane—That is right.

Senator WEST—It is $25.6 million over the next two years?

Ms Murnane—Yes, and that is in addition to the $10 million ongoing that came from the 1996 budget. So there is a substantial amount of money available.

Senator WEST—Where did that $10 million come from?

Ms Murnane—The $10 million ongoing came from the 1996 budget.

Senator WEST—That is $10 million a year?

Ms Murnane—Yes. Then there was a specific allocation in last year's budget and a further specific allocation in this year's budget.

Senator WEST—What was the specific allocation in last year's budget?

Dr Graham—It was $25.6 million.

Senator WEST—So $25.6 million over two years—

Dr Graham—Yes.

Senator WEST—Last year?

Dr Graham—No, this year and next year.

Mr Stuart—It is last year and this year.

Ms Murnane—And then over the next—

Senator WEST—I did not quite understand that.

Mr James—The $25.6 million was an additional amount for two years.

Senator WEST—For two years?

Mr James—Yes.

Senator WEST—Each year or over two years?

Mr James—Over two years.

Senator WEST—So that is $12 and a bit million a year?

Mr James—Yes. It is for 2001 and 2002.

Senator WEST—So there was nothing for last year.

Mr James—So it is for the year coming up and the next year.

Senator WEST—But it was announced last year in the budget.

Mr James—Yes.

Senator WEST—What has taken the—

Dr Graham—It was announced last year to apply for the 2000-01 financial year and the 2001-02 financial year.

Ms Murnane—And then a proportion—roughly a third—of the $30.8 million available for adjustment grants for small rural facilities will be available for capital over the next four years. So there is, when you take all of these things into account, quite a substantial capital assistance program for small rural facilities.

Mr James—The restructuring funding which the government has allocated has come to $28 million over three years. Of course, a lot of that has been going into, say, restructuring needs in Melbourne, Victoria. However, there is also a focus on assisting rural services. This year there will be approximately $10 million left in the restructuring fund for the 2000-01 year as well. The $10.4 million in the new budget initiative will be added to that restructuring amount. So there will be a certain proportion for 2000-01 that will also go but it will be targeted specifically at small rural facilities.

Ms Murnane—Senator, if I could go back to your question—

Senator WEST—I feel like I am in a snowstorm here. Let me get this clear: we have the $10 million per year that has been going on since 1996.

Ms Murnane—Yes, that is right.

Senator WEST—We have the—

Mr James—$25.6 million.

Senator WEST—$25.6 million—

Mr James—additional, one-off, for two years only, starting from 2000-01.

Senator WEST—Yes. We have the $30.8 million over four years.

Mr James—Which includes $20 million for viability funding, which is quite separate from capital. That is probably the confusing bit.

Senator WEST—So within this $30 million we have $20 million for viability.

Mr James—Over four years.

Dr Graham—Viability supplement.

Senator WEST—Over how many years?

Mr James—Four.

Senator WEST—So that is $5 million a year.

Mr James—Yes. It builds up.

Ms Murnane—Roughly. We actually will phase that up.

Mr James—We will phase up a doubling of the $6 million.

Senator WEST—You are going to phase up this $20 million viability. Are you going to start it at $3 million and work up to $8 million a year or something?

Dr Graham—It starts in the next financial year at $4.6 million and in the last two out years it is $9.4 million.

Senator WEST—Did you say $9.4 million?

Dr Graham—$9.4 million and $9.6 million.

Senator WEST—But I am talking about the $20 million viability funding.

Dr Graham—Just the viability funding? The viability supplement amounts to about $6 million a year. That is paid to the industry now. We will be doubling that, so there will be an extra $6 million going in, but that does not start until 1 January next year.

Senator WEST—The $20 million additional?

Dr Graham—Yes. So the viability supplement going to the industry will be effectively $12 million a year.

Senator WEST—Yes, but that is in nine months time. You can be pregnant and delivered by then.

Ms Murnane—There is money available now, Senator; that is what Dr Graham is saying.

Senator WEST—There is $6 million?

Dr Graham—Yes, $6 million.

Mr Stuart—Senator, the undertaking is that the department will consult with aged care providers and consumers about how the additional ultimately $6 million in viability supplement is to be spent. Therefore, we are anticipating a half-year effect of $3 million for viability supplement in the first year of the measure because it will take some time to consult with the sector and then to revise the way in which viability supplement is being spent. We also have our payment systems to revise.

Senator WEST—We currently have a viability supplement in existence, don't we?

Mr Stuart—Of $6 million a year.

Senator WEST—And there is going to be some additional money going to that.

Mr Stuart—That is correct.

Senator WEST—But before that additional money goes to that, there is going to be a review of the viability money; is that right?

Dr Graham—Yes. The viability supplement is based on the rurality of the facility plus the number of places. There has been some interest expressed in terms of working out the distribution of that and whether it is most appropriate, so that is the process that Mr Stuart was describing.

Senator WEST—Why is that not down in the performance assessment evaluations and reviews on page 127?

Mr Stuart—It is not going to be a performance evaluation of the viability funding system; it is going to be a discussion with the sector about how the additional funding is going to be allocated.

Senator WEST—I thought somebody just told me that you were going to conduct a review.

Dr Graham—It could be regarded as a subcomponent of the money that was given in last year's budget to carry out a review of the distribution of places, particularly between rural and remote areas.

Senator WEST—You keep using the word 'review' and that is why I keep looking to see why it is not in the performance assessments. How much is this review going to cost you? Where is the funding for that review going to come from?

Dr Graham—In last year's budget we were allocated $5.2 million for planning of aged care services for rural and remote areas.

Mr James—It has been factored into the team that is actually working on that exercise as well. So last year they did quite a lot of work on thinking about viability in different options.

Senator WEST—Who is doing this work?

Mr James—It is being done in the department at the moment by the areas in aged care involved in rural aged care.

Senator WEST—So there are no plans to outsource that or to—

Mr James—It is possible there will be some contracted consultancies to look at some of these issues around the planning framework.

Senator WEST—What sort of issues?

Mr James—The issues identified in the ANAO report on aged care planning, which was one reason why the money was allocated to the review, looking at issues like the degree to which the planning system meets the needs of smaller rural communities, whether it ensures that places can actually be provided to people in smaller communities as opposed to larger regional centres.

Senator WEST—How far is the work proceeding with that?

Mr James—We did, as I indicated, some work late last year after getting a team together on issues like viability and that fed into perhaps some of the initiatives that we are talking about at the moment. We have been consulting with our state offices and working out the framework and the particular issues that need to be addressed in that process.

Senator WEST—So you are very much in the preliminary stages?

Mr James—I would say our thinking is reasonably advanced because there has been quite a bit of discussion with the review team late last year and early this year, but we are at the stage where we are thinking of getting endorsement to go out and talk more broadly about some of the thoughts that we have had and some of the work we have been doing.

Senator WEST—Sorry, endorsement to go out and—

Mr James—To go out and talk more broadly on some of the issues in the review.

Senator WEST—With the industry or with a view to getting a consultant?

Mr James—Possibly a bit of both. That would be our intention.

Senator WEST—And this new formula for funding and stuff is going to be up and running by 1 January 2001?

Mr James—The particular issues around the revised viability supplement will be done very quickly over the next couple of months as a subset of that review exercise. We will not be waiting years for the result. It will be done very quickly. A key thing is adjusting the formula for a new model for measuring reality called the ARIA index, as opposed to the old formula that was used. We do have to test that and see how stakeholders feel about the revised formula approach, but that will be done very quickly over the next couple of months basically.

Senator WEST—I am interested in how many beds you think all these bits and pieces of money that you keep talking about are actually going to buy or build. What does the department allow for the construction of a bed? Is it $500,000 or $400,000? What amount of money do you factor in as the amount that a new bed costs to construct? I am not talking about ongoing costs, I am talking about construction—there is some refurbishment obviously kicking around in here too. What does it cost for a greenfield site and what does it cost for refurbishment? There could be occasions when refurbishment actually costs more than greenfield.

Mr Stuart—We are aware of industry estimates of the cost of building new aged care places. Depending on whether they are high or low care and whether they are metropolitan or rural, they vary. They are, in the main, from around $60,000 to $80,000 per bed new built. That would include the construction costs and land costs but not necessarily all of the business set-up costs.

Senator WEST—When you throw in the business set-up costs what does that then come to?

Mr Stuart—In some cases people buy aged care places, or rather there is a market for aged care places and sometimes people purchase what they call ‘bed licences’.

Senator WEST—But we are talking about rural areas.

Mr Stuart—This would be very rare in rural areas.

Senator WEST—Absolutely.

Mr Stuart—So I would say the upper level kind of estimate that gets talked about in the industry would be around $80,000 built per bed,

Senator WEST—But there are set-up costs in terms of business: what do you know of those for rural areas?

Mr Stuart—I know very little about those, Senator.

Senator WEST—Does that cost get included in your refurbishment and your additional bed costs?

Mr Stuart—The way that this operates for us is that the department allocates aged care places and pays recurrent subsidies and tops those up with viability supplements. The department also runs a capital allocation program that we have just been speaking about which does help both to refurbish and build new places. In addition to that there is a regime of user accommodation charges and accommodation bonds for high care and low care respectively which providers also use to pay for the building of new services.

Mr James—And with the capital residential care grants program under the act, one of the special needs groups or priority groups for that funding is rural and remote services. They are a specific target group. In fact, the majority of funding, around 70 per cent to 75 per cent, actually goes out to regional and rural services.

Senator WEST—What I am trying to get a handle on is this: of the 70 per cent to 75 per cent that goes out, how much goes out per bed? I want to know how much you are handing out per bed, and then I want to know what the end total is for all of that program. Then I can do some maths and work out how many beds there are going to be. You then might be able to tell me how many beds you think there are going to be, and we might actually come to the same figure. That is what I am trying to get a handle on. I am not having a good day today. I am not thinking very clearly. Excuse me if I am being a bit thick.

Mr Stuart—The issue with the targeted capital program is that it is meant to be targeted effectively at services that would not otherwise get built and would not otherwise get refurbished if it was not for government assistance, in addition to the funding which services have available through their own means, including from accommodation bonds and charges. So to divide the total capital program by the number of rural beds does not really recognise the level of targeting that the department undertakes and the availability in some areas of significant bonds and charges and in other areas less so. We would have to factor in the bonds and charge income for the service. I do not think we are going to get to a bottom line answer for you in the meeting today because it is not the way that our budget works.

Senator CHRIS EVANS—You are saying that what you would fund them for is reduced if they have a better capacity to raise a bond or charge?

Mr James—We do not have a formula based approach to funding capital through our capital program. We make grants on the basis of application for specific projects.

Senator CHRIS EVANS—So, for instance, in my state of Western Australia where people are talking to me about care needs in the north-west, in Kununurra, et cetera, and the absence of facilities, they would have very high building costs because the costs of building there are enormous, and as it is a largely Aboriginal population where they would have very limited capacity to raise bonds and charges, you are saying that they would have a higher per bed figure in the sense of a subsidy. If you went ahead with something there, they would be pretty well fully funded, versus something in a regional town in New South Wales which might be lower on the basis that the building costs are not so high and/or there is the capacity to get bonds from the likely residents. Is that the sort—

Mr James—Yes. Targeting to rural areas is very much a competitive process and it focuses on capacity to fund. We look at things like reserves that organisations may have. They may be part of a large charitable organisation and they may have access to cheap finance. In fact, in the last round we used an independent financial consultant to look at the various financial claims that services put forward.

Senator CHRIS EVANS—What about the transparency of this. We have had these debates about rounds before in the aged care area and there are always these concerns. I understand the problem of you reaching a formula but there is always this debate about people not quite knowing exactly what the rules were or exactly why decisions were made. It sounds like this is going to be another one of those areas if there are that many variables and the department's funding decisions are not immediately transparent.

Mr James—I think it is a very rigorous process for assessing these applications. As Andrew knows, there was extensive probity training and a probity framework set up before the last major coordinated round. The criteria in the act is set out very clearly as to on what basis the decision should be made for allocating a capital grant, or allocating places. Those criteria are followed very closely in making decisions.

Dr Graham—The coordinated round was a response to some of those earlier concerns. There was a lot of effort put into putting out information and putting out training sessions and videos of Mr Stuart describing to the industry how to apply. We are going through a similar process this time.

Mr James—We certainly work closely with the industry. I was only talking with them last week about the process for the round. We get them involved in the setting up and the instruments and so on, within probity restrictions.

Senator GIBBS—Did you say before, when you were talking to Senator West, that you actually give out money, not just for refurbishing but for building?

Mr James—Yes, capital and restructure grants for building. That is correct.

Senator GIBBS—Is that for building new facilities?

Mr James—Yes.

Senator GIBBS—If Mr Humphry came along and said, 'I want to build an aged care centre,' how much money would you give him?

Mr James—It would depend on his circumstances—what his reserves are like, what sort of level of bond income or charges he can access, whether he caters for a significant number of special needs groups. They would be the key considerations.

Senator GIBBS—So it is not a set amount of money that you actually give out. Is it a percentage?

Mr James—No. It is based on capacity to fund. There is a limited pool. We have to make decisions through a comparative assessment process of the relative strength of different applications. There has to be a judgment as to what the stronger need is for that capital funding.

Mr Stuart—The government is really working hard to put more aged care places into rural areas. Ms Murnane spoke about multipurpose services and regional health service centres. Also, we want to make sure that rural aged care hostels and nursing homes, to use the old nomenclature, are viable. We have a mix of measures for doing that. In addition to the ordinary subsidies that all services receive and the bonds, charges and resident fees that services receive, we have a program called viability supplement, which the current budget measure will double in the outyears, and we have a special capital program. The equation is to make sure that we can support the additional places we want to put into rural areas with the level of subsidy they will receive, so that their recurrent and capital funding will be sufficient to support the movement of more places into rural areas.

Senator GIBBS—Is this money that you are giving out to people to build facilities only in rural Australia or is this in regional and metropolitan Australia?

Mr James—It is available nationally, but there is a particular targeting to rural and other special needs groups, like Aboriginal and ethnic groups. The new initiative is specifically for rural areas. Within our restructuring funds, only small rural facilities will be eligible for the particular component this year of the new money.

Senator GIBBS—It is rural cities. What about regional cities?

Mr James—I am treating regional, rural and remote as pretty much one block.

Senator GIBBS—I live in Ipswich, which is regarded as a regional city even though it is not that far from Brisbane. Would that be available to people there for instance?

Mr James—The new money is targeting small rural areas in particular.

Senator GIBBS—On page 107, an estimated $871 million in building and rebuilding work was completed. Is that the money that we are talking about here or is that something totally different?

Dr Graham—That is our estimate of the amount of money that the industry is putting into restructuring and rebuilding the industry.

Senator GIBBS—That is what the industry has put in, not the government?

Dr Graham—That is right.

Mr Stuart—It is not quite as clear-cut as that, because the industry is spending this amount of money from a pool of income that the industry receives—

Senator GIBBS—From the government.

Mr Stuart—which includes funding both from the government and from residents.

Senator GIBBS—So it is not really their money. It is technically, but I see what you mean. How do you work out how much money a person is going to get in, say, Goondiwindi or Barcaldine? If someone decides that there is a need for an aged care facility there and they want to build it—assuming they have got the qualifications and all the rest of it—how is the grant worked out? How do you establish how much money they are actually going to get?

Mr James—They actually put in a bid. There is a request for bids for funding from all over Australia. A handbook is produced and the criteria set out that they must meet in terms of, among other things, their financial background and their experience in providing aged care. They provide an estimate of what they need to build their facility, the sources of income that they might have, whether it be loans they have got or charge income, potentially, or bond income and so on. They work it out on the number of places they are going to run and what their likely income is going to be. Then it is checked independently, as I mentioned, by a financial consultant as to their financial plans, and we do an assessment as to what it is reasonable, from the money we have got available, to give to them in that particular service and what their contribution should be. Necessarily, when there is a limited amount of money available as the total pool, we can only fund the best proposals and the most needy ones.

Senator GIBBS—So, if you have got a big pool you might be on a winner here, but if the pool is a little bit smaller you are not going to get so much money?

Mr James—That is right.

Mr Stuart—I just want to make it clear that Mr James is speaking there about the capital program only. In addition to the capital program, the lion's share of what the government pays is through the recurrent subsidy system. That is paid at eight different levels, depending on the level of dependency of the resident: rates ranging from $110 a day per resident, at the high care end, down to around the $20 a day per resident level for low care residents.

Mr James—So, in doing a bid for your service, we need to look at what estimate you have got of your income from the number of places you are going to have and be funded.

Ms Murnane—I would like to go back to a question that Senator West asked me at the beginning. Senator, you asked me was there a specific allocation for the MPS places in the current round. I said there was not, but through planning we would actually stream places. In fact, the aged care division has made a notional allocation of 285 places for multipurpose services.

Mr James—That is correct. It is more, actually, than an aged care division; the minister has actually set aside 285 places as a national pool of MPS places. That takes into account commitments that are already in train—which may have been discussed with state governments, et cetera, as to where sites might be—plus some additional capacity for future sites.

Senator CHRIS EVANS—That is 285 over what period?

Mr James—That has been made available in respect of the coming year, for the next round.

Senator CHRIS EVANS—Does that mean there should be 285 MPS places established on the ground for the next financial year?

Mr James—No. It means they are available to be committed to an MPS site when agreement is reached with the state government. Then a proportion of those places can be cashed out into the MPS as per the—

Senator WEST—That is 285 beds?

Mr James—Yes, places—the same thing.

Senator WEST—When you say places, I think of the place—

Mr James—No, sorry. It is 285 aged care beds.

Ms Murnane—Of those, 25 are in care packages.

Senator WEST—So it is only 260 actual beds?

Ms Murnane—That is correct, yes.

Senator CHRIS EVANS—How many have you got up and running already?

Ms Murnane—In terms of multipurpose services?

Mr James—It was 43 services at last count.

Senator WEST—We are measuring apples against oranges here. How many multipurpose service or centre beds have you got in aged care?

Ms Murnane—We will take that on notice, if Mr James has not got it now, and we will get that back to you this afternoon.

Senator WEST—The 45 is not the number of beds, I can tell you.

Mr James—No. The 43 is the number of services.

Ms Murnane—The question is how many aged care beds there are in multipurpose services.

Mr James—I have got the places here: services operating, in the most recent we have got, is 43; residential care places, 861; and community care places, 61—a total of 922 places.

Senator CHRIS EVANS—I gather you have been discussing it with the states. There is quite a demand from the states to try and access these other places, isn't there?

Mr James—Yes. In aged care we do not look after the MPS program per se, only the places component, but there is certainly quite a lot of demand.

Senator CHRIS EVANS—A couple of the state governments turned up to the public health inquiry saying that they were desperate to get access to the beds. I am sorry, because you help fund them.

Mr James—I can imagine so. I imagine New South Wales is one of those states.

Senator WEST—If you had 900 aged care people sitting in acute hospital beds, I would not be surprised.

Mr James—Indeed. But, as you would be aware, we certainly provide funding through the health care agreements for nursing home type patients.

Senator WEST—If I can just follow on from that, Ms Murnane, you mentioned places and there is a ratio and a formula—this is one formula that is transparent—for the number of aged care places, high and low care, per 1,000 of population over the age of 70. How are we going with that or are we already on target?

Ms Murnane—That will be different in different states and different in different regions, and Mr James or Dr Graham can give you that. What I can give you now is the high care, low care component of the 285, and that is 120 high care, 140 low care. I might have the answer to the other question you asked.

Dr Graham—At the current stage it is 95 places per 1,000. With the increased round that is coming up, we expect it to exceed the 100, the benchmark, by 2002.

Mr James—That 95 is at the end of June 1999. We have not got the estimates for the latest—

Senator CHRIS EVANS—You are talking globally, are you?

Mr James—Yes, across Australia.

Senator CHRIS EVANS—As we discussed before, aren't we getting to the stage where those estimates do not mean anything in terms of what is happening with ageing in place?

Dr Graham—There are two issues there: one is the actual allocation of the places and the other one is the movement in the market as there is ageing in place.

Senator CHRIS EVANS—Yes, so what is the relevance these days of talking about those targets, given what we know is happening in terms of high care residents filling low care

beds, particularly in Queensland where the numbers can be very high? You continue to use the tool, and it has been a useful tool in the past; I just wonder what relevance it now has, given those developments.

Mr James—I still think it is very relevant. It is early days for ageing in place. A majority of so-called, formerly, hostel places are still occupied by hostel residents.

Senator CHRIS EVANS—Yes, but a significant minority are not, to the point where it is a 14 or 15 per cent national average now, so don't we have to discount 14 or 15 per cent of those beds now? It is a question as to how long we hang on to the tool and if it is useful. I am just trying to understand myself whether it is any longer of much value.

Mr Stuart—It is not quite as simple as the 14 or 15 per cent that you are talking about. If we were to identify former hostels and think of their places as being places for low care residents—and I have to say that is a little bit of a stretch in the way that policy is now constructed, but supposing—then if 14 or 15 per cent of those places are being taken by residents now classified as high care, there are several components that you could identify. One is residents who have entered that service at low care and have aged in place. Another is residents who were in the service before the reforms and who at that time, following the implementation of the reforms, were reclassified and are now classified as high care even though they were formerly the very kind of residents who would have been in hostels. That is because the government made a policy decision to remunerate services better for residents with dementia. Even though nursing may not necessarily be required, residents with dementia now much more tend to score at the four and the three level than they would have before, and so we have the notion of a dementia hostel where there are high care residents on the RCS who were previously hostel type residents. There have been estimates in the Gregory report context as well that there were formerly high care nursing home type residents in hostels, and those estimates were in the eight to 10 per cent range.

Senator CHRIS EVANS—But you would concede, wouldn't you, that that ratio has increased and increased to a quite reasonable degree?

Mr Stuart—I do not believe that we know by exactly how much. What I am suggesting is that, far from 14 or 15 per cent suggesting that ageing in place is rampantly changing the balance of care in Australia, what I see is a much less dramatic change, but certainly one that the government needs to keep an eye on in view of the future balance of care.

Senator CHRIS EVANS—I take that on board, and I think I agree with some of the caveats you put on it, but even if you say it was eight per cent under the old system and it is 14 per cent now—just for argument's sake—haven't we got a shift of six per cent and growing, and isn't that enough to say that the old ratios do not have the same relevance or that they ought to be adjusted? We cling to the old ratio but we accept that there is a major change going on in the system. I am just trying to understand.

Mr Stuart—I think it is fair to say that there is a policy tension there and one that needs to be kept an eye on by the department and in our advice to government. The tension is around planning on allocation of places as high and low care when residents who occupy those places may or may not be high or low care. There is that policy tension. But the department is currently implementing both of those government policies and is keeping a good eye on the implications.

Dr Graham—Ageing in place is difficult in the sense that it is a very fluid situation. Some people, as they move out of, say, high care, would have their beds revert to low care, whereas

with the planning ratio it is a much more concrete way of planning for the future in planning estimates.

Senator CHRIS EVANS—And it has been a very useful tool for the department and Commonwealth in the past. I am not necessarily advocating that you want to give it away, but I do worry about what that means in terms of, also, the financial control from the Commonwealth's point of view and how you—

Dr Graham—Within the financial estimates we certainly do take into account the increasing frailty for a number of reasons occurring in residential aged care.

Mr James—On the ageing in place issue, with all new allocations since the act, if you receive a new aged care place there is a restriction on it in that you initially have to take a person who is low care or high care, as that place was allocated, and—

Senator CHRIS EVANS—But that doesn't apply to pre reform.

Mr James—That is correct. The pre-1 October places.

Senator CHRIS EVANS—And I understand there is a bit of a market in those beds on the basis that you can immediately put high care residents into them. Isn't that right?

Mr James—If you get the agreement from the department that is right, because we have to decide on whether transfers can take place and whether they are going to meet the needs of the region the places are going to.

Dr Graham—And that does take into account the number of low and high care beds in that region.

Senator CHRIS EVANS—I will leave it as a policy tension, Mr Stuart. Have you had any pressure about the cost pressures on services with large numbers of pre-1997 beds and their inability to charge the accommodation charge or get the supplement? It is an emerging issue in Western Australia in a number of the facilities that have up to 40 per cent of pre-1997 residents. They argue that their financial structure is quite different from another facility without as many pre-1997 residents. I know the member for Curtin has been active on the issue in talking to the government and the minister about it. I just wonder whether you were having a wider look at that issue or whether you were receiving a lot of representations about that issue.

Dr Graham—I am not aware of them, Senator. I would have thought that increasingly there is a decreasing population of pre-1997 people within the industry.

Senator CHRIS EVANS—That is what I would have thought. A couple of the hostels make the point that they look after their residents and they live longer. They are being penalised, in a sense, for the longevity of their residents. I just raised it because it has been raised with me as an issue for a number of facilities that are basically finding the economics moving against them.

Mr Stuart—The department does pay what is called a 'transitional supplement' for those residents to recognise that problem.

Senator CHRIS EVANS—What is that? That is a new one on me.

Mr Stuart—That is a payment paid to services for residents who were in services before 1 October 1997 and are still in those services after 1 October 1997.

Senator CHRIS EVANS—That is the lower rate. What is that rate at now? Is that the $2 a day?

Dr Graham—We will have to take that one on notice. It is a lower rate.

Senator CHRIS EVANS—Is that the one that is in the order of $2 a day per resident? Is that the ballpark figure?

Mr Stuart—It does vary up to $4.62 in certified services.

Senator CHRIS EVANS—Is that for RCS1? Is it the same sort of sliding scale?

Mr Stuart—No, it is paid independent of the RCS rates.

Senator CHRIS EVANS—Why do you say it went up to $4.62? What factors changed the rate at which this transitional supplement is paid?

Mr Stuart—The rate varies depending on whether the service is certified or not certified. For example, certified hostels receive $4.62 per day in the transitional supplement and non-certified services receive $3.50.

Senator CHRIS EVANS—But you do not pay the actual other charges if they are not certified, do you?

Dr Graham—They cannot charge accommodation.

Senator CHRIS EVANS—They cannot charge but you do not pay the concessional supplement either, do you?

Mr James—That is correct.

Senator CHRIS EVANS—I am sorry, the name has escaped me, but you do not pay the concessional supplement if they are not certified but you do pay the transitional supplement if they are not certified?

Mr Stuart—Yes, I believe that is correct.

Senator CHRIS EVANS—Why would that be the case?

Mr Stuart—This goes back in history a little bit and before my entry into the program. The transitional supplement reflects pre-reform transitional arrangements whereas the concessional supplement is really a post-reform creature.

Senator CHRIS EVANS—Yes. You have a situation where, in a non-certified facility, they received some support supplement for their pre-1997 residents but not for their post-1997 residents. Is that right?

Mr Stuart—All residents in certified and uncertified services are supported through subsidies and other supplements.

Senator CHRIS EVANS—Yes, I know the care subsidies. I was asking you about the concessional supplement and the capital funding provisions. They do not get paid for certified premises; you have been very clear on that point.

Mr Stuart—The concessional supplement is not paid in uncertified services.

Senator CHRIS EVANS—I am just trying to understand, then, the policy rationale of why the transitional supplement is paid to non-certified facilities.

Mr Stuart—You are going back to the construction of the reforms and I will have to take that on notice.

Senator CHRIS EVANS—If you would take it on notice, that is fine. The current rate is $4.62 for a certified facility and that applies per resident, regardless of where they are in the RCS scale?

Mr Stuart—Yes, that is correct.

Senator CHRIS EVANS—We said we would do the budget initiatives and I wanted to ask about HACC and the Veterans' Home Care program.

Mr Stuart—I am sorry, but can I just provide a clarification. That funding of $4.62 is for financially disadvantaged persons in hostels and not for all residents in hostels who are in that transitional area.

Senator CHRIS EVANS—What do they receive for non-financially disadvantaged persons?

Mr Stuart—They do not receive the supplement.

Senator CHRIS EVANS—Could you take on notice for me to provide the details of who receives the supplement, the numbers and who does not? I just want to get a feel for the pre-1997 group as to the number of people who are receiving the supplement and at what rate and the number who receive no supplement. As I say, it has been raised as a bit of a policy issue now for those facilities who are finding it difficult if they have a large number of pre-1997 residents.

I, like Dr Graham, assumed that it would be a problem that would not exist for long, given the way in which the population of residential aged care changes. But there are a number of facilities which are now raising the issue that they have up to 40 per cent of pre-1997 residents and they are not receiving the concessional supplement or the ability to charge, and that is having quite an impact on their viability as compared to other facilities which have a much lower ratio. I am not arguing or advocating anything in particular; I just want to get a feel for how widespread that problem is and whether there is a need to address it.

Dr Graham—We are not aware of it but if there are individual facilities, we are certainly happy to talk to them and find out the circumstances.

Senator CHRIS EVANS—There are certainly a number of facilities in Western Australia and I will refer you to the local press articles on it. I understand the member for Curtin has made some representations to the minister about it. My father-in-law has made some representations to me about it.

In terms of the HACC, I particularly wanted to ask about the Veterans' Affairs changes. Senator Schacht will pursue this with Veterans' Affairs, but I wanted to get a feel for it from your end. It has been claimed that this will increase the capacity of the HACC program by potentially 20,000 people by veterans' home care being transferred to Veterans' Affairs. Could someone take me through the basis for that—the logic as to where the figure of 20,000 comes from? As I understand it you are paying 60-40 with the states now; Vets will ultimately pick up 100 per cent of it, I presume, without the state component. What is 20,000 here may not be 20,000 for them. I just want to understand what that means in terms of services provided, if that made any sense at all.

Mr Bruen—Our best estimate at the moment is that there are 20,000 card-carrying veterans. This measure applies only to gold and white cardholder veterans receiving HACC services at the moment. This is out of an estimated 275,000. It is hard to get exact figures.

Senator CHRIS EVANS—Are those 275,000 vets or HACC recipients?

Mr Bruen—No, total clients in the community. The best estimate of Veterans' Affairs and ourselves is that there are currently 20,000 veterans in the program.

Senator CHRIS EVANS—Is that an educated guess, Mr Bruen, or within a couple of hundred of being right?

Mr Bruen—It would be within 1,000 of being right. Numbers are hard to measure in the HACC program. People come and go a lot and people do not always reveal their veteran status. But our best estimate is that, in a full year, if it were to happen tomorrow, there would be 20,000 people who would move from the HACC program to the Department of Veterans' Affairs. That would be 20,000 people that neither the Commonwealth under HACC nor the states under HACC would have to fund.

Senator CHRIS EVANS—Do you have a financial figure attached to that? What do you think that frees up inside your budget?

Mr Bruen—This is getting even more in the realm of educated guesswork, but the figure we—

Senator CHRIS EVANS—Have you got the back of your envelope with you?

Mr Bruen—Yes. The back of the envelope which we agreed with Veterans' Affairs was that it would free up about $60 million a year. That is in total funding, both Commonwealth and state. It is $60 million a year from the whole program.

Senator CHRIS EVANS—You currently spend $60 million servicing the Veterans' Affairs HACC clients; is that what you are saying to me?

Mr Bruen—Yes.

Senator CHRIS EVANS—So the Department of Health and Aged Care currently spends, in your estimate, about $60 million a year servicing those 20,000 people?

Mr Bruen—No, the Department of Health and Aged Care and the states together.

Senator CHRIS EVANS—So it is not freeing up $60 million out of your budget; it is freeing up 60 per cent of $60 million, is it?

Mr Bruen—Yes, that is correct.

Senator CHRIS EVANS—Which is what?

Mr Bruen—$36 million.

Senator CHRIS EVANS—So you think it will free up $60 million of HACC funding—$36 million or so of Commonwealth funding—that will be able to be redistributed to taking on more clients in the HACC program?

Mr Bruen—Yes.

Senator CHRIS EVANS—Is there a program envisaged that will use up that $36 million from the Commonwealth, or is it just that it will help fund what we know as the existing demand and the shortage of supply of HACC services?

Mr Bruen—We have not made a decision on that yet. We will be meeting with the states shortly to discuss whether we will look at a range of initiatives or whether it will simply go to meeting the current demand.

Senator CHRIS EVANS—So there is no decision yet. In any event, what was the actual increase in percentage terms in HACC funding?

Mr Bruen—The increase in the Commonwealth funding was 7.6 per cent for next financial year.

Senator CHRIS EVANS—So that is an increase of about $40 million, is it?

Mr Bruen—About $40 million, yes—in Commonwealth funds, yes.

Senator CHRIS EVANS—So the Commonwealth argument is that, in addition to the $40 million additional funds, there will be $36 million of Commonwealth funds—

Mr Bruen—Approximately.

Senator CHRIS EVANS—freed up and that you will meet with the states about how that money is utilised, but you do not have any firm plans as to what that capacity will fund at this stage?

Mr Bruen—That is correct.

Senator CHRIS EVANS—And when are the meetings with the states to be organised?

Mr Bruen—Thursday of next week.

Senator CHRIS EVANS—Does that depend on their agreeing to fund those extra services as well?

Mr Bruen—Yes, the HACC program works on agreements, and we need to agree with the states each year on plans as to how they spend their HACC money. When that money starts to flow, and my understanding is that Veterans' Affairs are not looking to start the home care program until early in 2001—

Senator WEST—January.

Mr Bruen—January, is it?

Senator WEST—I just rang them.

Mr Bruen—We would agree with the states on incorporating in their annual plans plans for that extra funding, or the funding that is freed up.

Senator CHRIS EVANS—Does that mean that you will not service those clients in the six months until Veterans' Affairs gets up and are underway?

Mr Bruen—No, it does not mean that.

Senator CHRIS EVANS—So you will not have $36 million freed up then. You will have half of—

Mr Bruen—Not in this next year, no. That is correct.

Senator CHRIS EVANS—So just explain to me then what you say will be freed up. I mean it shows as a no budget impact item in the sense that—

Mr Bruen—There is no money.

Senator CHRIS EVANS—there is no more money coming in, but it is an anticipated saving to your department. If Veterans' Affairs get up and running by 1 January, you could conceivably, if you did not expand HACC services, save half of $36 million.

Mr Bruen—Yes, it would be unlikely to be half. I would expect that the Department of Veterans' Affairs would phase their program in. We have not had detailed discussions with them yet on that.

Senator CHRIS EVANS—No. As you say, they have got to get up and running by January and that is quite an ask. So it could well be that there is not much saving, or much extra

capacity in HACC, next financial year if Veterans' Affairs are not able to get the thing up and running fairly quickly?

Mr Bruen—Yes, it depends on the speed with which they develop the program and phase it in, but we would expect that by the following financial year we would be close to a hundred per cent of that.

Senator CHRIS EVANS—So can you just take me through what is happening with the broad HACC funding in terms of the out years?

Mr Bruen—In terms of the years beyond 2000 and 2001?

Senator CHRIS EVANS—Yes. You say that there is a 7.6 per cent increase.

Mr Bruen—The government has a commitment to a six per cent real increase in HACC expenditure, and that is the figure that is built into the forward estimates plus whatever the indexation parameter is.

Senator CHRIS EVANS—That is what I really wanted to get on the record. So, for this year, they say the indexation figure is 1.6, with a six per cent real increase. Is that right?

Mr Bruen—That is correct.

Senator CHRIS EVANS—And the out years reflect the same sort of 7.6 or 7.7 real—

Mr Bruen—Yes. As we get closer, those figures will change as those parameters change. The current government commitment is to six per cent real.

Senator CHRIS EVANS—And that is reflected in the out year figures.

Mr Bruen—Yes.

Senator CHRIS EVANS—Are these discussions with the states part of the ongoing Commonwealth-state HACC agreements or is this a separate issue?

Mr Bruen—Yes. We meet with the states every six months, and the Department of Veterans' Affairs are observers at those meetings.

Senator CHRIS EVANS—Are the meetings next week part of the ongoing formal renegotiation of HACC arrangements or is this a separate initiative to deal with this vets issue?

Mr Bruen—No, it is part of the normal ongoing administration of the HACC agreements.

Senator CHRIS EVANS—Are you near to finalising those new HACC agreements?

Mr Bruen—Yes. Every state has signed up on the new HACC agreements, except Western Australia.

Senator CHRIS EVANS—They were always difficult. Are they expected to sign soon?

Mr Bruen—It is hard to tell. They have indicated they are willing to sign.

Senator CHRIS EVANS—Are proposals for funding just pro rata?

Mr Bruen—They are a modified pro rata in the sense that they are based on the Australian Bureau of Statistics survey of the prevalence of disability—moderate, severe and profound disability—across the states. At the moment we are still using the results from the 1993 Australian Bureau of Statistics survey that are then grossed up by the increase in the different age populations. The government also has a policy of reaching an equal per capita allocation by 2010-11. In the early days of the program, some states got a lot more money than others

did. The policy now is to correct that by bringing every state to an equal per capita amount in 2010-11, so that is built into the funding allocations across the states.

Senator CHRIS EVANS—How do the user fees fit into that?

Mr Bruen—That initiative actually expires at the end of this year. So that formula now assumes that all the states and territories are collecting 20 per cent of government revenue in fees.

Senator CHRIS EVANS—I gather a large number of them are not, though; isn't that right?

Mr Bruen—No, but that is not taken into account any more in the funding formula. That is just money they forgo for the program if they do not collect it.

Senator CHRIS EVANS—So it is a 'use it or lose it' sort of thing. If they do not gather the fee, they pay the price in terms of your funding arrangement with them. There is no compensation from you for that fact.

Mr Bruen—No, not from next year on. They have in the last four years, but that particular policy ends on 30 June this year.

Senator CHRIS EVANS—So that means that, if they are not collecting 20 per cent user-pays charges, it is a decision for them but your funding formula will not recognise that fact.

Mr Bruen—Yes, that is correct.

Senator CHRIS EVANS—They will not be advantaged by failing to—

Mr Bruen—They will not be advantaged or disadvantaged from now on—that is correct. The formula would be solely on bringing them to equal per capita by 2010-11.

Senator CHRIS EVANS—In terms of the Auditor-General's report on approval of plans et cetera, how are we going with all of that? How is the department responding to those recommendations the Auditor-General put forward?

Mr Bruen—A fair number of those recommendations were recommendations that we take up with the states various issues, and we have every single one of those recommendations on the agenda for next Thursday's meeting. The states, in my preliminary discussions with them, are quite keen to take up most of the recommendations. There are some we are going to have a bit of a debate about.

Senator CHRIS EVANS—Are there any funding implications of implementing those recommendations?

Mr Bruen—There is a recommendation that we should move to equalising HACC funding on the basis of outputs rather than inputs. It would have relative funding implications across the states if we were to take that up. It is a fairly complex issue. But if we were to equalise the states on hours of service per capita, for example, instead of dollars per capita—which is, as best I can understand it, what the Auditor-General seems to be implying—that has implications for low cost and high cost states because it would nullify the impact of high cost states. I would imagine there will be some debate about that from some of the states.

Senator CHRIS EVANS—Can I just be clear about this: what formula do you use to allocate funding between the states now?

Mr Bruen—We basically take the existing per capita funding—that is, per capita of the HACC target population, which is the proportion of people with moderately severe and profound disabilities—and we work out what the common figure would be in 2010-11 to

bring everyone to that same per capita figure. We then simply divide the years between now and then in such a way as to bring everybody on a—I hate to use the word—coalescence path—

Senator CHRIS EVANS—The bells were ringing for me!

Mr Bruen—to an equal per capita in 2010-11.

Senator CHRIS EVANS—The department likes neatness.

Mr Bruen—It was a policy agreed to by the states and some of them are thinking again about it. You mentioned fees earlier and I hesitated. The previous fees policy made a difference in that it has altered those base levels. That is the funding formula now, which does not take fees into account. But where they are now is a result, to some extent, of the fees policy being applied over the last four years.

Senator CHRIS EVANS—Lastly, has the national triennial strategic plan been finalised?

Mr Bruen—It has not yet been agreed. Under the HACC agreements, it has to be agreed by all ministers. That takes some time.

Senator CHRIS EVANS—When is that expected to be finalised?

Mr Bruen—I expect it to be finalised this calendar year.

Senator CHRIS EVANS—When is the start-up date for the strategic plan? Is it 1 July?

Mr Bruen—Yes.

Senator SCHACHT—On veterans, you mentioned to Senator Evans that in meetings with the states over the HACC program, aged care, there is an observer from the Department of Veterans' Affairs present.

Mr Bruen—Yes.

Senator SCHACHT—You may have already told previous estimates hearings about this, but I am catching up, in this estimates committee particularly. How often do they meet?

Mr Bruen—That group meets every six months.

Senator SCHACHT—When was the last meeting?

Mr Bruen—The last meeting was at the end of November 1999.

Senator SCHACHT—When is the next one due?

Mr Bruen—Next Thursday.

Senator SCHACHT—This week?

Mr Bruen—Next week. Thursday, 1 June.

Senator SCHACHT—So it is in fact seven months.

Mr Bruen—Six and a half.

Senator SCHACHT—Who is the representative of Veterans' Affairs who comes to that meeting?

Mr Bruen—It is normally the Assistant Secretary, Health and Aged Care, Mr Barry Telford.

Senator SCHACHT—At the last meeting in November, and in a previous meeting, did Mr Telford, or anyone from the Department of Veterans' Affairs, raise issues of concern about the treatment veterans were getting in aged care, in nursing homes?

Mr Bruen—No, not in nursing homes.

Senator SCHACHT—Did he raise a concern about the treatment veterans were getting anywhere in your empire?

Mr Bruen—He frequently raises the importance of veterans getting a fair share of the HACC program, yes; he has done that on several occasions.

Senator SCHACHT—So he is a good bureaucrat in arguing for the defence of his empire and the share of the cake?

Mr Bruen—I would say so, yes.

Senator SCHACHT—The fog in Canberra delayed my arrival, so I missed a bit regarding this exception on veterans' home care, on page 111. Because of the change now made, whereby Veterans' Affairs takes over from 1 January, is it suggested—and I have seen it in the document—that 20,000 positions will be freed up for non-veterans within the program now?

Mr Bruen—Yes. That is our best estimate, but we do not know exactly.

Senator SCHACHT—How many veterans are in the program at the moment?

Mr Bruen—We do not have an exact figure on total veterans. This 20,000 applies to our best estimate of veterans with gold and white cards which are the ones that will be covered by the veterans home care.

Senator SCHACHT—Is it a difficulty administratively finding out how many?

Mr Bruen—In the current data collection systems it is not a question that is asked because it is not a question that is particularly relevant to a service provider when they are providing, say, a nursing service or a home help service to someone. It will be asked in the new—

Senator SCHACHT—Because Veterans are providing it, presumably?

Mr Bruen—Under home care it will, but even before we knew that was coming we were to upgrade the HACC data collection system, beginning in July this year, and we will collect data from that.

Senator SCHACHT—So a veteran in a nursing home will be able to be identified. Obviously, if you are having two separate departments running it, they will have to be identified as a veteran eligible to receive those benefits and service from the Department of Veterans' Affairs, so you will require nursing homes to let you know which of those are in the nursing homes?

Mr Bruen—No, the HACC program does not cover people in nursing homes at all. There is another program, Residential Aged Care, but HACC only covers services to people in their own homes.

Senator SCHACHT—You think it is about 20,000 in their own homes?

Mr Bruen—Yes.

Senator SCHACHT—I am sorry, I will straighten out my questioning—I mean home care not nursing homes. How will they be identified? Will you do it or will Veterans have to have some system of identifying that these are veterans?

Mr Bruen—I am expecting that the Department of Veterans' Affairs will.

Senator SCHACHT—At the moment when you have them in residential care there is nothing on the form that says, 'This is a veteran.'

Mr Bruen—Do you mean home care or residential care? It is the terminology.

Senator SCHACHT—I am getting up to speed in this area, as you can see, Mr Bruen. You had better just explain for me and for the record, for people reading the transcript, the definition or description of the two different programs.

Mr Bruen—The Home and Community Care program funds community care services for people in their own homes, such as nursing, home help, personal care, Meals on Wheels and community transport. That is cost shared with the states. The Residential Aged Care program provides subsidies for people in what used to be called nursing homes and hostels.

Senator SCHACHT—Okay. I will stick to home care, which is the one that has been taken over by Veterans.

Mr Bruen—That is correct.

Senator SCHACHT—Are Veterans taking over any of the residential care?

Mr Bruen—Not to my knowledge.

Senator SCHACHT—I want to get this quite separate in my mind and clear on the record. In home care, Veterans will now take over about 20,000 veterans in home care?

Mr Bruen—That is correct.

Senator SCHACHT—From your department?

Mr Bruen—Jointly from the Commonwealth and the states.

Senator SCHACHT—Yes. They will take them over and be totally responsible for, we think, about 20,000?

Mr Bruen—Yes.

Senator SCHACHT—They have to provide the money, the service, whatever?

Mr Bruen—Yes.

Senator SCHACHT—There has been no change to veterans in residential care—they will still be run by your department?

Mr Stuart—That is correct. However, the Department of Veterans' Affairs does provide funding for residents of residential aged care, but the care is organised by the Department of Health and Aged Care so they make a contribution to the costs which is in relation to the number of veterans in residential care.

Senator SCHACHT—Can you bring to my attention, if I have missed it in the PBS, where the figure is of how much they provide you for veterans residential care? Is it in the Veterans book?

Mr Stuart—It is in the Veterans' Affairs Portfolio Budget Statement. That number, for the coming year, is $423,599,000.

Senator SCHACHT—I will come back to residential care later on. Turning now to home care, Mr Bruen; the perception around the veterans' community is that the Department of Veterans' Affairs taking over the provision of home care will provide an improved service to veterans in home care. What are the areas that the veterans' affairs department will provide to

veterans in home care that are an improvement on what you provide to non-veterans in home care?

Mr Bruen—I cannot really answer that at this stage. I am waiting to see what kinds of services the Department of Veterans' Affairs will offer. They have not spelt that out yet to my knowledge. They argue that one advantage is the fact that they now pay for the whole range of health care for veterans. The HACC program was the only one they did not pay for previously. It gives them the opportunity to manage the complete care because they are already paying for the GP and for hospital care.

Senator SCHACHT—So, Mr Bruen, you have no idea of where veterans are going to get an improved service?

Mr Bruen—Not yet, no.

Senator SCHACHT—When they were making the bid to take the service over, did you not get some indication of why it would be an improvement for the at least 20,000 veterans to be administered through their own department rather than through your department?

Mr Bruen—The argument they used was this phrase called 'closing the loop'.

Senator SCHACHT—Closing the loop. That is a Veterans' Affairs phrase, is it, not your phrase?

Mr Bruen—It is not my phrase.

Senator SCHACHT—We will have an interesting time with veterans closing the loop—I hope it is not 'closing the noose'.

Mr Bruen—No. The HACC program was the only program in the health area where Veterans' Affairs did not pay for their care. The argument was that the care could be better managed if they were in control, or paying for, the whole range of care. The HACC program was seen as the gap in the loop.

Mr Podger—Can I just extend on that?

Senator SCHACHT—Yes.

Mr Podger—We have had earlier changes in the relationship between the services for vets and the services for the rest of the community. For example, in the hospitals area, in the Australian health care agreements the arrangement now is that DVA looks after directly purchasing hospital services. We now have an arrangement in the health care agreements which makes it absolutely clear that if a vet goes into any other hospital, that hospital can charge DVA directly. So there is a process where the DVA becomes a purchaser for the whole range of health services. The only services they have not been directly purchasing have been in this area. Their view is that they can get up—

Senator SCHACHT—That is an administrative issue. I am trying to find out what the improved service is that veterans are going to get by moving out of your empire over to Dr Johnston's empire.

Mr Podger—It is more than that. One of the things that we have—

Senator SCHACHT—It is more than the improved service?

Mr Podger—You said it was only an administrative issue. I am saying it is more than an administrative issue.

Senator SCHACHT—So the change to purchasing the services direct from the hospital ends up meaning they get a better service for veterans than you provide?

Mr Podger—One of the things we have been looking at in Health for the last few years has been certain groups of people: do we have boundary problems and not get the most appropriate services? Our coordinated care trials have been looking at particular groups of chronically ill and vulnerable people and whether there is a better way of pooling the money in order to be able to provide a more appropriate and comprehensive care regime. I guess it is the same principle that Veterans' Affairs are using in saying they believe that they could provide a more appropriate continuum of care if they were the purchaser of the full range. They felt that this would be assisted if they had direct purchasing control over the HACC services, that they would then be able to assist in tracking their Veterans' Affairs patients and ensuring an overall more appropriate care regime.

Senator SCHACHT—As far as you are concerned, Veterans' Affairs having a holistic approach will provide, at least administratively, a better service. There certainly will not be a lesser service provided to the veterans in the home care than they have got under your system. Is that right?

Mr Bruen—As I said, we do not know yet what range of service Veterans' Affairs are offering.

Senator SCHACHT—Because you have been given an advantage by Finance and Treasury of the savings of the 20,000, for freeing up in conjunction with the formula of the states, are you aware how much extra funding the government will have to provide to Veterans' Affairs to pay for the running of the home care service that they have taken over from you?

Mr Bruen—I cannot answer that. You will have to ask the Department of Veterans' Affairs. I imagine it is in their portfolio budget statements, but I do not have them.

Senator SCHACHT—I am glad you raised that, because the actual cost of taking over the program is actually not in the portfolio budget. That is why I am asking you. I will ask them next week. They have put other figures in there that are a bit like standing in quicksand—you do not know the base that you are dealing with. What I want you to find out—and, Minister, this may be an issue of the layout of the PBS, but it is not easy and there is no figure in the PBS for Veterans' Affairs—is what amount of money is actually provided to Veterans' Affairs in a full year to run the home care now that it is being run by them rather than by you. What would have been your contribution to provide the service to 20,000 veterans?

Mr Bruen—As I said earlier to Senator Evans, the saving we envisaged translated into dollar terms for the total program—that is both the Commonwealth and the states' contributions—to roughly $60 million a year.

Senator SCHACHT—Am I right? I will not hold you to this because you are not from Veterans' Affairs, but I would anticipate saying to Veterans' Affairs, 'You must have been provided with about $60 million to provide at least the same level of service for 20,000 veterans.'

Mr Bruen—I cannot answer that one.

CHAIR—I do not think the officer can comment on that.

Senator SCHACHT—That is okay. As I say, we will come to Veterans' Affairs next week. The thing that did intrigue me is that all the PBS for Veterans' Affairs showed was a saving of $57 million a year over four years for the provision of these services to veterans. I find it hard

to believe that the same level of service can be provided to these 20,000 veterans when it is written in that the Department of Veterans' Affairs is going to have to save $57 million. Can you explain to me where they will get the savings of $57 million over four years.

CHAIR—Senator, I think this is more to do with Veterans' Affairs than Health. I do not see how these officers can have the responsibility to answer the questions that you are asking.

Senator SCHACHT—I appreciate the problem. I like to have Veterans' Affairs here at the same time. In a normal Senate committee for legislation, you might actually get the two departments together and save tick-tacking a week apart. But, if it is $60 million, approximately, that looks like being available to your department, I would anticipate $60 million being provided by the government to Veterans' Affairs. And then, over four years, $57 million is taken out—that is about $15 million a year. That is a substantial percentage reduction. It means that either there is going to be a service cut or your department has been terribly inefficient in providing the service, if Veterans' Affairs believe they can do it for $57 million less over four years than you are doing it for.

Mr Podger—It is not possible for us to answer these questions here. All I can refer you to is my earlier answer: the Department of Veterans' Affairs believe that, by having control over the purchasing of the whole range of services, they can offer more appropriate and more efficient services. You will have to ask your questions of them as to how they intend to do that. It is not something my officers can answer.

Senator SCHACHT—This means that, on rough mathematics, they are going to be looking at nearly a 25 per cent saving per annum on what normally it would cost you to run the service for the 20,000. It is a 25 per cent saving; it is in their PBS. I will tell you, just for curiosity's sake: in the first year there is extra money but if you take it over the four years it is on page 38 of the PBS for Veterans' Affairs. I just want to know: what things are they going to be able to purchase more efficiently, that you purchase presently, to give them, on average, a 25 per cent saving?

Mr Podger—Your assumption is that they are making savings purely in the area of these home care services. I do not know whether that is true or whether there is something—

Senator SCHACHT—It is not an assumption, Mr Podger. It is on page 38.

Senator TCHEN—On a point of order, Madam Chair: the secretary has already said he is not able to answer this question. There is not much point in Senator Schacht browbeating him—with respect, Senator.

Senator SCHACHT—It is a point of order, but if he wants to ask a question he can.

CHAIR—Yes, you can, Senator Schacht, but it has to pertain to the particular department we have before the table at the moment. You happen to be asking questions for which these officers have no responsibility.

Senator SCHACHT—They had no responsibility in the changeover, but I cannot imagine that the government would be so incompetent that it would allow these arrangements for a changeover to take place without a lot of consultation on what the figures are and what is going on. I accept that I will have to go to Veterans' to ask these questions and get the answers direct from them—

CHAIR—Be that as it may, the questions need to pertain to the areas for which they have responsibility.

Senator SCHACHT—We have been told that approximately $60 million a year is what this department provided for veterans' services.

Mr Podger—It is the total of this department and the states.

Senator SCHACHT—And $60 million has been now freed up because of the transfer—

Mr Podger—In a full year, that is correct.

Senator SCHACHT—In a full year. Over the next four years, I am told in Veterans' own PBS, they are going to have to save $57 million. By my rough calculation that is nearly $15 million a year on average, which is nearly 25 per cent. I just wonder, Mr Podger, whether you had any advice from Veterans' that when you had the program your purchasing of services was so inefficient that they can now find a 25 per cent saving?

Mr Podger—Senator, I have answered it as closely as I can, given the responsibilities that I have and my officers have. That is, the measure was seen by DVA as giving them substantial advantage in having the full responsibility for purchasing services, and they felt they could offer more appropriate and efficient services across the board. You will have to talk to them about whether those savings are entirely out of the services that they are now purchasing in that area, or whether there is some wider consideration in their court. That is all I can say.

Senator SCHACHT—There have been comments around since this was announced. This was in the defence department PBS. One of the things it says about the improved service, or the savings, is:

... This preventative approach will reduce the need for hospitalisation and other health care services, leading to savings in the veterans' health budget that will offset the cost of the programme.

Does that mean that your department is unnecessarily putting people from home care into hospital? Once they are in hospital the cost of a bed per day is much higher than for home care. The implication I get from that is that they believe you are unnecessarily allowing aged care people to go from home care into hospitals. This was not raised with you—

Senator Herron—Madam Chair, I appreciate Senator Schacht's right to ask questions but he is asking a question of the secretary on a viewpoint that may or may not be held by the Department of Veterans' Affairs. That is what you said.

Senator SCHACHT—The comment by this department can be taken clearly as a comment that they believe that you have been putting veterans unnecessarily into hospitals when, if there was better home care, they would be able to stay at home; therefore, that is the saving. Mr Bruen, have they ever raised with you at these meetings with the states on a half-yearly basis that they believe that you are unnecessarily putting veterans into hospitals?

Senator Herron—That is a different question from the last one.

Senator SCHACHT—I know. I am giving you the broader picture, Minister.

Senator Herron—I am not objecting to the question; it is the line of questioning.

Senator SCHACHT—It keeps crossing over backwards and forwards. I am trying to tease out some of the issues here.

Mr Bruen—That issue has not been raised at Commonwealth-state meetings, no.

Senator SCHACHT—It has not been raised by Veterans' Affairs?

Mr Bruen—No.

Mr Podger—The issue has not been raised today—

Senator SCHACHT—I will take it up with Veterans'. That is fine. I am not having a go at you, Mr Bruen, or the department. I am just saying: if you have a half-yearly consultation where you all sit around the table—including with the states, quite properly—and Veterans' have not raised it; then they put it here and this is now put in as a savings option in the annual budget, and it is written that this is a way that they are going to make the savings, I find it a bit strange that Veterans' did not previously say to you, 'Look, we can actually get HACC to save some dough for itself by getting a better system of home care and have fewer veterans going to hospital.'

Mr Podger—Senator, we have been having discussions around coordinated care, health care agreements and hospital arrangements to see whether there are groups of people who, through better management of the health care budget arrangements between the Commonwealth and the states, might be kept out of the hospitals more than they are now. This includes such services as are provided through HACC. This is not a new issue, in asking whether there is some improvement both to the appropriateness of care and to the efficiency by getting better coordination of care. Veterans' Affairs clearly are of the view that they can deliver that better through this process, just as we are trialing similar processes in other areas. But it does not mean that, suddenly, because we have not done that, our services are forcing more people into hospitals. The suggestion is that we could improve our services and make them a bit more appropriate by better coordination. We are looking at that, just as Veterans' are looking at it, but Veterans' are in a position to do it more quickly than we would be.

Senator SCHACHT—Because this is a savings in the PBS it means the finance department has had to sign off that this is a genuine saving. Have you had discussions in your department with Finance to the effect that you can find, also by improving the service, increased savings to the HACC program by having less hospitalisation for people in home care?

Mr Podger—We have not had that discussion directly but we have, for example, in the health care agreements, provisions to look at whether we can identify boundary problems which would allow us to improve services, save money and share the proceeds with the states. Those are the sorts of things we try to do with the states. I do not know the details of the Veterans' Affairs matter, as I said before. I am simply indicating that the issue of trying to get better coordinated care is not a new one.

Senator SCHACHT—What is your budget for residential care? I might have missed it here in the program.

Mr Bruen—Do you mean nursing homes and hostels?

Senator SCHACHT—No, just the home care.

Mr Bruen—The Commonwealth figure is there in the budget papers. It is $565 million for next year.

Senator SCHACHT—How much?

Mr Podger—$565 million in 2000-01.

Senator SCHACHT—If Veterans' Affairs say that they can find a saving of nearly 25 per cent per annum in the provision of home care, why can't you find a 25 per cent saving on

$565 million? Gee, I bet your finance people would be delighted to find that saving. With 25 per cent, if Veterans' Affairs can find it and they impose it in Veterans, we are looking at a saving of well over a $100 million a year. If they can find 25 per cent, why can't you?

Senator Herron—I think we are getting into debating the issue. The officers cannot answer that question.

Senator SCHACHT—Take it on notice then.

CHAIR—Senator Schacht, there is no point in putting something on notice that is not the responsibility of this department.

Senator SCHACHT—I want to put them on notice and ask: in view of the fact that Veterans' Affairs offered a 25 per cent saving for home care in their program when they took it over, were there any discussions that you should find a 25 per cent saving on $565 million?

Mr Podger—The answer is no.

Senator SCHACHT—And you did not offer any?

Mr Podger—No.

Senator Herron—Therefore we suggest you ask the questions of Veterans' Affairs.

Senator SCHACHT—Yes. You can be assured that whatever questions I am asking here—you might actually be at the table, Minister; you might be sentenced to be there next week.

Senator Herron—I could well be; I will be interested to hear the answer as well.

Senator SCHACHT—Mr Podger, will these changes to switch this over to Veterans' Affairs require legislation? Is it a purely administrative matter?

Mr Bruen—It is purely administrative.

Senator SCHACHT—Okay.

Mr Bruen—It is purely administrative from our end, I should say. I do not know what the Department of Veterans' Affairs is proposing, but there is no legislation impacting on this.

Senator SCHACHT—I am not sure but I think it may require legislation under the Veterans' Entitlements Act and so on. We have a legislation committee and we may ask you to provide your well-founded advice to that hearing when it takes place some day in the future.

I want to turn to the estimates hearings three weeks ago and some evidence given by Dr Killer, who is a senior medical officer for the Department of Veterans' Affairs. Dr Killer made it clear that the Department of Veterans' Affairs takes a proactive role in looking at the provision of services to veterans in nursing homes, et cetera. How often has Dr Killer, his officers or the department made representations to you regarding the level of care provided in nursing homes to veterans—the quality of care, I suppose, is a better way to phrase it?

Dr Graham—We have relatively regular meetings with officers of the Department of Veterans' Affairs, not just Dr Killer, about issues of common interest, and that would include access to residential care. We also have meetings with our state counterparts and Veterans' Affairs participates in those.

Senator SCHACHT—How many times do you meet with Veterans' Affairs?

Dr Graham—This year it would have been—

Senator SCHACHT—This calendar year or financial year?

Dr Graham—This calendar year. We try to do it on about a three- or four-monthly basis.

Mr Bruen—I should say that is formal meetings. Officers would make far more frequent—

Senator SCHACHT—Yes, of course. I understand that being a sensitive and well-organised department there would be lots of phone calls. Are the quarterly meetings formal in the sense that minutes are taken?

Mr Bruen—There may be records.

Senator SCHACHT—Or notes, I should say.

Mr Bruen—Sorry?

Senator SCHACHT—Minutes and/or notes recorded?

Dr Graham—The officers attending would take notes. We set up an agenda, and on occasions we have discussion papers and we exchange information.

Senator SCHACHT—Could you take on notice to provide details of the officers who are required to attend that meeting? Is it within the administrative structure of your department that there are designated officers who would have those formal meetings?

Dr Graham—Normally it is the branch heads within the Aged Care Division, as well as our counterpart division within the Department of Veterans' Affairs.

Senator SCHACHT—If you could take on notice to provide the list of those people and their titles who attended the last couple of meetings, we would appreciate that. Mr Bruen, you suggested that by being a well-run department there are a lot more than formal meetings. At what level do those discussions take place—by phone I should imagine?

Mr Bruen—I talk to my counterpart fairly frequently.

Senator SCHACHT—Is that Mr Telford?

Mr Bruen—Yes, and his staff.

Senator SCHACHT—Is it once a week, or once a month?

Mr Bruen—Over recent months it would have been two or three times a week. He has been overseas for the last two or three weeks, but apart from that it would be fairly frequent.

Senator SCHACHT—Did Dr Killer or Mr Telford notify you that they had made direct contact with certain nursing homes where they may have been concerned about the quality of the care provided to veterans who are in those nursing homes?

Mr Bruen—Were you referring in the general or the specific on that question? Could you clarify that?

Senator SCHACHT—I will move to the specific example. Dr Killer gave evidence during the estimates committee hearing three weeks ago into the Department of Veterans' Affairs that when certain nursing homes had received some notoriety and publicity about the service they were providing to the people who were in residence, he, on the department's behalf, made direct inquiries to those nursing homes. He wanted to find out, firstly, were there any veterans; and secondly, if there were, what was the treatment level and was there any concern for them as the Department of Veterans' Affairs. When he made those inquiries, did he notify you first that he was going to do so?

Ms Hefford—We would normally have a very close relationship with DVA. If we become aware of a difficulty or a concern with a particular facility, we would notify DVA. Our records

allow us to know when there are veterans in a residential care facility, provided the veterans have identified themselves as veterans at the time of admission. We would always have an ongoing relationship with DVA. That would not prevent them from making their own inquiries of a particular facility.

Senator SCHACHT—My colleague Senator Evans has already raised this case, and he will probably ask some more questions as well. It concerns the case of a nursing home at Rockhampton called Alchera. Dr Killer indicated to the estimates committee that when it got publicity over the general issue of provision of care in the nursing home, he contacted the home, found that there were two veterans there, found out who their doctors were, and contacted the doctors. This is all on the record in the estimates hearing.

As a result of what the doctors told him, the department felt obliged to write directly to your department expressing concern about the level of treatment one of the veterans received. He had apparently died after having treatment at a hospital, an operation of some sort. He had returned to the nursing home and subsequently passed away. It is in the evidence in the estimates committee hearing that as a result of the doctor's advice about the consequences of the care that that person received back at the nursing home, Dr Killer and the department felt obliged to write to you expressing concern that the care, or the lack of it, may have contributed to the veteran passing away. I asked at the estimates three weeks ago for that letter to be tabled. I am still waiting for the letter written to you.

Ms Hefford—That is right—it was the Secretary to the Department of Veterans' Affairs who wrote to the Deputy Secretary to the Department of Health and Aged Care, Mary Murnane.

Senator SCHACHT—Can you table the letter from Dr Johnson?

Ms Hefford—No, I cannot. At the estimates on 2 May we indicated that we would talk to DVA and ask about the level of confidentiality they attributed to the letter. They have responded by saying that they think the letter should not be tabled for reasons of patient confidentiality.

Senator SCHACHT—The patient is dead, unfortunately.

Senator Herron—In medico-legal terms, though, a letter of that nature may be part of the estate.

Senator SCHACHT—What if the nearest relatives to the deceased veteran agree for the letter to be tabled? That would then remove all your inhibitions, would it not, Ms Hefford?

Ms Hefford—They are not my inhibitions. The Department of Veterans' Affairs has indicated that they do not want the letter made public, and they have indicated that they will answer you to the same effect when they next appear here and that they regard a release of the letter as some type of breach of patient confidentiality, of doctor-patient records that they would not want in the public domain.

Senator SCHACHT—I might sound trite in saying this, but if the patient was still alive and you asked the patient, 'Do you have any objection to having the letter that contains medical information about your condition being tabled as a public document?' that would therefore remove any concern of confidentiality.

Senator Herron—It is a Department of Veterans' Affairs letter, as I understand it. But if it contains matters relating to a doctor, then the doctor has the right of refusal.

Senator SCHACHT—Okay.

Senator CHRIS EVANS—The difficulty I have with this approach—and I accept that there are some sensitivities—is that this is a matter that we have been pursuing on behalf of the relatives of the deceased at Alchera Park for months and months and months, and they are the ones raising the concerns with us because of the failure of the complaints system to deal with their concerns about the deaths. I just find this defence and our inability to get to the bottom of this matter very frustrating. I have—and Senator Schacht probably has as well—letters from the relatives seeking to get to the bottom of what occurred here. They are not the ones trying to prevent an expose of what has occurred; they are the ones seeking the information, they are the ones who have been contacting the complaints department et cetera. To then have us being told that we cannot get a proper expose of what has occurred because of their interest just seems absolutely ludicrous.

I do not know whether the department will give consideration to reviewing this position if we get the authority of the relatives. But the reason the opposition is raising these issues about Alchera Park—and I think the local member has in recent times—is the concerns of the relatives of the deceased. They are concerned that we have not got to the bottom of this. I think they will be most angry when they are told that we are unable to find out what happened to their relatives because of what is alleged to be their relatives' privacy. It just seems a catch-22.

Senator Herron—I respect what you are saying and I understand the direction which you are coming from, representing the relatives. But the direction I am coming from is that, whatever investigations have been done—I am not privy to them either, no more than you are—I am sure that they will be detailed, while protecting the rights of other individuals who may be involved. Certainly in medico-legal situations concerns are expressed or allegations are made that may or may not have basis in fact when the details are completely known. You have to respect all sides, both Alchera Park and the medical people involved as well as the patient.

Senator CHRIS EVANS—We are trying to do that, Minister. I am very sensitive to that. That is why we have only raised issues when they have been brought to us by relatives who have expressed concern about their failure to get satisfaction through the complaints system.

Senator Herron—Sure. I understand.

Senator CHRIS EVANS—That is why in instances where I do not have that sort of approach I do not buy into it. Maybe we can go back to the process around this. When did the Department of Veterans' Affairs write to the department?

Mr Podger—Senator, can I just interrupt for a moment? We have answered that particular question before but, to clarify, I understand that the issues the minister has mentioned are the issues on the minds of Veterans' Affairs. There is no additional concern from this department about the release of the correspondence to you. If Veterans' Affairs feel that they have sorted out their concerns in this area, we do not have an additional concern about the release of that document. So there is no catch-22, if you like, that they would turn around and say they cannot release it because we said it could not be. If they are satisfied on those things, there is not an issue from our end.

Senator CHRIS EVANS—So the decision not to release the letter is very much one for the Department of Veterans' Affairs?

Mr Podger—That is right. But the concerns they have mentioned to us are precisely the sorts of things that the minister has raised. The other point I should mention—and Ms Hefford

may be able to say a bit more on this—is that our department has also subsequently been in contact with the relatives and also with the GPs to keep them informed.

Senator SCHACHT—Ms Hefford, can I just point out what Dr Killer said in the estimates three weeks ago in response to my question about contacting the doctor. This not what I said; it is what he said:

Senator Schacht—It is now clear to me that the evidence you have now given here is that the veteran, after the treatment received after some operation or a particular procedure, was back in the nursing home at Alchera and that his health unnecessarily deteriorated so that he was readmitted to hospital and he then died. Is that correct?

Dr Killer—That is substantially correct.

So the doctor has made it clear that he was unhappy with the treatment or the care of the veteran. The relatives are unhappy with the care that was given to the veteran. It seems to me that any medical ethical issues about patient confidentiality basically do not stand because the doctor was willing to raise it with the department, knowing full well the consequences that that would lead to—that Alchera or somebody else might take objection to what he said or his implication. The relatives want the matter published. You have got the letter. I will certainly make it clear to Veterans' Affairs when I see them next week at estimates that that letter should be tabled. I will speak to them even before estimates about why they cannot table that letter, if that advice still stands that they have apparently given you, Ms Hefford.

Ms Hefford—That is correct.

Senator SCHACHT—I just want to get this clear. You have had advice that they were going to advise me in the next few days or at estimates that they would not be able to table the letter?

Ms Hefford—Their preferred position is that the letter not be tabled.

Senator SCHACHT—Thank for you that. What was the response from your department to DVA's letter? Did you respond in writing?

Ms Hefford—The department received the letter from the Department of Veterans' Affairs on 9 March. On 9 March, the department referred the matters raised in that letter to the Queensland police, and the letter to the Queensland police was also copied to the secretary of DVA. So they were aware of the steps we had taken. The Queensland police responded on two occasions: once on 13 March—

Senator SCHACHT—What was that response?

Ms Hefford—indicating that they had received the correspondence and they would look into the matter. They responded again on 27 April. In that letter they said that the coroner had advised that there were no issues surrounding the deaths and there would be no police investigation.

Senator SCHACHT—The coroner had advised?

Ms Hefford—Queensland police checked with the coroner, checked with other police and came back to us and advised there would be no investigation.

Senator Herron—Perhaps I had better explain, because it may not be apparent to senators—coming from Queensland and being involved in the process—that it goes back to a royal commission in 1939 in Queensland where an investigation occurred as a result of a procedure in what was then called the Brisbane General Hospital. The Coroners Act was altered then so that any death that occurred—and my understanding is that it has not changed

to this day—around the specified period—for example, a death in the operating theatre in a Queensland hospital—is notified to the police at the time it occurs.

Senator WEST—Or a death 24 hours after an anaesthetic.

Senator Herron—Yes, that is correct. That, to my understanding, is transferred over to any death that occurs. So it may sound unusual to senators from other states, but in Queensland that pertains—that the police are notified and then the coroner as a result thereof.

Senator WEST—That is right; it is the normal process in most states.

Senator Herron—I do not know what occurs in other states.

Ms Hefford—Can I correct something that I said a moment ago. The final letter from the Queensland police was actually dated 16 May. We had oral advice on 27 April, but we received the letter on 16 May.

Senator CHRIS EVANS—Are you prepared to table those letters, Ms Hefford?

Ms Hefford—The letter from the Queensland police?

Senator CHRIS EVANS—Yes.

Senator SCHACHT—The two letters from the Queensland police that you got back.

Ms Murnane—I will talk to the Queensland police commissioner about that and, if it is okay with him, we will do it. After all, he was the author of the letters and I think out of courtesy I should ring him. But I will do that today; I will do that in the lunch break.

Senator SCHACHT—Thank you. Could we get the answer either here or by the time the Veterans' Affairs Department estimates take place next week?

Ms Murnane—Yes. They have copies of the letters.

Senator SCHACHT—They have copies of the letters from the police, anyway.

Ms Murnane—Yes.

Senator CHRIS EVANS—I want to be clear as to what you are saying. Are you saying that there had been an investigation and that the police had found no need to investigate or that, on referral of your letter, they had made inquiries and decided no further investigation was required?

Ms Murnane—The latter.

Senator CHRIS EVANS—The latter?

Ms Murnane—Yes.

Senator CHRIS EVANS—So there has at no stage been a police investigation previously into those deaths?

Ms Murnane—That is my understanding, yes. I have no reason to believe anything other than that.

Senator CHRIS EVANS—And there had been no previous investigation by the coroner into those deaths?

Ms Murnane—To my knowledge, no, and all the evidence points to the fact that there was not.

Senator CHRIS EVANS—I am trying to understand why they said there was no need to investigate. We brushed over that; I want to follow through on that. I understand from what

Ms Hefford said that the Queensland police had advised that they had decided there was no need to investigate.

Ms Murnane—Yes.

Senator CHRIS EVANS—Was that based on the fact that such time had elapsed between the deaths?

Ms Murnane—I think the detail of that would have to be answered by the Queensland police.

Senator CHRIS EVANS—As you know, these were deaths that involved complaints being made to the department back in, I think, October. So these are matters that have been within the department's area for some time. I am trying to trace through the process issues here. This is the last episode, if you like, in the whole process but, as I understand it, no-one from the complaints branch or the agency referred these matters to any other authority during that period; is that right?

Ms Murnane—That is correct—and, I might say, neither did the GPs concerned, the hospital nor the doctors that signed the death certificates.

Senator CHRIS EVANS—This is a bit difficult, because I do not want to use names of individuals. We have at least two deaths that were reported to the complaints department in October. Is that correct? There has been talk of a 'couple of vets' at the same time as we have talked about the 'couple of complaints' organised in October, and I am not sure that they are necessarily the same people. I am just trying to get that clear in my own mind.

Ms Hefford—There were two deaths in October.

Senator CHRIS EVANS—Two deaths in October that were the subject of complaints to the department. Is that right?

Ms Hefford—Yes. Both were the subject of complaints.

Senator CHRIS EVANS—Yes. Were those two deaths both of vets, or was one of them of a vet?

Ms Murnane—I do not want to complicate this further, but I think that actually there were three deaths, and two of those deaths were deaths of veterans and subsequently came to our notice. But I think I do have to say—

Senator SCHACHT—According to Dr Killer, there were two veterans at Alchera and one at Riverside who died and regarding whom they made inquiries about the background to their passing away. That is the evidence he gave.

Ms Murnane—I would just make one point: the complaints we got in October were not saying the deaths were caused by the nursing home. The complaints were made about the state of the people when they came to the hospital. That is a distinction, but I do think it is an important distinction to keep in mind.

Senator SCHACHT—Sorry, the state of the people when they arrived at the public hospital for treatment was a matter for concern?

Ms Murnane—That is right, yes.

Senator SCHACHT—In the letters you received back, Ms Hefford, did the police give an indication of the extent of their inquiries about the death of the one that the department referred to you?

Ms Murnane—No, they did not. After receiving those letters, our state manager in Queensland rang the two GPs that were referred to by Dr Killer and informed those GPs of the conclusions reached by the Queensland commissioner. It emerged from those discussions that Queensland police had interviewed one of those doctors, although the police commissioner himself—I understand this is practice on the part of the police—did not give us in any way the detail of their investigation.

Senator SCHACHT—Do you know if he interviewed the doctor that Dr Killer did not name? That is the doctor they actually interviewed; it would be a bit odd that they interviewed the other one.

Ms Murnane—These are names that we, for privacy reasons—

Senator SCHACHT—Yes, I do not want to name them.

Ms Murnane—I can tell you that I know the names, and one of the doctors interviewed by the police—or the doctor who told our state manager he was interviewed by the police—was one of the doctors named to us by Dr Killer.

Senator SCHACHT—Have you had any contact with Dr Killer about these results?

Ms Murnane—I have had a discussion with the Secretary to the Department of Veterans' Affairs. Prior to that I had had discussions about this matter with him and also with the Repatriation Commissioner, Mr Campbell. I have not spoken to Dr Killer. I think that, when I had a previous discussion with Mr Campbell, Dr Killer was not available at the time.

Senator SCHACHT—Did the information you got back in the letter from the police in Queensland indicate anybody else they had interviewed?

Ms Murnane—It did not. As I said, the letter from the police commissioner gave no detail at all of their line of investigation. My understanding is that the police usually do not.

Senator SCHACHT—I just wondered if you had heard within the department's own network whether any of the officers of the department responsible for nursing home inspections, services, et cetera, let it be known to you or their superiors that they were interviewed or contacted by the police.

Ms Murnane—The answer to that is no.

Senator CHRIS EVANS—I am getting confused here and would like to go back a step. I want to be clear in my own mind and we might have to adopt a system whereby we call them patient A, patient B and patient C or something.

Senator SCHACHT—Drs X and Z or something too.

Senator CHRIS EVANS—I am just concerned because we have a number of complaints about Alchera Park. I want to raise with you again another case that I know was brought to your attention in March. It was a subject of complaints—but maybe not lodged with the department earlier—about very serious concerns with the treatment and death of another gentleman there. I am just conscious that we have at least three and maybe more deaths, a

couple of which are vets. While it is useful to protect people's privacy and not name them, I am never quite sure whether we are talking about the same person or the same doctor or what have you. I think we do need to get this into some sort of perspective just so that you are answering the right questions as well.

Ms Murnane—Okay.

Senator CHRIS EVANS—As I understand it, you received complaints about two deaths in October 1999?

Ms Hefford—That is correct.

Senator CHRIS EVANS—Were either or both of those, say A and B, vets?

Ms Hefford—Yes. There were three deaths in total—two in October and one in November. Of those three, two, I understand, were veterans.

Senator CHRIS EVANS—Given that we will call the ones in October A and B and the one in November C, which ones were the vets?

Ms Murnane—Let us say A and B were the vets.

Senator CHRIS EVANS—So the two in October were the vets? I was not sure whether the one in November was—

Ms Murnane—We might have to actually have a common coding here or some sort of signification code but—

Senator SCHACHT—I will need it for Vets next week, I can assure you.

Ms Hefford—One of those in October and the one in November were veterans.

Senator SCHACHT—Right.

Ms Hefford—So it is A and C if you would like to use that nomenclature.

Senator CHRIS EVANS—Yes, not A and B. That is what I thought. So did you receive a complaint about the death of C in November?

Ms Hefford—We received complaints about all three at the time of their deaths and the complaints came to us through the hospital.

Senator CHRIS EVANS—You received complaints about all three deaths. Can you give me the dates on which you received those complaints?

Ms Hefford—16 November.

Senator CHRIS EVANS—All three?

Ms Hefford—Yes.

Senator CHRIS EVANS—Were they the subject of more than one complaint?

Ms Hefford—My understanding is it was registered by us as a single complaint from a staff member at the Gladstone Hospital.

Senator CHRIS EVANS—And they raised those three deaths?

Ms Hefford—Yes.

Senator SCHACHT—Was the staff member a doctor or a nurse or an administrative person?

Ms Murnane—We know the answer to that.

Senator CHRIS EVANS—I know the answer to that. I will tell you.

Senator SCHACHT—Okay.

Ms Murnane—It is just protecting the privacy of people in the workplace.

Senator SCHACHT—It wasn't that I wanted you to actually name them, I just wanted to get—

Ms Murnane—I know, but I think that would identify them.

Senator SCHACHT—Okay.

Senator CHRIS EVANS—So you got three reports. I think I asked a couple of questions on notice—I am not sure whether the answers have just arrived—about how that progressed but I think we established last time that they were handled inside the complaints office and not referred to the agency?

Ms Hefford—The issues raised in that complaint of 16 November were referred to the agency on 25 November. There had been, prior to the November complaints, an earlier complaint that had been referred to the agency and that was in September. I do not want to again—

Senator CHRIS EVANS—Was that from the same complainant or from a different complainant?

Ms Murnane—It was from a different complainant but it was about one of the same people—one of those three people.

Senator CHRIS EVANS—Right. So the complaint had become before their death?

Ms Murnane—Yes. There had been a complaint in September about one of those people regarding his care.

Senator CHRIS EVANS—So in September, before this person died, there was a complaint from a complainant about the treatment this person was receiving?

Ms Murnane—Yes.

Ms Hefford—Yes.

Senator CHRIS EVANS—Is this A, B or C?

Ms Murnane—It is either A or C.

Senator CHRIS EVANS—It is one of the vets?

Ms Murnane—Yes.

Senator CHRIS EVANS—So in September you got a complaint about the treatment of a vet who was still alive. What did that complaint allege?

Ms Hefford—It was about the level of care.

Senator CHRIS EVANS—You got a complaint expressing concern about the vet and his level of care?

Ms Murnane—Yes.

Senator CHRIS EVANS—That was referred to the agency?

Ms Murnane—Yes.

Senator CHRIS EVANS—What date was that?

Ms Hefford—On 7 October.

Senator CHRIS EVANS—So it came in on 16 November, it was referred to the agency on 7 October?

Ms Hefford—No, the complaint that came in on 22 September, after some discussion and letters, was referred to the agency on 7 October. There was a subsequent complaint, which we discussed a moment ago, from the Gladstone Hospital on 16 November, and that was referred to the agency—

Senator CHRIS EVANS—All right. Let us just deal with the pre-death complaint. What happened between 22 September and the referral to the agency on 7 October?

Ms Hefford—The department accepted the complaint and wrote to Alchera Park, giving them details about the issues raised and asking them to respond.

Senator CHRIS EVANS—Right. So you wrote to the provider. Was there any telephone contact or just the written notification?

Ms Hefford—I am not aware of telephone contact.

Senator CHRIS EVANS—When did you get a reply back from the provider at Alchera Park?

Ms Hefford—On 15 October.

Senator CHRIS EVANS—You wrote on 7 October—

Ms Murnane—The agency wrote, actually, on 7 October and Alchera wrote to the agency on 15 October.

Senator CHRIS EVANS—I am sorry, I asked what you did after 22 September—that is, the complaint to the department. Ms Hefford said—and I may have misled you—that you wrote.

Ms Hefford—Yes.

Senator CHRIS EVANS—So we are talking about the complaints office writing. What is the date of that letter?

Ms Hefford—23 September.

Senator CHRIS EVANS—So the day after they get the complaint they write off. When do you get a response to the department?

Ms Hefford—11 October.

Senator CHRIS EVANS—And that is the provider's response to the concerns raised in the complaint to the department?

Ms Hefford—That is right.

Senator CHRIS EVANS—What happened in the interim between you writing to them and them responding?

Ms Hefford—The issue was referred to the agency on 7 October.

Senator CHRIS EVANS—Why?

Ms Murnane—The answer to that lies in the fact that the agency had, earlier in the year, visited Alchera, continued to monitor it and asked Alchera to present an improvement plan.

So, prior to any of the raft of complaints we are talking about now, the agency had already been monitoring Alchera.

Senator CHRIS EVANS—I will ask you to give me those dates in a minute—

Ms Murnane—Yes, we have them here.

Senator CHRIS EVANS—but, for the purpose of not confusing the picture, we will stick to the complaint process. Given that you were waiting for the response, do you have a two-week deadline and then you send in the agency, or what was it that happened on 7 October to make you refer it to the agency? What triggered that?

Ms Hefford—As Ms Murnane has just said, if you know that the agency are already managing a facility because to some extent they already have form, they are working through an improvement plan, then you would normally alert the agency to additional serious issues that appear to be emerging, as a standard process.

Senator CHRIS EVANS—I can understand that, that makes sense. But on 23 September, you wrote to them—you did not give it to the agency, you wrote to the provider. What happened so that, two weeks later, you suddenly give it to the agency?

Ms Murnane—The answer lies in the fact that there had been, over a period, a series of complaints about this home, the department knew the agency was involved, there was the complaint on 22 September and there was a further complaint received by the department on 29 September. The department by that stage, of course, had already begun trying to establish the issues surrounding the complaint of 22 September, but at that stage obviously decided that the matter should be referred to the agency.

Senator CHRIS EVANS—That is fair enough, I understand that. Just so I am clear, though, what happened? On the 29th you received another complaint.

Ms Murnane—Yes.

Senator CHRIS EVANS—What was the nature of that complaint?

Ms Murnane—It was about care issues.

Senator CHRIS EVANS—Was it relating to this patient A?

Ms Murnane—I cannot be sure about that.

Senator CHRIS EVANS—What does that mean—that you took it as a general complaint?

Ms Murnane—The time line I have before me is silent on that.

Senator CHRIS EVANS—As to who?

Ms Murnane—Yes.

Senator CHRIS EVANS—So on 29 September there was another complaint about care issues at Alchera Park?

Ms Murnane—Yes.

Senator CHRIS EVANS—You had not had a response to the complaints office letter that was sent to the provider, so on 7 October it was referred to the agency.

Ms Murnane—Yes.

Senator CHRIS EVANS—Did anything else happen between 22 September and the 7 October referral? Apart from that additional complaint, did anything else occur?

Ms Murnane—Nothing, apart from what we have already informed you of.

Senator CHRIS EVANS—So you had a complaint and you sent it off to the provider for a response about a particular individual, individual A. In the meantime, you get a care complaint which may or may not be specific. I would appreciate it if you took that on notice, Ms Murnane, as to the nature of that complaint—more specifically, about the care of which resident or what sorts of care issues were addressed. You then referred it to the agency on 7 October. What happened then?

Ms Murnane—We can go through the time line, but perhaps Mr Burns could talk specifically about what the agency did at that time.

Senator CHRIS EVANS—I think it might be helpful if we did the time line first so that we can put it into context. If you want to provide us with a copy, we would be more than appreciative.

Ms Hefford—On 7 October the issue was referred to the agency; on 11 October Alchera Park responded to the complaints issues; on 15 October Alchera Park advised the agency of their response.

Senator CHRIS EVANS—Sorry, what does that mean?

Ms Hefford—On 11 October Alchera Park responded to the complaints scheme; on 15 October they provided that same response to the agency. So they were keeping the agency in the loop.

Senator CHRIS EVANS—So it is just a copy of the letter they sent? Is that what we are talking about—the letter?

Ms Hefford—Yes.

Mr Burns—You must remember that when you separate the two time frames they were actually running concurrently. It was already under agency management, so they were already referring that information to—

Senator CHRIS EVANS—No, I am happy with that, Mr Burns, I am just trying to get the dates in context. So on 15 October they give the agency a copy of the letter as well.

Ms Hefford—On 20 October, the department, through the complaints scheme, responded to complainant A—I think that is what we are calling it. That is the normal process. You get advice back from the facility, you then—

Senator CHRIS EVANS—You mean you responded to the complainant?

Ms Hefford—Yes.

Senator CHRIS EVANS—Not the resident A.

Ms Hefford—At the time that we did that, also on 20 October, that complainant advised the department that the person on whose behalf she had been complaining had passed away.

Senator CHRIS EVANS—Do you know the date of the death?

Ms Hefford—It was 14 October.

Senator CHRIS EVANS—So on 14 October the resident who was the subject of the complaint passed away?

Ms Hefford—Correct.

Senator CHRIS EVANS—When did the department know of the death? Not until 20 October?

Ms Hefford—Not until 20 October.

Senator CHRIS EVANS—Mr Burns, when did the agency know of the death?

Mr Burns—I have not got that date.

Ms Hefford—The death did not take place in the nursing home.

Senator CHRIS EVANS—I know, yes. Mr Burns, you just mentioned to me that from the 7th it was under agency supervision. I would like to know what that means and when you learnt that that patient who was the subject of the complaint died.

Mr Burns—I can find that out. I do not have that information with me.

Senator CHRIS EVANS—You do not actually know at the moment. You say, Mr Burns, that you have not got that information today.

Mr Burns—No, I have not.

Senator CHRIS EVANS—What does the effect of you taking over supervision of the complaint on the 7th mean in practical terms?

Mr Burns—I think, as I have explained before, the Complaints Resolution Scheme continues supervising the complaint. The agency looks at clinical care that sits behind the complaint if it has been identified as a problem. So we are looking at the provision of clinical care in that service, not at the specific death, although we do look closely at those areas identified as maybe causal.

Senator CHRIS EVANS—So I ask the question again: in practical terms, what does the referral to you on 7 October mean in this instance? Does it mean that you ring the provider on the 8th, does it mean that you go out and visit, does it mean that you gave the file to an officer and gave them a week? What does it mean, to a layman? On 7 October, what happened?

Mr Burns—We had already planned for some future visits to that service, so we would be in contact with the service to find out what their response was in terms of the improvement plan that they were already implementing. We visited that service to do another full review at the end of November. So we would be in telephone contact with them supervising their improvement plan.

Senator CHRIS EVANS—Let us move from the theory or the practice to what actually happened. When was your next contact with Alchera Park Nursing Home following the referral of the matter to you on 7 October?

Mr Burns—The next time was on 30 November.

Senator CHRIS EVANS—So the next time you visited was on 30 November?

Mr Burns—Yes.

Senator CHRIS EVANS—You cannot tell me when you learnt of the death but you will take that on notice. What contact did you have between 7 October and the end of November with Alchera Park Nursing Home?

Mr Burns—It would have been telephone conferences. I have not got the specific dates of those telephone calls, except for one on 22 November.

Senator CHRIS EVANS—You are able to tell me you had a telephone conversation with them on 22 November; do I take it that that was the only conversation or were there others?

Mr Burns—It is very likely that there were others, but I have not got those dates with me.

Senator CHRIS EVANS—Why would you have a record of the 22nd and not of the others?

Mr Burns—I do have them, I am sorry. We had telephone contact on 18 October and on 10 November. With respect to 22 November, the agency were not involved in that; that was the Complaints Resolution Scheme. So the agency had telephone contact on 18 October and 10 November.

Senator CHRIS EVANS—What did those contacts involve?

Mr Burns—To discuss the improvement plan that the service had in place following earlier assessments of the service by the agency.

Senator CHRIS EVANS—So you do not make any specific inquiry—I think we have discussed this before but just for the *Hansard*—into the actual death or the circumstances of the individual client?

Mr Burns—No, but clearly we would look at wounds management, pressure sores and the management of clinical matters, but not at the specific case in question.

Senator CHRIS EVANS—In any event, you did not actually enter the premises again until 30 November?

Mr Burns—That is right.

Senator CHRIS EVANS—In the meantime the resident had died. You are going to check for me when you found out, but in terms of the notes about the telephone conversations and your responses, if the resident had died and you knew about it, would that have prompted you to visit earlier? It just seems there is a long lag before you go out there. I know it is under management; I am not being critical. I guess I am trying to understand the psyche of this: if the person who was the subject of the complaint then died, would that bring on a more rapid response?

Mr Burns—It would have done if we had been particularly concerned about that area of clinical management. That certainly would have led to a quicker response, but our management of the service had not indicated a serious risk in that area of clinical management.

Senator CHRIS EVANS—But you clearly had a specific complaint. You found out on 20 October from the complainant that the resident had died. Go back a step: after you referred it to the agency on 7 October, what was the ongoing role of the department or its involvement in this?

Ms Hefford—The department continues to pursue the complaints action while the agency is doing its job. So on 20 October, the department responded to complainant A.

Senator CHRIS EVANS—Saying what?

Ms Hefford—Giving them the information that the facility had provided.

Senator CHRIS EVANS—So all you do is pass on the response. Is that right?

Ms Hefford—The complainant raises a number of issues. We forward those to the facility and ask them to respond against each of the issues in terms of clinical care practice, and we give that response to the complainant.

Senator CHRIS EVANS—Right. So you do not pass any commentary or judgment, or there is no editorial from the complaints office in the letter? It is just, 'This is what the manager of Alchera Park said about your complaint.'

Ms Hefford—Yes.

Senator CHRIS EVANS—I am just trying to get it clear that there is no commentary, no assessment or—

Ms Hefford—It is not fair to say that there is no commentary or assessment. There is no editorial, but there would be a discussion and we would normally ring people and say, 'Are you happy with this level of information? Do you require more information? Would you like us to negotiate additional issues?'

Senator CHRIS EVANS—But, in terms of the letter—the letter is a repeat of the response, saying 'This is for your information'—do you then contact them and say, 'How do you feel about this'?

Ms Hefford—Yes.

Senator CHRIS EVANS—So you rang the complainant, then, on 20 October—the same day—you sent them the letter. Is that right?

Ms Hefford—Yes. We had a conversation and that was how we found out that the complainant's relative had passed away.

Senator CHRIS EVANS—What is the date of the letter you sent to the complainant?

Ms Hefford—It is 20 October.

Senator CHRIS EVANS—Did you have the conversation the same day?

Ms Hefford—Yes, we did.

Senator CHRIS EVANS—I presume that means that you had the conversation before they got the letter? Did the complainant ring you or did you ring the complainant?

Ms Hefford—The complainant rang the department.

Senator CHRIS EVANS—The complainant basically rang you to tell you that the patient had died?

Ms Hefford—I am not sure what her motive was in ringing, but that was the information she passed to us.

Senator CHRIS EVANS—So, as a result of a call from the original complainant, you were able to ascertain that the resident had died. What did the department do in response to that information?

Ms Hefford—In response to the information that the death had taken place?

Senator CHRIS EVANS—Yes. You have a complaint about the treatment of a resident; the resident then dies. What do you do about that? I assume that triggers something inside the department in terms of dealing with it. You are not dealing now with a complaint; you are dealing with the death of a resident, so I presume that adds to the seriousness of the—

Ms Murnane—The gentleman concerned died in hospital. As far as we are aware now, the complainant did not suggest to the department that there was a causal relationship leading up to her relative's death.

Senator CHRIS EVANS—I am sorry, I am not trying to put other motives. What does the department do when it is going through the complaints process and it finds out that the subject of the complaint has died? Do you close the file?

Ms Hefford—No. You do not finalise the complaint at that point, because the complainant needs to be able to come back to talk to you, and you would have an outstanding action with the agency. They may find something which you would also pass on to the complainant. You dialogue with the complainant, and that process is ongoing until a point where the complainant agrees that there is no further place to take it.

Senator CHRIS EVANS—We will come to all that. But I guess we talked last time about the complaints mechanism, the seriousness of complaints and what triggers responses. I am interested in the situation where you get a complaint about the treatment of a resident—you are actively handling it and you have seen fit to involve the agency in it. So there is a level of concern because you know you have got concerns about the home. As you say, they have got some form. You have got a specific complaint about the specific care of a resident and the resident dies. I am really interested to know, both in this instance and in a policy sense, what happens then. We talked before about continuing the dialogue with the complainant. That is fine and that is one part of the process, but what happens about investigating the death and reassuring yourself that a lack of care did not contribute to the death?

Ms Hefford—The death of a former nursing home resident in a public hospital would normally be a matter for the doctor who was signing the death certificate and the statutory processes that would surround that. If the doctor had concerns, then it might be referred to the coroner. The police might subsequently become involved. It is not a role for the department.

Senator CHRIS EVANS—Ms Hefford, I am prepared to concede that to you in normal circumstances, but this is different. You have got a complaint about the treatment of that resident in one of your nursing homes. I think that as a general proposition you are right, it is not the department's responsibility. I am just trying to get a feel, though, for this. Are you saying to me that, because that resident had moved out and died in a public hospital, even the fact that you had a complaint, that you had activated the agency's involvement, did not trigger any further policy or investigative response from the department?

Ms Murnane—The agency at this stage did have the home under a monitoring regime and conducted a review audit at the end of November, early December. I do not think it is right to say that the matter was left or neglected. No further specific course of action was instigated as a result of what the complainant informed the department of, until on 16 November there was a further complaint from a Gladstone Hospital staff member regarding the condition of three residents admitted from Alchera—one of these people was the previous complainant's relative. Then there was a further path instigated that culminated in the review audit on 30 November and 1 December.

Senator CHRIS EVANS—Let us go back a step, then. Ms Hefford, you say that the file is kept open, you have an ongoing dialogue with the complainant, but the death did not trigger any other specific response. What else happened then on the file? Did anything happen until you got this complaint on 16 November?

Ms Murnane—No.

Senator CHRIS EVANS—There is nothing in the intervening period?

Ms Murnane—No.

Senator CHRIS EVANS—So on 16 November you get a complaint alleging concern about the condition of these three residents—I think by that stage we were up to three—and alleging that the care they received may not have been up to standard. What then happened inside the complaints office?

Ms Hefford—The complaints office had further contact with the complainant A—

Senator CHRIS EVANS—I do not think we are calling them complainant A. I think we are calling them residents A, B and C.

Ms Hefford—Okay, the complainant who had lodged the complaint on behalf of resident A—

Senator CHRIS EVANS—We will call them complainant X, shall we? That might help. I am not trying to be silly; I am just trying to make sure we do not get confused. I am happy for you to suggest more constructive alternatives.

Ms Hefford—I understand.

Senator CHRIS EVANS—Every time you say 'A' I think of the first deceased.

Ms Hefford—The complaints office also had a teleconference with both the proprietor and the director of nursing at Alchera Park.

Senator CHRIS EVANS—That was held when?

Ms Hefford—On 22 November.

Senator CHRIS EVANS—And that was conducted by whom?

Ms Hefford—Officers from the complaints scheme, with both the proprietor and the director of nursing of Alchera Park.

Senator CHRIS EVANS—So the complaints scheme was still handling that matter. Is that seen as part of the original complaint, or is this responding to the old complaint, or is it now cumulative in the sense—

Ms Hefford—It is cumulative; you add to the process.

Senator CHRIS EVANS—Why didn't that just get sent straight off to the agency, now that you had three deaths and serious complaints?

Ms Hefford—It was referred to the agency on 25 November. It had previously been referred to the agency, of course.

Senator CHRIS EVANS—Yes, I know. I am just trying to understand the process. So, on 22 November, a few days after you have got the next complaint, the complaints office initiates a telephone conference with the director of nursing and the owner-manager of Alchera Park. What was the subject of that discussion?

Ms Hefford—I do not have the detail of the discussion with me.

Senator CHRIS EVANS—Is there a note as to what the purpose of the discussion was?

Ms Hefford—It would obviously be in relation to the complaint of 16 November and asking about those care issues.

Senator CHRIS EVANS—What flowed from that telephone conversation then?

Ms Hefford—As a result of that process, the issues of 16 November were referred to the agency on 25 November.

Senator CHRIS EVANS—All right. So the agency has now got two active referrals from you at Alchera Park, as well as its own motion of continuing its review audits.

Ms Hefford—Correct.

Senator CHRIS EVANS—Did you continue then to try and process the complaints?

Ms Hefford—Yes, we did. The agency conducted a review audit on 31 November and 1 December, but on 30 November the department requested a review of procedures at the facility.

Senator CHRIS EVANS—Take me through that slowly. Have we got two processes in parallel?

Ms Hefford—Yes.

Senator CHRIS EVANS—Go through what the department did and I will come to Mr Burns about the agency. So on 25 November you refer it off to the agency?

Ms Hefford—Yes. On 30 November we formally requested a review of procedures at the facility.

Senator CHRIS EVANS—What does that mean?

Ms Hefford—It means that we asked them to look in detail at the procedures they are using to manage care and to give us a documented response.

Senator CHRIS EVANS—Right, so they do a self-review?

Ms Hefford—Yes.

Senator CHRIS EVANS—When did you get the response to that?

Ms Hefford—On 15 December.

Senator CHRIS EVANS—What did that tell you?

Ms Hefford—It was not a yes/no answer, it was a proposed approach for how they will improve and manage care in the future. And as a result of receiving that on 15 December, the complaints scheme officers then discussed this with the hospital complainant on 16 December. So the facility comes in with a proposal for how they will change and tighten procedures, what checks and—

Senator CHRIS EVANS—So you were requiring them to tighten their procedures, were you?

Ms Hefford—Yes, and to improve their clinical care management steps. They come back with a plan—

Senator CHRIS EVANS—So you were not just going through the complaints process, you were actually requiring action of them?

Ms Hefford—At this point we were requiring action.

Senator CHRIS EVANS—So you were not just trying to resolve the complaint, you have made a decision that there may be a cause for concern in their treatment. Is that right?

Ms Hefford—We are managing two different series of complaints. The first was from an individual, and the second was from somebody at the hospital. In helping the person from the hospital, we were actually getting the facility to come back with a review of detailed medical procedures, which we can then take to the complainant from the hospital and say, 'Do you believe this tightening of procedures will resolve these issues in the future?' So you are working on two fronts.

Senator CHRIS EVANS—So you still do not make any judgment about that?

Ms Murnane—The complaint that we got from the hospital complainant was much more specific and indicative of areas where the home should improve. One that springs to mind would be wound and pressure sore management. And it was on the basis of those specifics that our officers then went back to them and said, 'Show us what you are doing and how you improve it.'

Senator CHRIS EVANS—My immediate reaction was that if you are not a medically trained person, et cetera, you coming back to me, for instance, saying they are now going to do this and this and this in terms of procedure, I, the complainant, may not be a very good judge about whether that is appropriate. I accept this complainant was someone who was working in the field and so that might be different, but in a normal situation that may not have been as useful a process.

Ms Murnane—No.

Senator CHRIS EVANS—I am just trying to understand what happens when the complaints office makes some judgment, Ms Murnane. I know your job is to resolve the complaint, but obviously at some stage you have got to make some sort of judgment about whether there is something they need to fix up, basically.

Ms Murnane—Absolutely.

Senator CHRIS EVANS—I think it is fair to say that on this occasion the office had made a decision that there were things that needed to be addressed. Is that fair?

Ms Murnane—They gave the facility the opportunity to identify things that they themselves believed needed to be addressed, and they responded. The department then passed these on to the complainant at the hospital, and the complainant at the hospital did not think that was sufficient. So the department then went back to the facility, back to Alchera, saying, 'Would you do more?'

Senator CHRIS EVANS—So the department met with the complainant on 16 December, presented the Alchera Park revised treatment schedule and the complainant was not satisfied that that would necessarily address the problems. What then transpired?

Ms Hefford—The hospital complainant asked for additional information. That request for additional information was passed on to Alchera Park on the same day, 16 December; Alchera Park responded with further proposed improvements to procedures on 23 December.

Senator CHRIS EVANS—What happened then?

Ms Hefford—On 7 January the department received the review audit report on Alchera Park as a result of the agency's visit of 30 November-1 December. On 10 January the agency—this is a normal part of the process—confirmed their support contact regime with

Alchera Park. So when they have done a review audit they outline the times and the dates by which they are going to expect improvements and when they will be back.

Ms Murnane—Do you want us to go on?

Senator CHRIS EVANS—Yes, I think so. I might come back to Mr Burns about his perspective on that.

Ms Hefford—Between 13 and 18 January, the complaints scheme spoke to complainant X about progress with the complaint and asked whether the complainant might agree that if Alchera Park stuck to the improvements they had outlined and indicated they would make, that would satisfy her in terms of the complaint. She gave tentative agreement to that process. On 13 January, Alchera Park provided their further improvement plan to the agency for the next three months.

Senator CHRIS EVANS—This is in response to the audit?

Ms Hefford—Yes. On 18 January, the complaints scheme wrote to the hospital complainant and to Alchera Park, noting for both parties all the agreed actions to be undertaken by the facility and the agency's planned ongoing monitoring of the facility. So both parties were again given what we believed was agreed in terms of improvements and steps to be taken. Complainant X came back to the department on 27 February asking for further action.

Senator CHRIS EVANS—In the meantime had you prepared a brief for the minister? I know the minister gave an answer to a question about this to the effect that it had all been resolved, and there was some dispute.

Ms Hefford—Yes. Back on 18 January, when complainant X gave a tentative agreement that, if Alchera Park carried out the improvements agreed, this would meet the need, we then advised that we thought that complainant's process was finalised. As I said, complainant X came back to the scheme at the end of February indicating that she wished that further action be taken.

Senator CHRIS EVANS—What was her argument for the need for further action? Was it a concern that Alchera was not bringing itself up to standard?

Ms Hefford—That they would not follow up on all of the detail of the agreed improvements.

Senator CHRIS EVANS—She had some knowledge that made her concerned that they were not actually implementing the agreed improvements. Is that right?

Ms Hefford—I cannot say what she thought. I have no idea what she knew or thought.

Senator CHRIS EVANS—What was she asking you to do? If she was no longer happy, why wasn't she happy? Was it because she had some view that implementation was not occurring?

Ms Hefford—It is very difficult in these situations to track what the complainant is experiencing.

Senator CHRIS EVANS—I am not trying to tie you to it; I am just trying to characterise what the—

Ms Murnane—We have no evidence that she had any new information. She was not happy with the treatment of her relative. We can have further discussion with our Queensland

office, but nothing that has been said to us indicates that she had any further information. But her state of unhappiness continued.

Senator CHRIS EVANS—There were obviously other contextual things that were happening in terms of Alchera Park.

Ms Hefford—Stepping on from that: as a result of complainant X's contact with the complaints scheme, the complaints scheme contacted Alchera Park and followed up the matters that complainant X had raised, and contacted Alchera Park again on 1 March about the agreed improvements. We were advised that the improvements were being made.

Senator CHRIS EVANS—Wouldn't you have known that from the review audit reports?

Ms Hefford—The audit report wouldn't necessarily tell us. The agency's ongoing monitoring of the improvement plan might mean they would know. But we would—

Senator CHRIS EVANS—So did you ask them, or did you just ask Alchera Park?

Ms Hefford—The complainant has asked that we ask Alchera Park, to be sure that they are actually making the improvements agreed, so we ring Alchera Park and we ask them about the steps they have taken so far, what progress they have made. They give us a convincing response.

Senator CHRIS EVANS—So you speak to them on 1 March and you are convinced that it is okay. What happens then?

Ms Hefford—The agency makes a spot check on 8 March. So, as part of the agency's monitoring process, they have agreed certain support contact arrangements but they also reserve the right to do spot checks, to come in unannounced.

Senator CHRIS EVANS—What follows from there?

Ms Hefford—We are then in the time line we covered earlier in this discussion, with an exchange of letters between ourselves and Veterans' Affairs and the police.

Senator CHRIS EVANS—There is nothing else, from your point of view, apart from that? There is no other complaint?

Ms Hefford—No other new complaint. The department again followed up with complainant X on 14 March.

Ms Murnane—I mentioned last time that we did get a further complaint verbally.

Senator CHRIS EVANS—I was going to come to that. Was this the one on 30 March?

Ms Murnane—I think it was 30 March, yes.

Senator CHRIS EVANS—I will come to that. It will only add to the mire if I do it earlier. I do want to raise that with you. Sorry, Ms Hefford, I just wanted to make sure there was nothing else I was unaware of between that and the other complaint that came in, I think, on the 30th. As far as you are concerned, the only other matter was the DVA stuff we have covered?

Ms Hefford—Yes, we have covered that process.

Senator CHRIS EVANS—All right. If I just go back to you, Mr Burns: you did the review audit on 30 November and 1 December. When was the last time before that, that you had been in the place?

Mr Burns—We had been in the place on 23 and 24 February 1999.

Senator CHRIS EVANS—Had you given it a clean bill of health then?

Mr Burns—No. We identified improvements that needed to be made and agreed an improvement plan with the service.

Senator CHRIS EVANS—So it was under supervision from that February onwards?

Mr Burns—Yes.

Senator CHRIS EVANS—So throughout the period of the complaints it was actually under supervision, but you did not physically visit it again till the November?

Mr Burns—No. We did not feel from the first visit that there was a need to.

Senator CHRIS EVANS—So you have got it under supervision, in the October you get a complaint that is referred to you, and you have given me some dates of telephone conversations. You then go in at the end of November. What do you find?

Mr Burns—We went in on 30 November and did a full review audit against all the standards. We found that the improvements were not progressing as quickly as we would prefer, and required further improvement to be made, arising from the new findings.

Senator CHRIS EVANS—Did you identify that there were still the same problems as occurred on the 23 and 24 February visits or that you had new ones or a combination of both?

Mr Burns—I would say it is a combination of both.

Senator CHRIS EVANS—There were areas which were identified in February which they had not brought sufficiently up to scratch and there were new areas of concern as well?

Mr Burns—Yes. Can I just say that this visit had actually been planned for a later date and we brought it forward to the most recent complaint from the CRS.

Senator CHRIS EVANS—Right. When had you originally planned to go back in?

Mr Burns—We had planned to go back in March 2000.

Senator CHRIS EVANS—Did the proprietors know that?

Mr Burns—I do not know the answer to that.

Senator CHRIS EVANS—In the normal course of events, would they know that you were coming back in a year's time?

Mr Burns—Not necessarily.

Senator CHRIS EVANS—This visit on 31 November and 1 December was not what is now known as a surprise visit. Did you give them a few days notice?

Mr Burns—Yes.

Senator CHRIS EVANS—You go back and you make that report available; do they have a commentary period?

Mr Burns—Yes.

Senator CHRIS EVANS—Did they comment?

Mr Burns—They agreed that improvements were necessary and provided a further plan to the agency.

Senator CHRIS EVANS—A further plan?

Mr Burns—A modified plan in response to the requirements.

Senator CHRIS EVANS—This is different to the plans and reviews they have had to provide to the department?

Mr Burns—Yes. They would be in response specifically to the audits that we conducted, although there may be some common ground, clearly.

Senator CHRIS EVANS—Were you getting copies of the stuff they were providing to the department?

Mr Burns—There would have been that level of sharing of information between the state managers. I do not have details of exactly what it was.

Senator CHRIS EVANS—Would you actually take on notice for me the specific question—not the theory but the practice—of whether or not the events referred to by Ms Hefford and the provision of documents were supplied immediately to the agency? I presume the agency's reports are supplied immediately to the department. Is that right?

Mr Burns—Yes.

Senator CHRIS EVANS—All things being equal, they go on the web site pretty well straightaway, don't they?

Mr Burns—They do now, within the agreed legal time frame.

Senator CHRIS EVANS—Yes. Do you, as a matter of course, send a copy of your review to the department or to the complaints office of the department?

Mr Burns—Yes, we do.

Senator CHRIS EVANS—You published your review on 5 December. Is that right?

Mr Burns—No, I do not have the publishing date. The actual publishing date would have been towards the middle of December. It would not be within five days of the review.

Senator CHRIS EVANS—Do you have the date, Ms Hefford?

Ms Hefford—The review audit was conducted on 31 November and 1 December and the department received the report on 7 January.

Mr Burns—We usually provide it at the same time as we provide it to the provider.

Ms Hefford—That was incorrect. The date of 7 January is when the report was forwarded to Alchera Park. I would have had it earlier than that but I do not have the date.

Senator CHRIS EVANS—Would you take on notice to provide for me the date when you received the report? You say you provided it to the Alchera Park provider—

Ms Hefford—No, the normal process is for the agency to do that, but we would know.

Senator CHRIS EVANS—The agency provided it to the provider on 7 January. Is that right?

Mr Burns—No, I do not have that date.

Senator CHRIS EVANS—Would you take on notice for me the dates when it was publicly available, when you provided it to the department and when you provided it to the provider?

Mr Burns—Yes.

Senator CHRIS EVANS—Do they give you a management plan to approve to meet the review audit's outcomes? When do you get that from them?

Mr Burns—I am sorry. Could you repeat that?

Senator CHRIS EVANS—Alchera Park is required to give you a plan of improvements. When did you receive that from them?

Mr Burns—I will have to get back to you on that, Senator. I have not got the date when it was received. I just know that further required improvements were requested. I do not know when we received that.

Senator CHRIS EVANS—I would appreciate your taking that on notice. Can you tell me roughly when you think you would have received the improvement plan from the Alchera Park Nursing Home?

Mr Burns—Rather than give you an inaccurate answer, it would be within—

Senator CHRIS EVANS—You did the review, you sent them a copy of it, but apparently not until early January, and you were in there doing a spot check on 8 March. I presume it was some time between then, was it?

Mr Burns—I would say it would be, yes.

Senator CHRIS EVANS—You cannot give me any indication?

Mr Burns—I have not got the answer to that, but I can find out.

Senator CHRIS EVANS—Mr Burns, what was your next action? Could you take on notice when you received that improvement plan, but you must have then reviewed that and said to Alchera Park, 'Yes, that is satisfactory' or 'No, it's not.' When did that occur?

Mr Burns—We had telephone contact with the service on 10 January. That was to confirm further arrangements for supervision and to look at the required improvements, I presume, but I am not sure about that.

Senator CHRIS EVANS—What happens after that? What does that plan require?

Mr Burns—That requires continuing supervision both by telephone contact and by visiting. It would also require them to maintain contact with us, either them calling us or the agency calling them, to discuss what progress they have made.

Senator CHRIS EVANS—When did you next visit Alchera Park?

Mr Burns—We next visited Alchera on 8 March. That was the spot check without notice, following a referral.

Senator CHRIS EVANS—Following the review, you put in place a support contact regime, but the support contact regime did not involve any visits until the spot check; is that right?

Mr Burns—That is the case, yes.

Senator CHRIS EVANS—You had a spot check on 8 March. Why did you have a spot check on 8 March?

Mr Burns—We had a referral from the Complaints Resolution Scheme.

Senator CHRIS EVANS—You had a referral from the Complaints Resolution Scheme. When did you receive that?

Mr Burns—It would have been on about 11 March. Sorry, no, it was not.

Senator CHRIS EVANS—I do not think it was. That was just to see whether I was paying attention, wasn't it, Mr Burns.

Ms Hefford—Senator, may I take this opportunity to add to something which you asked about?

Senator CHRIS EVANS—As long as you add to the clarity.

Ms Hefford—I said that on 29 September 1999 there was a further complaint received by the complaints scheme. You asked for the details. I have checked. The complainant made the complaint in confidence. It referred to care of a relative who was currently at Alchera Park.

Senator CHRIS EVANS—Was the relative one of the deceased?

Ms Hefford—No, another family. On 8 and 9 March 2000 there were two additional complaints received about Alchera Park. I did not mention them when I went through this time line with you previously because they both relate to events in 1997. It sometimes happens that the press and publicity—

Senator CHRIS EVANS—So on 8 and 9 March you received two complaints—one on each day, obviously—from two different complainants?

Ms Hefford—No, from the same family about the same issue that took place in 1997.

Senator CHRIS EVANS—You received two complaints from one complainant?

Ms Hefford—Two complaints from two individuals who were both members of the same family.

Senator CHRIS EVANS—About the same incident?

Ms Hefford—Yes.

Senator CHRIS EVANS—Are these the same as the complaints that Ms Murnane then got on 30 March, or is this a different case again?

Ms Hefford—Different.

Senator CHRIS EVANS—What were those complaints alleging?

Ms Hefford—Care standards.

Senator CHRIS EVANS—Care standards in respect of a relative who had been resident at Alchera Park?

Ms Hefford—Yes.

Senator CHRIS EVANS—Was that relative still alive?

Ms Hefford—No.

Ms Murnane—Sorry, Senator, are you talking about 30 March?

Senator CHRIS EVANS—No, 8 and 9 March. I am just checking that it was not the same one, that is all. So on 8 and 9 March, was that relative deceased?

Ms Hefford—Yes.

Senator CHRIS EVANS—And were they alleging concern at the treatment prior to the death?

Ms Hefford—Concern that care may have in some way contributed.

Senator CHRIS EVANS—This is not one of our residents A, B or C?

Ms Hefford—No.

Senator CHRIS EVANS—So there is a D.

Ms Hefford—Yes.

Senator CHRIS EVANS—Were they a vet?

Ms Hefford—I do not know the answer to that, I am sorry.

Senator CHRIS EVANS—Would you take that on notice, please. Do you have their date of occupation at Alchera?

Ms Hefford—It was 16 September 1997 to 3 December 1997.

Senator CHRIS EVANS—Did they pass away while resident at Alchera?

Ms Hefford—In hospital.

Senator CHRIS EVANS—Were they at the Gladstone Hospital?

Ms Hefford—At the Mater Private Hospital in Rockhampton.

Senator CHRIS EVANS—I think we will come back to that after lunch. I just want to finish with Mr Burns on the key issue of when you were referred the spot check request on 8 March. You conducted a spot check on 8 March?

Mr Burns—Yes.

Senator CHRIS EVANS—Why?

Mr Burns—I presume it was in the day or two prior to that.

Senator CHRIS EVANS—I want you to be very precise about this, please. Was it on the day of, as I suspect, or was it the day or two prior?

Mr Burns—I do not know the answer to that. I will have to take that on notice.

Senator CHRIS EVANS—How many spot checks have you conducted of this nature, Mr Burns?

Mr Burns—To date, 72.

Senator CHRIS EVANS—When was the first one?

Mr Burns—The first one was in February.

Senator CHRIS EVANS—Wasn't this only the second or third?

Mr Burns—This would have been one of the early ones, yes.

Senator CHRIS EVANS—I am surprised you cannot remember the circumstances surrounding it, that is all.

Mr Burns—I have not got that before me.

Senator CHRIS EVANS—Would you mind checking during the lunch break, if it is all right with the secretary, the date on which the matter was referred to you and why it required a spot check. Can the department tell me why they requested that a spot check on Alchera Park be conducted by the agency?

Mr Burns—I have got the answer to when the review audit report was provided to Alchera. That was on 7 January. On 10 January we confirmed the support contact program, and on 13 January Alchera Park submitted a further improvement plan to the agency.

Senator CHRIS EVANS—Thanks for that. Ms Hefford, are you able to help me with the answer to the question of how it came about that the agency was requested to do a spot check on Alchera Park?

Ms Hefford—No, I am not.

Senator CHRIS EVANS—Are you saying you cannot help me, you don't know, or it did not happen?

Dr Graham—From my memory, Senator, I may have required that spot check, and from my memory it was the history of the home that they had an improvement plan in place. The agency had been—

Senator SCHACHT—Was it the history of the—

Dr Graham—Of the facility.

Senator SCHACHT—Was the history that led it to have a spot check a negative history or not a good history?

Dr Graham—It was a history where there was an improvement plan and they did not seem to be necessarily being consistent with it, and there was the series of complaints, so a spot check was felt to be appropriate.

Senator CHRIS EVANS—So you authorised that? Why did you do that, Dr Graham?

Dr Graham—I would have to check that over lunchtime.

Senator CHRIS EVANS—If you would not mind. Clearly, though, you didn't just wake up in the morning and say, 'I think I will have a spot check on Alchera Park.' Something must have brought it to your attention. I would like to know what brought about the decision to request the agency to do a spot check on 8 March, when you conveyed that decision to them, and why.

Dr Graham—All right.

Senator CHRIS EVANS—It might be a good time to break, Madam Chair.

Mr Podger—Did you just want to get an update on the answers to questions?

CHAIR—Yes, please.

Mr Podger—From the February additional estimates I said this morning there were nine remaining to be cleared. They have now been cleared. I expect them to come through today.

Senator SCHACHT—From February?

Mr Podger—From the 4 February hearing. Senator, we have been through this before, but we have hundreds.

Senator CHRIS EVANS—Don't join in. We have given this due attention today.

Senator SCHACHT—It is just that the fog held up my plane and I did not get here in time to put my boot in as well.

Mr Podger—You could have had a very enjoyable morning. On the 2 May hearing, of the 83 questions in the aged care area, seven were sent to the committee on Friday, 43 have now been provided over the morning, there are another 11 that have been cleared and I expect them to come through during the day, there remain 10 with the minister's office and 12 in the department. It is possible there will be progress on some of those during the day as well.

CHAIR—My latest update is that there are only five now in the minister's office, so I think we are getting there at a great rate now. Thank you very much.

Proceedings suspended from 1.11 p.m. to 2.22 p.m.

CHAIR—I call the meeting to order. I understand that Ms Murnane would like to expand upon an answer given previously.

Ms Murnane—Senator Evans and Senator Schacht both asked about the correspondence that I had received back from the Queensland Police Commissioner. We have been in touch with his office and they are very comfortable with me tabling a letter that I received on 22 May that was dated 16 May. There was, as we said, a previous letter that was dated 27 April. This was faxed to us from our Queensland office, which had had a discussion with the Police Commissioner. They regard that letter as a draft and do not want that to be tabled. To all intents and purposes there are no changes, so I will now table the letter received from the Queensland Police Commissioner on 22 May.

CHAIR—Thank you, Ms Murnane.

Senator SCHACHT—Could I return, Ms Murnane, to the police report or the response to what the coroner referred to them to investigate. As a result of that, the police say there is no further action required—that inquiries have come to an end. Is there any other action the department is thinking of taking or do they believe the police inquiry, as far as what we know it consisted of, is adequate?

Ms Murnane—Senator, we are not able to conduct an investigation into a death, but what we are able to do is to insist that a proper regime be put in place to make improvements in the home and, together with the agency, we have done this. This resulted probably about six weeks ago in a change of management in the home and in the employment of a director of nursing with an excellent reputation who had previously been a supervising director of nursing across a large chain of homes in Brisbane.

Senator CHRIS EVANS—Isn't that the second announcement of new management at Alchera Park?

Ms Murnane—To my knowledge it is only the first.

Senator CHRIS EVANS—I thought when the publicity first surrounding Alchera appeared, the manager talked about putting in new systems and new management and stepping back from management. You say six weeks ago. I have a memory of that being a bit earlier, so I am just trying to check.

Ms Murnane—It might have been a bit earlier. Our time line says 1 April.

Senator SCHACHT—The ownership hasn't changed?

Ms Murnane—The ownership has not changed, but the director of nursing has been assured that she will have control over the finances so that she is able to put in place the care regimes that she considers necessary.

Senator SCHACHT—She has taken the job on the basis, in discussions she may have had with you, that there will be adequate financial resources available to ensure that the level of care provided at Alchera is in accordance with the requirements of your department?

Ms Murnane—I should not impute to her anything she has said. Our department in Brisbane has conveyed to me what I related to you.

Senator SCHACHT—Has the department given any indication to the owner/the new manager of what you think would be required to be spent either in additional staff, staff training, physical resources, to overcome what clearly is a deficient nursing home?

Ms Murnane—Mr Burns will answer that. That would be the agency's role.

Mr Burns—There are a number of issues that the agency has identified in the service. Some are to do with training, some are to do with clinical responses and the improvements required of that service. It is up to the service to determine how it is going to make those changes.

Senator SCHACHT—But has there been any indication that they are going to spend or make more money available in their budget to overcome the deficiencies that have clearly been identified?

Mr Burns—That is a matter for the service to determine.

Senator SCHACHT—Which service? Your service?

Mr Burns—We do not make recommendations for the service to spend more money.

Senator SCHACHT—But have you had any indication, in the toing-and-froing of these endless discussions, that there is going to be extra money made available by the owner of Alchera to overcome the deficiencies?

Mr Burns—I can only answer that indirectly in that we have seen improvements made that would have involved additional resources being made available, but as far as dollars go we would not know.

Senator SCHACHT—And no-one in the department knows, apart from the agency?

Ms Murnane—No, we would not know what money they are spending. What we are interested is what the outcomes are and, as Mr Burns said, the agency is monitoring that and has identified improvements.

Senator SCHACHT—If the Alchera home does not meet the outcomes you want, the standards you have set as a result of your inquiries, inspections, et cetera, what is the penalty you can impose on them? Withdraw their licence, I presume. Is that right?

Mr Burns—They have to be accredited by 31 December this year. If they are not, then they no longer receive Commonwealth funding.

Senator SCHACHT—That is the only penalty?

Ms Murnane—That is quite substantial.

Senator SCHACHT—It is substantial, but what about in other areas? You might say that when people's lives are at stake, there might be a criminal penalty or people could be charged with manslaughter.

Ms Murnane—That is, as I have said, a matter for the police and the coroner. If that were to happen, if somebody does have an offence on their record or if they commit an offence while they are in charge of an aged care facility, their approved provider status will be considered by us and probably would be withdrawn.

Senator CHRIS EVANS—Ms Murnane, I want to take this issue up, because I have now had the chance to read the letter you supplied from the Queensland Police Service, and I appreciate you doing so. But it is very much a statement of them having checked their record and having found no complaints had been lodged with them and that no investigations have occurred. It is not a report on an investigation. It is a statement, it seems to me, that says, 'We've inquired with the Gladstone police station. They haven't had any complaints, they haven't been involved with investigating any complaints. There's no sign on the register of the correspondence or the coroner's files.' But it says, 'No further police investigations are conducted unless the death certificate is not accepted by the coroner. In the two cases reported to you by the Commonwealth Department of Veterans' Affairs, there were no doubts raised by the coroner. I regret I am unable to assist you further in this matter.' I am not criticising that, but it seems to me again the police are saying, 'Well, because it hasn't been raised with us in any format, we haven't conducted an investigation. We have checked our files and we're not involved.' I want to come back to trying to work through all this and whose responsibility it is. The police say basically that if it is not referred to them in a complaint then they do not do anything about it and, in the terms of your correspondence to them, they treated it as a search of their records.

Ms Murnane—I do not think that is an assumption you can make, Senator. I said before that the police have not gone into detail about what they did, but I did say to you this morning that when we received the draft version of that letter our state manager rang the two doctors that had had discussions with Dr Killer, that the Queensland Police Commissioner had received those. I think what he is saying here is that he has not received any separate complaints. He received all the detail I received from Dr Killer and Dr Johnston, and when our state manager spoke to those two doctors, one of them indicated that they had had a discussion with the police and both of them indicated that they did not believe the matter could be taken any further.

Senator CHRIS EVANS—But that is not what the letter says, with respect.

Senator SCHACHT—That is not what the letter says. It does not say any of that at all.

Ms Murnane—I am adding, insofar as I can, to—

Senator SCHACHT—Your adding on is what your department has told you.

Ms Murnane—That is right. I am adding it on to perhaps allay any fear you might have. When we got this we thought this was the end of the matter. We did take subsequent action and, frankly, I cannot think of anything more we can do.

Senator CHRIS EVANS—I am not necessarily saying at this stage, given the lateness of this whole matter, that that was necessarily the case but I would not want to have this represented as something that it is not. I am not saying you were earlier, I am not saying you misled us, but it clearly is a report that says, 'We've searched our record, we have inquired

with our police officers. We have no record of complaint and it was not referred to us by the coroner.' End of story. It does not say the matter has been investigated at all.

Senator SCHACHT—I would have thought it would be natural that if they did interview one of the two doctors associated, and one of them had made a complaint to Dr Killer at Veterans' Affairs that he was concerned, that that would have been mentioned in the letter. That is really the central point. But all they say here is that they have checked the database.

Ms Murnane—I do not think it is a police practice. All I say is that I stand by what I have said. I have a file note from our state manager on it. I am telling you the truth.

Senator SCHACHT—No, I am not arguing that you are not telling us the truth. I am very pleased that you gave us this additional information that apparently the police did make some contact. But what I want to know is that of the two doctors, did they speak to the actual doctor who had spoken to Dr Killer at Veterans' Affairs and who confirmed to Dr Killer he was concerned, or did they speak only to the other doctor?

Ms Murnane—I understood both doctors spoke to Dr Killer.

Senator SCHACHT—According to Dr Killer's evidence from the previous estimates, that I read out to you today, only one of the two doctors raised the issue that has led to Dr Johnston sending the letter to your department. That was one doctor. If they interviewed the other doctor but not the doctor who expressed concern to Killer, they were actually talking to the wrong doctor. That is what I want to find out: which doctor? Are they called X or Y? We have not given them a pseudonym yet. But I would like you take on notice to find out from the Queensland police which doctor they interviewed and to check with Dr Killer that they have interviewed the right doctor who confirmed to Dr Killer his concern. I just draw your attention to the estimates earlier this month where Dr Killer said one doctor expressed his concern which led him to write the letter.

Ms Murnane—Just looking at this file note again, our state manager spoke to one doctor one day and another doctor the next day. In fact she reports that the two doctors reported that the police had spoken to both of them.

Senator SCHACHT—They spoke to both of them?

Ms Murnane—They had spoken to both.

Senator SCHACHT—I know, as Senator Evans has said, that we accept that there is a sort of standard form on these matters, but don't you think, in view of the interest in this issue, that the police should have at least mentioned in the letter that they had talked to the doctors rather than just go into the database?

Ms Murnane—I cannot answer that question.

Senator SCHACHT—Can I ask you to take on notice that you contact the police commissioner and ask him to further confirm that they have actually talked to the doctors. What has happened here is that a doctor has said to the chief medical officer of Veterans' Affairs that he is concerned that something has happened. The police then go and interview that doctor and as a result of that discussion the police say there is no issue. It leaves me with some uncertainty about what the doctor initially told Dr Killer and then what he told the police.

Ms Murnane—I can convey that request to the commissioner.

Senator CHRIS EVANS—I think that would be helpful, Ms Murnane. I am not calling into question your evidence, I am just saying when you read the report it does not give that information. I am sure your file note is right.

Ms Murnane—The police often do not, actually. They are not required to be totally transparent about how they do things.

Senator SCHACHT—When you talk to the police about their interview with the two doctors, can they give us some indication of what sort of information they sought from the doctor?

Ms Murnane—I will convey that to them, Senator.

Senator SCHACHT—There must have been some report on that. For example, did the doctor explain—as he obviously did to Dr Killer—exactly what his concern was about the unfortunate veteran who died on 14 October—I think he is patient A—compared with the notes that the police got? Secondly, why did the police not interview Dr Killer, the person who has raised the issue with the health department or via Dr Johnston to your department? I would have thought that was a reasonable matter for standard inquiry. It is on the record where the inquiry came from.

Ms Murnane—Again I can convey that request to the police commissioner, and I will. But I should say, Senator, there are a lot of questions you can ask here. A question you can equally ask is: why didn't the two doctors make a complaint to us, or indeed to Veterans' Affairs, on or shortly after the time of the deaths of these two gentlemen and make that complaint in a way that was focused?

Senator CHRIS EVANS—That is a very fair point, Ms Murnane. To be honest, there is no need for you to be defensive—

Ms Murnane—I am not being defensive, I am just saying—

Senator CHRIS EVANS—because that point is what we are trying to get to the bottom of. I think there is a real problem here in terms of interagency contact and dealing with these things. Some of my concerns are about how the complaints office responds to serious issues. Some of them go to the question about the agency not actually taking up the specifics by only looking at the systems. But I have a series of questions I want to ask you about complaints that have gone to other state bodies that are not referred on, it seems, to the aged care complaints body who would have been the right one to refer them to—the failure to have these proper systems of cross-referencing complaints from state bodies to the Aged Care Complaints Resolution Scheme—and the role of coroners, courts and the police when we do have serious complaints. We are trying to track through this process so that we can get the system right in future, and I do not think we have got it right.

I want to talk to you about that complaint of 30 March which has been with the Queensland state authorities for months and, it seems, has not been referred on, and I want to work out how those things are followed through. The reason we want to go back to the Queensland police is to try and nail it down. I think what their letter says basically is, 'If the coroner doesn't raise it with us, we don't do anything about it; it is a question for the coroner.' They say, 'No doubts were raised by the coroner.'

The clear implication is that if the coroner signs off on the death certificate, from the police point of view it is the end of the matter, and that is the implication in their letter. Again that concerns me. You have now referred the matter to the police and they have referred it back saying, 'Well, it's not really our baby because the coroner has signed off on it.' By way of a

long explanation we are trying to work our way through to see whether we have got the appropriate accountability provisions for investigating those serious complaints, be it in Queensland or elsewhere.

Senator SCHACHT—When you referred the letter from the Department of Veterans' Affairs to the coroner, did you refer any other material to the coroner?

Ms Murnane—To the Queensland Police Commissioner?

Senator SCHACHT—Sorry, to the Queensland police. The complaints that we are aware of, as you would know, were from relatives who wrote to the minister—in pretty strong terms—complaining about the level of quality of care provided. Wouldn't that have been a useful piece of information to refer to the Queensland police to assist them in their inquiries?

Ms Murnane—I do not know if we have got a copy of the letter here but I certainly did say that we would provide them with any material we could to assist them, or something of that nature.

Senator SCHACHT—Did you?

Ms Murnane—Did I?

Senator SCHACHT—Did the department provide the Queensland police with copies of the letters and complaints that had been coming in with evidence in them that would show—if it were proven—about the lack of treatment or care provided?

Ms Murnane—I will read you the last paragraph of my letter, Senator.

Senator SCHACHT—This is your letter to the police?

Ms Murnane—Of 9 March:

The Alchera Park Nursing Home was the subject of complaints to this department last year which were investigated by the Aged Care Standards and Accreditation Agency. Officers of the department can provide details on this to you if that would also be of assistance.

Senator SCHACHT—And the police never took that offer up?

Ms Murnane—No.

Senator SCHACHT—I think that proves Senator Evans's point that this is actually an area where we are falling between the cracks. If the police do not have the evidence or do not think it is necessary—and I think Senator Herron earlier today provided an example about the law in Queensland vis-a-vis coroners, et cetera—it does show that if you do not watch out here some things are going to fall between the cracks and not be followed through. I would have thought it was automatic that you should have provided or should have been proactive with the police, to say, 'The Department of Veterans' Affairs letter is available; they are expressing concern, and we have other letters from members of the public complaining about the service provided at Alchera. You should have a look at this material and see whether this will assist you.'

It appears they have just treated this—and I do not blame them—as a standard form of something that I think Senator Herron by and large described today about the state law in Queensland dealing with coroners' inquiries and investigations about death within hospitals, et cetera. It just seems a number of things have now fallen through.

Senator Herron—Senator, with respect, I do not think that is necessarily so, but we are happy to follow this through. Your major concern, as I understand it, is something falling through the cracks of responsibility through different agencies. My point about Queensland

was that I think it is more stringent there in this regard than other states because of the historical aspect of it. But we are happy to follow that through. It then comes down—or it may come down, anyway—to my way of thinking, to the responsibility of state agencies, police operational matters, the responsibility of the Commonwealth, in particular in relation to aged care. But we are happy to follow that through.

Senator SCHACHT—The letter that went to Mrs Bishop in March of this year from a relative of Mr A. says:

He was admitted to Gladstone Hospital suffering severe dehydration and gangrenous sores.

Later on it says:

He was in great pain, totally distressed and unable to speak to me—

that is, to the relative—

This was not the man I had seen eight days before, his deterioration was unbelievable. The hospital doctor informed me he was totally dehydrated, with a mouthful of ulcers and his ulcers on his legs and tail bone were in a very bad condition. Within 2 hours he was on a morphine machine and I stayed with him until the following day until he died.

There is evidence in there that would suggest that when he was in the nursing home the issue of bed sores, gangrenous sores and dehydration contributed to his unnecessary passing. I would have forwarded that letter, even though it is written by an emotional relative still very distressed at the passing of their close relative—and I do not want to go any further—to the police.

Ms Murnane—Is that letter of 20 March?

Senator SCHACHT—It is March. I do not have the actual date. I think it is.

Ms Murnane—I had in fact written to the police by the time we got that letter.

Senator SCHACHT—Pardon? You had already written?

Ms Murnane—I had written to the police on 9 March, yes.

Senator SCHACHT—But this is a letter addressed to Mrs Bishop—and it is signed by the relative, et cetera, and my note here is that it was in March of this year.

Senator CHRIS EVANS—This is the one that was the subject of complaint before his death, back in September.

Ms Murnane—Senator, all I can say is that I made an open-ended offer to the Queensland police to assist them and to give them material. I do not think I can add to that.

Senator SCHACHT—Maybe I could suggest that for the future the open-ended thing is good, but I think it should be that material—and even this which came in later—could have been provided.

Ms Murnane—Yes.

Senator SCHACHT—Because there is the list of complaints from citizens, and police respond to complaints from citizens as well as from a senior officer of the Department of Veterans' Affairs which was forwarded on.

Ms Murnane—The gist of that information, perhaps in not so graphic a way, was in the attachment from Dr Killer.

Senator SCHACHT—Yes. As Senator Evans said, there were complaints about patient A, as we are calling him, and the letter from the very close relative, there was other material of

complaints from the other people who lodged them about complainant X, who came through, I think, a hospital connection. Was any of that material provided to the police?

Ms Murnane—No. As I said, my offer to them was open-ended.

Senator SCHACHT—In reading this letter I have allowed for the fact that it is written by a very close relative who, though it was written some several months after patient A died, is still emotional about it. In particular, as shadow minister for veterans affairs I find it sadly ironic when I read a phrase like, 'I believe that for the previous three days'—that is, before the relative had died—'my father had suffered far more than he ever did as a prisoner of war in Changi.' He had been a prisoner of war in Changi for 3½ years so he clearly had a gold card veterans entitlement. He survived Changi and, at the age of 80, clearly died a very uncomfortable death, affected by dehydration and gangrenous sores. From my knowledge of reading the history of the treatment of our prisoners of war, gangrenous sores were one of the things in various forms that killed many of them. It is sadly ironic.

CHAIR—Do you have a question?

Senator SCHACHT—Pardon?

CHAIR—You have made this statement a number of times now.

Senator SCHACHT—I am just saying I think it is sadly ironic—

CHAIR—and we are waiting for a question.

Senator SCHACHT—I just have to say, from the point of view of shadow minister for veterans' affairs side, this is a very sad case indeed. That is why I think Senator Evans and others on this committee who are here regularly pushing for changes of procedures which are absolutely necessary. I am not sure what the veterans community would say about the treatment of someone who had survived Changi and died in these circumstances.

CHAIR—Any further questions?

Senator SCHACHT—I just want to go back to the further question I asked about the transfer of the home care program to Veterans' Affairs. In the veterans' affairs area—which I know you cannot answer, Mr Podger—it has been said that they would get the savings by reducing the number of times hospitalisation would be required. Do you have any figure, or can you take on notice, what on average a hospital bed per day costs under this program? If someone has to go to hospital, what would the average cost of a hospital bed be? Are we talking $300 a day, $1,000 a day, $500, for average care? If they are not having a bypass transplant operation—excluding those costs—what is the general cost of a bed per day?

Mr Podger—In broad terms, about $600 a day but I will confirm that if I am in error.

Senator SCHACHT—Six hundred dollars a day?

Senator CHRIS EVANS—That is not out of that program, of course.

Senator SCHACHT—No, but if the—

Senator CHRIS EVANS—I am just saying it comes out of a different program.

Senator SCHACHT—But what I am trying to do is to get some assessment of whether, if the Department of Veterans' Affairs say they are going to get their savings by having fewer of their veterans from home care going to hospital, it is basically $600 every day that they save $600 from their budget.

Mr Podger—Yes, something like that. Talking about costs per day is not the way we normally talk about it these days; we talk about it slightly differently. But that is probably reasonable.

Senator SCHACHT—Okay. Thank you.

Senator CHRIS EVANS—I think both Mr Burns and Dr Graham were going to see if they could get us some information over the lunch break about this Alchera Park situation.

Dr Graham—Yes, Senator. The records show that the agency manager in Queensland received calls both from our state office and from me on the morning of 8 March. You also asked—

Senator CHRIS EVANS—He received a phone call from you on 8 March?

Dr Graham—Yes.

Senator CHRIS EVANS—Yes. What did you tell him to do in that phone call?

Dr Graham—My suggestion was that it warranted immediate follow-up by the agency.

Senator CHRIS EVANS—The agency actually had a surprise inspection the same day you asked them to?

Dr Graham—Yes. I think it was in the evening.

Senator CHRIS EVANS—You were going to find out for me why it was you woke up on 8 March and decided to have that inspection, Dr Graham.

Dr Graham—I did indicate a couple of the reasons before, and I would confirm those. They were the nature of the nursing home, the nature of the complaints. I think it is also fair to say that, in that environment, there was a heightened awareness of the importance of using the resources of the scheme and the agency in investigating complaints.

Senator CHRIS EVANS—Were you aware that the matter had been raised in parliament?

Dr Graham—I would have been, yes.

Senator CHRIS EVANS—When was it raised in parliament, Dr Graham?

Dr Graham—According to our time line, on 7 March.

Senator CHRIS EVANS—You do not put that down as one of the reasons why you ordered the inspection? It was just coincidence?

Dr Graham—That would have come into it because, as I said, there was a heightened awareness about the complaints issue. This was post Riverside. We were looking at our procedures to make sure they were responding well.

Senator CHRIS EVANS—Did you discuss it with the minister before ordering that inspection?

Dr Graham—I certainly do not remember that.

Senator CHRIS EVANS—Did you discuss Alchera Park with the minister on 7 March?

Dr Graham—I could not confirm that. No doubt there were discussions with the minister and the minister's office. Exactly what occurred on the 7th, I could not-

Senator CHRIS EVANS—Perhaps you could take that on notice and check your records, Dr Graham. I would be surprised if you—

Mr Podger—I expect that we would have spoken to the minister, Senator.

Senator CHRIS EVANS—Yes. I do not quite understand why I am pulling teeth so hard, Mr Podger. If the minister gets asked about a particular nursing home in the middle of a furore in parliamentary question time, I suspect that when she gets out she wants to know what is going on. It would be a very unusual minister if she did not.

Mr Podger—Senator, I do not want to sound as if we are dancing on the side. Obviously, the facts that things that have been raised in the parliament would be conscious in our minds.

Senator CHRIS EVANS—Why don't you just say that, Mr Podger? I had to drag it out of Dr Graham like it was some state secret. I had him unable to answer the question of whether or not he had spoken to the minister about it. I would be very surprised if you do not know, Dr Graham.

Dr Graham—Senator, I was trying to be accurate for the sake of the Senate. Whether I directly spoke to the minister or whether it was through a briefing note or whether I spoke to the minister's office I could not be sure. I think I did indicate that certainly there would have been contact with the minister's office, but I was trying to respond to your exact question.

Senator CHRIS EVANS—All right. Perhaps we can all be a little bit more helpful. Was the department asked for advice on the 7th about Alchera Nursing Home?

Dr Graham—Asked for advice by whom —

Senator CHRIS EVANS—By the minister or the minister's office.

Dr Graham—We would have provided briefing information, yes.

Senator CHRIS EVANS—Subsequent to her question time answer?

Dr Graham—Through that period I am sure we would have been providing information to the minister.

Senator CHRIS EVANS—Perhaps you could take on notice for me, Dr Graham, when and what advice you or the department provided to the minister—not obviously what advice, but the process of advice provision around the 7th.

Mr Podger—I suspect we were providing advice on Alchera Park and a number of other homes every day at that time.

Senator CHRIS EVANS—Yes. I am trying to take us through the process, Mr Podger. I am not asking what the advice was; I am trying to understand the process.

Mr Podger—I am trying to confirm that. Yes, I am sure we would have been providing advice on Alchera Park and other homes every day at that time.

Senator CHRIS EVANS—Dr Graham was not sure, so maybe you would like to take it on notice.

Mr Podger—Dr Graham was clarifying. He was not sure about the form in which advice had been given and so on.

Senator CHRIS EVANS—I do not know where that leaves us but, as I say, it seems to be very hard to get to what I thought would be well accepted practice.

Mr Podger—I think the key is to not be inaccurate and to try not to obfuscate, Senator. We would have been providing advice every day.

Senator CHRIS EVANS—The difference is beginning to escape me, Mr Podger.

Mr Podger—The question that Dr Graham was struggling to give a detailed answer to was whether the form of the advice was through an actual discussion with the minister, a briefing

to the minister or something with the minister's office. I can understand him not being sure of that, but I am certainly sure that there would have been communications and advice on Alchera Park each day of that week, as on other homes.

Senator CHRIS EVANS—I am sure you are right, Mr Podger. That is what I am trying to get on the record, if I can. Dr Graham, you will take on notice whether or not the decision to order the spot check on Alchera was discussed with the minister?

Dr Graham—Yes, I will take that on notice.

Senator CHRIS EVANS—And whether or not the minister requested you to do that? So on the morning of the 8th you rang the Queensland office of the agency?

Dr Graham—Yes, of the agency.

Senator CHRIS EVANS—And requested them to carry out a spot check that day. Is that right?

Dr Graham—That day or as soon as possible. I cannot remember whether I specified a time line.

Senator CHRIS EVANS—As I understand it, they went in that night, didn't they?

Dr Graham—Yes, or that afternoon.

Senator CHRIS EVANS—During the residents' meeting. So you did not specify what time they should go or when they should go?

Dr Graham—I would have encouraged them to do it as soon as possible. Again, I am trying to be accurate for your sake.

Senator CHRIS EVANS—When you check your records, if you did specify when, you could take that on notice. Mr Burns, the agency was requested by Dr Graham to conduct a surprise visit: do you have any say over that, or is that the chain of command? I know the agency is in a slightly different position from that of other departmental officers, but if Dr Graham rings and says, 'Do a spot check', you do a spot check. Is that the way authority works?

Mr Burns—That chain would be via the state managers who would be scheduling the work.

Senator CHRIS EVANS—Yes. Dr Graham has the authority to request the agency to—

Mr Burns—Yes.

Senator CHRIS EVANS—Because you have a different status, I am not sure how the line of command works, but it is more than competent for him to request the agency to do that.

Mr Burns—That can occur, yes.

Senator CHRIS EVANS—Yes. He would have contacted your Queensland office. Did they check with you?

Mr Burns—I had some conversations with the state manager. Again, over a number of days we had been talking about a whole variety of services—about scheduling visits and outcomes of visits and a whole range of things—but I certainly would have spoken to him on that day about Alchera because I was particularly interested at that time about the unannounced visits and how we were scheduling and how we were going with that.

Senator CHRIS EVANS—All right. He then sent in a team to Alchera that afternoon or evening, wasn't it?

Mr Burns—Yes, early evening, I think.

Senator CHRIS EVANS—Is it usual for you to go out of office hours?

Mr Burns—I am not sure that we had done any out of office hours prior to then, but certainly we were committing to going into services unannounced. I am not sure whether there had been other instances at that time at that hour, but I remember the discussion at the time that we had some scheduling. We were busy around that time with other issues and we had a team able to go that afternoon.

Senator CHRIS EVANS—As it turned out, I think they arrived in the evening, didn't they?

Mr Burns—That is correct.

Senator CHRIS EVANS—What time did they get there?

Mr Burns—It would have been around 7.00.

Senator CHRIS EVANS—Was there a meeting of relatives of residents occurring at the time?

Mr Burns—I understand there was, yes.

Senator CHRIS EVANS—Did they address that meeting?

Mr Burns—I think they might have done, but I would have to confirm that.

Senator CHRIS EVANS—Perhaps you could take that on notice for me. Did they just do that on that day, or did they stay the next day?

Mr Burns—I think they stayed overnight. They stayed overnight.

Senator CHRIS EVANS—Does that mean they physically stayed on the premises?

Mr Burns—No, I do not think so.

Senator CHRIS EVANS—They had a sleepover? You mean they came back the next morning?

Mr Burns—They would have continued the visit the next morning.

Senator CHRIS EVANS—I thought they might have stayed on the premises, if they found conditions that were of concern to them. But what you mean is they came back the next morning and continued the check.

Mr Burns—That is correct.

Senator CHRIS EVANS—Was that the end of it? Did they complete their visit the next day?

Mr Burns—That is correct.

Senator CHRIS EVANS—On 9 March, right. Did they put a report in, arising from that inspection?

Mr Burns—That was only an unannounced support visit and we do not provide reports on support visits.

Senator CHRIS EVANS—That was an unannounced support visit and, therefore, there was no report?

Mr Burns—Yes.

Senator CHRIS EVANS—What action followed that visit?

Mr Burns—There was a further support visit by the agency on 15 March and a review audit on 4 April.

Senator CHRIS EVANS—Why a review audit after you had been in there twice in the past few weeks?

Mr Burns—For several reasons: they were on an ongoing supervision program with us anyway; the increase in the concern in the community from the department indicated that we should conduct a further review audit; and from what we found at the unannounced support visit—a convergence of those reasons.

Senator WEST—You said that you do not make a report of a support visit. Do you mean that you do not make a report to the minister or that you do not make a report in your records? Would you clarify that for me, please.

Mr Burns—We do not provide a public report. We keep our own file notes obviously, but there is no published report.

Senator WEST—I just wanted to clear that up.

Senator CHRIS EVANS—We talked earlier about the 30 November-1 December visit and the publication of the review audit. Is it true that that audit was not in fact available till April of this year?

Mr Burns—The published report of that visit? No, I believe that was up in early January.

Senator CHRIS EVANS—You were not able to tell me. You took it on notice earlier; you were not sure.

Mr Burns—We provided the review audit report to our chair on 7 January and to the department on 7 January.

Senator CHRIS EVANS—When was it publicly available?

Mr Burns—I will have to find out when it was published.

Senator CHRIS EVANS—I am led to believe it was not on your web site till April. Is that not right?

Mr Burns—I do not believe that is correct.

Senator CHRIS EVANS—That is how you publish your reports, isn't it? That is how your reports are publicly published?

Mr Burns—Not only that way. We provide them prior to that if members of the public or anybody ask.

Senator CHRIS EVANS—Don't get me started on that, Mr Burns!

Mr Burns—We have been spending a lot of time sending out—

Senator CHRIS EVANS—I have rung you and I have rung the minister. We have been through that. Anyway, we will put all that behind us. I know that in theory they are available by contacting the agency, but they are also available by being up on the web, aren't they?

Mr Burns—Yes.

Senator CHRIS EVANS—If you could check and tell me what date they were available on the web, I would appreciate that. I was one of those people interested in having a look at that report and it certainly did not seem to be publicly available to me at the time. Maybe I

was just unlucky. I am not very good on the web site. Ms Murnane, I think you received a complaint on 8 and 9 March regarding a death of resident D, a fourth death.

Ms Hefford—No, that was me, Senator Evans.

Senator CHRIS EVANS—Sorry, Ms Hefford.

Ms Murnane—No, I did not. My discussion with the Queensland state manager was definitely after that.

Senator CHRIS EVANS—Yes. Sorry, I just wanted to return to the fourth death issue. On 8 and 9 March you received two separate complaints from two separate family members that related to the same person.

Ms Hefford—That is right. During the lunch break I undertook to establish whether or not the person who was the resident was in fact a veteran. That was the question. We have checked our records and they indicate that that resident was not a veteran.

Senator CHRIS EVANS—Was this resident D a male or a female?

Ms Hefford—Male.

Senator CHRIS EVANS—Do you have the date of death of this resident?

Ms Hefford—Yes. He died on 27 December 1997. I think you will recall that I pointed out that this was one that was likely to have been raised because of the publicity associated with Alchera, but it had not been raised with us as a complaint back in 1997.

Senator CHRIS EVANS—That is what I was going to ask you, Ms Hefford. You have no record of any earlier complaint about that death?

Ms Hefford—No.

Senator CHRIS EVANS—What were the relatives alleging, in general terms?

Ms Hefford—In general terms, they were about clinical care issues—the same sorts of things we have talked about with other complainants: pressure sores, et cetera.

Senator CHRIS EVANS—What happened with that complaint? Obviously, the resident has been dead a couple of years. Your options are fairly limited, are they?

Ms Hefford—Clearly it took place some time ago. Nonetheless, every complaint is handled separately. We did refer the issue to the agency on 10 March and we contacted the facility on 13 March and we asked the facility, as is our standard practice, to provide us with a response. We gave them the details of the complaint and asked them to respond to us about what had happened in the case of that particular resident.

Senator CHRIS EVANS—Ms Hefford, why would you refer it to the agency, given that they look at systematic issues and it is two years prior?

Ms Hefford—Because they are already case managing this facility. They already have an improvement plan. They are looking at these related issues.

Senator CHRIS EVANS—You do not expect them to do anything about that particular complaint but just to build it into their corporate knowledge?

Ms Hefford—Not necessarily, but it is building their knowledge and their understanding of what has been happening at the facility and looking at the patterns. The facility did respond to us on the date they were supposed to respond to us and asked for an extension. They asked for additional time in order to be able to come back to us with a response. The DON at the facility

was clearly feeling under a lot of pressure at this stage, in the last part of March, and in fact she subsequently resigned from the position.

Senator CHRIS EVANS—What date did she resign?

Ms Hefford—I know that the new management consultant, whom you were talking about a few minutes ago with Ms Murnane, took up the appointment on 1 April. I do not know the date that the DON resigned.

Senator CHRIS EVANS—Did they get back to you about that particular complaint in the end or not?

Ms Hefford—We received a response finally on Monday, 15 May, saying that the matter was now in the hands of the Health Rights Commission.

Senator CHRIS EVANS—You received a response from the proprietor.

Ms Hefford—On 15 May.

Senator CHRIS EVANS—To say what?

Ms Hefford—Requesting that we leave the matter in the hands of the Health Rights Commission, a separate Queensland body, which were going to be conducting an investigation of that issue.

Senator CHRIS EVANS—How did you respond to that?

Ms Hefford—We have gone back to the complainant, providing that information, and we have also gone back to Alchera Park, asking that they still respond to our request for information and that they provide us with a response by 23 May.

Senator CHRIS EVANS—The complainant was not happy with just leaving it with the state body?

Ms Hefford—As a general rule, we would still have a need for a facility to respond to us. We would try not to impede anybody else's investigation, whether it was the police, the Health Rights Commission or another statutory authority, but we maintain the right to get a response from a provider about a particular issue.

Senator CHRIS EVANS—Did the complainant agree that that ought to be left to the state body?

Ms Hefford—Not as far as I know. As far as I know, the complainant still requires that we pursue the matter.

Senator CHRIS EVANS—So as far as you are concerned, your process is continuing?

Ms Hefford—Our process is continuing and will continue until the complainant identifies that they no longer want us to proceed.

Senator CHRIS EVANS—Was that complainant referred to anybody else apart from the agency? The matter was not referred to the police or to the coroner or to anybody else?

Ms Hefford—No.

Senator CHRIS EVANS—That is deceased resident D. Ms Murnane, you referred earlier to the death of a resident E and I want to make sure we are talking about the same one. There was a letter sent to Ms Mary Maume of the Aged Care Complaints Resolution Scheme in Brisbane by the relative of a deceased male on 30 March 2000. You said that you got a letter on 30 March.

Ms Murnane—No, not a letter. I do not know if this is the same—

Senator CHRIS EVANS—I will show you this letter so that I am sure you and I are talking about the same person. I do not have a copy but—

Ms Murnane—I do not know that I will be able to confirm that from the letter.

Senator CHRIS EVANS—It has got the name.

Ms Murnane—I was not ever given a name.

Senator WEST—Can I ask what the web site address of the agency is, please? I am trying to find it and I am not going very well.

Senator CHRIS EVANS—They are just photocopying the letter for you, Ms Murnane. You refer to a complaint on the 30th; I have it on the 3rd. Because it said Mary Maume, I read that as a letter to you. It was only when I double-checked that I saw it was not addressed to you. It is dated the 30th, so it may be the same issue.

Ms Murnane—I do not know that I said the 30th. You said the 30th this morning. I said last time that some time after events of 9 March our complaints resolution service received a verbal complaint from a person at Gladstone Hospital again. We will see if they are the same. From what you have said, I doubt it.

Senator CHRIS EVANS—This is the son of a deceased male. It relates to a death in July 1997.

Ms Murnane—I think Ms Hefford would be able to help you on this. I think this is the same person we have been talking about. This is a 1997 complaint again, whereas the telephone complaint I referred to last time and which was later withdrawn was current—it was about three weeks old.

Senator CHRIS EVANS—This cannot be the same as resident D because this is a different date of death. These are two separate 1997 deaths.

Ms Hefford—In that case I need to get confirmation of the date of death but I can confirm for you, having read the first page only of this letter, that this is resident D. The opening paragraph talks about a period of respite before he was formally admitted, which was not until September. But it is the same name, the same person we have been talking about. I need to check the date of death because the date of death I have been given was 27 December.

Senator CHRIS EVANS—Yes, and this is 17 July.

Ms Hefford—No, sorry, this one says that he went into respite. I do not think I have a date of death here. There is no date of death in the letter that I can see.

Senator CHRIS EVANS—No, I cannot pick it up either.

Ms Hefford—But the respite dates match the records I have for resident D and the name matches.

Senator CHRIS EVANS—I suspect that it may well be the same person then. The reason I raised this particular case with you is that they have now referred it to you. Does that coincide, the fact that you received the complaint on 30 March 2000?

Ms Hefford—This was additional information. We had received this complaint, according to our records, on 8 and 9 March.

Senator CHRIS EVANS—You may have received that by a telephone call or something.

Ms Hefford—My records do not show, but a telephone call is most likely.

Senator CHRIS EVANS—The reason I raise this one, apart from the fact that it is a very worrying complaint and makes some quite serious allegations about the treatment of the man at Alchera Park and also includes some quite horrific photos of bedsores suffered by the complainant's father, is that it seems that this is a complaint that was referred to the Queensland Health Rights Commission as early as July 1998.

Ms Hefford—My records show that the family originally went to the Health Rights Commission.

Senator CHRIS EVANS—When did the Health Rights Commission contact you about that complaint?

Ms Hefford—I have no record that they did and I have no record that the Health Rights Commission has ever come up with a finding.

Ms Murnane—We will check that. Certainly it is highly desirable that there is good communication between the state health complaints units and our department. That is our aim. In at least one state that works very well. There is cross-referral and exchange of information once we are able to take care of privacy matters, but there clearly are improvements that we and the state health complaints authorities can make in terms of coordinating what we are doing.

Senator CHRIS EVANS—I think that is obvious. That is why I raised the case and that is why I want to explore it with you. I hasten to add that the fault with this may well lie with the Health Rights Commission or the lack of protocols, but that is what we have to explore. They had a very serious allegation about the death of a man due to lack of care and proper treatment at Alchera Park Nursing Home in July 1998. That was just prior to the complaint that you received about the death of the veteran, resident A, in September. Clearly the two put together—

Ms Hefford—There was a 12-month gap.

Senator CHRIS EVANS—Sorry, the 12-month gap—

Ms Hefford—This all took place in 1997 and the incidents we were talking about this morning began at the end of 1999.

Senator CHRIS EVANS—Yes, but the complaint to the Health Rights Commission occurred in July 1998.

Ms Hefford—That is true.

Senator CHRIS EVANS—If you would like to table your time line, I would be very happy to receive it because it would make things a lot easier. I am sorry if I confuse you occasionally with the dates; they are not easily retained in my mind. The point I am making is that this very serious complaint about the ill treatment of a man at Alchera Park Nursing Home was made to the Health Rights Commission in Queensland prior to the death of veteran A and the complaint you received prior to his death about the treatment of veteran A. I only raise that to make the point that clearly that would have alerted the complaints office and the department to a serious concern about Alchera also. It would have contributed to, one would hope, a response to the Alchera nursing home.

Ms Murnane—There is no claim that has been referred to us either.

Senator CHRIS EVANS—No, I am not making a—

Ms Murnane—Good.

Senator CHRIS EVANS—I am trying to track the process. The first you knew about this, according to your records, was 30 March or when you received the letter.

Ms Hefford—We had a phone call on 8 March. We received the letter on 30 March.

Senator CHRIS EVANS—Was the phone call from the same person?

Ms Hefford—Yes.

Senator CHRIS EVANS—Effectively you got the substantive documentation that the Health Rights Commission had some two years later.

Ms Hefford—Yes.

Senator CHRIS EVANS—Do you have any established protocols with the Queensland Health Rights Commission?

Ms Murnane—I would have to talk to our state office about that, Senator.

Senator CHRIS EVANS—Do you have a form of protocol with state authorities generally?

Ms Murnane—Not a protocol that is nationally consistent.

Senator CHRIS EVANS—What sort of protocol do you have, Ms Murnane?

Ms Murnane—For example, in New South Wales there is a high degree of contact between the health complaints branch in the health department and our department and our Complaints Resolution Scheme.

Senator CHRIS EVANS—A high degree of contact, but isn't it—

Ms Murnane—The structures are different in each state.

Senator CHRIS EVANS—I accept that, but I am not sure that they are any better in any of the other states, so I have got some concerns about the referral in other states as well. But this is a classic example of a very serious claim about a death that is consistent with a series of complaints you received about the same nursing home in subsequent times. Obviously, I think, anyone would accept that that having been fed into the one source would have alerted people to the concern about that home earlier. I do not think that is an outrageous or political statement. If you had had this earlier, things might have been more rapidly dealt with at Alchera Park. So we need to work out why you did not get it, why they did not send it to you. Are you saying to me that there are not formal protocols between state agencies?

Ms Murnane—I am saying that I would like to talk to our state manager about that, but I think they would also say that if you are in a state department and you receive a complaint about a facility that is funded by the Commonwealth, it is not a great leap to say that we should refer that on to the Commonwealth office. In Brisbane, as far as we know, that was not done but we will double-check all of that.

Senator CHRIS EVANS—That is wise and I do not disagree with you, but having seen a number of the letters sent from the Health Rights Commission to the complainant, they do not seem to envisage referring it to you.

Ms Murnane—That is something we need to take up with the states.

Senator CHRIS EVANS—That is why I am asking you about the question of protocols. You told me you have got a good relationship with New South Wales. I am asking you the policy question about whether there are any protocols that exist between the department and state agencies for dealing with serious complaints and the referral to the department.

Ms Murnane—I am saying that I want to talk to our state managers about that. It is probable that we have relied on commonsense and working relationships between officers and I am acknowledging that we probably need to take that further in terms of guidelines. Senator, I think it is fair for me to say, too, that we are not going to be able to mandate a particular behaviour on the part of the state health departments. We can request it.

Senator CHRIS EVANS—Isn't that what protocols do, Ms Murnane? That is why I am asking you about protocols. I am not asking about the relationship between your manager and the manager of a particular branch, I am asking about protocols for dealing with serious complaints—whether any exist. I think the answer is no, isn't it?

Ms Murnane—I am saying I do want to talk to our state managers about the arrangements they may have in place so that I can give you a complete answer, but I cannot add to what I have just said.

Senator CHRIS EVANS—I do not think that is the answer though, is it? I accept what you are saying but you have not answered the question. Are you, as a senior officer of the department, telling me you do not know whether there are any protocols, or are you really saying there are not any formal ones?

Ms Murnane—I am saying I do not believe there are formal ones, but neither am I prepared to say, or to let there be an indication, that this issue has been let to go without any consideration at all on the part of our state officers.

Senator CHRIS EVANS—All right. You will take that on notice. I would appreciate any information you can give us on the protocols that exist between the authorities and the various states, if you say there is a range of authorities. Clearly there are these health rights investigative bodies, but there are the questions we have raised earlier about coroner's reports, police and other bodies.

Ms Murnane—I said before, Senator, that our complaints manual does contain guidance to our officers when they refer criminal matters to police and coroners and so on.

Senator CHRIS EVANS—I know you have, Ms Murnane, but to be honest I have not been satisfied because we have a situation now where we had a serious complaint referred to the state authority in Queensland about Alchera, but nothing happened about it. It seems that the department was not advised. We had a serious complaint inside your complaints office which—certainly in the case of Riverside—was not handled with the appropriate seriousness. And I think there are very genuine concerns about how we are dealing with complaints about possible problems in nursing homes. You have advised me of the changes that have been made but I think we want some reassurance about some of these issues. I am certainly not satisfied and this is an issue we will be pursuing. So I would appreciate anything you can get me on that question of protocols between the various state bodies.

Ms Murnane—Yes. We will be in touch this afternoon with our state managers in the eight states and territories.

Senator CHRIS EVANS—All right. What has occurred as a result of that complaint being raised with you? We said we were dealing with resident D.

Ms Murnane—We are. It is the detail as I relayed it a few moments ago, that we are back to waiting on a response from the facility which we have asked to be provided to us by 23 May.

Senator CHRIS EVANS—Has the department received any approaches from state government instrumentalities or state health departments or these health rights commissions about how they should be responding to complaints about aged care facilities?

Ms Murnane—To my knowledge, no, but Dr Graham—

Dr Graham—I am not aware of it.

Senator CHRIS EVANS—Mr Burns, does the agency, as part of their investigation processes, check whether any complaints about facilities undergoing accreditation review have been made to state bodies?

Mr Burns—Not as a direct concern. It might come up in the course of an audit if the facility declared it. We probably would not go looking for that though.

Senator CHRIS EVANS—You do not have a protocol in place whereby you check with the New South Wales health complaints office about having received any complaints about a particular nursing home before conducting your review?

Mr Burns—No. Our information for that comes through the Complaints Resolution Scheme.

Senator CHRIS EVANS—Yes, I am just checking there is no automatic checking on your part about what state agencies may or may not know about those particular facilities.

Mr Burns—No, there is not.

Senator CHRIS EVANS—Mr Burns, you conducted a review audit of the Canberra Nursing Home on 17 and 18 March 1999 and again on 29 February and 1 March 2000. Is that right?

Mr Burns—I would have to check those dates, Senator.

Senator CHRIS EVANS—I think I got those from an answer in the parliament. You may not be able to answer this, you might have to take it on notice. Can you tell me whether you were aware, when you conducted the review audits, that a coronial inquest had been carried out into the death from septicaemia of a Mrs Sitki in July 1998?

Mr Burns—At the Canberra Nursing Home?

Senator CHRIS EVANS—Yes. I think, because of the related ownership to Riverside, it was one of those homes that you went to. I would appreciate you taking on notice whether you knew about that coronial inquest when you did the visit in 1999 or 2000.

Ms Hefford—I do not think there is a problem with that. Mr Burns would not have been advised of that through the department because that person has never lodged a complaint with the department.

Senator CHRIS EVANS—Thanks for that.

Ms Hefford—So by referring it to the agency we would not have referred that case to him or raised that situation with him.

Senator CHRIS EVANS—I appreciate your answer. It was actually a broader question about whether the agency is informed of such things. Your point, Ms Hefford, is that you, as the department, would not have brought that to his attention.

Ms Hefford—It was not brought to our attention by the family. There is no complaint.

Senator CHRIS EVANS—That is what I am saying. I suppose, as a point of explanation, there was not a complaint because there was a coronial inquiry and in a sense that is a form of

investigation. But you are saying that you would have brought it to the agency's attention only if you had received a complaint about the matter.

Ms Hefford—Yes, or if we became aware there was an issue around care. Nobody had brought anything surrounding that person's care. There were no concerns lodged with us.

Senator CHRIS EVANS—All I am saying is my broader question was whether or not coronial inquiries, for instance, are referred and whether people get to know about them, but your point is appreciated so—

Senator WEST—You don't think, though, that the agency should not be aware when there is a coronial inquiry about the death of a resident in one of the facilities—that it is not appropriate for the agency to be aware of that?

Ms Murnane—Senator, clearly there are lots of agencies and structures that have some common interests but different responsibilities. This whole series of questions is looking at the links and communication channels between them. Certainly we would be happy to refer on to the agency or to take action ourselves as appropriate, were coroners to notify us of inquests they were carrying out in relation to a nursing home. That does not happen at the moment. The agency, perhaps with one or two state coronial authorities, could consider whether there would be merit in that happening.

Senator WEST—I would have thought, as a matter of course, that there would have been merit in that. I am not aware of many coroners' cases arising from the death of a resident in a nursing home.

Ms Murnane—Exactly.

Senator WEST—It is certainly different from a hospital.

Ms Murnane—There are very few.

Senator WEST—And I would have thought that it would almost be as a matter of course that the agency would have wanted to have been included, or the department or somebody, in the link. Now, it is quite possible that it would have no relationship—

Ms Murnane—Sometimes we are. It is not something that, to my knowledge, is mandated.

Senator WEST—Yes. I am hoping that it could be more than sometimes. I would have thought there was a necessity there, if you are going to be really able to keep your finger on the pulse and not let something slip between the stools, that it is one area that would have been glaringly obvious to have been tapping into, or have a link to.

Dr Graham—In some areas we do get coroners' reports where they perhaps have recommendations that apply directly to a program within the department, whether it is health—I have not been aware of any that have been referred in the aged care area. Where a coroner perhaps finds that there is no reason to be concerned, I am not sure why that should be referred on.

Senator WEST—It strikes me as being one area that you would have liked to have known about.

Ms Murnane—And we would. I do not have day-to-day knowledge now, and it is rare, but where there was a coronial inquiry into deaths we did know because there were other reasons that brought that home to our attention and we did follow through on what the outcome was.

Senator WEST—Yes.

Ms Murnane—As you say, they are very rare.

Senator WEST—They are very rare—but just to even look and review, because what might not rate as anything of significance to the coroner might well give an indication to the agency that there was some underlying protocol or some underlying process that needed to be reviewed. It might not be at the higher end, at the end that is going to get the media baying for blood, but it might well be at the end of sending a signal to people.

Ms Murnane—Yes. We will consider it.

Senator WEST—Thank you.

Senator CHRIS EVANS—Can I ask some questions about Riverside Nursing Home matters.

Ms Hefford—Senator Evans, if we are leaving Alchera Park, there was one other thing I undertook to find out for you during the lunch break, which was the date on which the department received the review audit report based on the review audit done by the agency on 31 November and 1 December. We received it on 7 January, which is the same date on which it was provided to the facility.

Senator CHRIS EVANS—Thanks for that. Mr Podger, I think I asked in passing, and did not follow it up, whether or not the department was prepared to provide a copy of the chronology. I note that you offered to provide it to us for Riverside for this hearing at the last hearing, so I formally ask that the department provide the chronology for Alchera Park. Also, if you are—as you indicated last time—going to provide the chronology for Riverside, perhaps we ought to provide it now rather than at the end of the discussion.

Mr Podger—Senator, we have a version of it ready for answering questions but it has not been prepared with a view to tabling it. I would have to have a bit of a look and see whether it is in the form that I would normally use for tabling. Similarly, we obviously have had it for Alchera and during the answers to questions we have indicated we have a time line through it, but again it is not in the form for directly tabling. The information contained in it of the chronologies has clearly been passed to the committee.

Senator CHRIS EVANS—It would be helpful. As I say, you did indicate that you were willing to do that at the last hearing. I take on board, if you have not, that you may well want to check and put, `Don't tell Evansthat' into the record. I appreciate you would want a chance to review it, but it would be helpful and I am taking up your offer from last time.

Mr Podger—I understand. It was not as if we were not going to meet that but we did not have it in a form, I suppose that—implicitly I would suggest that—

Senator CHRIS EVANS—You forgot that you had been so helpful last time, did you, Mr Podger?

Mr Podger—No.

Senator CHRIS EVANS—You were leaving at the time. That is probably why.

Mr Podger—I do endeavour to be helpful to the committee as far as I possibly can, and I think my officers have done so very much during the day today. It is a matter of whether the paper itself is in the appropriate format and I would have to have more of a look at that. Can we answer your questions around the time line anyway and I will have a look and see whether we can get something to you during the afternoon.

Senator CHRIS EVANS—Okay. We will press on then without your assistance at this stage. I hasten to point out in starting these questions that of course we have been getting some answers in during the day and I have not had the ability to double-check them all and

compile them, so if I cover the same ground, please forgive me. It seems, Mr Podger, that the answers I have to a couple of key questions are a little less than helpful. For instance:

Senator Evans asked on 2 May a written question—

No. 52, I think it is—

Can the department confirm when the Minister or her office were first given any information on the findings of the first inspection of Riverside?

Answer:

The minister was appropriately advised at all times.

Senator Herron—It is a good answer, though.

Senator CHRIS EVANS—It may be, Senator, and if that is your view about public accountability it has certainly changed since you were in opposition.

Senator Herron—I am saying it is an answer to the question.

Senator CHRIS EVANS—I think it is a bit smart-alecky myself. And when I asked for the dates of meetings, I got similar sorts of responses, that 'The minister was kept informed appropriately at all times.' I do not know whether that is the department's view of accountability—I do not see it as a sign of cooperation.

Senator Herron—Senator Evans, you know that advice to the minister is precisely that and it is not something that is normally available.

Senator CHRIS EVANS—I have not asked for the advice. I have asked for dates of meetings and I have been told the minister has been advised appropriately. There is a clearly different tone to the key questions about key events, particularly relating to Riverside. I want to know why and whether I am going to get any more cooperation than that today.

Mr Podger—Senator, it would be improper for me to reveal whether there was any difference between what was provided by the department and what has been provided to you now in the process between the department and the minister.

Senator CHRIS EVANS—Certainly. I did not ask you that, though.

Senator Herron—No, but we would be happy to answer any questions if you have any.

Senator CHRIS EVANS—All right. Can the department confirm when the minister or her office were first informed about the death of a resident that had been bathed in kerosene at the Riverside Nursing Home?

Ms Murnane—I said last time, Senator, that I would not be able to confirm an exact date but that the minister did not have a copy of the first report until sanctions were imposed, and that was 22 February, so it would have been on or after 22 February.

Senator CHRIS EVANS—Thank you, Ms Murnane. You gave that evidence and we agreed that you would take on notice the answer to the question I asked. What I want is the answer to the question I asked.

Ms Murnane—I cannot give you anything more precise than that.

Senator CHRIS EVANS—Why not?

Ms Murnane—As Senator Herron said, advice to the minister is ongoing and when she gave attention to particular things is something I cannot answer.

Senator CHRIS EVANS—You can tell me when you met with her to tell her, though.

Ms Murnane—I cannot tell you whether or not I met with her on the 22nd, but I can tell you that the report was made available to her after the delegate made a decision. I said last time that she was very careful not to become involved in detail until the delegate's decision—and that decision is the delegate's and the delegate's alone—was made in relation to sanctions.

Senator CHRIS EVANS—And I have said to you before, Ms Murnane, I accept what the minister said to parliament. I have read the *Hansard* and you do not need to repeat that to me. What I am after is precise information to precise questions about a matter of immense public interest. It is not a question of what advice you provided to the minister. I want to know when she was told. I have been in the Senate seven years. I have never yet heard the defence that, 'We are not allowed to tell Senate inquiries as to when the minister was informed of key events.' Are you saying you do not know or you will not tell me?

Ms Murnane—I am saying that I do not recall myself specifically informing the minister of each and every detail in that report. I said to you last time that, when I got it, I spoke to her about its broad direction but nothing more than that, and when the delegate made her decision the report was made available to the minister. I cannot tell you exactly when she focused on the precise detail of the report, but it was on or after 22 February.

Senator CHRIS EVANS—Ms Murnane, this is a question on notice to the combined resources of the minister and the department. I appreciate you may not recall something exactly, but what I have been told basically is to 'bugger off' when I have asked you this question on notice, and that you are not going to tell me. I am told, 'The minister is regularly briefed on a wide range of issues in her portfolio.'

Senator Herron—That is not language that is commonly used. We certainly did not tell you that, in your language.

Senator CHRIS EVANS—The tone of the responses is very much to that effect, Senator Herron. You will not provide me, it seems, with any precise information about the minister's role in the Riverside Nursing Home intervention. None of those questions have been answered: when she knew what, when she was briefed, when she received the report, when she learned of the deaths. None of those questions have been answered. All of them have answers like, 'The minister was properly advised at all times.'

Senator WEST—Cop-out answers.

Senator CHRIS EVANS—It is deliberately preventing the committee from learning the facts.

Senator Herron—The minister will answer the questions as she sees fit, and that is what she has done.

Senator WEST—So these answers are the minister's answers, not the department's answers?

CHAIR—All answers have been cleared by the minister's office, as we have found out today.

Senator WEST—Thank you for getting that, Madam Chair, but I am asking the minister. He has just said these are the minister's answers, so I am led to the conclusion that these are the minister's answers, not necessarily the department's answers.

Senator Herron—They have been cleared, as I understand it, by the minister.

Senator CHRIS EVANS—My point is: I want to know the answer to the question, Minister. I want to know when the minister was first given any information on the findings of the first inspection of Riverside. What is the answer to that? When was the minister provided information on that first report? When did she first know that one of the residents bathed in kerosene died? When was she told that?

Senator Herron—Could you rephrase that question?

Senator CHRIS EVANS—When was she informed that one of the residents who was bathed in kerosene subsequently died?

Senator Herron—Thank you.

Senator CHRIS EVANS—I hasten to add that this was in the reports. I am not suggesting—

Senator Herron—No, I just misheard you; that is all, Senator.

Ms Murnane—I have answered that question, Senator, to my best knowledge, both at the last hearing and at this one, and I cannot add to that.

Senator CHRIS EVANS—So no-one in the department, Ms Murnane, is able to tell me when the minister was briefed or received a report?

Ms Murnane—Dr Graham may want to make a comment on that.

Senator CHRIS EVANS—Yes, I am happy with that, if you say you do not know, Ms Murnane. I thought you were handling it, so I am a bit surprised, but, if somebody else was handling it, I will hear from them.

Ms Murnane—To my knowledge, nobody else can say anything any different. Last time I said that I got the report faxed to me at home on Saturday, the 18th. Some time on the Monday, probably, I had a discussion with the minister, which may have been by telephone, where I said, 'This report is not very good.' Her view was that she did not want to know details at that stage—she wanted to be sure that the department was reading it and would be acting in the most expeditious manner—and on Tuesday, the 22nd the delegate wrote to the proprietors of the home and imposed the first raft of sanctions. All of that documentation was then supplied to the minister's office.

Senator CHRIS EVANS—When was it supplied?

Ms Murnane—It was supplied on the 22nd, after the sanctions had been imposed and the home had been notified.

Senator CHRIS EVANS—But your testimony is that you spoke to the minister on the phone. There were lots of 'mays' and 'ifs', so I just want to be clear.

Ms Murnane—As I said last time—you talked about a diary—our diaries are electronic. What is planned in advance is in them, but a lot of meetings and conversations are not planned in advance. I know that during that time after my receiving the report I spoke to the minister. I cannot remember whether it was by phone or in person. I think it was probably by phone, and I did tell her that we had the serious risk report, that it was a serious risk report, as the title suggests, that the agency had recommended that the department impose sanctions and that the state manager, who was the delegate, was now considering the sanctions. She said that when that was done she would like to see the report and, obviously, to know what the sanctions we were imposing were, and that is what happened.

Senator CHRIS EVANS—Why didn't the minister see the report before the sanctions decision was taken?

Ms Murnane—The minister has dealt with this herself, and I have dealt with it before: she was conscious that it is very important that the delegate's decisions are not only the delegate's and the delegate's alone but that there cannot be any suggestion that the delegate was influenced or pressured by another party.

Senator CHRIS EVANS—But that is not a policy you have followed in the past.

Ms Murnane—I think it pretty closely is, actually.

Senator CHRIS EVANS—Your answer to question 56 on notice says that the minister has been informed about problems in aged care facilities prior to decisions being taken on sanctions before. That is one of the questions you gave back to me today.

Ms Murnane—I said I 'informed'. You are asking specifically did I, in discussion with her—and as far as I am aware I am the only person that had a discussion with her on this before the 22nd—inform her of a death or a causal connection between a death and the kerosene bath. The answer to that is, unequivocally, no, I did not.

Senator CHRIS EVANS—So you did not raise the death with her?

Ms Murnane—No, I did not, and I explained why last time. I said that was not what stood out at me from that report; there were other things that stood out. But I did not go into them with her in detail either.

Senator CHRIS EVANS—This is a report in the middle of a huge public uproar, a report that the minister ordered, and you gave her the most cursory explanation of what the report contained?

Ms Murnane—I said it was serious. I said it confirmed the kerosene bath incident, but that it also revealed subsequent and serious concerns about care in the home. That is what I told her.

Senator CHRIS EVANS—That is all?

Ms Murnane—Yes.

Senator CHRIS EVANS—That is all the minister knew about Riverside for another week or so?

Ms Murnane—No. The serious risk report was not received by the department. It was received in the department's Melbourne office on the evening of Friday, the 17th. It was, as I said, faxed to me at home to read on Saturday, the 18th, and from that weekend on our state manager, who is the delegate in this matter, began considering what her decision would be.

Senator CHRIS EVANS—You would have us believe, on that time line, that, after the minister personally intervened, ordered the first surprise inspection in two years and went into the parliament to explain her actions, she was not interested to get any detail until after 22 February?

Ms Murnane—My memory is—and I do not have the *Hansard* before me—that she said that, if a serious matter was revealed, appropriate action would be taken. She was told a serious matter had been revealed and that appropriate action was now being considered.

Senator CHRIS EVANS—So this had nothing to do with the minister? After she ordered the report, it had nothing to do with her?

Ms Murnane—The legislation is clear on that. The decisions on what to do are the department's and the department's delegate's.

Senator CHRIS EVANS—Your evidence is that she was briefed only in a most cursory manner.

Ms Murnane—'Cursory' is your word, not mine, Senator. I would not call it cursory and I am sure if she thought it was cursory she would have let me know.

Senator CHRIS EVANS—But you make it clear you did not include any detail?

Ms Murnane—No.

Senator CHRIS EVANS—You did not mention the death.

Ms Murnane—No.

Senator CHRIS EVANS—You did not mention any of the serious risks identified, other than in general terms. That is what you have said to us.

Ms Murnane—That is correct, yes.

Senator CHRIS EVANS—Therefore, she did not know any more about Riverside, other than that there was a serious problem.

Ms Murnane—She knew that what she had suspected, after being told of the kerosene incident, had been confirmed.

Senator CHRIS EVANS—When would she have known about the death, Ms Murnane?

Ms Murnane—I cannot say exactly when she received the report because I was not—

Senator CHRIS EVANS—When did you provide a copy of the report to the minister's office?

Ms Murnane—The copy of the report with the delegate's decision and the delegate's letter was provided on or after the 22nd. It may have been the 23rd when the whole bundle went.

Senator CHRIS EVANS—You cannot even be precise to me as to when you sent it to the minister's office?

Ms Murnane—I cannot be absolutely precise, no, because I did not physically send it.

Senator CHRIS EVANS—But this is a collective department. I know we are having a personal chat but—

Ms Murnane—Yes.

Senator CHRIS EVANS—Mr Podger, are you telling me the department cannot tell me when it provided a copy of the Riverside report to the minister after she personally intervened and ordered the report be made? Is that the department's official response?

Mr Podger—I cannot add to what Ms Murnane has said. In terms of providing the report, I think she has said it was either one day or the next day. She has not been able to say which of those two days.

Senator CHRIS EVANS—No. I am checking with you that that is the department's view, because Ms Murnane very much relates in terms of her personal knowledge. She may well not have delivered it, but surely you know when you send things to the minister.

Mr Podger—With respect, Ms Murnane is deputy secretary to the department. She handles a lot of the direct advising of Minister Bishop. I accept her advice of what she, as a very senior officer, had been doing and when she did it. I do not see any reason to be querying that.

Senator CHRIS EVANS—No. I wanted a department response, rather than a personal response. That is all. Ms Murnane couched it all in what she knew. While that is important, I would like the collective wisdom of the department. I am trying to be clear that I have on the record that the department cannot tell me when you provided the report to the minister, other than Ms Murnane's recollection that it was on one of a couple of days.

Ms Murnane—I think the days are important in your line of questioning, Senator. It would either have been on the 22nd when the decision was taken and when we received in Canberra the complete package, which included the delegate's decision and the delegate's letter to the provider, which were all important information that the minister would have been interested in, or the next day.

Mr Podger—In terms of the department's procedures, the department, in providing material to ministers, has a procedure through its Parliamentary and Public Affairs Branch and logs in minutes and things of that sort. But, when there is a major urgency and issues go on the run, a lot of material is handled outside of that process. The documents are taken by hand or organised to go over, or there are meetings and so on which would not be directly logged into our standard arrangements. I can check our standard arrangements to see if there is any information to add to Ms Murnane's information, but I would assume in this particular circumstance the communication would have been handled directly by Ms Murnane and her office, rather than through the formal logging-in arrangements.

Senator CHRIS EVANS—I suspect you are right, Mr Podger, and I do not take issue with that. I do know the department was under pressure, things were moving fast and there was a lot of public concern. But, equally, that means it was an issue of some prominence and, no doubt, something that was concentrated on the minister's mind. I am surprised we cannot identify the date on which she received this report which she had ordered personally and which was so important to the handling of the matter.

Mr Podger—All I am saying is that it seems to me the answer is that it was either the 22nd or the 23rd.

Senator CHRIS EVANS—All right. Let us have a go at the other one. I asked at question 55:

Can the department confirm when the Minister or her office were first given any information on the findings of the second inspection of Riverside?

The less than helpful answer was:

Are we able to do any better than that?

Ms Murnane—The department received the serious risk report in its Melbourne office. Again, it was late in the afternoon on a Friday, on Friday, 3 March. On the Friday night or the Saturday, I would have had discussions with the minister's office about the nature of that report, which was even more serious and which had been preceded by three support visit reports, all cumulatively serious, and told them that the delegate was now considering what sanctions would be applied, given the second serious report. But I did not go into detail because—

Senator CHRIS EVANS—Can I take you back to the original question, though. When did you tell the minister?

Ms Murnane—I do not think that I actually talked to the minister myself about that report. I think I talked to her office, to her staff, at some stage over that weekend. I was in Melbourne from the Saturday afternoon myself and, during that time, I believe I had a discussion with the minister's staff.

Senator CHRIS EVANS—Are you able to tell me which day you informed the minister's staff of the contents of the second report?

Ms Murnane—Probably Saturday, the 4th. But, again, contents—I did not read them out, great lots of it. I said that the agency had determined that the situation was very serious.

Senator CHRIS EVANS—Ms Murnane, what is the difference between the first report and the second report?

Ms Murnane—It seems to me that the essential difference between the first report and the second report is that the second report shows that after a period of almost 14 days, during which the home had been under constant surveillance, first by the department and then, after sanctions were imposed, by the agency, things had not improved.

Senator CHRIS EVANS—Didn't you have your people in there, making sure they had improved and assuring the public that they had improved?

Ms Murnane—I do not think we ever said that things had improved. We said we were working with the proprietor, but in a situation as serious as this, to make sure that there was not a sudden deterioration which would cause immediate concern for the safety of residents, the home was being very closely monitored.

Senator CHRIS EVANS—I certainly took from it that there was a public reassurance—I certainly found it reassuring—that the health department officials were in there and were providing a level of supervision to provide residents' protection and wellbeing. I thought that was what the minister was saying publicly and I thought it was perfectly appropriate. I just do not understand how that reconciles with a deterioration in the standard of care being given during that period between the first and second reports.

Ms Murnane—I am sorry, Senator, we simply were not able to work miracles. We provided both incentives and considerable pressure—incentives, I should say, in the form of considerable pressure on the proprietors of that home to improve things. They proved to be not pervious to that pressure. That then led to the action that was taken.

Senator CHRIS EVANS—What, specifically, was in the second report that was not in the first?

Ms Murnane—I do not have the reports here before me but, having read them both—and I released the second report on Monday, 6 March, so that people would be aware of why we did what we did—I cannot do much more than say what I said before. The second report was a report that was done after nearly two weeks of constant monitoring between the first report and the second report. There were at least three support visit reports. There was, in the second report, some further information regarding health care and care. There was, I recall, a particular instance of a lady with a broken arm that was not diagnosed and she was left in one position. There was evidence of worsening pressure sores—

Senator CHRIS EVANS—Where were the health department officials when this woman was not receiving the proper treatment?

Ms Murnane—We did not purport to take over the responsibility for giving the care. In a de facto way, when we knew the situation was very serious, from Friday, 4 March, we had

staff in there 24 hours. Until that stage we were monitoring in the hope that the proprietor would deploy the resources he was given by the Commonwealth for the purposes for which they were intended. That is to give at least something that built up to a high quality of care for the residents and to at least show signs of improvement. After a period of nearly two weeks we took a decision that we were not satisfied that was happening.

Senator CHRIS EVANS—By 'we' you mean the delegate?

Ms Murnane—The delegate took a decision, yes.

Senator CHRIS EVANS—Was anybody else involved in the delegate's decision?

Ms Murnane—No.

Senator CHRIS EVANS—When you used the word 'we' it was accidental?

Ms Murnane—No, not accidental; it was the department. The decision that was taken was the delegate's and the delegate's alone.

Senator CHRIS EVANS—Was the minister consulted prior to the delegate taking his second decision on the second report?

Ms Murnane—No.

Senator CHRIS EVANS—Your evidence is that the only information the minister received on the second report was a phone call to officers of her office from you, saying that it was—

Ms Murnane—When?

Senator CHRIS EVANS—Sorry, I do not mean to put words in your mouth, but that was the first instance.

Ms Murnane—On the Sunday night when the delegate had decided to revoke funding—

Senator CHRIS EVANS—The delegate took that decision on the Sunday, did they?

Ms Murnane—On the Sunday evening. I informed the minister's office that that decision had been taken.

Senator CHRIS EVANS—How did you find out about the delegate's decision? How was it conveyed to you?

Ms Murnane—The delegate herself told me. I was in the Melbourne office.

Senator CHRIS EVANS—So you were physically in the Melbourne office with the delegate who was making the decision?

Ms Murnane—Yes.

Senator CHRIS EVANS—And she informed you that she had—

Ms Murnane—Yes.

Senator CHRIS EVANS—Did she have to recommend that to anybody?

Ms Murnane—Pardon?

Senator CHRIS EVANS—Did the delegate have the power or does that have to be signed off by the minister?

Ms Murnane—No, the delegate has the power.

Senator CHRIS EVANS—There is no further—

Ms Murnane—No.

Senator CHRIS EVANS—She informed you. You then, what, rang the minister on the Sunday night?

Ms Murnane—I did not ring the minister. I rang her staff—her Chief of Staff probably.

Senator CHRIS EVANS—That was on the Sunday evening?

Ms Murnane—Yes.

Senator CHRIS EVANS—You had informed them, though, of a short summary of the second report or the import of the second report on the Saturday. Then you informed her office of the delegate's decision on the Sunday. Would that have been the first time they heard of both those events?

Ms Murnane—Of what event, Senator?

Senator CHRIS EVANS—Of the report finding and of the delegate's decision.

Ms Murnane—Probably. It would certainly be the first time they heard of the delegate's decision, yes.

Senator CHRIS EVANS—There was no consultation with the minister or anyone else in the department prior to the delegate taking that decision?

Ms Murnane—Clearly what the delegate received was a draft decision that a number of people had a role in preparing. There was a significant amount of evidence to amass but the delegate was very clear and indeed received a—I do not know whether you would call it a letter of instruction or a reminder letter—from our external legal advisers on this, Clayton Utz. It reminded her that the decision to be taken was hers and hers alone.

Senator CHRIS EVANS—Sorry, where did that letter come from? Clayton Utz? Who requested Clayton Utz to write to the delegate?

Ms Murnane—They had been and are our external legal advisers, part of our external panel on a range of issues.

Senator CHRIS EVANS—I understand that but I did not know that outside legal firms necessarily initiated advice.

Ms Murnane—They initiated that letter.

Senator CHRIS EVANS—Without any authority from anyone they initiated that letter?

Ms Murnane—Yes.

Senator CHRIS EVANS—You have paid them for it, I presume, in the normal course of events.

Ms Murnane—Pardon?

Senator CHRIS EVANS—The department paid them for it in the normal course of events?

Ms Murnane—It was in the context of their advice on the application of sanctions.

Senator CHRIS EVANS—Sorry, I am a bit confused, Ms Murnane. When did you seek advice from Claytons about sanctions?

Ms Murnane—Clayton Utz has been providing us with advice on compliance matters and on sanctions for some time.

Senator CHRIS EVANS—I mean in the context of Riverside.

Ms Murnane—In the context of Riverside, they were providing us with advice on Riverside since around the time of the first serious risk report.

Senator CHRIS EVANS—So following the first serious risk report the department sought advice from Clayton Utz?

Ms Murnane—Yes.

Senator CHRIS EVANS—That is on the basis of providing that to the delegate? I do not quite understand who the advice is for, who sought it.

Ms Murnane—On issues where the department takes action that is likely to, or could, involve litigation, it has always been the department's practice to seek legal advice. Since the legal panels were put in place, I think since 1995, it has often been the department's practice to seek advice from external legal providers.

Senator CHRIS EVANS—That is all fine. I appreciate the background. I want to know, in terms of Riverside, who requested what advice and when.

Ms Murnane—There would have been a number of people in the department who made requests. I was certainly one of them. The request for advice was, in a circumstance like this: how are things best framed? What is the best pathway to take through the legislation? Those sorts of things.

Senator CHRIS EVANS—This is advice to the department?

Ms Murnane—Absolutely.

Senator CHRIS EVANS—Was this written advice or verbal advice?

Ms Murnane—Some of it would have been written, some of it would have been verbal.

Senator CHRIS EVANS—Who was the advice forwarded to?

Ms Murnane—It was forwarded to people in the compliance and complaints area, to our internal aged care law specialist, and usually, but not always, to myself.

Senator CHRIS EVANS—Which advice was provided to the delegate? Was all this advice forwarded to the delegate? Because by this stage, she was appointed. I think it was—

Ms Murnane—The advice that the delegate received in the decision incorporated legal advice that we had.

Senator CHRIS EVANS—So the delegate was making the decision. You facilitated her—it is a her, I think, isn't it?

Ms Murnane—Yes, it is.

Senator CHRIS EVANS—You facilitated her having access to the advice that you had requested. You are not part of the decision-making process, are you?

Ms Murnane—No.

Senator CHRIS EVANS—So advice you received would have had to have been formally handed on to the delegate. Is that right?

Ms Murnane—That is correct, yes—not formally part of the decision-making process, but a delegate is able to talk through the decision that he or she is about to take and to ask questions in relation to that decision. It is something that is taken very seriously.

Senator CHRIS EVANS—That is a much more plausible explanation. I had a vision of a delegate sitting under a cone of silence making this decision from what had been said publicly. It seems to me that that is a much more normal thing. So the delegate would have sought advice, discussed options, et cetera, with senior officers. Is that right?

Mr Podger—Senator, it is also fair to say there was a lot of other work going on around this. There had to be consideration of the sorts of options that the delegate would be considering and the contingency planning around those options. So the delegate was unencumbered in taking a decision, but would have been seeking advice and people would have been doing a lot of work around it, around the management of the options that she would be considering.

Senator CHRIS EVANS—We are talking about the first report at this stage. Were you preparing contingencies?

Mr Podger—I am sorry, I thought you were talking about the second one.

Senator CHRIS EVANS—We are talking more generally. I guess I am still thinking about the first decision at this stage, because I think Ms Murnane said to me she first got advice in relation to the first decision, so I concentrated there at the start. For the record I ought to ask if there were contingency options being considered in response to the first report?

Ms Murnane—When the first report was made available to us, we had to then consider what we would do if things did not get better. The department then undertook a rigorous analysis of the options that might be available to it in the event things did not get better, and the fixed point from which that analysis proceeded was, what would be in the best interests of residents, what was likely to be in the best interests of residents.

Senator CHRIS EVANS—Just so I understand, you are saying you undertook a rigorous analysis of the options if it did not get better. Is that in the context of if it did not get better following the sanctions?

Ms Murnane—Yes.

Senator CHRIS EVANS—So it was understood that the first step was likely to be the sanction of an administrator—or the most likely step?

Ms Murnane—Nothing was presumed, but when you get to the stage that we were after the first serious risk report, you have to consider, if things do not get better, what is going to be available to you and what contingencies are available in the event the situation with this facility is not tenable.

Senator CHRIS EVANS—Did you consider the possibility of the delegate making a firmer first decision than to offer the appointment of an administrator?

Ms Murnane—Yes, that is true.

Senator CHRIS EVANS—What were the other options open?

Ms Murnane—The other option open was the complete revocation without suspension at that point.

Senator CHRIS EVANS—Are those the only two options effectively?

Ms Murnane—No. There are other options. There are options of not paying for new admissions. They are all options that hit financially. There are options concerning not allowing the particular provider to be considered for an allocation of new beds for a period to be determined by the delegate.

Senator CHRIS EVANS—But in terms of options that affect the care of the residents currently in the place, were there any other options available?

Ms Murnane—Both of those are options that do not impact on the care of the residents.

Senator CHRIS EVANS—Yes, but do something about the protection of the residents, or improving their care. Sorry, those are financial sanctions of various sorts against the provider, but the delegate took the option of asking the provider to appoint an administrator which was, as I understood it, designed to ensure better administration; therefore, better care inside the nursing home for the current residents. Is that fair?

Ms Murnane—That is correct, yes.

Senator CHRIS EVANS—I am asking, are there other options of that non-financial penalty route available?

Senator WEST—Options that will ensure that care of the residents actually improves.

Ms Murnane—I think the option to require the provider to appoint an administrator within a set period that is acceptable to the department to improve care substantially is a pretty all-embracing, comprehensive option.

Senator CHRIS EVANS—Sorry, Ms Murnane, I was not attempting to criticise that option. I was trying to find out what other options were available of that sort.

Ms Murnane—There are no others of that sort.

Senator CHRIS EVANS—That is what I thought from my reading of the act, but I just wanted to clarify that. Basically you have the penalty route or you have the administrator route.

Ms Murnane—Yes.

Senator CHRIS EVANS—That is about where you are at, is it?

Ms Murnane—I should say, though, that the delegate, in writing to the provider at that point on the 22nd, specified at least a dozen particular issues in the home which should be rectified immediately. They were being monitored. I think the words of the letter were something like, 'Notwithstanding the requirement for an administrator, these are things you should look to immediately.'

Senator CHRIS EVANS—Right. But effectively, apart from the financial sanctions route, the only other option open to the delegate in the first instance was this sort of thing. You then started preparing contingency plans for what would occur if the provider did not improve standards and/or did not appoint an administrator, I presume.

Ms Murnane—I just want to say—I have already, I think, responded to that question—that I do want to put on the record that in preparing these contingency plans there was no presumption at all on the part of the department of what the outcome would be. It was simply prudent and in the interests of residents that we do that, should the outcome go one way rather than another.

Senator CHRIS EVANS—Yes.

Ms Murnane—Our hope was that the proprietor would respond positively and appoint an administrator that we had confidence in and that the situation would rapidly improve.

Senator CHRIS EVANS—As it turned out, you had concerns that it was not improving, but the actual period within which the proprietor could appoint an administrator had not expired, had it, when the second report and the sanctions were initiated?

Ms Murnane—That is true, yes.

Senator CHRIS EVANS—I do not want to go into the details and I was going to ask separately if this is the subject of this potential legal action. Is this one of the issues at stake?

Ms Murnane—I was going to say that the questions I have been asked to date I have felt I could answer, but if we get into much more detail I would probably say that there is litigation pending.

Senator CHRIS EVANS—No, I am conscious of that. I want to ask separate questions about what legal actions are afoot—not the merits of the case, but what is proceeding. So the 14 days had not expired. The second inspection was ordered. What options were then available to the delegate? It is not my intention to stray into areas that might prejudice any court proceedings but I do just want to get an understanding of the process. When the second inspection was ordered because of concern about failure to improve standards, the delegate was then faced with a decision of what to do about the second report. What options were available to the delegate then?

Ms Murnane—I will give a very general answer to this. What I will say is that the information that went to the delegate, before she made her decision, canvassed the options that the department had considered and found not possible.

Senator CHRIS EVANS—This is advice from whom? From the department?

Ms Murnane—The decision which was constructed by a number of officers incorporated information for the delegate that the delegate could consider. Of course, the arrangement of that information was cognisant of the requirements of the act, and there are requirements in the act that before taking a decision this serious the delegate has to satisfy himself or herself of certain things concerning the outcome for residents. Those matters were dealt with, and the other options that had been considered and found not possible to proceed with were also canvassed.

Senator CHRIS EVANS—So you are saying to me that the delegate did not have any alternatives when coming to make the decision?

Ms Murnane—The delegate did have alternatives and the delegate was given a full suite of options and advice on all of those options.

Senator CHRIS EVANS—I thought what you were saying to me, though, was that the range of other options was not possible. It may have been legally possible but for practical purposes was not.

Ms Murnane—The practical impediments to those options were also specified.

Senator CHRIS EVANS—I started by asking what I thought was a technical legal question as to fact. What options were available to the delegate in a technical legal sense at that point? What could they have done before one got to the practical debate? What powers did they have?

Ms Murnane—I think with that, Senator, we are straying into the area where we could inadvertently prejudice the litigation in the Federal Court and the AAT.

Senator CHRIS EVANS—I am keen not to do that but it is a question of an interpretation of the act as to what powers were available to the delegate. I am not asking for a specific.

Ms Murnane—The delegate could, as a result of the second serious risk report, take the decision that was taken, impose a further suite of softer sanctions and give the provider notice that he should improve. In fact, the broad categories of action available to the delegate were to act in the way she ended up acting or to give the provider more time to see if things would improve.

Senator CHRIS EVANS—Is there a power to allow a delegate to appoint an administrator of their choosing and ensure the continuing operation of the nursing home under different management?

Ms Murnane—The act requires that the administrator appointed by the provider be acceptable to the department.

Senator CHRIS EVANS—I understand that, but, given that the department formed the view that matters were not improving, that the second report was of a serious nature, that further action needed to be taken against the provider to ensure the safety of the residents, I am just trying to examine what other options the legislation provides in a technical legal sense for action, and whether or not then the delegate can, or has the power to, appoint an administrator to take over the running of the nursing home and thereby protect the interests of the residents.

Ms Murnane—The act does not give the delegate the power to unilaterally appoint an administrator.

Senator CHRIS EVANS—Not unilaterally. At the point reached by the second report and where there is ongoing concern, is there any ability for the delegate to put in new administration over and above the—

Ms Murnane—I think I have answered the question.

Senator CHRIS EVANS—Yes. Sorry, I just thought that when you said 'unilaterally', it was as if you were—

Ms Murnane—Imposing. What you are really asking is whether we could impose our administrator on the home, and the act does not give us that power.

Senator CHRIS EVANS—That is what I was getting at. You have the power to effectively close the home by revoking the licences and you have the option of a suite of financial sanctions.

Ms Murnane—Yes.

Senator CHRIS EVANS—Are there any other options?

Ms Murnane—As I said, to give the proprietor more time to fix things up.

Senator CHRIS EVANS—Yes, although there was only a couple of days to go before his capacity to appoint an administrator was to expire. Wasn't that right?

Ms Murnane—That is right, yes.

Senator CHRIS EVANS—At the end of that period what power then would the delegate have if he had not appointed an administrator?

Ms Murnane—Mr Taylor will answer that.

Mr Taylor—Perhaps I could answer that question.

Senator CHRIS EVANS—Mr Taylor, I just stress that I am trying to understand what the act provides in the way of things or whether, from my point of view, it is a public policy question about whether or not the act needs to be amended. I am not pursuing the question about what happened on this occasion.

Mr Taylor—I could not make any comments about whether or not the act requires amendment. That is certainly not something I can comment on.

Senator CHRIS EVANS—I am interested in your view but I am not allowed to ask you. I am interested in what the current provisions provide.

Mr Taylor—I think Ms Murnane has effectively outlined what the current provisions and what the options are. The only one she did not mention, which probably your question did not really give her the opportunity to mention, is to do nothing, of course. Sanctions are a discretionary power and that option is always there.

Senator CHRIS EVANS—How did that scenario change at the end of the 14 days if the administrator had not been proffered up by the current administration?

Mr Taylor—Effectively, if the provider had not nominated an administrator and an administrator had not subsequently been appointed, then to take further sanctions action would have required the delegate to make another decision to impose sanctions.

Senator CHRIS EVANS—But at the end of the 14-day period the delegate would have had the power to appoint an administrator of their own. Is that right?

Mr Taylor—No. The process that is set out in the act and in the principles is a process by which the provider nominates an administrator and the delegate agrees to the appointment of that administrator.

Senator CHRIS EVANS—But in the absence of that, and at the time of the second decision, as I understand it, the provider had still not nominated an administrator. Isn't that right?

Mr Taylor—An administrator had been nominated. This was flowing from the first sanctions action. Effectively, it had been overtaken by the second sanctions action.

Senator CHRIS EVANS—You are saying that the proprietor had nominated an administrator?

Mr Taylor—Yes, that is correct.

Senator CHRIS EVANS—At what date did they nominate the administrator?

Mr Taylor—I could not tell you that. I could take it on notice.

Senator CHRIS EVANS—If you could, I would be interested. Who had they nominated?

Mr Taylor—Once again I would have to take the detail of that on notice.

Senator CHRIS EVANS—The proprietor had nominated an administrator. Had the delegate made a decision about whether that administrator was appropriate or not?

Mr Taylor—Certainly the delegate considered all options and had considered the credentials of the proposed administrator. That was one of the things she considered before making the second sanctions decision.

Senator CHRIS EVANS—I see; I just did not understand that before. So the provider had complied with the technical requirement of nominating an administrator and that was part of the advice that went to the delegate as to an option. Is that right?

Ms Murnane—I do not know that I would be satisfied in letting 'complied with' go. The provider had nominated an administrator. The delegate considered that administrator and decided that administrator would not be able to do the job, so I think the requirements of the act really are that the delegate nominate acceptable to the department.

Senator CHRIS EVANS—If that is the case, that is fine, Ms Murnane, but I am not sure that Mr Taylor was saying that. That seems to be slightly different.

Mr Taylor—Can I clarify that there are certain criteria that have to be met in terms of the administrator that is proposed, and there was considerable concern about the administrator meeting those criteria.

Senator CHRIS EVANS—Can I check the process, though. I thought what you were saying was that at the time of the delegate making her decision about the second sanction, if you like, the second decision, she had before her a proposal from the provider about a potential administrator and in that same decision making process she opted for the sanction route. I thought what Ms Murnane was saying was that the delegate had already rejected the nomination of the administrator as being not satisfactory.

Mr Taylor—Yes. We do seem to be straying into another area once again, Senator, with the greatest respect—these matters are before the AAT and still before the Federal Court, and we obviously have tried to provide as much information as we can in that circumstance.

Senator CHRIS EVANS—You have been helpful, Mr Taylor. I want just the answer to this question, and if you cannot give it you cannot give it, but was there a formal decision to reject the administrator or not?

Mr Taylor—My understanding is, no, there was not a formal decision, but I could certainly check that.

Senator CHRIS EVANS—Perhaps you could take it on notice, if there is anything you want to add. Mr Taylor, while you are with us, would you mind just giving us a short description of what legal action is pending. I do not want the detail, but I notice that one decision 'came down'. What does that mean? Does that mean that certain actions have been dismissed?

Mr Taylor—Effectively, there are matters that are still in the Federal Court and in the Administrative Appeals Tribunal. The provider or a Corporations Law administrator was also attempting to gain an injunction in terms of the sanctions action. That was unsuccessful in the Federal Court and leave to appeal that decision to a full Federal Court has not been granted and the focus now is on the action before the Administrative Appeals Tribunal.

Senator CHRIS EVANS—And what is that action?

Mr Taylor—The action is challenging the decision of the delegate.

Senator CHRIS EVANS—And that is taken by the previous owner of Riverside?

Mr Taylor—By the Corporations Law administrator who has responsibility.

Senator CHRIS EVANS— On behalf of whom?

Mr Taylor—On behalf of the provider I suppose is the best description.

Senator CHRIS EVANS—Is that because the provider has gone into bankruptcy?

Mr Taylor—No. The Corporations Law administrator was appointed by the provider and there is a possibility the provider may go into liquidation, but I do not believe that is the case as yet.

Senator CHRIS EVANS—Sorry, I just did not understand.

Mr Taylor—Yes. The Corporations Law administrator is acting as the provider. For all intents and purposes it is the provider at this stage.

Senator CHRIS EVANS—And what is the likely time frame for this action? Do you have any idea at all?

Mr Taylor—It is quite likely to be heard soon. When a decision would be handed down, I obviously could not tell you.

Senator CHRIS EVANS—Do you have a date for hearing?

Mr Taylor—In June. I could not give you the exact date.

Senator CHRIS EVANS—How long is the action likely to take?

Mr Taylor—I think it is scheduled for two or three days but, given the complexity of the matter, that may well not be sufficient, so there was talk of attempting to extend the date of the hearing.

Senator CHRIS EVANS—Is the Commonwealth the respondent?

Mr Taylor—Yes, the Commonwealth is the respondent.

Senator CHRIS EVANS—Who is acting for the Commonwealth?

Mr Taylor—Clayton Utz are the solicitors and, obviously, we have counsel engaged.

Senator CHRIS EVANS—What is the effect of a successful action?

Mr Taylor—I would imagine that the administrator would be seeking to overturn the decision. Exactly what implications that has are slightly unclear. It is something that I suspect that the administrator may be able to shed more light on.

Senator CHRIS EVANS—I know there is the decision and appeal process. They are seeking to overturn the decision?

Mr Taylor—Yes, they are.

Senator CHRIS EVANS—And effectively reinstate their licences.

Mr Taylor—Yes, that is correct.

Senator CHRIS EVANS—And, from their point of view, that returns them the economic value of the licence?

Mr Taylor—I think that is the greatest concern.

Senator CHRIS EVANS—Not so much that they want to necessarily reopen Riverside but—

Mr Taylor—I would only be speculating on that, Senator.

Senator CHRIS EVANS—But their largest loss from their point of view would be the loss of the sale price of the licence?

Mr Taylor—I would imagine that would be a substantial concern for them.

Senator CHRIS EVANS—Is there any financial cost to the Commonwealth then, if they got that back?

Ms Murnane—Not a financial cost, no.

Senator CHRIS EVANS—But you have not reallocated those licences at this stage, have you?

Ms Murnane—Again, this was the subject of an action for interlocutory relief sought by Riverside through the Corporations Law administrator and it was rejected by Mr Justice Sundberg. But what we have said is that if the judgment is against us, if the decision is overturned, then we will be in a position to comply.

Senator CHRIS EVANS—You will be in a position to comply?

Ms Murnane—Yes.

Senator CHRIS EVANS—In the sense that you still have the capacity to have the licences?

Ms Murnane—Yes.

Senator CHRIS EVANS—I noticed from some answers to questions on notice I got the other day that the actual licences that you provided to Ripplebrook are out of a reserve supply of some sort.

Ms Murnane—That is correct, yes.

Senator CHRIS EVANS—They are not actually the designated Riverside licences?

Ms Murnane—That is right.

Senator CHRIS EVANS—They are in abeyance in trust at the moment, are they?

Ms Murnane—Yes.

Mr Taylor—To put it simply, Senator, the undertaking that has been given to the court is that obviously we would abide by the umpire's decision and, depending on what orders a court or the AAT made, the Commonwealth would abide by those.

Senator CHRIS EVANS—You are effectively saying you have the ability, if the case went against you, to provide those licences back. They have not been redistributed?

Mr Taylor—Yes, that is correct.

Senator CHRIS EVANS—And that is your sort of article of good faith to the court in terms of the action that is about to proceed?

Mr Taylor—That is correct.

Senator CHRIS EVANS—I asked a question about the cost of the move from Riverside to St Vincent's. I think I got a cost for taxi fares up until the end of March of $32,389. But I got a slightly less helpful response in terms of the costs associated with the move to St Vincent's and the establishment of St Vincent's. I suppose Mr Taylor could argue on behalf of the department that if I took a very strict legal meaning, I might not quite have exactly asked the question, so rather than labour the point I will ask the exact question. How much has it cost the Commonwealth in payments to St Vincent's, over and above care subsidies, to finance the opening up of a ward and to provide the care for those residents transferred from Riverside?

Mr Stuart—I have some information on the operating expenditure of St Vincent's. What I do not have in front of me is what amount of that is over and above the normal subsidy spending which would have been provided.

Senator CHRIS EVANS—Clearly, there are a number of different categories of costs, and I would like you to take me through them. I understand that St Vincent's receive the normal RCS daily subsidy for the residents for the time they are there in accordance with normal

procedures. Is that right? That is what this answer seems to tell me. But clearly, as I understand from what the minister has said—and I think Mr Podger said something once before in general terms—the department assisted St Vincent's to get up to scratch and to make their ward available on short notice. I just want to know what those costs were and who funded them. I gather the Commonwealth funded them, so I am trying to get a feel for what they are. I am not interested in what you paid in care subsidies to St Vincent's if they are the normal care subsidies depending on the RCS.

Mr James—At this stage the bills and so on between St Vincent's and the department have not been finalised. There is ongoing discussion about St Vincent's presenting us with a full accounting for what needs to be paid for. Then we will have to work out the difference between that and our normal RCS subsidies for any extraordinary costs and health related costs that may be over and above what would normally be paid for in a nursing home.

Senator CHRIS EVANS—What is the basis of the understanding? Clearly, you negotiated at short notice with St Vincent's to make itself available. What did the Commonwealth undertake to meet by way of costs, and what is your budget estimate of those costs?

Mr James—I was not involved in the original discussions, but my understanding is that we undertook to pay the extraordinary costs that would be related to looking after those residents that are over and above the normal aged care subsidies.

Senator CHRIS EVANS—So you undertook to pay the extraordinary costs over and above the care subsidies of the costs associated with taking care of them, and you have no idea of what that is?

Mr James—When we get a full accounting from St Vincent's of what those are and what the health component will be, then we can work out how to acquit that.

Senator CHRIS EVANS—What if I gave you $10,000, $50,000 or $100,000 as a multiple choice. Surely you must have some idea of what we are talking about. I am not going to hold you to the dollar amount but there must have been some budgetary provision, some negotiations.

Dr Graham—There is a response coming through. I am just looking for the information, but it is in the order of about $100,000, direct and indirect costs, on top of the RCS.

Senator CHRIS EVANS—And those are costs incurred by St Vincent's.

Dr Graham—That would be costs incurred by St Vincent's to provide care for those residents over and above what they would normally provide.

Senator CHRIS EVANS—So you have yet to resolve with them the acquittal and the exact amount, but you think it is in the order of $100,000.

Dr Graham—That was really to set up St Vincent's and get it under way. There would be ongoing costs that are probably somewhat extraordinary too in terms of the RCS care of those residents.

Senator CHRIS EVANS—So we are looking at maybe $100,000 for establishment costs for them to get their ward up and running and make provision, and maybe some additional costs above the care subsidies for extra nursing, relocation and—

Ms Murnane—One of the things they did, which they were public about, was a complete health check of every resident when they were admitted, and additional physiotherapy and rehabilitation.

Senator CHRIS EVANS—That is right. I was aware of some of those things, Ms Murnane. I assumed that there would be some costs involved. I am sure the whole relocation process required more counselling and support and what have you. I do not underestimate that it would put a strain on St Vincent's; I am just trying to figure out what we know about that.

Mr Stuart—We have received two bills from St Vincent's, one for expenditure to the end of March of $357,900, and another bill for the month of April of $364,000 and a bit. What we are still working through is the balance between those bills and what we would normally have spent through residential care subsidies for a group of residents at average RCS rates for high care of $80, $90 or $100 per day, per resident. So the net additional cost of supporting St Vincent's is not yet clear.

Senator CHRIS EVANS—So your gross costs will be in excess of $700,000, but we have to subtract the care subsidies that would otherwise have been paid from that.

Mr Stuart—The largest proportion of those gross costs would have been incurred in respect of Riverside rather than St Vincent's in the ordinary course of events.

Senator CHRIS EVANS—Yes. Are you paying them things like the concessional resident supplement and those sorts of things?

Ms Murnane—The concessional resident supplement did not apply to Riverside because it was not certified.

Senator CHRIS EVANS—I know about Riverside; I was asking about St Vincent's.

Ms Murnane—It would not have been payable to St Vincent's either.

Senator CHRIS EVANS—Why not?

Mr Podger—What is being suggested is that we have got bills for gross amounts from St Vincent's that are not being paid in the normal way. You have got a gross figure—

Senator CHRIS EVANS—I understand that.

Mr Podger—So what we would otherwise pay does not apply.

Senator CHRIS EVANS—To be honest, Mr Podger, it does, because that is what your officer just said: that to work out the additional cost you have to take off what you would have paid otherwise. He was at pains to stress to me not to take the $700,000 figure as being the cost, that we have to subtract the subsidies. I was asking, quite innocently, the question of whether or not there is a concessional supplement capital cost in that as well, which is also going to reduce the otherwise—

Mr Podger—I concede that it is a matter of the way you present the formula. I concede the point that if we present it here as a gross amount, what do we take off? What do we take into account? Do you take off just what we had been paying at Riverside, or do you take off what would have been paid to some other home with those patients. I am not quite sure what the right answer is on that, but you could look at it either way.

Mr James—As an uncertified facility, as Ms Murnane mentioned, it is not eligible for CRS, or to have charges.

Senator CHRIS EVANS—Why?

Mr James—It is an uncertified facility.

Senator CHRIS EVANS—It is uncertified?

Mr James—It does not have to be certified to receive residential care subsidy.

Senator CHRIS EVANS—I just assumed, because I knew it was a high quality place, that it was certified. Is that because they had not sought certification under the Aged Care Act?

Ms Murnane—Precisely.

Mr James—It is an emergency allocation.

Senator CHRIS EVANS—I was just thinking through what the costs were. So what other costs are apparent? There is the cost of St Vincent's, minus what the care costs would have been. There are the taxi fare costs. Have you got an update on that, Mr Stuart? What is that up to?

Mr Stuart—We have organised the taxis, as you are aware, through the Department of Veterans' Affairs and we have been provided a bill from that department for the month of March for $32,389. We have not yet received the bill in relation to April.

Senator CHRIS EVANS—What other costs are associated with this?

Mr Stuart—There are a number of more minor costs relating to laundry and miscellaneous, medical and pharmaceutical expenses. The total of the bills received that I have to date, including the taxi hire figure that I quoted, is $41,200.

Senator CHRIS EVANS—So there is another $8,000 or so in already for miscellaneous, laundry and other things like that?

Mr Stuart—That is right.

Senator CHRIS EVANS—Are there any other major costs? Ambulances and things were turned on, weren't they? Is that basically the extent of the costs to the Commonwealth in addition?

Mr Stuart—They are the non-departmental costs.

Senator CHRIS EVANS—You mean as apart from the time of the officers and others involved from the department?

Mr Stuart—That sort of thing, yes.

Senator CHRIS EVANS—I presume they should start to reduce quite rapidly now that—I think this is the answer I saw—there are only three residents left?

Ms Hefford—As of yesterday, three residents.

Senator CHRIS EVANS—Are you hopeful that they will get placed fairly shortly? You have obviously made fairly good progress in the last month or so in terms of the numbers.

Ms Hefford—Yes.

Senator CHRIS EVANS—Where have the majority of those more recent ones gone?

Ms Hefford—Do you want to know the distribution?

Senator CHRIS EVANS—If you have got a breakdown, yes. Obviously Ripplebrook was the big one.

Ms Hefford—It is 30 to Ripplebrook, four to Cranbourne, one to Cox Collins, one to Mahogany Lodge, one to Argyle Court, three to Daveys Bay, one to Walmsley village, two to Andrew Kerr, one to Mordialloc Nursing Home, two to Baptist Village at Baxter, one to Cardinal Knox Village in Dandenong, one to Chelsea Park and three still waiting to be placed.

Senator CHRIS EVANS—One has gone to Chelsea Park? I thought you were providing advice to people, 'Don't go there.'

Ms Murnane—We were providing advice to people about the state of homes that we had concerns with. There was a very intensive information session with that gentleman and he decided, after being briefed by officers at his home, after being shown a copy of reports, that he would still go ahead.

Senator CHRIS EVANS—You should have sent him to me. No, I appreciate that and we got the answer on notice because we had had residents raise with us the fact that officers were suggesting they do not go to a couple of establishments which were subject to review or action currently.

Can I understand what happened with Ripplebrook. I see you provided a grant for Ripplebrook of $65,000 to bring that up to scratch. That had not received any approvals for anything prior to this. Were they just in the round seeking approval?

Mr James—No, they just happened to be establishing as a service for people with disabilities; they were not actually an aged care provider and they had not applied in the funding round.

Senator CHRIS EVANS—Did they have any approval for disability services or funding?

Mr James—They were not actually operating as a disability service. I do not know what clearances they got from the state government, but we could take that on notice, if we can find out.

Senator CHRIS EVANS—I was just surprised because I assumed you had had to transfer some bed licences, but when you said you did not have any, I thought, 'How come we have got this brand new establishment with no licences sitting there?'

Mr James—It is fair to say it was very fortuitous that it just happened to be in the region.

Senator CHRIS EVANS—What is their overall capacity—is it more than 30?

Mr James—Thirty at the moment, but I gather it is part of a larger complex that could have units on it as well which are not funded by us.

Senator CHRIS EVANS—These reports which you confirmed about some early problems about residents falling out of beds, et cetera, there—has that been addressed? Can we have an update on that?

Ms Hefford—It is normal in a process of taking new residents in that you would go through a period of assessment in the initial few days and our guidelines suggest less restraint rather than more. For some residents there is also an experience of being a little bit disoriented after a move. There were reports of a couple of falls in the first couple of days; that has now been overcome.

Senator CHRIS EVANS—We obviously have had a couple of contacts about it; that is why we asked the question. If I can just back to the cost of the evacuation from Riverside, the answer you gave on notice was that the total cost was estimated at $116,577 of direct and indirect costs to the Commonwealth. Is that in addition to these figures you have been giving me, or is this a separate figure? This seems to talk about laundry, transport of equipment, contract nurses, $68,000; indirect costs, including staff overtime, estimated $47,000. I only just noticed this—I think this is one of today's—so forgive me, but I just want to know if these are subsets of the other one or separate ones.

Dr Graham—We think it is a separate one. This is the cost of the actual removal or evacuation from Riverside.

Senator CHRIS EVANS—So it cost you $116,000 in direct and indirect costs; $68,000 was for nurses, transport and equipment and $47,000 was departmental costs. Is that right?

Dr Graham—Yes, that is what it says. It says direct costs of $68,925; indirect costs, including overtime, $47,000.

Senator CHRIS EVANS—I read it too, Dr Graham; I am just checking that I understood it. I suspect I have asked the wrong bloke! So we have got the cost of a bit over $100,000 once we take away the costs of the care at St Vincent's, we have got the taxi costs, we have got the miscellaneous costs and, in addition, we have got these costs which relate to the evacuation process. Is that a fair summary?

Dr Graham—That is right; this is the transfer process.

Senator CHRIS EVANS—Is that basically the total for the cost of Riverside?

Dr Graham—I think that is the substantial amount. There might be a few odds and ends coming through, particularly with a few residents still at St Vincent's.

Senator CHRIS EVANS—Yes, but in terms of categories of accounts that is about it?

Dr Graham—Yes.

Mr James—That should be the bulk of it, overwhelmingly.

Senator CHRIS EVANS—I asked some questions last time about the debt of Riverside. I do not think they are in the answers. I am not sure if you took them on notice or not, or if we agreed that we would have a chat about it next time, but I wanted an understanding of what the debt of Riverside was to the Commonwealth and how you were garnisheeing their fees.

Dr Graham—We did take these on notice and we do have questions that we are still in the process of getting to you. Did you have specific questions now?

Senator CHRIS EVANS—What are you going to tell me? That is probably the best thing. I must be getting tired and easygoing. Tell me what you are going to tell me.

Dr Graham—There was an overall debt relating to the operation of Riverside nursing home of $808,000, or of the order of that amount. The amount was being recovered on a monthly basis from October 1998 as an adjustment to the advance of Commonwealth subsidies.

Senator CHRIS EVANS—From October 1998?

Dr Graham—From October 1998. This arrangement ended on 5 May 1999, when the outstanding balance of $663,903 was repaid. That was the general information that we gave you at the last hearings.

Senator CHRIS EVANS—Can you tell me how much you were taking per month prior to that large repayment?

Dr Graham—In October 1998 the adjustment was $21,328 out of the total payment to the home of $160,000, and in January 1999 the adjustment was $25,422 out of a total net payment to the home of $160,000.

Senator CHRIS EVANS—So they were netting $160,000 after you took away the $21,000 and $25,000—is that right?

Dr Graham—That is correct.

Senator CHRIS EVANS—That is obviously quite a large amount and a quick repayment, although I note that they decided to pay it off in one lump sum at one stage. How did you

calculate that rate? I notice from a question on notice that you still have 144 nursing homes repaying Camsam debts.

Dr Graham—Yes, that is correct.

Senator CHRIS EVANS—It seems to be an astonishingly large number. I am interested in the process of how you negotiate or whether you have a set formula about how you strike those rates.

Dr Graham—The rule of thumb seems to be that it is around about 15 per cent of the subsidies at the most.

Senator CHRIS EVANS—That is not a regulation but an administrative guide?

Dr Graham—Yes. Presumably it has been worked out so as not to undermine viability of the service but to recover the debt at the same time.

Senator CHRIS EVANS—You may well be taking up to 15 per cent of the care subsidy paid to the provider in return to offset their debt to you. Was Riverside a particularly large debt compared to some of the others? You said there are 144 nursing facilities still in debt to the Commonwealth and paying off their debts by having their care subsidies garnisheed. Are they all having their subsidies garnisheed?

Dr Graham—It is a relatively large debt but apparently it represents the accumulated debt over two or three years.

Senator CHRIS EVANS—Yes. I am trying to get a feel for the other 144 nursing homes. Do they have debts of that sort of size or is that considered to be a bit larger?

Dr Graham—That would be at the upper end apparently.

Senator CHRIS EVANS—Given that Camsam has not been operating for a while when—

Dr Graham—The last decision apparently was made on 30 June 1999, but I think it also represents the fact that it was very hard to acquit those payments under the old funding. It really did take a long time to collect together the receipts and just churn through them.

Senator CHRIS EVANS—I do not doubt that because I have heard the tales. You say that what you did was to have some sort of administrative decision on 30 June 1999 as to how all those debts would be handled?

Dr Graham—I will check with my source of information. That was the administrative date when the validators basically ceased within the department.

Senator CHRIS EVANS—What was that again?

Dr Graham—We used to have a team of validators who would go through the receipts from the nursing homes. That program ceased at the end of that financial year.

Senator CHRIS EVANS—So that was what was left basically? There was not an administrative decision about debt so much as at 30 June that year that was what was left and that was what people had to pay back and you have been in the process of collecting it ever since. Is that right?

Mr James—Apparently the legislation provided for another three years for the settling and acquitting of those debts basically. It is probably important to stress that with the recoveries the rate for the recovery is struck not on a very rigid formula but on the basis of making sure the facility has adequate funding for meeting the key needs of residents. It is a rule of thumb approach.

Senator CHRIS EVANS—That is obviously a serious concern and one that I raise in terms of Riverside but, having said that, you are saying to me that within three years they had to quit the debt so it is a three-year limit anyway.

Mr James—That is correct.

Senator CHRIS EVANS—So however you structured it had to be such that they would clear the debt based on that payback within the three-year period.

Mr James—It is not debt clearance within three years; it is three years for us to make a decision on the treatment of that debt?

Senator CHRIS EVANS—Are you suggesting to me that you have not made decisions on some of these debts?

Dr Graham—All the decisions have been made. For those 144 nursing homes there are recovery programs under way.

Senator CHRIS EVANS—So you have made the decisions about the debts. You have got 144 nursing homes that owe you money. They are all in an agreed arrangement as to garnisheeing of their subsidies?

Mr James—Yes.

Senator CHRIS EVANS—Are they all paying back by method of garnisheeing the subsidies—or the vast majority?

Dr Graham—Yes. There may be an appeal process in there as well which may complicate some of the recoveries.

Senator CHRIS EVANS—But effectively for most of them the debt has been struck and they are having their subsidies garnisheed in order to pay back within a reasonable time frame—inside the three years,or not?

Dr Graham—That is open-ended. There is no set time limit for that.

Senator CHRIS EVANS—So whatever arrangement you have struck with them you have struck an arrangement to get the money back within a reasonable period of time and you are garnisheeing their subsidies with a bit of a view to the 15 per cent being towards the maximum end of what is reasonable.

Dr Graham—That is a good summary.

Senator CHRIS EVANS—And when would you expect to have most of those nursing homes in a situation where they were debt free?

Dr Graham—We would hope by the end of the next financial year that many of them would be out in the open again and debt free.

Senator CHRIS EVANS—So you would expect to clear many of them by the end of next financial year?

Dr Graham—Yes.

Senator CHRIS EVANS—Were you aware whether Riverside had other debts?

Dr Graham—Apparently there were earlier occasions, Senator, but we would need to take that on notice to give you good detail of it.

Senator CHRIS EVANS—If you could do that that would be good. Ms Hefford, I wanted to go back—I missed a couple of things I wanted to follow up on Riverside. Some of these go

to the question and the time line that Mr Podger was considering. I was interested in the time line for 1998, 1999 and 2000 in the sense of the history of the involvement with Riverside and I presume Mr Podger will take that on notice. Do you have any information on the nature of the complaints that were referred to the agency in May 1999?

Ms Hefford—I do not have details about either the complainants or the subject of the complaints but I can report that multiple complaints were made to the department using the complaints resolution scheme during May 1999 and as a consequence the agency had done a review audit in April and that report became available to the department during May.

Senator CHRIS EVANS—In May?

Ms Hefford—We received complaints during April and during May. The facility was referred to the agency for a full review audit in April. That was conducted on 13 to 15 April and we received the report in May.

Senator CHRIS EVANS—Was there a further report in November last year?

Ms Hefford—There was a partial review audit on 26 and 27 October, and we would not have received the report from that until November.

Senator CHRIS EVANS—Can you make both those reports available to me?

Ms Hefford—I cannot see any reason why the department could not agree to release the reports to you.

Senator CHRIS EVANS—The first one would be a normal review of what would have been publicly available. I just have not seen it, that was all. As for the second one, I do not know, the partial report—

Ms Hefford—I am not sure how a partial report—

Senator CHRIS EVANS—You might take that on notice, but I would appreciate copies of both those reports.

Ms Murnane, I was going back through my notes to see what questions I had missed and one of them was to ask you whether you have been able to confirm when the minister asked you to refer the Riverside matter to the Federal Police. I think the last time we asked that question you were not sure.

Ms Murnane—I did look to see if I had any record of that. It would definitely have been some time after the 22nd but I cannot tell you exactly when.

Senator CHRIS EVANS—You are not able to nail it down to within a couple of days? When did you write the letter?

Ms Murnane—I wrote the letter on the 29th and my memory is, although I cannot be specific, that she mentioned it to me in conversation about whether we should do anything. I told her at that stage there had been a referral to the Nurses Registration Board concerning the nursing practise and a day or so after that she then said to me, 'I think that this should be referred on to the police.' But I cannot remember exactly when, and I have not got a record that tells me exactly when.

Senator CHRIS EVANS—Thank you. Senator West wants to ask some questions about this medication administration issue that we have been pursuing with you. I see in response to one of the questions on notice from the February hearings that the department has indicated it has legal advice that, despite regulations on drug administration where it explicitly refers to nursing homes or health services, nonetheless those provisions would apply to hostels. It

seemed contrary to everything else we have been getting from providers and other stakeholders and professional groups, and that is why we are keen to pursue it again with you. When did the department commission or obtain that legal advice?

Dr Graham—The advice was provided by Phillips Fox and it was commissioned in January this year.

Senator CHRIS EVANS—When did you get it? Are you saying that you got it in January, or that you requested it in January?

Dr Graham—We commissioned it in January, but received it after that time.

Senator WEST—Can I ask why there was no indication of that given to us on 7 February when we had the additional appropriations? We pursued this issue there and you said:

Personally I am not aware of concern being raised with our division.

You were not aware, to your knowledge, that there was an issue in medication and low care facilities and it had not been on the agenda with anybody. You said:

The consumer and industry groups have got the opportunity to put that on the agenda if they wished. I am not aware that they put it on, not in my time anyway.

Now you tell us that Phillips Fox had been commissioned in January to look at this issue.

Dr Graham—I was not aware at that point that that process was under way. There was a review being carried out for general purposes to look at the legislation that applied in that area.

Senator WEST—When did you become aware of that issue? When did you become aware that Phillips Fox had been commissioned to undertake this review?

Dr Graham—Subsequent to the Senate hearing.

Senator WEST—Did we receive any advice that you may have inadvertently not given us the full story?

Dr Graham—At the last hearing I did refer to that legal advice that we had obtained.

Senator WEST—I was not here at the last hearing because I was not able to be. Phillips Fox is saying that low care—

Senator CHRIS EVANS—Go on, Senator West, ask him for a copy of the advice. Try your luck!

Senator WEST—I would love a copy of the advice, but I am sure that I am going to be told that advice given to the department at this level is not to be given out. It is on the record now, and I am sure that if someone feels free to give me a copy of the advice, I would love a copy. But if someone would like to outline to us the reasons why the advice was given in the way that it was, that—

Dr Graham—I will outline the advice that was given and we will investigate whether we can release a copy to you.

Senator WEST—There are a lot of organisations and groups out there, and professional groups involved in the care of patients, who are not aware of this advice.

Dr Graham—The Phillips Fox advice was, in general, that under state and territory legislation there is variance across the country. That is one issue. They say that in general, many pieces of legislation do cover nursing homes or other terminology that might apply to high care facilities such as hospitals or nursing homes or whatever.

There is legislation in most jurisdictions that covers self-administration and the administration by carers. The grey area is hostels, but with people in hostels there is the interpretation that many of those people would self-administer and perhaps the care workers in those facilities could assist them or help them to administer medication. In some jurisdictions it may come under some of the other more general terminology that applies to health services.

Senator WEST—This highlights the problem that Senator Evans and I have been raising, and that has been raised with us by these health professional groups, and other groups. It highlights the problem. You said, hostels is a grey area. In New South Wales, the current Poisons Act, as I understand it, does not impose the same control over hostels as it does over nursing homes.

Following on from that, you have said that hostels are grey areas. I am saying that the advice that I am getting from people in the area is that the New South Wales Poisons Act does not cover hostels. We now have this thing called ageing in place, and we have something like 18 per cent of the residents of hostel type accommodation, low care facilities, now having high care classifications. One of the RCS criteria is that that group require the giving of the medication. They are not capable of self-medicating. The fact is that in hostels we are now getting larger numbers of dementia patients, and they also are not capable of self-medication.

Dr Graham—I have mentioned previously other processes that ensure that medication is both supplied and administered correctly. One is the accredited pharmacists process. Close to 80 per cent of residential aged care facilities now have a contract with an accredited pharmacist who has been accredited to do medication management for residential care. Their training is to assess medication needs, particularly of high risk residents within nursing homes and hostels, and on many occasions to provide advice around how that medication should be appropriately handled, stored, delivered and administered.

There is also a set of integrated best practice guidelines. That is put out by a committee called the Australian Pharmaceutical Advisory Council, which advises the government on appropriate medication management. It is supported by a large stakeholder group that includes the medical profession, nursing profession and pharmacy. One of its recommendations is that medication should be administered by a registered nurse, if they are there; if they are not, then it should be by an appropriately trained person, with the use of such other activities as compliance aids, Webster Packs and the like.

Senator WEST—That is fine, the compliance aids are fine, but the AINs and the PCAs—the personal care assistants—do not have adequate training and education in pharmacology, pharmacopoeia or any of those areas to be able to fully understand adverse drug reactions, let alone maybe even how to take the appropriate action if somebody has an anaphylactic reaction or starts to have a more serious reaction. As you get more people into hostels who are in higher care classifications, isn't this going to become a bigger problem?

Dr Graham—If the people are within high care, then it is appropriate that there are appropriate staff to—

Senator WEST—No, I keep talking about high care people in low care facilities—they are allowed a certain number of high care residents in low care facilities before some of these requirements for RNs and higher qualified staff cut in. Is that correct?

Mr Stuart—No, that is not correct. We no longer have a classification called a hostel or a low care facility; we have residents that are classified either as high care or low care. The act

requires that all residents who require invasive procedures and the kinds of activities that nurses would provide must have those services provided by a registered nurse.

Senator WEST—No, in fact I think it says 'may'.

Mr Stuart—No, the principles to the Aged Care Act, the quality of care principles, specify that a nurse or a GP are suitable professionals to undertake the more invasive kinds of procedures. There is a long list of them, including the insertion of suppositories, stomatherapy, major wound dressing and—

Senator WEST—I am not talking about that, I am talking about sticking a pill down somebody's throat. What are you going to do about the grey area that the Phillips Fox advice highlighted to you?

Dr Graham—The minister has set up an accreditation and compliance forum. Under that, there is a working group looking at these issues around medication and, in fact, looking at the implementation of those integrated best practice guidelines. That, as I said, was the council's advice to the government on how there should be appropriate medication management within residential care. They are working through that process at the moment.

Senator WEST—When did the Phillips Fox advice come to you? When did you get it?

Dr Graham—I do not know. That is what we said we would investigate.

Senator WEST—Can you take that on notice, please? This organisation the minister has set up to look at these issues—who is on that?

Mr Stuart—This is the working group of the minister's forum. I will work from memory and then I will get some more information. The committee is co-chaired by Dr Andres Darzins, who is a GP in South Australia and is associated with the RACGP Aged Care Committee; I believe he leads that in South Australia. The other co-chair is Jeremy Hampton, who is a pharmacist from Tasmania associated with the Pharmacy Guild. There is Ms Pauline Iles, who is a Western Australian aged care provider and also a director of nursing. There is a gerontologist, whose name I hope I will have shortly, and another aged care provider—I think it is Juan Hardrick, from the Baptists in Victoria.

Senator WEST—But you do not have there any representatives of the colleges of nursing or of Geriaction, unless Pauline Iles is a member of those. You have got two providers, one who is a provider as well as a DON, but you do not have anybody there who is from, say, Geriaction or the colleges of nursing. They are the peak professional bodies for the people who are going to have to administer the medication.

Mr Stuart—I beg your pardon, there is a geriatrician involved.

Senator WEST—Excuse me, a geriatrician is not—unless there is something that has happened—an RN.

Mr Stuart—No, I am not trying to argue that he is an RN. The committee have also agreed at their last meeting that they want increased professional nursing representation and they have asked me to write to the appropriate professional organisation to organise that.

Senator WEST—That will be the colleges, will it?

Mr Stuart—That would be the colleges.

Senator WEST—Thank you, good, they are the words I wanted to hear, because unless you are going to do that you are going to be leaving out a key group of players. I admit to a bias here, as a member of both the colleges, but if you are going to have a committee that is

going to be working on the issue of the giving of medication and issues surrounding that, then you actually need the bodies there that are going to put the pills down the throats, please.

Dr Graham—Senator, would you like a copy?

Senator WEST—I would love a copy, thank you, Dr Graham. And you are going to come back and tell me when Phillips Fox gave their report?

Dr Graham—When we received their report, yes.

Senator WEST—Can you tell me when you first became aware that Phillips Fox was undertaking this review?

Dr Graham—That was after that February Senate hearing. I was aware when I started to investigate the area that that consultancy by Phillips Fox was under way.

Senator WEST—I am interested to know why you did not advise the committee—or you may have and I did not get the letter—to update your answer, rather than wait until May?

Dr Graham—There was activity, and I was indicating that we were setting up the working group to look at medication issues and there was a project that had commenced within the division to look at medication issues. I was not aware that that consultancy had already commenced then.

Senator WEST—I am quite happy to accept that, but I want to know if you can give me a reason why you waited until May?

Dr Graham—That was the next opportunity to inform you. Perhaps I could have told you earlier, but there was a process that we were going through.

Senator WEST—It is a common—

Dr Graham—I thought the important thing was that we had a process to look at medication issues.

Senator WEST—It might have stopped me from getting on my high horse in other areas about it. When people discover that they have given inadvertently—and I say inadvertently—incomplete information or misleading information, it is often the common practice to write a note to the committee to update them on what is happening. I just wondered why it had not happened here. You said in the hearings of 7 February that you were not aware of any concern being raised with the division and not aware of the consumer or industry groups putting it on the agenda. Are you not aware of any concerns that the New South Wales Aged Care Alliance might have had?

Dr Graham—Not at that point of time; that came to light subsequent to that.

Senator WEST—When did that come to light?

Dr Graham—I would have to check. I do not know if anyone at the table would have any knowledge of that, but that was after that time. We also reported at that hearing that, from the point of view of the agency, they were not aware of this being a major issue either.

Senator WEST—But I am aware that New South Wales Aged Care Alliance wrote to you on 22 December last year and followed up with your office in early February, as I understand, to see if you had received the letter and they faxed you a copy. Have you ever received any correspondence from New South Wales Aged Care Alliance?

Dr Graham—If that has been directed to me it may have. As I mentioned, we started a project looking at medication issues; it is an area of interest to me and concern to me and we

started a project within the division. That information may have come in and been directed to that area that was dealing with that project.

Senator WEST—It was specifically directed to you as the FAS, the Department of Health and Aged Care, mail box drop point whatever it is—GPO Box 9848—in Canberra. Is that the correct address?

Dr Graham—Yes. I accept, if that is the case, it may have come to me. I did not remember it. Certainly, as I said, we had an interest in that area and we are doing work in it, so it would have been directed to the people dealing with that project.

Senator WEST—Are the people dealing with that project making acknowledgments of correspondence and submissions they are receiving?

Dr Graham—I cannot answer that. We could investigate whether there was a response to that letter.

Senator WEST—To the knowledge of the nurses association—this has come to me through the association; I do not think they will mind me saying that—as at 17 May this year no response had been received.

Dr Graham—There had been other activity under way. As I mentioned, the forum, for instance, is now looking at this issue. It had been a discussion point with the aged care working group. So there has been other contact with stakeholders to gain interest and coordination in responding to medication management.

Senator CHRIS EVANS—Where are we at with this? We are getting a bit frustrated because what the industry tell us and what the sector and parties tell us is that there is a great deal of concern and a great deal of confusion about the medication regimes. As you know, we have raised it with you over a number of hearings now. We have advice that correspondence has not been responded to when it has been raised. It seems that you have not been clear as to what has been raised with the department, and I accept that they were just communication problems, but what is actually happening? I know you mentioned working parties are looking at it and I know there are a lot of working parties now in this area.

I had my office contact state authorities and ask them the question. A number of them expressed concern about the regulations and about what advice they could provide, particularly in hostels, about medication regimes. If you ring a state department and ask them you get advice that it is not clear, that it is a grey area. I got my staff to do that exercise. That is the advice they provide. They think there is a need for some clarity and some change in legislation. A number of them refer to the fact that their state governments might be looking at it. I understand from my notes that the minister has written to the minister in New South Wales on this issue?

Dr Graham—Yes, she has.

Senator CHRIS EVANS—When did she write to the minister in New South Wales? I presume it was the health minister. What is the date of that letter, do you know?

Dr Graham—Not offhand, Senator.

Senator CHRIS EVANS—Have you got a rough estimate? Are we talking about recently?

Dr Graham—Within a couple of months, I think it was.

Senator WEST—Before or after the Phillips Fox?

Dr Graham—No, I think it would have been about the May-April period.

Senator WEST—We are still in May.

Dr Graham—I am sorry, the March-April period.

Senator CHRIS EVANS—In that letter she indicates that she will be in contact with other states to more effectively manage this issue. What is happening on that front?

Dr Graham—We have a state officials meeting next week where that is one of the agenda items. That is a meeting where we meet with our state counterparts in aged care.

Senator CHRIS EVANS—Is that the ministers or senior officials?

Dr Graham—This is senior officials.

Senator WEST—Do you meet with ministers for aged care or do you meet with ministers for health?

Dr Graham—No, we meet with our counterparts in aged care.

Senator WEST—That is useless, with all due respect. That is a bit useless when you have to get the drug laws changed, which comes under the purview of the minister for health.

Dr Graham—We know that is complicated, but it has been raised and discussed at previous meetings of the aged care officials and we have asked them to liaise with the appropriate people within their jurisdictions so we can have an informed discussion.

Senator WEST—Which minister in New South Wales did the minister write to—was it Faye Lo Po or Craig Knowles?

Dr Graham—I do not remember. We would have to check that.

Ms Murnane—Mrs Lo Po is the minister responsible for—

Senator WEST—Aged care.

Ms Murnane—Yes.

Senator WEST—But the minister who is responsible for schedule 8 and the drugs act is Craig Knowles, the Minister for Health.

Dr Graham—I have been advised it was Craig Knowles.

Senator CHRIS EVANS—What activity is happening with the states? You have an officials meeting, but what is happening?

Dr Graham—That is at the legislative end. One of the issues in this area is that the legislation is quite a patchwork—I think we all acknowledge that. What we need is an operating process on the ground and this is what the integrated best practice guidelines are for. The Australian Pharmaceutical Advisory Council recognised this as an issue several years ago and has worked with its stakeholder group, which is a very wide stakeholder group including nursing groups, to try to define principles that medication management should operate within in residential care.

The working group under the minister's forum is now looking at how those best practice guidelines might be implemented. One of the outcomes of those discussions with APAC was the funding of medication review by accredited pharmacists. Now we are looking at talking to the doctors and other groups about how it might operate in practice, because it is a fact of life that in many hostels there will not be nurses and there has to be appropriate administration. APAC recognises that and says that where there is not a registered nurse you need suitably trained staff and they may be AINs.

Senator CHRIS EVANS—When did APAC say this, Dr Graham?

Dr Graham—I can read out the recommendation which came from APAC.

Senator CHRIS EVANS—Has there been any recent debate at the council about these issues?

Dr Graham—In the pharmaceutical council?

Senator CHRIS EVANS—Yes.

Dr Graham—No. This is a new edition, a second edition, of the document. What this document consists of is overall recommendations that come out of the council, with guidelines for the three major professions—pharmacy, medicine and nursing—as attachments. The agreed recommendation says:

> For residents who are not self-administering, medication administration should be undertaken by a registered nurse. If a registered nurse is not available, it is recommended that the facility provide medications in dose administration aids. In all cases, medication should only be administered by adequately trained or qualified staff.

It is acknowledging the fact that there are practical considerations to take into account and is responding to that issue.

Senator WEST—Watering down professional standards.

Senator CHRIS EVANS—Dr Graham, I get lost in some of these working parties and consultations, as no doubt you do. What does that mean about us making sure that people who work in hostels and people who reside in them know what the appropriate rules and proper practices are in relation to medications? If I get the question, how do I reassure someone asked to provide medications in a hostel in my local area in Perth? How do we get from working parties, meetings, forums and councils to the people on the ground who basically think they are not covered and who are concerned about it? I have copies of notices put on noticeboards by hostel owners who are clearly concerned and are responding to staff concerns. What is the answer and how do you tell them that?

Dr Graham—I will allow Mr Burns to describe how the agency does it. The other part of the answer is that there is funding from the government for accredited pharmacists to provide that advice to hostels as well as nursing homes. As I indicated earlier, it is getting close to 80 per cent of facilities that now have accredited pharmacists. They have a contract with the facility not only to carry out medication management but to provide advice on correct administration. I think they should take the opportunity to introduce that, if they have not already got it. We are finding that, as accreditation gets closer, the interest in using the accredited pharmacist is increasing quite rapidly.

Senator CHRIS EVANS—You are quite certain that the accredited pharmacists all have a very clear understanding of these medication issues and how they apply to staff?

Dr Graham—They would have a clear understanding of what is appropriate administration to a resident. Whether they all have clear understanding of state laws I am not sure about.

Senator CHRIS EVANS—That is what I am wondering. I am not trying to be pedantic, I am trying to work out how we get the message across to the people who have to do it. I understand what you are saying about the involvement of pharmacies in nursing homes. I think it is a good development and they bring professional skills. But I am trying to tease out from you whether or not that means that they are competent to provide advice as to which

staff member ought to be providing what medications under the law of the state they work in, and whether they are competent to provide that advice.

Dr Graham—That is where I believe there is a complementary activity by the agency. Perhaps Mr Burns could comment on that.

Senator WEST—Before you comment, Mr Burns, does the agency recognise the best practice guidelines?

Mr Burns—Absolutely. The comment I was going to make was that we have a significant education and training role through the accreditation process and we have used that role and our visits to services to recommend that services acknowledge and take account of this. We are finding—

Senator WEST—We went through this discussion last time I was here, which was in February. Anyway, proceed.

Mr Burns—We have a practice of having a registered nurse on our assessment teams wherever we are reviewing a service with high care residents; whether it is a hostel or a nursing home is immaterial. We take a particular interest in the medication issues, the storage, the administration and the service's knowledge of the legislation pertaining in that state. If a service is not compliant, then it becomes a required improvement for that service to find out about the legislation and put it into practice in that facility. We have had quite a degree of compliance with services that we have found have had problems in that area, although it is still an issue that will be addressed as we—

Senator WEST—It is a grey area. Wouldn't you expect them to have problems?

Mr Burns—I am saying that that problem is acknowledged and, through some education and training, they are working towards adopting the best practice guidelines that are being adopted.

Senator WEST—Do you consider those best practice guidelines to be the standard?

Mr Burns—I think that is some work that has been done that will certainly improve standards in residential aged care facilities.

Senator WEST—You would not classify it as 'the standard', though?

Mr Burns—I do not think I can classify it as the standard.

Senator WEST—Is there a best standard or is there a better standard?

Dr Graham—The APAC guidelines, in fact, represent the collective wisdom of about 30 stakeholder groups. It is a very broad ranging consultative committee and they do, again, have working parties under that to develop these sorts of guidelines. Once it has endorsement, it is really regarded as a national, not so much a standard, but certainly a guideline. It is not obligatory.

Senator WEST—How will it go in a court of law, if Phillips Fox has said the area is grey?

Dr Graham—In what sense?

Senator WEST—A negligence case is a civil action so therefore it has a lower level of proof. Or in any coroner's court? Given what Phillips Fox has said, how will these best practice guidelines stand up in a court of law?

Mr Stuart—I do not agree that Phillips Fox said it was a grey area. Phillips Fox has stated that the law is reasonably clear in all states. That medication law applies to residents in what we used to call hostels, as well as in what we used to call nursing homes; that is for S8 drugs.

Senator WEST—They are not the only drugs I have concerns about. I just have concerns that you say it was an equivocal comment. Dr Graham has used the word 'grey area' in the interpretation.

Mr Stuart—I just wanted to clear up they were not the words used in the advice by Phillips Fox.

Senator WEST—If you are not going to give me a copy of the advice, someone had better give me a copy of a fairly detailed interpretation of that advice so I do not make incorrect assumptions.

Dr Graham—Yes, we will try to get whatever information we can from that report.

Senator WEST—Thank you.

Dr Graham—The point I was making is that in hostels where the person perhaps needs assistance in medication—and it might be an S4 or an S8 drug—there is a question of whether or not a personal care assistant would be regarded as a carer for the administration of that medication to the resident. I think in some jurisdictions that is regarded as so. In fact, over a period of time because a hostel—the low level care term—is regarded as a home like environment, the administration of medication by a personal care assistant rather than by a registered nurse who is not on the premises has become the practice. According to the APAC guidelines, if that is the situation then that personal care assistant should have appropriate training and have the use of compliance aids to make the administration easier through such things as Webster Packs.

Senator WEST—Yes, I totally agree with the Webster Packs. Do they give a definition of 'appropriate training'?

Dr Graham—No, I doubt if they do in this document.

Senator WEST—This question is probably for Mr Burns. When someone is going for accreditation, they are required to be able to display the user rights or the client rights on that big green on white poster?

Mr Stuart—While Mr Burns just thinks about that one, can I come back, as you have suggested, to fully complete the record on the forum working group. The names I was struggling for were Michael Murray, the geriatrician with the AAG; the provider Imas Thompson with Anglicare, not with Baptist Care from Victoria; and Sheila Rimmer, who is the national president of COTA, the consumer representative. That completes the membership of that group.

Senator WEST—And you will get someone from a professional nursing body?

Mr Stuart—That is correct.

Senator WEST—That is fine, thank you. You know the big thing I mean?

Mr Burns—Yes, I do.

Senator WEST—Where are they available from?

Mr Burns—I really do not know. Many of the services actually draw up their own so it is not quite as large and cumbersome. But many have their own to fit in with the decor.

Senator WEST—I have to say that I have never seen any of their own. I have always seen the ones that have come straight out of the department.

Ms Laut—We have our own information and coordination area that handles a whole variety of publications that are available to consumers, potential consumers, residents and providers. That includes the residents' rights charter. Some are freely available; others are at cost, depending on what they are. We send a large number of publication order forms around Australia. They are sent out regularly.

Senator WEST—I hate to tell you, but I do not think you have got any of the big ones you put on the wall in stock. My office was trying to find some for a facility and rang the department, but the advice we got given—because the facility could not get hold of one—was, 'Just get them to photocopy it and stick it on the wall.' So you might want to think about that one. When are you going to get more of them in stock so that facilities can have up for public viewing some sort of halfway decent consumer rights statement that has not been photocopied? My office is running a pretty good show at getting places up to scratch for accreditation. So, please, can we have some more of those printed off? Thank you very much.

I want to move on to community transport through HACC and an issue which has been brought to my attention by the Blue Mountains community transport area. Can somebody advise me how people in low care facilities go about getting transported to, say, routine things like a doctor's appointment, a podiatrist appointment or something like that? It has been raised with me that there are problems transporting frail, aged people. While they are living at home and managing at home, they can get access to the community transport system and are funded through HACC. In the Blue Mountains, they could actually make a trip from Katoomba to Sydney where their specialist might be. But once they go into a low care institution, my understanding is that HACC does not cover that.

Mr Bruen—Yes, that is correct. HACC services are targeted primarily at people living in their own homes. The guidelines do say that HACC services can be provided for people living in residential care if there is excess capacity and the HACC services are able to charge full cost to recover those costs.

Senator WEST—It is the full charge to recover those costs. Who is responsible for the full charge to recover those costs? As an example, the journey from Katoomba to Macquarie Street or Prince Alfred Hospital is about 150 kilometres; it is a long distance, but not far enough to be eligible to claim the IPTAS travel. We are talking about hundreds of dollars here, aren't we?

Mr Bruen—If it is care that should be provided by the facility, then the facility has to pay. If it is care that the person is seeking, then the person has to pay.

Senator WEST—It may be a referral to a specialist from a GP. Who is responsible for paying there? Is it the facility?

Mr Bruen—If it is care that the facility is required to provide as part of the services, the facility pays. If it is not—if it is something outside of that—then the person has to pay.

Senator WEST—In the case of a consultation with a specialist provider that is ordered by the GP who visits them in the facility, who pays?

Mr Bruen—The facility is responsible for assisting and arranging medical care if it is related to the care being provided in the facility. It would depend what the specialist was, what the service was.

Senator WEST—I have been given examples and I am trying not use an example because I want to maintain people's confidentiality. I could pick coronary artery disease, I could pick diabetes—they require the occasional referral to specialists for treatment of those conditions. Or it might even be some weird and wonderful eye condition that requires going to see the ophthalmologist only every two years, but the ophthalmologist is 100 kilometres down the road. It may even be part of the reason they are in the institution because they might have some blindness. Presumably that is a facility pay. Does the facility get any financing to cover these costs?

Dr Graham—I think there is a gap there. I am aware of that case in the Blue Mountains—that seems to have been raised on a number of occasions and it really does fall between the obligation of a low care facility and the HACC program. It is a cost that in some cases is borne by the resident or the person.

Senator WEST—I think that falls into a different category to a bit further out, out where I live, where they are eligible for IPTAS payments and therefore there is a source of revenue to cover the travel. But it is this particular group, and there would have to be a whole string of them in that less than 200 kilometre radius, or whatever it is in the varying states, that have that problem. The other group would be those who are on community aged care packages. I understand the community aged care package, which has involvement from HACC, is to cover the whole of their needs.

Mr Bruen—The community aged care package manager could use the funds available for that purpose if they wished.

Senator WEST—But how can they do it? I will let you explain to me how they can do it.

Mr Bruen—The issue there is that the care package manager gets paid a flat rate subsidy per person per day and out of that pool of funds they have to manage the care of all of their clients. If they are managing that pool of funds in such a way that they have funds available to subsidise that transport, they are able to do so. There is no restriction on them from our point of view, other than the funds they have available, which is the $28 per person per day.

Senator WEST—That is not going to get them very much transport is it, in reality?

Mr Bruen—It may or it may not, it just depends on what services are being used by the clients of that service.

Senator WEST—So you think that those who tender for community aged care packages and are successful actually get enough money to be able to do that easily?

Mr Bruen—I believe that the subsidy is sufficient for them to care for the needs of the people that are assessed as needing a care package, yes. The way care packages are organised, the care package manager has to manage their budget to spread it across the needs of the clients that they have. A care package manager knows that when they apply for care package places; they know they are going to get that flat subsidy per person per day.

Senator WEST—The transport issue is one that they may well not be able to plan for because they are not going to know when they take on a client whether they have got family who can run them around or whether they have not got family who can run them around. Or are they going to be deciding that they are only going to take on clients who have got family who can run them around so that they will not have to cover the transport?

Mr Bruen—Most care package managements are careful about taking on too many people with high costs because they have to manage within that fixed budget. If they do not take

these people on, they then become eligible for HACC subsidised services—eligible, though not necessarily entitled to.

Senator WEST—We are talking about the ones who have major problems which the community aged care package is going to keep out of a nursing home.

Mr Bruen—Yes, but the limitation on that care package is the amount of subsidy. That is fixed and cannot vary.

Senator WEST—So there is no flexibility in there.

Mr Bruen—There is flexibility in the sense that if they have, for example, 30 care package places, they can pool those subsidies into a single budget and then allocate the funds according to need across those 30 people.

Senator WEST—Haven't we on previous occasions been given to believe that this is going to keep people at home for much longer and haven't we had evidence and concerns expressed by facilities that they are now not seeing the low care end? They are only coming straight in as high care, and at a higher level of high care, because in some areas the community aged care packages are keeping them out of the nursing homes. Isn't that the aim of it, that we actually—

Mr Bruen—Care packages originally were direct substitutes for hostel places. You could say that yes, care packages are direct substitutes for low care places or for people with low care needs that would otherwise be in residential care.

Senator WEST—What is the department doing to look at this problem we have identified in transport for people with low care needs—anybody who is not sick enough to require an ambulance but is in need of transport and for reasons that are medically determined? They are not reasons for wanting to go for a holiday or a drive; they have to be in a facility.

Dr Graham—As I acknowledged before, I believe there is a gap there. If a hostel or a low care facility has a bus that it uses to move its residents around, that might be one option. We have been aware of a pocket within the Blue Mountains who have expressed concern about this. I am not sure if it has been more generally raised, but all I can acknowledge is that there is a gap.

Senator WEST—Identifying the issue, identifying the problem—

Mr Podger—I do not think there is an easy answer either. I think one of the points coming out of this is that, if you open the thing up too much it adds to the cost. If you turn to entitlement arrangements, that has been a problem. You want to work out a way to allow priority setting at a local level. The pooling arrangement Mr Bruen talked about is one attempt to say: 'Can there be prioritising within a group within an area?'

Senator WEST—That is for packages, though.

Mr Podger—I do not think there is a simple answer. If we came in with a new entitlement program, how do you put a boundary around that? It is not easy.

Senator WEST—No, I am not suggesting that it is easy, Mr Podger. What I want to do is identify the problem and the issue, which has been done. We can now say that we have identified the issue and the problem. What is the next step? What can be done to help overcome it? I am also led to believe that what is happening is that community transport organisations are used to take somebody somewhere and they have no way of knowing whether that person is actually in receipt of an aged care package. Therefore, HACC could be billed twice or additionally billed. Are you following?

Mr Bruen—Yes, I am following.

Senator WEST—That is also a concern that has been raised with me.

Mr Bruen—All I can say is that my experience has been that the states usually advise the HACC services to be fairly diligent in inquiring as to whether someone is on the care package, because the states are not particularly anxious to use HACC to cross-subsidise care packages. Other than for the services that care packages do not provide, such as nursing, most HACC providers, to my knowledge, are fairly careful about that.

Mr Podger—I am not sure that we are going to be able to answer any further than we have at this point.

Senator WEST—I do not think you are, but I am interested to know what bright ideas or what schemes people might want to think of working up to overcome this issue. I will leave it there, thank you.

Senator CHRIS EVANS—What assessment have you done of the savings announced in the 1996-97 budget that were to come from accommodation bonds, a restructure of the sector and the income tested fee? Do you have an update on those anticipated savings? I think this is the last financial year for which we had the forward estimates for those savings.

Mr Stuart—Just bear with me while I find them.

Senator CHRIS EVANS—I will come back to you. Ms Hefford, we indicated that there were a couple of issues we wanted to follow up on other nursing homes last time and that I would give you the names of a couple of those. I think we did that late last week. These are really concerns that come into my office, and I wanted to follow them up, particularly in relation to Leamington Nursing Home in southern Queensland—again an allegation of mistreatment prior to death. The complainant is the daughter of the deceased. I know that I do not mention the name, but I want to double check that we are talking about the right thing. Are we on track?

Ms Hefford—Yes.

Senator CHRIS EVANS—The daughter has raised concerns with me about how the complaint process is proceeding, and I think she has written to the minister and sent me a copy. Could you give me the detail as to when the complaint was lodged, what action you have taken and if it has been referred to the agency or not?

Ms Hefford—The complaint was received on 8 December last year and related to a family member who was in the facility for a period of respite care. As you said, the complaint relates to care issues. The department went through the normal process of asking the complainant about the issues, asking the facility about the issues and trying to negotiate an outcome. The complainant, however, has indicated that they are not satisfied with the response received from the nursing home. The department has also asked the agency about this particular situation. The agency has in fact visited Leamington Nursing Home.

Senator CHRIS EVANS—Just so I can be clear, what does that mean? Does that mean you referred it to the agency or not?

Ms Hefford—We do not always do a formal referral. We checked with the agency about Leamington. The agency have advised us that they were proceeding with the accreditation assessment for Leamington. Leamington had applied earlier for accreditation. The accreditation assessment took place between 18 and 20 April. As I understand, the report and the decision about Leamington are not yet available from the agency.

Senator CHRIS EVANS—That was an accreditation inspection?

Ms Hefford—That was an accreditation assessment.

Senator CHRIS EVANS—I am trying to understand what the relationship there is. You obviously asked them to check if they had any knowledge of the home that would add any corporate knowledge to your handling of the complaint.

Ms Hefford—Yes.

Senator CHRIS EVANS—What was their advice back to you?

Ms Hefford—That they were undertaking this accreditation assessment. They have informally advised me that they have found no serious risks, but their report is not yet available and their accreditation decision has not yet been made.

Senator CHRIS EVANS—So they informally advised you that they found no serious risk in that accreditation visit?

Ms Hefford—That is right.

Senator CHRIS EVANS—I suppose if people have applied for accreditation it would not be surprising if they invite the agency in when they are ready to pass?

Ms Hefford—I would rather pass that question to Mr Burns and he can talk about the accreditation assessment process. Clearly, it would not be without notice, but my understanding is that it would be a very thorough assessment.

Senator CHRIS EVANS—I am not doubting that, but it is also a question of them saying, 'We are ready to go through accreditation now,' so they will have worked themselves up to that. I am not making any other comment than that, but it is not the same as a surprise inspection in another context. I am not passing any particular comment on Leamington other than that. Do you know the last time the agency had been into Leamington?

Ms Hefford—Prior to April this year?

Senator CHRIS EVANS—Yes.

Ms Hefford—I cannot tell you about an earlier visit by the agency.

Senator CHRIS EVANS—So you did not formally refer it to the agency, but you advised the complainant that that accreditation process was in place?

Ms Hefford—Yes. The complainant has advised that nothing short of serious sanctions will satisfy the complainant. The complainant has also lodged a complaint with the Health Rights Commission.

Senator CHRIS EVANS—Yes. How were you aware of that? Did they tell you?

Ms Hefford—Yes.

Senator CHRIS EVANS—You were not aware of it from the Health Rights Commission?

Ms Hefford—I could not say whether or not the Health Rights Commission had also contacted us.

Senator CHRIS EVANS—Would you like to take that on notice for me?

Ms Hefford—Yes.

Senator CHRIS EVANS—We have discussed this problem before. I am interested to know whether that has improved as a referral point. So you are still dealing with the

complaint, but basically the complainant is not satisfied with the response you got from the provider?

Ms Hefford—That is correct.

Senator CHRIS EVANS—The only ongoing action really is the accreditation visit from Mr Burns's agency people. Mr Burns, are you able to help us at all with Leamington?

Mr Burns—I do not have any information on Leamington.

Senator CHRIS EVANS—Could you take on notice for me the date of the last visit to Leamington before this accreditation visit? I understand you advised informally that you did not have anything much to say about it, other than you were going to do the accreditation visit.

Mr Burns—Sure.

Senator CHRIS EVANS—Mr Burns, have you had issues raised with you about the transfer of staff between facilities or the hiring of temporary staff to meet accreditation standards?

Mr Burns—What do you mean by transfer?

Senator CHRIS EVANS—I have had a number of issues raised with me recently about providers of multiple services transferring staff to the sites prior to accreditation, both for training purposes and to beef up the staff roster in the period prior to and during accreditation and then being transferred back to another establishment. I have raised this with you before whether you are getting a handle on this. In the child-care industry there used to be a famous truck that used to deliver playground equipment to child-care providers just before accreditation. They were well travelled play equipments and kids used to think it was great because they saw them for a couple of days and then they would go. We are starting to get a couple of issues raised about staffing and also about lifting equipment. Have these issues been raised with you. We have had complaints that lifting equipment has been taken to the centre that is being assessed for periods of time. I am trying to work out how you deal with that and whether you have had those complaints.

Mr Burns—Yes, we are well aware of those issues. Generally, the services themselves are up-front that they have done that. I am talking about staffing particularly. It is a well accepted practice when I was working in hospitals that to maintain resident care levels, or patient care levels, during accreditation some staff were brought in to free up some of the staff to talk and work with the assessment teams so that the resident care is not compromised through that process.

Senator CHRIS EVANS—How long should that process take?

Mr Burns—We are in the service for two or three days.

Senator CHRIS EVANS—So there should be no need for them to be there for more than a couple of days?

Mr Burns—There may be some last minute preparations the facility wants to get in place.

Senator CHRIS EVANS—That is another legitimate reason, I accept that. I understand some staff, when they have had experience of accreditation and they have got one place up to scratch, people will say, 'They know how to do that well and they will provide value adding to our other establishments so we will transfer them over there for a period of months to help teach the other staff.' That obviously makes sense. What I am talking about is the question of

rosters being padded, machines brought in for the purpose of the accreditation exercise and how you detect that or deal with it.

Mr Burns—It would be very difficult for a service to get away with that. With the inspection that we do of rosters, the observation that we have of nursing practice, what the residents, carers and other staff say to us, most of the audit is spent observing practices and talking to staff and residents. They are generally fairly open with any issues like that. They are confidential interviews. I cannot think of any examples that have been drawn to our notice where that has been of concern.

We have had complaints about it, and often when we look at the complaints there are reasons why the complaints have been made. For example, what we find fairly frequently now is that with movement towards single and shared rooms, it is less easy for relatives and residents to see staff around the facility. So we often get complaints that there have been inadequate staff and then suddenly on accreditation day there are a lot of staff. But that is often because there are staff accompanying the assessors around the service and it appears that there are a lot more.

Senator CHRIS EVANS—I now have two quite specific detailed complaints about loss of staff after the accreditation process as well. What should we do with them, Mr Burns? Should we refer them to the agency?

Mr Burns—I think we would like to know that. We would want to check out our practices. We look at rosters very carefully and we look at what the residents tell us. If they have concerns that there are not enough staff or the staff have been taken from the facility, we pursue that through looking at rosters and nurse records. We observe whether staff are tripping over each other on the day and are clearly not familiar with the service.

Senator CHRIS EVANS—I accept that that is your view and there are others who are a little more cynical about whether that is effective. The test will be in how it operates. Where we have specific complaints about providers reducing staff following accreditation, given that they have a three-year accreditation, what is the process? What do we advise people who express concern about a drop in staff levels following the granting of accreditation?

Mr Burns—They could make a formal complaint via the Complaints Resolution Scheme, or they could contact us directly.

Senator CHRIS EVANS—But who would action that complaint?

Mr Burns—If it was related to an accreditation site visit, we could action that.

Senator CHRIS EVANS—Thank you for that. Can I ask a couple of questions about Belvedere Park Nursing Home and Kenilworth Nursing Home. I gather Belvedere Park has had four separate review audit reports identifying serious risks—December 1998, February 1999, April 1999 and March 2000. Is that right?

Ms Hefford—Can I say at the outset, Senator, that I understand you notified us of your intention to ask questions about Belevedere Park and Kenilworth. In the case of both of those facilities, we currently have legal action. We would want not to say very much that might impact on those processes. In both cases there are sanctions in place and there are challenges before the courts.

Senator CHRIS EVANS—By 'legal action' you mean the sanctions you have applied have been challenged. Is that right?

Ms Hefford—Yes.

Senator CHRIS EVANS—I presume that means you have not got any difficulty telling me what sanctions that you have applied. That will be a matter of public record, won't it?

Ms Hefford—Correct. Sanctions applied at Kenilworth were, firstly, no funding for new residents for nine months and prohibited from obtaining additional places for 12 months. The date of that sanction was 24 March. The next sanction was no funding for new residents for six months and prohibited from obtaining additional places for six months. That sanction was applied on 4 April. They are concurrent.

Senator CHRIS EVANS—Could you explain to me the process, then—how there were two sets of sanctions?

Ms Hefford—There were two separate issues we were pursuing with this facility and in response to both issues we put sanctions in place. They both run concurrently.

Senator CHRIS EVANS—I am just trying to understand. You put in a sanction on 24 March. Was that done by the delegate?

Ms Hefford—Yes.

Senator CHRIS EVANS—Then the delegate made a subsequent decision on 4 March?

Ms Hefford—A further issue arose.

Senator CHRIS EVANS—A further unrelated issue? Is this a case like Riverside, where you thought the original sanctions had not worked?

Ms Hefford—This is harder to answer because of the action that is under way, but there have been a range of issues with this proprietor which relate to things like access to the facility and so on. As each of these issues has come up, we have dealt with it by putting to the delegate the opportunity to make decisions in relation to sanctions.

Senator CHRIS EVANS—Have you got the history of the monitoring inspections or surprise inspections on Kenilworth?

Ms Hefford—I have it. It is extensive; it is multiple pages. I can simply take on notice to give you the dates of monitoring visits.

Senator CHRIS EVANS—That is fine. Would you take that on notice. Have there been any surprise inspections at Kenilworth?

Ms Hefford—No, not to Kenilworth.

Senator CHRIS EVANS—Are there sanctions in place at Belvedere Park?

Ms Hefford—There are, indeed. The sanction in place at Belvedere Park is no funding for new residents for three months, and the proprietor is prohibited from obtaining any further allocation of places for three months. That sanction was imposed on 2 May.

Senator CHRIS EVANS—Is that the only sanction applicable at Belvedere?

Ms Hefford—Yes, it is.

Senator CHRIS EVANS—Is that the first sanction applied to the Belvedere Park residence?

Ms Hefford—Ever, in the history of time?

Senator CHRIS EVANS—This year, in the last five years, in the last 10 years—in recent times. I gather you are implying it has got a fairly long history, or that your records only date back so far, I am not sure which.

Ms Hefford—Yes, there were sanctions in place during 1998-99.

Senator CHRIS EVANS—When were they finally lifted?

Ms Hefford—They expired on 18 March 1999.

Senator CHRIS EVANS—Perhaps you would take it on notice to provide the sanctions that were applicable in the last couple of years to Belvedere Park.

Ms Hefford—Sorry, the period 1998-99 to today?

Senator CHRIS EVANS—How far back does the Belvedere Park history go, so I know what question to ask?

Ms Hefford—The easiest way to deal with—

Senator Herron—We do not want to encourage you.

Senator CHRIS EVANS—No, but clearly Ms Hefford is telling me this is a bigger question than I thought.

Ms Hefford—If I do sanctions in place at this institution, then introduction of the new legislation, that will make sense because it will be the same legislative base.

Senator CHRIS EVANS—I would appreciate it if you would take that on notice.

Ms Hefford—I need to correct an answer from a moment ago. There has been one spot check on Kenilworth.

Senator CHRIS EVANS—What was the date of that?

Dr Graham—It was 2 March.

Senator CHRIS EVANS—Have there been any spot checks on Belvedere Park?

Dr Graham—No.

Senator CHRIS EVANS—Has the department investigated allegations about whether the provider is a fit person to hold provider status under the act?

Ms Murnane—We have considered it.

Senator CHRIS EVANS—Could someone tell me when you had these allegations raised with you?

Ms Murnane—In May 1998.

Senator CHRIS EVANS—In May 1998 there was an allegation that the provider may have a criminal conviction that might disqualify him under the act from holding a licence. Can you tell me what transpired to investigate that allegation?

Ms Hefford—On 5 May 1998 we received an anonymous complaint which alleged that the proprietor had been charged with criminal offences.

Mr Taylor—I can clarify that. The effect would not be to disqualify. The effect would be to call into question the suitability of the provider, but it certainly would not disqualify a provider.

Senator CHRIS EVANS—What is the point there? That is not an automatic disqualification?

Mr Taylor—That is correct.

Senator CHRIS EVANS—Who is it a decision for?

Mr Taylor—It is a decision for a delegate to consider.

Senator CHRIS EVANS—It is a big job this delegate has. The delegate makes that decision. In terms of the allegations about this provider, what investigations occurred?

Ms Hefford—The department did write to the provider advising him of the allegation. The proprietor wrote back to the department refuting the allegation.

Senator CHRIS EVANS—And then?

Ms Hefford—We are seeking to clarify the situation. We are obtaining court records and looking at documentation to see if we can substantiate the allegations.

Senator CHRIS EVANS—The allegation made in 1998?

Ms Hefford—Yes.

Senator CHRIS EVANS—You have not yet confirmed whether or not the allegation is true.

Ms Hefford—Correct.

Senator CHRIS EVANS—Why not?

Ms Hefford—The action I have just described did not take place immediately. The department wrote to the provider asking for further information about his suitability to be a provider and about the allegations of the conviction in December 1999.

Senator CHRIS EVANS—Sorry. You got the complaint on 5 May 1998. In December 1999 you wrote to the person who was allegedly of not good behaviour, or however you might phrase it. Why did it take 18 months to write to him to ask whether or not he was of good behaviour, and why was that considered the appropriate way to deal with the matter?

Ms Hefford—It was an anonymous complaint, so there was no process of going back to the complainant. The only way to deal with it was to work with the proprietor and to see if you could substantiate the allegations. That is no explanation as to why it took 18 months.

Senator CHRIS EVANS—No. There are two issues there. One is the explanation of why it took 18 months. The second explanation is: do you expect him to confess? If someone makes a serious allegation about someone, I admit that you might give them the right to respond—

Ms Hefford—Exactly.

Senator CHRIS EVANS—But is that the only response one takes? What if they said that he was a mass murderer? Do we write to him and ask him?

Ms Hefford—If you have an anonymous complainant making allegations, it is reasonable that you—

Senator CHRIS EVANS—Can you explain to me why you wrote in December 1999?

Ms Murnane—We cannot give you a satisfactory explanation for that. In hindsight, I would say that anonymous complaints are hard but that the best thing to do with anonymous

complaints that allege there has been a conviction against somebody is to go immediately to the courts to get it satisfied—to see if we can, through court records, find out.

Senator CHRIS EVANS—Have you done that?

Ms Murnane—It is being done now.

Senator CHRIS EVANS—When did you initiate that?

Ms Hefford—I am advised that it was in late February, early March. You would be aware that in recent weeks we have put in place a much more focused compliance complaints process, and some of it involves picking up issues which had not perhaps been rigorously progressed.

Senator CHRIS EVANS—I accept that, but the story about this bloke has been in the press two or three times, hasn't it? This is not—

Ms Murnane—I do not think we can add to what we have said, Senator.

Senator CHRIS EVANS—Was the December 1999 referral to ask the provider whether or not he was guilty of being convicted of a criminal offence prompted by a press article or by somebody finding the file again?

Ms Hefford—I cannot comment on that.

Ms Murnane—I do not know the answer to that.

Senator CHRIS EVANS—You must have an explanation for why you wrote after 18 months.

Mr Taylor—From a legal perspective, as you are probably well aware, it is imperative to put the matter to the provider in that kind of situation and seek their response. Clearly, that had to be done regardless of the circumstances.

Senator CHRIS EVANS—That is right, Mr Taylor, And that should probably have been done on 6 May 1998. We have established that did not happen. So what caused the department to write to this provider 18 months later, in December 1999, and raise the fact of this allegation of his having a criminal record and continuing to run two nursing homes?

Ms Hefford—The agency referred to the department some concerns, and the department—

Senator CHRIS EVANS—The Aged Care Standards and Accreditation Agency referred them to you?

Ms Hefford—Yes.

Senator CHRIS EVANS—And what form did that take? You are free to help, Mr Burns.

Ms Hefford—The Aged Care Standards and Accreditation Agency had done a partial review audit and sent a partially completed review audit report to the department in December. In that, they had raised some issues.

Senator CHRIS EVANS—They raised some issues about the potential criminal record of the proprietor?

Ms Hefford—They raised issues about safety of residents and risk which caused us to go back and look at the files.

Senator CHRIS EVANS—So the agency did not raise anything to do with the alleged criminal past?

Ms Hefford—Not that I am aware, no.

Senator CHRIS EVANS—There was nothing in the agency's report that alerted you to that particular concern, merely that the standard of care in the nursing homes was not up to scratch. As a result of that you reopened the file and found the allegation. Is that right?

Ms Hefford—That is my understanding.

Senator CHRIS EVANS—So you wrote off in December 1999 to the provider. Has he responded to you?

Ms Hefford—Yes, he responded refuting the allegations. We then sought advice from our lawyers who have initiated a process of checking court records and collecting what evidence is available.

Senator CHRIS EVANS—When did he reply to you.

Ms Hefford—I do not have that date in front of me. I will take it on notice.

Senator CHRIS EVANS—I gather he denies that he has been convicted of a criminal offence—is that right?

Ms Hefford—I am sorry, I do have the date: 27 January.

Senator CHRIS EVANS—On 27 January he replies. Do I take it that he denies that he has been convicted of a criminal offence?

Ms Hefford—He claimed that there were no known convictions for indictable offences.

Senator CHRIS EVANS—No known convictions for indictable offences—it sounds like the words were chosen with some forethought. Then in late February or March you referred it to whom? I thought you said to me in February or March you took some other action.

Ms Hefford—We asked our lawyers to begin a process of trying to collect some evidence and seeing if there was a case to be substantiated.

Senator CHRIS EVANS—Are these your internal lawyers or your outsourced lawyers?

Ms Hefford—We are using the outsourced lawyers, Clayton Utz, for this project.

Senator CHRIS EVANS—So you asked Clayton Utz to see whether they could establish whether or not this particular gentleman had a conviction—is that right?

Ms Hefford—Correct.

Senator CHRIS EVANS—Have they reported back to you?

Ms Hefford—Clayton Utz are also the legal firm who are assisting us with the current court action and I would rather not go into the detail beyond the period we have talked about, as we get closer to the current time.

Senator CHRIS EVANS—That may be the case, but I think a reasonable question to ask is: what action has been taken in dealing with that particular place? Have you got a report back from your lawyers and what are you doing about it?

Ms Hefford—The lawyers are still working on it. We have not got a satisfactory response yet. They have come back to us; we have asked them to go back and obtain more information. So it is an ongoing process.

Senator CHRIS EVANS—Mr Taylor, perhaps you could explain the provision. As I understood, it was almost automatic that if you were convicted of an indictable offence you were an inappropriate person and therefore should not hold licences to care for our aged. You seemed to imply that that was a discretion.

Mr Taylor—No, I did not suggest it was a discretion, but it is not an automatic disqualification—I think they were the words, or close to the words, that I used.

Senator CHRIS EVANS—I am not trying to verbal you, so could you explain to me what that means? If you find out that the person has been convicted of an indictable offence, is there discretion or is the delegate required to revoke their licence?

Mr Taylor—Effectively, the provisions of the act that are concerned here are the approved provider provisions. There is a series of things that must be satisfied before you become an approved provider and those same issues effectively are considered in the context of whether you should remain an approved provider. The act is quite specific in this respect in that the secretary or the delegate—the mythical delegate, or not so mythical delegate, we talk about—is obliged to revoke approval if these certain conditions are not continuing to be met. But there is a range of things that must be considered in that decision.

Senator CHRIS EVANS—Asking as a non-lawyer, does that mean that, if someone who currently holds a licence is convicted of an indictable offence, you will remove their licence?

Mr Taylor—No, it is not as simple as that because there are three things that must be considered before any revocation of approval takes place. The first is whether the provider ceases to be a corporation; the second, whether the delegate is satisfied the provider ceased to be suitable for approval; and the third relates to whether there was any false and misleading information in the application for approved provider status in the first place. The one you are focussing on is the second one, which concerns whether the provider ceases to be suitable for approval. That in itself is quite a complex question, and there are a number of criteria in the act that the delegate must consider in considering that suitability.

Senator CHRIS EVANS—But it is the case that it would be necessary for the delegate to consider the appropriateness of maintaining that person's licence if it were brought to their attention that they had been convicted of an indictable offence. Is that a fair way of putting it?

Mr Taylor—Yes, that is reasonable.

Senator CHRIS EVANS—So, it is very much, therefore, a live issue—an issue of interest to the department if someone has been convicted of an indictable offence?

Mr Taylor—Yes.

Senator CHRIS EVANS—And it is also, I gather, an issue for the department if there are other, if you like, less serious allegations, but allegations that go to the good standing of that proprietor. Is that right?

Mr Taylor—Allegations that would go to suitability—yes.

Senator CHRIS EVANS—In another case, if the allegations were about behaviour or involvement in matters that were not as serious as being convicted of an indictable offence but they may, nevertheless, be issues that the department would want to consider about whether this is an appropriate person; then there could be a lower test?

Mr Taylor—Yes, that is correct, although whether that would make the difference in terms of somebody being suitable for approval or not would depend on the individual circumstances.

Senator CHRIS EVANS—And whether they have got a long history of poor performance and provision of care would be one of those, I would think.

Mr Taylor—Absolutely.

Senator CHRIS EVANS—So, when will we know the outcome of your investigations into the suitability of this chap?

Ms Murnane—The first thing we have to establish is whether there was a conviction and the nature of that conviction. We will be pursuing that tomorrow morning with our lawyers and asking why we just cannot ring up the courts and find out. I am sure there is a very good answer to that. But we will be pursuing it.

Senator CHRIS EVANS—Why tomorrow morning, Ms Murnane?

Ms Murnane—Because, clearly, this has been around for some time. As you say, it has been in the press. I am surprised it is taking so long to determine a question of fact. So we need to get advice on it.

Senator CHRIS EVANS—Mr Taylor, is it possible for me to go and examine court records and find out if someone has been convicted of an indictable offence?

Mr Taylor—I believe you are able to examine some court records. I think some are also confidential. I could not tell you which ones were available and which were not and the differences between states—

Senator CHRIS EVANS—Are you suggesting to me that you may not be able to find out whether someone has been convicted of an indictable offence?

Ms Murnane—If a conviction was later quashed, you may not be able to.

Mr Taylor—I do not think it is as straightforward a matter as it sounds.

Ms Murnane—Or—and I have forgotten what the legal word is; you might be able to help me, Steve—it is the case that the conviction stands but is not held against a record. I do not know if that was the case here. But, as I said, we will be pursuing it. It is counter-intuitive. It is a fact whether or not somebody was convicted. Why is this proving so intractable? We will put a lot of elbow grease behind this. We still might not be able to get an answer but we will find out why it has proven so intractable. And, as I said, it surprises me. The secretary has told me that it surprises him, too.

Senator CHRIS EVANS—The dispute between this proprietor and the department does not go to this issue at this stage, though. When we talked about legal proceedings, these are not the legal proceedings that Ms Hefford referred to. These are legal proceedings taken by the proprietor seeking to overturn the sanctions. Is that correct?

Mr Taylor—I think you can say that because, effectively, no decision has been taken in terms of revoking the approved provider's approval. So the matters before the courts and the AAT concern sanctions action and other matters. Sorry, I should have added 'other matters.' There are a range of matters.

Senator CHRIS EVANS—Are these actions lodged by the proprietor against the department, or actions lodged by the department against the proprietor?

Mr Taylor—By the provider against the department.

Senator CHRIS EVANS—Are they seeking to overturn the sanctions you impose?

Mr Taylor—Yes, and there are additional matters.

Senator CHRIS EVANS—Relating to what?

Mr Taylor—There is a whole range of matters. There are actions in the AAT, there are matters in the Federal Court and there is at least one matter in the Supreme Court.

Senator CHRIS EVANS—But the issue of his fitness or otherwise to hold a licence is not part of those proceedings?

Mr Taylor—That is correct.

Senator CHRIS EVANS—I will leave it at that.

CHAIR—Is that the end of aged care?

Senator CHRIS EVANS—Yes, we had better move on.

Mr Podger—I do have a time line to provide to the committee on the Riverside thing.

Senator CHRIS EVANS—Suitably cleansed?

Mr Podger—Because of the detailed scrutiny and questioning today and last time, I think you will find that most of the things we have already answered. I am providing this. I hasten to say that, because matters are before the courts, there are some risks in providing a great deal of detail around the Riverside issue. Indeed, my legal advisers would prefer that we provided the committee a lot less than we have done today and on previous days—not because there is anything inaccurate or untoward, but because in broad terms you are feeding oxygen to the litigants around the material. We are providing it, but you should understand that there were good reasons for our being hesitant about it and the processes around it.

Senator CHRIS EVANS—I appreciate that, Mr Podger. I do understand the sensibilities and I have attempted to treat the material sensitively.

Mr Podger—I appreciate that too, Senator. I should say also that developing these sorts of detailed time lines and so on is not a costless exercise. I do hope we do not have to do it for every home in Australia over a period of time. The officers who are doing it are, in this department, the ones who actually manage the program. It is not as if we have got a whole bunch of policy people who can simply dream these things up; they are the same people who are running the program.

Senator CHRIS EVANS—I think it is fair to say that we came here with the time lines because we knew you would have to prepare it to come to estimates. We thought it was a function that you would already be undertaking.

Mr Podger—But you would appreciate my unease about how much time is involved—we do get caught up in a lot of this—when one of our difficulties is how we can have the resources to manage our program well.

CHAIR—Thank you.

Proceedings suspended from 6.52 p.m. to 8.05 p.m.

Outcome 2—Quality Health Care

CHAIR—We are now on Outcome 4.

Senator Herron—Madam Chair, can we have an indication of whether there are some outcomes that we do not require people for? I wonder whether some of the people behind me might be able to leave before we embark on the next series of questions.

CHAIR—Maybe when Senator Evans comes back we can check with him again. I tried to establish that earlier this evening and I think we are in the throes of doing that. I am sure we will be able to work that out.

Senator WEST—I have some questions about mental health and the depression institute. This is one of the new budget measures affecting outcome 4. It says:

The Government will provide $3.5 million per annum over the next five years as part of a National Depression Initiative.

That, by my maths, adds up to $17.5 million, but it is going to be absorbed by the department. Is that going to be happening for the five years or is that just for this year?

Ms Furler—The funding arrangements are in place for this forthcoming financial year with future funding to be considered in the near future with the minister for the outlying years.

Senator WEST—But on page 143 of the PBS—I presume this comes under mental health—the funding for mental health is down from $88.6 million to $82.9 million. Is that $3.5 million going to come out of that $82.9 million?

Ms Furler—I am sorry? Which line are you looking at?

Senator WEST—I said page 143.

Ms Furler—I am looking at a line that is showing—

Senator WEST—What was the mental health spending for this financial year? Was it $88.6 million?

Ms Furler—I have not got the figures. In fact, we do not know the actual spending for this financial year until the end of the financial year.

Senator WEST—The $88.6 million is at the bottom of page 143.

Ms Furler—That is estimated actual.

Senator WEST—Estimated actual for this year and budget estimate for next financial year.

Ms Furler—I will just look up the explanation for that. While I am doing that, I will ask Mr Casey, the assistant secretary for mental health, to just explain to you where we are finding the funding for the first year for the national depression initiative.

Mr Casey—For the first year of the initiative the $3.5 million has been identified as $2 million coming from National Mental Health Strategy funding, $0.5 million from the National Youth Suicide Prevention Strategy, $0.5 million from funding for the medical work force initiative and $0.5 million from the National Institute for Clinical Studies.

Senator WEST—And they are all federal government?

Mr Casey—That is right. That is where the Commonwealth contribution is coming from.

Senator WEST—Is it only the $2 million that is part of the National Mental Health Strategy?

Mr Casey—Yes, that's correct.

Senator WEST—We might in fact be looking for $80 million for old programs in national mental health strategies, mightn't we?

Mr Casey—Looking for $80 million?

Senator WEST—$82.9 million is the budget estimate for the coming financial year and you are telling me that the $3.5 million is going to be absorbed. From the way I read this on page 143, the National Mental Health Strategy has already gone from $88.6 million to $82.9 million.

Ms Furler—I can explain that variation in figures. There is some variation in the approved forward estimates, mainly relating to price indexation or expense requirements. There is a lump of money associated with rephasing of funds between financial years that affects the mental health line and also some adjustments made to classification of expenses between administered funds and departmental funds. That explains the variation that you are seeing there between $88.6 million and $82.9 million.

Senator WEST—What does 'rephasing of funds' mean?

Ms Furler—I will ask Mr Casey to explain why the money is being rephased for part of the mental health program.

Senator WEST—I want to know what it means. It is not a term with which I am familiar.

Mr Casey—It means that we took money that was available in this financial year and transferred it into next financial year.

Senator WEST—What is going to be the impact of that?

Mr Casey—It actually smooths out our spending over the four years of the strategy. The way the money had been phased before, there was something like $10.2 million available in this year and only $7.8 million available in the next. By transferring some of those funds to next year, we have smoothed out the spending. It allows us to reflect some of the slower than expected take-up in some of the national projects that have been undertaken to date.

Senator WEST—Where has been the slower than expected take-up?

Mr Casey—It has been in a few areas. In relation to the implementation of clinical guidelines we had allocated and expected that those guidelines would be ready for implementation sooner than they will be. There was money involved in that.

Senator WEST—Why have they been delayed?

Mr Casey—That is work that is being undertaken by the college of psychiatrists. In relation to the number of guidelines being developed, it has taken them longer to develop than they had anticipated. In fact, in relation to some of the guidelines they are still locating teams to undertake those guideline developments.

Senator WEST—So that is one.

Mr Casey—Yes. Another is in relation to our expectation to establish a national data collection and analysis bureau, which we anticipated in response to the states and territories undertaking the collection of consumer outcome measures in public mental health services. The implementation for states and territories of being able to collect that data is again slower than we had expected. In fact, although some states have commenced that work not all states have completed it. So the establishment of a facility to collect, aggregate and analyse this data for states and territories will not need to be undertaken in the time frames we were expecting.

Senator WEST—Who is dragging the chain?

Mr Casey—I do not think it is a question of dragging the chain. I think these are very complex developments—to introduce something like consumer outcome measures into a health system, to put in place the technology and the training for staff to undertake this sort of

evaluation of whether in fact they are getting good health outcomes with their patients. Perhaps we were overly optimistic in estimating how quickly that could be accomplished. So I think they are doing this, but in some of the biggest it is harder to get this work done than in other states.

Senator WEST—So this slippage is more dependent on state size rather than anything else?

Mr Casey—Size and the stage of development they were at when we reached agreement with them in relation to the collection of outcome measures to evaluate public mental health services.

Senator WEST—Has any one state completed the whole operation?

Mr Casey—Victoria is the closest to implementation. It is now going into a staff training phase. It has the information systems that enable it to collect and aggregate this data. States like New South Wales have had a very low level of technology and platforms for getting this work into their services, and it is probably one of the states that will take a bit longer. For example, Western Australia has now got an information system which enables it to move into this work. Going around the traps: Tasmania has achieved an information system implementation, and South Australia is still discussing which direction it might take. It has been varied. I do not think it is a question, as I say, that they are holding back; it is a question of how quickly you can implement what will be a significant change for these sorts of services.

Senator WEST—If you have changed your line as to when you think this will be up and running, is it an estimate or still only a guesstimate?

Mr Casey—With respect to the estimates in terms of how quickly we can invest this money and how quickly initiatives will be taken up, there is always the likelihood or the possibility of some slippage in that because some of this is very complex and cutting edge work. We think that the Australian Mental Health Strategy is internationally recognised as having made major achievements, but it does not mean that it is easy.

Senator WEST—So we know that there has been a slowing in the expectation and that has smoothed it out so that there are no programs that are being interfered with?

Mr Casey—There are no programs that are being interfered with. The overall directions that were agreed by health ministers under the second national mental health plan are still being implemented.

Senator WEST——Money was taken from you this financial year to give ANZFA the additional appropriations they required—

Mr Casey—It was $1 million.

Senator WEST—I knew there was $3 million in total, with one lot of $1 million and another of $2 million. I could not remember which one you had.

Mr Casey—That is now back into the estimates for 2000-2001.

Senator WEST—Okay. What impact did that have upon the mental health program?

Mr Casey—As I think we discussed at the last hearings, it has not slowed down any work. The money has not been lost to the program. It is going to be picked up again in the next financial year.

Senator WEST—You talked also about adjusting classifications; was that right?

Mr Casey—Adjustments to the way in which we define the expenditure between administered and departmental expenses. We have transferred $2.2 million of administered funds into the category of departmental on the advice of the department of finance.

Senator WEST—So there is only the $2 million—

Mr Casey—It is $2.2 million. That is transferred across from administered items to departmental, reflecting the new DOFA classifications.

Senator WEST—Yes. None of us can follow this rotten accrual accounting very clearly. That is the only amount of money that has been moved from Peter to Paul?

Mr Casey—Yes.

Senator WEST—I wonder if it has an impact. I notice that it says that the work will be managed by a national body with a board reflective of the broad community with funding available from all Australian governments and matched by the Australian corporate sector. Who is going to be making up the board? How will that be selected?

Mr Casey—As to announcements about the actual board membership, we would expect that the minister would make those announcements in the next two to four weeks. We are still discussing making recommendations about who those individuals will be. It is hoped that they reflect broadly the Australian community and will be a mixture of community representatives, people who come from professional groups and those who might represent the broader society—business et cetera . But we have not yet got a decision from the minister on making those announcements publicly.

Senator DENMAN—Are you going to ensure that each state is represented or does that not come into it?

Mr Casey—We have tried in the recommendations to be put to the minister to ensure that people come from across Australia, not necessarily representing a state per se but coming from those states.

Senator DENMAN—No, that is not what I meant; I meant representing the broad range you have said but also from each state?

Mr Casey—It may not be that we are able to cover all states and territories, but I think we have been very aware of the fact that this is a national initiative, albeit that it has been put in place or set up by the Commonwealth.

Senator WEST—This is now classed as an initiative, but it is the National Depression Institute; is that correct?

Mr Casey—The decision has been made not to put a name of institute or foundation on it at this point in time and that that would be a matter for the board to consider when it is being legally constituted. One of the reasons that the idea of the name ‘institute’ is perhaps being considered not necessarily inappropriate but as something that needs more thought is that ‘institute’ has the suggestion of a research establishment and that it may not be that this initiative will actually carry out or employ researchers itself. It is far more likely to act as a funding source to try and direct research in existing research establishments, of which Australia has many good ones.

Senator WEST—Was there not a proposed organisation called the National Depression Institute?

Mr Casey—It was being termed the National Depression Institute. The word 'initiative' is to allow greater flexibility in consideration of whether it should be called an institute, a foundation or some other term to describe the entity. That is why the term 'initiative' is there: because the nature of the legal entity that will manage the funding has yet to be finally determined and that might be a matter for the board when it is constituted.

Senator WEST—What was the process with respect to this transformation from institute to initiative?

Mr Casey—The process has been through discussion and advice given to the minister, through discussion with Mr Kennett, who has been appointed as the inaugural chair, and a view that at this point in time as we continue our consultation and discussions across Australia with a wide group of interested stakeholders we should perhaps not have a title that might imply particular directions before we have considered and continued talking to people.

Senator WEST—I do not seem to be able to find anywhere where the goals of the initiative are spelt out and how it is intended to proceed.

Mr Casey—They were spelt out on a web site that we put together consisting of one page.

Senator WEST—Where is the site?

Mr Casey—I think it was at www.depression.gov.au. I think we had it on an earlier page, but I would have to check to see whether in fact it still spells it out. But I can tell you what the three broad aims of the initiatives are, if that would be helpful?

Senator WEST—Yes, keep doing that and I will try to find the web site.

Mr Casey—I hope I have got the web address right.

Senator WEST—I hope you have, too.

Mr Casey—I think that was the one.

Senator CHRIS EVANS—I am prepared to vote that senators not be allowed to have these things at committees. But the chair is equally fond of hers so I do not have the numbers.

Senator WEST—You're dead right you don't. If you would like to keep spelling it out for me.

Mr Casey—Three broad aims have been discussed. The first is to raise community awareness about the issue of depression with the aim of addressing the stigma that is still associated with depression and other mental illnesses. We have made the point in our discussions with community groups that we now use the term 'depression' not necessarily to identify a specific diagnostic category. It is our belief, from our discussion with people in the community, that people can more easily talk about depression than they will talk about having a mental illness. So the term 'depression' is not to be seen as exclusive or as narrowing the focus. It is perhaps more reflective of the way ordinary people will refer to their psychological state of being unwell. One of the major aims will be to raise the awareness of the issue of depression and mental illness in the community and continue the work that we have been doing to date in that respect.

A second important issue focuses on improving, if I can use the term, the supply side of treatment and support for people who present with depression and other mental illnesses, particularly in the context of primary care, because the majority of people who do seek treatment for mental illness do so through their general practitioner, and general practitioners are not always well equipped to respond appropriately to providing that support. Only 40 per

cent of people who meet the criteria for a mental disorder actually seek health treatment at all. So 60 per cent of people who would meet the criteria for a mental disorder do not, in fact, seek treatment. So that is a second issue. It is very much around how, with a particular focus on primary care, we respond appropriately to treatment, and there is a whole range of issues around the types of treatment and how well GPs are supported in their attempts to address mental illness.

The third area is in relation to research, and with a particular emphasis on applied research—research about the appropriateness of services, the impact, and issues around take-up and access. So, in broad terms, those have been defined at this point in time as the three broad aims. That is not to say that there may not be other issues and aims that are identified, but those are the three broad aims.

Senator WEST—I hate to tell you, but I cannot find your web site.

Mr Casey—Let me get back to you and confirm that URL.

Senator WEST—Yes, I think you had better.

Mr Casey—I will do that.

Senator DENMAN—Could I ask about support for rural GPs? In the north-west of Tasmania—I love plugging the north-west of Tasmania—where I live, there is an increase in depression among young people, which you probably are aware of. The GPs up there, some of them, have spoken with me about no support for them.

Mr Casey—Yes, and that is not an uncommon story.

Senator DENMAN—How are we going to address that?

Mr Casey—We have, under our primary care initiative under the National Mental Health Strategy, invested about $3.1 million in providing funding for staff within divisions of general practice to work with their members to provide support and improve the way in which general practice is supported in dealing with people who present with mental illness. A particular part of that has been in connecting general practice to the specialist sector and to those psychiatrists who are in private practice. One of the particular problems with the tertiary level consultancy type of services—whether that be public or privately provided—is their capacity to be responsive to the needs of primary care. We are working with the college and working with state governments to improve the way in which general practice can be supported.

We are interested in a national primary care strategy. In some states—for example, Queensland—the state governments have invested money in primary care in support of general practice, but that has not been the case of all state governments. The Commonwealth is not in a position to direct how state governments invest their resources, but we have certainly encouraged, and made available to general practitioners through the colleges, resources to improve the uptake and, if you like, the connectivity between primary care and specialist care in allowing general practitioners to get the sort of support they can.

We have also started to look at the role of allied health, and in that case particularly psychologists, and what ways they might work with general practice to provide the sorts of treatment, like cognitive behaviour therapy treatment, that not all GPs are trained in, and if they are trained in do not necessarily have the time to carry out. So there are a number of initiatives designed to improve our primary care response in Australia.

Senator DENMAN—Up my way, it is very difficult to attract these people. We have quite a few psychologists up there but no-one with much experience in psychiatry. So what you are saying is that GPs will medicate, probably within the system, and the psychologists will do the follow-up here?

Mr Casey—That is one of the models that we have.

This relates to Senator West's question: it is www.health.gov.au/depression, and I do have a copy, if you would like it, of an information sheet that we have put out.

Senator WEST—Yes, please.

Mr Casey—It is only a couple of pages, but it actually does set out what I have just referred to.

Senator DENMAN—Thank you.

Senator WEST—In that information sheet, does it also say how it is intended to proceed with the initiative?

Mr Casey—At this stage, we have not spelt out how we intend to proceed with the initiative, other than that we are currently receiving advice on the establishment of a legal entity with a board, as I have already described, that this entity will have a constitution and will be a proper, legally constituted body and that the board of the entity will be supported by a number of advisory groups that are more reflective of the broader community. At this stage we have not worked out all the details of that.

Senator WEST—Okay. This initiative, or institute—whatever you want to call it—is the thing that Jeff Kennett is involved in; is that correct?

Mr Casey—That is correct.

Senator WEST—What are the terms and conditions under which he has been appointed as the head of the initiative?

Mr Casey—The terms and conditions, when he takes up the position of the chair, will be determined in accordance with advice that we receive from the Remuneration Tribunal and we are still awaiting that advice. Currently, Mr Kennett is contracted to provide services to the department along with two other people in doing the consultations, discussions and bringing together the initiatives until such time as a board is appointed and they take over, so to speak.

Senator WEST—Okay. So he is currently contracted to the department?

Mr Casey—He is contracted to the department.

Senator WEST—What are the terms and conditions of his current contract?

Mr Casey—He is on a contract for services; I am the officer responsible for managing that contract.

Senator WEST—Yes. What are the terms and conditions of the contract?

Mr Casey—I do not think that it is appropriate to discuss how much we are paying him, but I can say that we are paying him in accordance with the sorts of rates that we pay to consultants normally to the department.

Senator WEST—How was the consultancy arranged or organised?

Mr Casey—We advised the minister that, in setting up the initiative, Mr Kennett should be engaged on a contract over a period of time; it is over, I think, an 11- or 12-week period, and we would expect that the number of days he would work on this would be a maximum of 30

or 40 days. I have not got the contract, so can I say that that is the approximate amount. So he is not working on it full time, but during that period of time he is engaged; as is John McGrath, who is the chair of the Mental Health Council—

Senator WEST—Sorry? John?

Mr Casey—John McGrath.

Senator WEST—Who is the chair—

Mr Casey—The chair of the Mental Health Council. He has been asked to undertake this work with Mr Kennett, in a sense, in his personal capacity; as is Professor Whiteford, who is an adviser to my branch and was formerly Commonwealth director of mental health.

Senator WEST—Yes.

Mr Casey—So there are three people working on this. We are engaging them on a per diem basis within contracts that set the sorts of amounts of time that we expect them to be involved in setting this up. It was the only way that we could get it going until such time as we had established it legally.

Senator WEST—How were these three people selected?

Mr Casey—The selection was on the basis that, in accordance with departmental processes, I advised the minister that I believed that each one of them had a unique quality to bring to this work and that, accordingly, we should appoint them on a contract for services on a per diem basis.

Senator WEST—What is the total value of the contract?

Mr Casey—The total value of all the contracts?

Ms Furler—Is this for just Mr Kennett?

Senator WEST—If you are prepared to give me a breakdown of the three individuals, that is fine, but the total value of the contract is going to appear in an annual report.

Ms Furler—That is right. The contract with Mr Kennett, as Mr Casey said, covers a 12-week period and fees are payable at $1,900 per day with an estimated total of 30 days. To date, payments of $19,000 have been made, reflecting 10 days work.

Senator WEST—So it is $1,900 per day?

Ms Furler—That is right.

Senator WEST—And it is a 30- to 40-day contract?

Ms Furler—Estimated total of 30 days covering a 12-week period.

Senator WEST—Okay. What about the other two people? Is theirs the same value?

Ms Furler—I do not have the detail of that here. We can provide them to you shortly.

Senator WEST—Okay. I am still interested to know the qualifications that you think Mr Kennett has to make him ideal for the project.

Mr Casey—Okay. I think there are three qualities that I thought Mr Kennett could bring to this initiative. First of all, it needs to be remembered that it was Mr Kennett who raised the issue when he was in government in Victoria and got quite a good public profile for the issue of depression when he was then Premier. At the time he was the Premier, the government indicated they would support Victoria in bringing forward this initiative.

Mr Kennett lost government, but I was still of the view that he was the sort of person who could continue to bring the sort of public profile that we wanted to this initiative, that there is no doubt that he does attract considerable comment, that he had connections in relation to being able to discuss this with Premiers around Australia, and that he had already indicated when he was in government that he had received indications from people in the corporate sector that they would see this sort of initiative as something that they would bring financial sources to. So on that basis, I suggested to the minister last December that, if the Commonwealth was to now continue with this idea, he would be a person who should be considered as having a contribution to make.

Senator WEST—How were the conditions of this contract determined—the three months? He does 30 days work over three months. How was the remuneration determined?

Mr Casey—They were determined in discussions between myself and Mr Kennett in terms of what I thought he proposed as being a somewhat reduced fee for what he would normally get in the corporate area, and those were within acceptable amounts that we would pay to other consultants that the department engages from time to time. So I did not consider that that amount of money per day was outside what we would pay. We sometimes pay more than that for a consultancy in finance areas and legal areas. I thought that that was not an unreasonable amount of remuneration in relation to a short-term contract to get this initiative off the ground. The potential benefits of this initiative, I think, are considerable.

Senator WEST—Dr McGrath was chosen because he is the head of the Mental Health Council of Australia?

Mr Casey—That is one of the roles that John McGrath holds. He is also a carer. Two of his children have had psychotic illnesses, one who tragically himself. He has had a long-term interest and contribution in the area of mental health. He is well renowned and well respected amongst both community organisations and the stakeholder community in Australia, and he is able to bring a consumer and carer perspective to considerations.

Senator WEST—And Professor Whiteford?

Mr Casey—Professor Whiteford is one of the architects of the National Mental Health Strategy and has been involved as probably one of Australia's leading policy makers in this area for over a decade. He is currently an adviser to the World Bank. He advises the World Bank on global issues of mental health. He is the first adviser to the World Bank in the area of mental health and he has both a very strong national and international reputation as being a strong policy maker and he brings credibility. I do not think there is anyone in the area of mental health in Australia who has not heard of Professor Whiteford.

Senator WEST—How long was he in the department? I certainly remember him being here at estimates on previous occasions.

Mr Casey—He left the department approximately 18 months ago. He certainly left around about September 1998 or maybe a bit after—maybe it was December—and he went to the World Bank. He is still currently part-time employed by the World Bank.

Senator WEST—Was it as a redundancy that he left?

Mr Casey—No. He left at the end of his contract. He was never a Commonwealth public servant; he was on contract for the Commonwealth.

Senator WEST—And you are going to get back to me with the total value of those two, please.

Mr Casey—Yes.

Senator WEST—There are some issues that you have said rely upon funding being available from all Australian governments. So states and territories are involved. Do you have any indication as to how much they are going to put in?

Mr Casey—Indications to date are that Victoria will put in $3.5 million a year over five years, and I just heard on the radio tonight that the ACT government will be putting in money, but I am not quite sure how much it was. I just heard that there would be money in the new ACT government budget for depression. In relation to other governments, I do not have any details as to what levels of contributions might be forthcoming from those.

Senator WEST—You were saying that the corporate sector is going to be involved.

Mr Casey—At this stage we do not have details of corporate sector investment. We have been focusing on our discussions with state and territory governments, but I think we will be starting to take up—we would anticipate that the corporate involvement would match Commonwealth and state contributions and have estimated that the initiative will have an annual budget of between $10 million and $11 million.

Senator WEST—What part of the corporate sector do you think will take it up?

Mr Casey—I think it will come from a variety of sources. The issue of mental health is becoming more and more acknowledged as being an important issue for all aspects of Australian society, but I do not have any details of where those might come from. We have certainly had interest from banking, insurance, pharmaceuticals and even manufacturing.

Senator WEST—It is the pharmaceutical companies' involvement that concerns me. It is an interesting issue to debate, don't you think, the pharmaceutical companies putting cash into an area they would be hoping people would use their medications for treatment of?

Mr Casey—I think it is an interesting area for debate. However, I think it is very clear that people who put money in to support this initiative do not necessarily influence how this initiative invests its money. I certainly would be very cognisant of difficulties if money was forthcoming from pharmaceutical companies if they were seen to have any influence over the directions in which that money was invested. I think we would be very aware. On the other side, though, I think we need to recognise that pharmaceutical companies make a great deal of money out of health, and why shouldn't they be asked to contribute towards trying to find some of the solutions?

Senator WEST—It is just one way of getting back money they take out through the PBS.

Mr Casey—I do not know whether they take it out. It is not for me to determine. Currently a number of pharmaceutical companies in this country invest in very hands-off research. Maybe those are business decisions or maybe they are reflective of their desire also to make contributions. I am not here to comment on that, but I do know that we are very cognisant that any investment has to be seen as not buying any influence in this initiative.

Senator WEST—So there will be something in the guidelines to indicate that position?

Mr Casey—That is something that we certainly are seeking advice on—how we would set up the constitution of this to ensure that it is not seen as an inappropriate initiative.

Senator WEST—What will happen to the initiative if the private sector does not come forward with the funding that the government expects?

Mr Casey—I think if the private sector does not come forward and invest, then it is going to be dependent on only government funding, and, quite frankly, I think that it would have failed one of its initial objectives, which is that, given that the burden of mental illness in our community is worldwide, it is really something that we will need to contribute towards taking seriously. I do not think it will necessarily be the end of the initiative, but certainly I think we would be disappointed if we were not able to attract interest from the corporate sector in the community.

Senator WEST—I will crack the university departments of rural health. What is the next issue, please?

CHAIR—RAMUS?

Senator WEST—It is in this one as well. I want to do the university departments of rural health.

Mr Podger—I just want to clarify, are we on Outcome 4 or not?

Senator WEST—Outcome 4.

CHAIR—Rural health is Outcome 5. That is why—

Senator WEST—But university departments. This is where we are getting a bit—

CHAIR—RAMUS is Outcome 4.

Senator WEST—And university departments is Outcome 5.

CHAIR—I think you will find that is right.

Senator WEST—My mistake.

CHAIR—So we are still on Outcome 4?

Senator WEST—We are still on Outcome 4. On the RAMUS, can somebody give me some indication—there is another $2 million going into that this year—an additional $2 million on top of the already existing $2 million. We have guidelines for the allocation of those scholarships. There were going to be 100; is that right?

Mr Tongue—One hundred initially and then it doubles to 200 and now it has doubled to 400.

Senator WEST—This year, as of now and getting towards the end of first semester, how many scholarships have been awarded?

Mr Tongue—None.

Senator WEST—I thought that it was to start this year.

Mr Tongue—It was. The final roll-out of the RAMUS scheme was delayed as part of the process of the government's consideration of the rural health package in the last budget.

Senator WEST—Are the application forms available?

Mr Tongue—Yes. The print run finished, I understand, yesterday.

Senator WEST—So we have students who had good expectations at the end of the last university year that they would be able to apply for a scholarship this year. When do you expect that those applications will be available?

Mr Tongue—I am hopeful that applications will start to be sent out, at the earliest, at the end of this week and certainly no later than early next week.

Senator WEST—What is the time frame in which they have to get their applications back to you?

Mr Tongue—One month.

Senator WEST—So that will take us through until the end of June?

Mr Tongue—That's correct.

Senator WEST—What is going to be the process for making the decision as to who is successful?

Mr Tongue—The way the program is structured is that students will be assessed. They will be given a series of weighted point scores. Dr Wooldridge has agreed that, in part because of the delay and in part in recognition of the fact that the government is doubling the program next financial year, he will make available further funds this financial year to bring it to 400 this financial year. So those applications will be assessed and a cut-off will be established such that 400 students have access to the scheme.

Senator WEST—Where are the funds going to come from to bring it to 400 this financial year?

Mr Tongue—From a rephasing of funds within the general practice program.

Senator WEST—What is that going to mean for the general practice program?

Mr Tongue—We have progressed slightly more slowly than we had hoped with expenditure in what we call the GPEP program, which was a research and development program, and also in an area of the divisions innovation program. So between those two programs we have not spent funds as quickly as we had thought and we are able to find the necessary $2 million.

Senator WEST—What is the reason for not spending the money as quickly as you thought? I have heard about rephasing all night tonight.

Mr Tongue—When we go through the GPEP process, researchers apply. They have to go through their own processes in universities. This year there has been a bit of a delay in getting ethics approval for some of the research projects. In the divisions innovation program we were asked to extend the application deadline for divisions to access the program. As a result of those two things we do not expect that we will be able to spend as much money as we anticipated this financial year.

Senator WEST—I see. When do you expect to be announcing the 400?

Mr Tongue—My hope would be that we can do it as early as possible in July.

Senator WEST—So they will have it when they come back at the beginning of second semester?

Mr Tongue—Yes.

Senator WEST—What has been the impact of this upon some students? I would think that this could well have made students defer or put some students into a fairly difficult pecuniary situation. It could have made them a bit impecunious.

Mr Tongue—Certainly, on our 1800 number we have had some complaints from some students. It has not been drawn to my attention that anybody has deferred. We did discuss at the last estimates the case of a gentleman that was raised in the press. We have contacted that individual and, as far as I am aware, we have addressed his concerns.

Senator WEST—How many complaints have you had?

Mr Tongue—I would have to come back to you.

Senator WEST—If you can take that on notice.

Mr Tongue—Certainly.

Senator WEST—It is all a bit of a mess, isn't it?

Mr Tongue—I do not know whether I would characterise it that way. We started off with a scheme worth $1 million. It is now a scheme worth $4 million.

Senator WEST—But we do not have any students benefiting at this stage.

Mr Tongue—Well, we will have 400 students benefiting from it and I would argue that, in the broad range of policy that came up in the last budget regarding support for students, it would have been silly of us to roll RAMUS out in advance of the government making decisions on some of the other measures it has decided on.

Senator WEST—Well, I guess we will have to wait and see to get some idea of who gets the money. What is going to happen at the end of the four years? It is a four-year scheme, isn't it?

Mr Tongue—Currently we have money for four years. I cannot anticipate what is going to happen in four years time.

Senator WEST—I just hope that the students hang on in there and do not get too upset and disheartened about the whole show. Some of the students have waited for a full semester, basically. That is what it means. Are they going to get the full grant or are they only going to get half?

Mr Tongue—They will get the full grant.

[8.53 p.m.]

Outcome 5—Rural health care

Senator CHRIS EVANS—On what date did the government receive the rural stocktake report prepared by Dr Best?

Ms Briggs—I think it was March.

Senator CHRIS EVANS—March this year?

Ms Briggs—Yes.

Senator CHRIS EVANS—Have you made that report publicly available?

Ms Briggs—No. The intention is to release it in June.

Senator CHRIS EVANS—Why in June?

Ms Briggs—That is the month that the minister and Dr Best have agreed.

Senator CHRIS EVANS—I see that the budget gives recognition of the report. It just seems odd we get the result of the report and the money associated with the action and then we get the report later. I just want to understand what the rationale for that is.

Ms Briggs—I think they have simply agreed that that would be an appropriate timing for the release.

Senator CHRIS EVANS—So the report is finalised?

Ms Briggs—I think there is a bit of formatting in terms of publication, but it is ready to go, just about.

Senator CHRIS EVANS—So it has not been altered or reviewed or added to at the moment?

Ms Briggs—Not that I am aware of, no.

Senator CHRIS EVANS—So you say that the only issue outstanding is the formatting for publication?

Ms Briggs—Yes.

Senator CHRIS EVANS—And it will be released in June?

Ms Briggs—Yes.

Senator CHRIS EVANS—We obviously will not get a copy, then, until June?

Ms Briggs—No.

Senator CHRIS EVANS—Do you have the final costs of that stocktake?

Ms Briggs—Yes, we do. It is $361,827.

Senator CHRIS EVANS—Do you have a break-down of that? Some of it is consultancy and some of it is travel, isn't it?

Ms Briggs—I can give you a break-down of that. It is $268,920 in consulting fees, $33,505 in airfares and $59,401 in other costs, including travel, car hire, petrol and other agreed out-of-pocket expenses.

Senator CHRIS EVANS—And were they all for Dr Best, or were they for other staff as well?

Ms Briggs—For Dr Best, I am informed.

Senator CHRIS EVANS—What was the period of this consultancy?

Ms Briggs—I believe it started in 1999. I will have to take the exact month on notice. I am not sure that I have that with me.

Senator CHRIS EVANS—When did the first bills come in?

Ms Briggs—Just a minute. I have something here to help. The minister formally announced the rural health stocktake in a media release on 10 March 1999.

Senator CHRIS EVANS—And he presented his report a year later?

Ms Briggs—Yes.

Senator CHRIS EVANS—So these costs basically represent a year's worth of cost to the project?

Ms Davidson—The $268,920 that Ms Briggs mentioned was 33 weeks' work.

Senator CHRIS EVANS—So he was charging you on a daily or a weekly basis, was he?

Ms Davidson—A daily basis.

Senator CHRIS EVANS—What was the rate?

Ms Davidson—It was $1,620 per day.

Senator CHRIS EVANS—Less than Jeff Kennett.

Senator WEST—Yes, $300 a day less than Jeff Kennett.

Senator CHRIS EVANS—He will have to review his rates.

Senator WEST—I thought we were told Jeff Kennett's average—

Senator CHRIS EVANS—He's a much harder negotiator.

Senator WEST—Jeff got a sweet deal, did he?

Senator CHRIS EVANS—That is the final cost of the consultancy?

Ms Briggs—Yes.

Senator CHRIS EVANS—Just going back to the report, was the department involved in the preparation of the report or was that Dr Best's work which was then presented direct to the minister?

Ms Briggs—There was a very close relationship between the department and Dr Best over the process of the stocktake. Certainly, officials of the department accompanied Dr Best at various times during his consultation. Yes, there was some involvement, as I understand it at least, in work on the report.

Senator CHRIS EVANS—So the department did have some input into the report?

Ms Briggs—Yes.

Senator CHRIS EVANS—In relation to those costs, just to be clear, the costs of your staff or departmental officials would not be included in those costs. They are purely Dr Best's costs?

Ms Briggs—Yes.

Senator CHRIS EVANS—But that report was a report to the minister, not to the department, was it not?

Ms Briggs—To the department, Senator, is our understanding. We certainly had the contracts with Dr Best.

Senator CHRIS EVANS—Mr Podger looks worried as if I have something deeper. I was really just trying to understand if the report went to the minister or the report went to the department, in a sense.

Ms Davidson—The report went to the department and the department forwarded it to the minister.

Senator CHRIS EVANS—So the department had access to it as well?

Ms Briggs—Yes.

Senator CHRIS EVANS—It was obviously used as part of the budget process.

Mr Podger—At one stage, as we mentioned before, the intention had been that the report might be turned into some discussion paper by the department through some other process. But, when it became clear that the government wanted to move more quickly on developing a rural package, we cut short that process and used the material from the stocktake to help us in our advice to the minister on the budget process. But Jack Best's report was certainly a report to the department.

Senator CHRIS EVANS—Most of the budget work would have been put away pretty well before March, would it not?

Mr Podger—Not on this, Senator, no.

Senator CHRIS EVANS—I just know what a big lead time you have on a lot of the budget stuff. I was just thinking if you did not get the report until March. I was leading to this: was there ongoing work done about what was coming out of the report before the report was finalised?

Ms Briggs—If you are asking, Senator, if we had discussions during the budget process with Dr Best, certainly Dr Best was not involved in any cabinet deliberations on the budget, no.

Senator CHRIS EVANS—No, that is not what I was asking, Ms Briggs. I was just trying to get a feel for the time line. If you did not get the report until some time in March, I guess my impression was that by then budgets are pretty well locked away.

Mr Podger—I have two points to make. It was not locked away by then. There was a lot of work done subsequent to that. In the period prior to his finalising the report, yes, there had been some toing-and-froing with the department over the previous several months. He kept us informed of who he was visiting and some of the thoughts he was coming up with over that period.

Senator CHRIS EVANS—That makes sense. As I say, it suddenly occurred to me that by March to May, as you usually tell me, that stuff is usually buried away and your experiences with stuff that is not adds to the pressure.

Mr Podger—In relation to the budget process, a lot of proposals coming up for ministers and so on are locked away well before the budget. I have been involved in many budgets where lots of things have come up at the end part of the process.

Senator CHRIS EVANS—I have a couple in the back of my mind, too.

Senator WEST—We can all report some of those.

Senator CHRIS EVANS—I wanted to ask a process question about rules applying to consultants undertaking consultancies for the department, the intellectual property they gather while doing that work and what restrictions you have on other work they do during that period. I think I raised before the question of Dr Best and the work he does for the Australian and New Zealand Association of Physicians in Nuclear Medicine dealing with the government over CT scanning machines and Medicare access. I just wanted to be clear in my mind about what guidelines apply to intellectual property gained in the exercise of a consultancy and what other work they might take on. I am starting with the general and I will come to the specific. I am asking a probity-cum-protocol question, I suppose.

Mr Podger—I have not got it to hand here, but we do have guidelines on the handling of intellectual property in contracts and consultancy arrangements. There are a number of different options that are available, but a key principle is that any copyright arrangement gives us total and free access to it. There can be certain circumstances where the copyright might be shared in some fashion or not, but usually we would hold it. There are variations allowed within our guidelines, so long as we have free—

Senator CHRIS EVANS—One issue is the question of copyright. That is at the hard end of the scale. The other is about other information gathered in the course of that consultancy. It must be a huge issue for you, given the number of outsourcing and other consultancy arrangements that all public service departments are involved in now. It might not be a huge

issue, but it is an issue that is being grappled with. I am just trying to understand what the principles are.

Ms Briggs—If I can pick up on what the secretary said, I was just confirming with our legal people my memory, and it has proven to be correct. In the contracts that we let on a regular basis there is a standard clause about the Commonwealth having intellectual property for what it is purchasing as part of the arrangement. It is quite common for us to license the contractor who has provided the work to use it for their own purposes as well and publish it and so on.

Senator CHRIS EVANS—What about restrictions on how they use other intellectual property or knowledge gained in the course of the consultancy? For instance, a public servant is bound by—

Mr Podger—The Crimes Act and things of that sort.

Senator CHRIS EVANS—And the rules of the Public Service in terms of disclosure of information and those sorts of things. I am just trying to understand how that works with consultants who might well be working for you on one project and working for somebody else on another project that is not necessarily directly related but where the information is of benefit and might be used.

Ms Davidson—There are clauses contained in the contracts about disclosure of information. Also, the people who undertake consultancies are usually bound by the normal privacy rules that public servants are bound by. There are standard clauses in contracts to protect the information that people gain in the course of undertaking that work.

Senator CHRIS EVANS—So we have confidentiality clauses, privacy clauses and intellectual property clauses. Are there any others? Is there a standard draft contract?

Ms Briggs—Yes, we do have a standard draft contract.

Senator CHRIS EVANS—Would you be able to table that?

Ms Briggs—Yes, I am sure we can.

Senator CHRIS EVANS—Could you advise me whether those clauses and that contract were used with respect to the contracts with Dr Best?

Ms Briggs—I will have to take that on notice; neither Ms Davidson nor I commenced the original contract with Dr Best.

Senator CHRIS EVANS—Sorry, I was not asking for that now, I was putting it on notice. I understand Dr Best has a number of contracts with the department.

Ms Briggs—Yes.

Senator CHRIS EVANS—I was interested in what your standard formula was and whether it had been applied in those circumstances. But I gather this is a—I was going to say 'Public Service Board'; that shows you how old I am—

Ms Briggs—PSMPC.

Senator CHRIS EVANS—What does that acronym mean?

Mr Podger—The Public Service and Merit Protection Commission is the follow-on from the old Public Service Board.

Senator CHRIS EVANS—And it issues your standard guidelines?

Mr Podger—No, they are responsible for the main provisions of the Public Service Act. The new Public Service Act is a value driven one. They issue directions around the values. They also manage the general code of conduct. But in terms of our actual contract arrangements, that is up to us.

Senator CHRIS EVANS—For a moment I thought you were going to tell me that they outsource the work. It is up to you?

Mr Podger—Our contract arrangements are up to us, but we have clearly got certain broad guidance on various legislation—the FMA Act and various other things.

Senator CHRIS EVANS—So the standard contract you use may well be different from the contract used by other departments?

Mr Podger—It may be, but I would have thought that some of these clauses would be very similar.

Senator CHRIS EVANS—But you have a standard contract that you use and you will be able to provide me with a copy of that? You will also be able to provide me with advice as to whether they apply to the various contracts Dr Best has or has had in recent times with the department?

Ms Briggs—With all of the contracts, are you saying?

Senator CHRIS EVANS—Yes, if you could, please. Is there a potential conflict of interest provision whereby a contractor has to declare that there may be another contract which they hold? This is the sort of issue we went through the other day—that is, whether a contractor is required under certain circumstances to make you aware of other contracts.

Ms Briggs—Yes, there are standard clauses around that. But it is typically the case that when we go through selecting a contractor those questions are asked as part of that process, for example, 'Do you see any conflict of interest?'—those sorts of things.

Senator CHRIS EVANS—I am sure that is right. But three weeks later they might be offered another contract. You must have a protection mechanism to deal with that eventuality—for example, that they must notify you before taking up another contract if it is with a competitor? I am not sure whether the Department of Health has a competitor.

Ms Briggs—We will have to check what it says. That is the advice I am being given. As I said, we do have clauses in our contracts around that issue.

Senator CHRIS EVANS—I guess I will see that when I see the draft. But that was the issue I had: whether there was a declaration of interest or whether a potential conflict of interest provision applies in your contracts. If you could point me to anything that picks up that area, I would appreciate it. Thank you for that.

CHAIR—Is there anything further on Outcome 5?

Mr Podger—There was one question that you raised before about Dr Best and the fee. You asked whether that was just for Dr Best. I think the payment is to his company. His company might provide some administrative support or something like that. That fee would cover that.

Senator CHRIS EVANS—He might need an ABN number. I think Senator West was going to ask some questions about university departments of rural health. I can kick this off, but it is more her baby. As I understand it, there are going to be three new university departments of rural health to add to the existing seven; is that right?

Ms Briggs—Yes, that is right.

Senator CHRIS EVANS—They will deal with the training of health practitioners and postgraduate trainees. And there are a separate nine new clinical schools to do undergraduate training; is that right?

Ms Briggs—Yes.

Senator CHRIS EVANS—So there is a set of 10 for postgraduate?

Ms Briggs—For clinical schools and a set of 10 for university departments.

Senator CHRIS EVANS—Have any of the locations for these schools been determined?

Ms Briggs—Not for the clinical schools, no. But yes for one of the university departments, and that is an area commonly known as the 'greater green triangle', which is Warrnambool, western Victoria, and into some of eastern South Australia.

Senator CHRIS EVANS—The 'greater green triangle'?

Ms Briggs—Yes, it is a term that I, too, have become familiar with.

Senator CHRIS EVANS—Not the Bermuda Triangle, but the 'great green triangle'? That is the only location that has been decided for the new university department of rural health; is that right?

Ms Briggs—Yes.

Senator CHRIS EVANS—That is one of the three?

Ms Briggs—Yes.

Senator CHRIS EVANS—I started this off for you, Senator West, but I am very keen to hand over as this is your area. The officer has just explained to me that the location of only one of the new schools has been determined.

Senator WEST—Where is that?

Senator CHRIS EVANS—The 'greater green triangle', which I am informed is in the Warrnambool area.

Senator WEST—With which university?

Ms Briggs—Senator, if I can help you a little, the area is described in my brief as an area of economic, business and other corporations covering south-east South Australia and south-west Victoria. It has a population of about 225,000 people.

Senator WEST—Associated with which university?

Ms Davidson—With Flinders University and Deakin University.

Senator WEST—Flinders and Deakin?

Ms Davidson—Yes.

Senator CHRIS EVANS—So what is the process for determining the other two, or how was that one determined?

Ms Briggs—That one was determined as part of the cabinet process associated with the budget and confirmed by Dr Wooldridge before the budget—officially confirmed in writing.

Senator CHRIS EVANS—So there was not an application process; it was just by a cabinet process.

Ms Briggs—No. However, certainly, the area concerned had been in contact with the department and the minister since, I think, the middle of last year.

Ms Davidson—That is correct. A proposal was submitted to the minister in June last year for proposing the establishment of a university in that region.

Senator WEST—It is not a new university. What, in fact, is it? A university college?

Ms Davidson—It is called a university department, but I do not think that the universities officially recognise them as university departments, because they are not big enough, but I cannot remember the term the university has used. We call them the university departments of rural health, but I know that the universities have another term to refer to them.

Ms Briggs—We will take that on notice.

Senator CHRIS EVANS—But it does not particularly belong to one university or the other, or is one considered to be the predominant parent?

Ms Davidson—With the other ones, we have quite a few that are managed by consortiums—the universities. There are some that are managed by one, but—

Senator CHRIS EVANS—So you do not naturally then attach them, in a sense, to one university; they are just seen as being owned by consortia?

Senator WEST—How are these going to differ from rural health training units attached to university medical schools?

Mr Tongue—The rural health training units attached to medical schools are principally focused on, of course, medical graduates whereas university departments of rural health are designed to take a broader view of rural health provision and typically include allied health professionals, nursing—a whole range of rural health provision, if you like.

Senator WEST—And what is this one going to do?

Ms Davidson—They all have a number of aspects to them and one of the other things that the university departments tend to do is have a fairly strong public health focus. So they differ from the standard medical schools in the regard that they predominantly have a much stronger public health focus.

Senator WEST—Is that public health as in public health medicine as in doctors, or public health in the broad?

Ms Davidson—In the broad.

Senator WEST—Does that mean that they are going to have faculties or units within them that will be available to all the other health professionals? What are they going to do?

Ms Davidson—They do a range of things. They work with the universities to help develop and deliver rural curricula. They also facilitate rural placements—medical, nursing and allied health undergraduate and postgraduate students and they try to ensure that the rural experience that people get is of a high quality. They also provide a base for senior university staff to provide training and practise their skills in rural settings. Increasingly, whilst they originally did not have a research focus, there is also some research now taking place in the university department.

Senator WEST—Can I ask who the author was for the proposal for the green triangle university departments?

Ms Davidson—I indicated Flinders University and Deakin University, as I understand it, put forward the proposal.

Senator WEST—There must have been an author, though. It did not appear out of osmosis or something, did it?

Ms Briggs—Ms Davidson is indicating that she will take that on notice and provide that advice.

Senator WEST—Thank you. I am just interested to know the processes that were undertaken but, obviously, this one has been decided by cabinet. Has a process been established that will be used to determine where each of the new facilities will be located?

Ms Davidson—This is a process of how to establish where the clinical schools will be located and with the other two university departments we actually do not have funding for those coming on in the first year. We were going to work closely with the area that is looking at the clinical schools to make sure that where we locate them is complementary.

Senator WEST—I just know that there is a push for Dubbo to get something like this.

Ms Briggs—Yes, we are aware of that.

Senator WEST—Yes, I was just wondering what the criteria were going to be to determine eligibility, because there are four campuses of the CSU, and that is the smallest one, and others have a larger health faculty associated with it. I want to know what the criteria are going to be, but if they have not been developed yet—

Senator CHRIS EVANS—I thought if Dubbo was getting one you would be pushing it along.

Senator WEST—I do not live in Dubbo; I live in Bathurst. We have a CSU campus there. So I have to be careful with these. I was wondering what the processes were going to be.

Ms Briggs—When the processes are finalised, we are happy to make that known to you.

Senator WEST—Thank you. I hope I hear about those places before I read about the allocations in the paper. Who will have the responsibility for making these decisions?

Ms Briggs—There is a process of discussion which occurs, obviously, between the providing universities, local areas and so on but, in the end, we would put a proposal to the minister for his final consideration.

Senator WEST—But it did not happen this way this time?

Ms Briggs—As I said, that is, in fact, what occurred. The cabinet considered the issue. However, the minister made a final decision before the budget about the location of this one.

Senator WEST—I get very interested in the minister's decision making processes on occasions, because when I pursued the issue of the allocation of money for the program for men's health, he never actually could tell me how the decision was made. I suppose, Minister, you would take on that notice. The minister is not going to be able to tell us how the decision was made for this one, either, and what the criteria were.

Ms Briggs—I do not understand what you mean.

Senator WEST—This is an old one, and it has nothing to do with the department.

Ms Briggs—Fine.

Senator WEST—I am not mentioning the department in any way. Do we know how big these schools are going to be—student numbers and that sort of thing?

Mr Wells—I think they will vary. I suppose the model for these is the one that we established around Wagga from last year's budget. There are students there now. I think that

about half a dozen students commenced there this year. The one at Wagga is from the University of New South Wales, which is a six-year medical program. The idea is that students would do their final three years of clinical experience around Wagga. Probably that would build up to maybe about 10 to 15 a year, depending on intakes and so on. So over time, within three years, that would build up to about 40 or 50 students at any one time in the area. So that is the model, but they will vary. There will be ones that I expect would be bigger and some would be smaller.

Senator CHRIS EVANS—What is the optimum size, though? The cost issues must determine the preferred minimum number of students that would be necessary, just for the economies of scale. You are setting up, effectively, a university for as few as 25 or 30 students. It is not a major issue, I am just trying to work out what is driving that.

Mr Wells—You are not really setting up a university. What you are doing is that you have the hospital, or the treatment setting—be it a hospital or a general practice or whatever—and you add some marginal resources to that to allow for the teaching load of bringing the students in. But your professor of medicine there is, in fact, one of your specialists practising medicine and then you have some capacity for them to have a teaching load of students. So you are not setting up a full university with lecture halls and laboratories, et cetera ; it is very much adding on to existing resources.

There is a clinical school at Darwin already and I think the annual student load there is about five. So they do vary very much. That would be the case, too, in the metropolitan clinical schools - the teaching hospitals in the large cities. They vary in size as well, as indeed do the medical schools. The University of Queensland clinical school has an annual intake of around 200. The University of Tasmania's annual intake, I think, is around 50. So they vary enormously in size as well.

Senator WEST—Is it going to cause these students to be restricting their options on graduation because they are not in the major teaching hospitals or they do have access to hospitals like the St Vincents, the PAs, the Prince Alfreds and the North Shores? Whilst they have access to good base hospitals in rural areas, they do not have access to that top range which in some areas is the only place where you can see some very, very sophisticated procedures and diseases. If you are going to leave them there for three years, is this going to restrict their options for what they can do after they graduate?

Mr Wells—Not of itself. All the medical courses there are accredited by the Australian Medical Council. So the students graduating from any medical course are expected to complete the curriculum as outlined in the accreditation process. Inevitably, I would think that in the clinical schools some of the time would be spent in the major hospitals in the city for some of the very high-tech procedures, for example.

Senator WEST—For some of the neurosurgery and some of the intricate cardio-thoracic stuff?

Mr Wells—Even in the cities, the students who go to some of the suburban hospitals still have to do some of their time at the Prince Alfreds and so on. The rotations of the students are worked out to make sure that they get the full range of experience that they need to complete the course to the standard that has been specified.

Senator WEST—That is the concern that I had in the back of my mind, but you are going to be addressing that so that those in rural clinical schools and rural university departments will actually be able to get access to those particular experiences because if you do not, you are going to leave those schools less competitive.

Mr Wells—There is certainly no concept of a barefoot doctor—that they have done the basics but could not go and practise full medicine somewhere. Again, our experience with Wagga has been very carefully thought through and the rotations are designed by the dean and the faculty to make sure that students are not, in fact, getting a second string range of experiences.

Senator WEST—Is this going to have some impact upon or be impacted upon by the additional 50 new GP registrars?

Mr Wells—In terms of what? In terms of access to clinical—

Senator WEST—Yes.

Mr Wells—Obviously that will be a factor. You cannot have the GP overloaded with student placements. Certainly, again from the Wagga experience, having a clinical school in the area has, in fact, started a lot more interest from the local practitioners, and some practitioners initially who were not involved in training the GP program, for example, are interested in taking students. I really could not say overall what the impact would be.

Senator WEST—Further on the new GP registrar, I thought that the Treasurer's speech talked of 75 places rising to 225 by the year 2002-03. Is that correct?

Mr Tongue—Yes, that is correct.

Senator WEST—But the budget papers talk of only an additional 50.

Mr Tongue—I think in the Treasurer's budget speech he was referring to the rural training stream component of a total number of places of 450. So the 50 places go into a larger pool of 450. The Treasurer's budget speech was concerning the rural training stream element of that 450.

Senator WEST—But he said an additional—

Senator CHRIS EVANS—You are saying the 75 are a part of the rural training ?

Mr Tongue—Yes.

Senator CHRIS EVANS—I thought you were leading somewhere. I think you need to take the next step.

Mr Tongue—Currently there is a 400-place training stream. As a result of the budget, that number will rise to 450. In the Treasurer's budget speech he was referring to an estimate of the impact that the government's measures would have on the number of registrars who would be practising in rural areas as a result of creating a rural training stream.

Senator WEST—The PBS talks about an increase of 50 places per year during the next three years for general practice vocational training in rural and regional areas.

Mr Tongue—That is correct. I am assuming that the Treasurer built his number up from the 100 places that we currently have set aside for the rural training stream, the additional places that we put in and an estimate of the number of places that we would pull out of the remaining 300 and something places in the training stream.

Senator WEST—Would you like to clarify that? I know it is late at night. You are getting me confused. The figures are not adding up.

Senator CHRIS EVANS—I think even the Treasurer would be pleased with that explanation. I think he did very well indeed.

Mr Tongue—Basically the Treasurer was referring to the additional number of places that would go into a new rural training stream that we are establishing as part of the government's budget measure.

Senator WEST—But in here you are only talking about 50.

Mr Tongue—Because as far as the costings of the budget measure go, the government is already paying for 400 places. We have had to put into the PBS the cost of the additional 50 places.

Senator WEST—What are you going to do with the 25?

Mr Tongue—They are coming out of a current 300 places that are urban training places.

Senator CHRIS EVANS—Were there 25 out of the 300 designated for rural places?

Mr Tongue—There is currently, of the 400 places, 100 designated for rural places. We are taking that 100, adding in the new 50 and then taking an additional 25.

Senator WEST—An additional 75 out of the remnant of the 300?

Senator CHRIS EVANS—You have got the 150 places.

Mr Tongue—Yes.

Senator CHRIS EVANS—How do you get the 75?

Senator WEST—How do you get to 225?

Mr Tongue—Because GP registrar training lasts for three years. So to get to the total impact of the measure as described in the Treasurer's budget speech you need to look at the cumulative impact across three years. If registrars stay in the training stream for three years you end up with three lots of 75 additional to get to 225.

Senator CHRIS EVANS—You are wasted in Health.

Mr Tongue—Department of Finance will not have me, Senator.

Senator CHRIS EVANS—I don't know. After that they might. They are on the lookout for blokes like you.

Senator WEST—I am just totally confused. If you can find some way of—

Mr Tongue—Would you like me to take it on notice?

Senator WEST—Yes, please. You can tell me the story simply.

Mr Tongue—Yes.

Senator WEST—We are now getting so many names for so many programs in regional areas that I am getting confused. Maybe that is the object.

Senator CHRIS EVANS—Are multipurpose services the same thing as rural health centres and the same thing as rural health services?

Ms Briggs—There are discrete differences between those categories. I am happy to—

Senator CHRIS EVANS—Take us through the development?

Ms Briggs—I was going to say I am happy to take that on notice, but I will just go through it quickly. Multipurpose centres are aged care facilities that receive a small coordination grant to assist in providing services, usually as part of an acute facility. This is a non-growth part of the program. Multipurpose services are facilities, usually small hospitals, where the

Commonwealth aged care funding is cashed out under the flexible care arrangements under the Aged Care Act in principle.

Criteria for support are closely linked with aged care planning and approval processes. This is usually a joint initiative with state government. Regional health services provide funding for primary health care services, with the criteria for funding taking into consideration issues related to current service shortfalls and demonstrated community need. Obviously as a new person coming to this program one's immediate desire is to try to bring all of these arrangements together. Joanna Davidson and I are newly in the program. When you see those differences in arrangements it is hard to immediately work out how that might be achieved, but certainly we would be looking to bring these arrangements together in time.

Senator CHRIS EVANS—When the government announces 30 new multipurpose services in the 1998 budget, then announces 30 rural health centres in the 1999 budget and then announces 85 new rural health services over three years in the 2000 budget, are we comparing apples with apples or apples with oranges?

Ms Briggs—What you are looking at is an additive range of flexible service provision for people in rural Australia.

Senator CHRIS EVANS—So when the government promises 30 new multipurpose services and they are not built in that year, do we look for them now as rural health services? The funding that was in the out years, for instance, in the 1998 budget, for what it was called in 1998, do we find that now in the same budget item?

Ms Briggs—Yes, you find it in the same budget item in the portfolio budget statement. The story is that, under accrual, this is actually a bit easier to orchestrate than under the previous budget arrangements, because there are commitments that can go out into future years. So, yes, if the funds are not introduced in one year, they would be in the out years.

Senator WEST—So in 1998-99 we had 30 multipurpose centres promised. Is that right?

Ms Briggs—It is about 35. I am happy to give—

Mr Borthwick—Maybe I can say a little bit more. I think multipurpose centres were established in about 1991 and they were built around aged care facilities.

Senator WEST—Yes, they have been around for a while.

Mr Borthwick—They have been around for quite a while. They offered some health services built around aged care facilities. When the government decided to move to regional health services, that was a deliberate decision to put the emphasis more on the health side, rather than on the aged care services. It still can involve a basket of both sets of services, but it offers or can offer a broader set of health services than the old multipurpose services. So it has been an evolution over time to offer a broader range of services, but exactly what sorts of services are offered is dependent on the wishes of the local community and us in consultation with the states. So it is really an evolution—a broadening into the health arena and involving a broader pool, which the local community can draw upon.

Senator CHRIS EVANS—That is helpful, but do you confirm, therefore, that the multipurpose centre becomes the multipurpose service in 1998, which becomes the rural health centre in 1999 and becomes the rural health service in 2000? Or is one of those distinct and different?

Mr Borthwick—All of these are new services.

Senator CHRIS EVANS—I know that they have been revamped and whatever, but in terms of tracking what we are funding and what we are building, is one of these a stand-out, separate program?

Ms Davidson—We can still identify what is a multipurpose centre and what is a multipurpose service. As Ms Briggs said, whilst there are not new multipurpose centres, we are having new multipurpose services. So we do have a breakdown between those different models over time of what there is and what we anticipate there is going to be into the future.

Senator CHRIS EVANS—Do you have a table of that that you could table?

Ms Briggs—Yes. I am happy to table that.

Senator CHRIS EVANS—That would be very helpful.

Mr Borthwick—I think, as Ms Briggs said, the intention is to avoid all of this artificial description in the future. They will be called one thing. I think it is just a historical hangover that we have had this separation.

Senator CHRIS EVANS—I have people ringing me up asking me about a budget decision and what that means and, quite frankly, I have not been able to tell them. I cannot work it out.

Ms Briggs—The distinction relates primarily to provision of aged care places. It is not the government's intention as part of the regional health services 85 centres to have no additional aged care places as part of that. However, as Ms Murnane said earlier today, they are looking to see a sizeable portion of the new aged care places go to rural Australia.

Senator CHRIS EVANS—Do you have a table which sets out each of these initiatives and what is happening in the out years?

Ms Briggs—Yes. What we have is a table that shows, as of 16 May, what have been approved or are currently constructed, then approvals through to 30 June this year and then how they are projected through the forward estimates years.

Senator CHRIS EVANS—Are you able to make that available to us now?

Ms Briggs—If I could get it copied and have it brought back to me.

Senator CHRIS EVANS—Yes, I am sure the secretariat will be able to copy that.

Senator WEST—Last year I think there was a regional health centre proposal in that initiative. We were told there were going to be 30 in the budget from last year. When Senator Crowley and I ferreted through, we discovered that these were the ones where the community determined what it wanted and that there was one that had been set up in South Australia which had gone into an old supermarket or something.

Ms Davidson—At Blanchetown.

Senator WEST—That is it. Thank you. What program was it funded under?

Ms Davidson—It was funded under the regional health services program.

Senator WEST—And there were 25 or 30 announced in last year's budget, were there?

Senator CHRIS EVANS—Are you talking about rural health services or rural health centres?

Ms Davidson—Regional health services.

Senator WEST—There were 30 announced in last year's budget. I am getting nods from people behind you that that is correct.

Ms Davidson—That is correct. However, as you will see when you look at the table I am about to table, we have actually managed to get commitments for more than 30 as part of these arrangements.

Senator WEST—Yes, but it has now been kicking around for 12 months and what do we have? We have one in Queensland and one in South Australia operational. Is that correct?

Ms Davidson—That is correct.

Senator WEST—We have one planned for New South Wales and an MPS in Queensland that is being expanded into an RHS. That gives eight to Queensland, three in South Australia, six in WA, one in the Northern Territory and one in Tasmania. Is that right?

Ms Davidson—As of 16 May, we had 30 approved for regional health services but only two are currently operational.

Senator WEST—What has taken all the time?

Ms Davidson—There have been a range of issues. Under these arrangements, we have been negotiating bilateral agreements with the states. There have been difficulties in some states in finalising those. Also, we realise that the nature of the program itself, because it involves community consultation—the intention was to only establish services where there was a community desire for them—means that the process took longer than had originally been anticipated.

Senator WEST—Dear, oh dear, oh dear. I think we should go and read some estimates *Hansards* from last year. Following that, I had a minister and everybody else writing rude press releases after they had taken some of my questions out of context. Sorry.

Ms Briggs—A lot of the groundwork for the program has now been done. We are in a position to see quite a big acceleration in activity in 2000-01.

Mr Borthwick—There are a lot of services that are going to be in place by 30 June. Over the next few months, a large number are going to be finalised. We can give you details of those.

Senator WEST—Please, so we can be clear on just what is going on. In relation to the community consultation, how was that undertaken? I had concerns about this last year in that you actually needed to go and do the community development with the communities so that they understood that health does not equal acute beds and doctors, that there is a much broader aspect to it than that.

Mr Eccles—I recall your statements. It is something we are very aware of. It seems that often the opinion leaders believe that health is acute facilities and things. Often the mums and dads and people on the street view their health in a far broader context. Against that background, a lot of the work we have been doing varies from state to state. For example, in Queensland we have been working with our state health colleagues to undertake what is called a rapid needs appraisal process where we go and engage members of the community direct and work with local health professionals as well to provide them with a very broad context of health to give them the capacity to understand their health context in a broader sense. A very large number of the projects that have been approved by the minister to date surround small grants in the order of $20,000 to further undertake that work so we can then use the results of those needs assessments to develop the service related solutions.

Senator WEST—Thank you. The abuse I copped from a minister in another place in press releases was worth it. Thank you. I am happy about that. There was further funding announced in this budget for 80 rural health centres. Is that right?

Ms Davidson—That is correct.

Senator WEST—How many of those do you think will be operational by June of next year?

Ms Davidson—We are aiming to have another 10 up in the next financial year.

Senator WEST—So how many have we got running now? How many are going to be up and running by the end of June this year?

Mr Eccles—In terms of the regional health services, there are three services that will have contracts signed before the end of the week. There are 42 regional health services that have been selected and approved which are in the final stages of contractual negotiations. I am not sure what proportion of those will be up and running by the end of the financial year, but I would expect that approximately half of those would be up and running with contracts signed and services beginning before the end of this financial year.

Senator WEST—So that 42 is on top of the three that will be up by this week plus the two that are in existence?

Mr Eccles—No. That three includes the two. That includes the Queensland regional health service and the Blanchetown regional health service. There is an additional one in Meningie in South Australia that we expect to be up and running very soon.

Senator WEST—And the three are not included in the 42?

Mr Eccles—That is right.

Senator WEST—So that takes it up to 45?

Mr Eccles—Yes.

Senator WEST—When are we going to get to 85 then?

Mr Eccles—The 85 relates to initiatives that will begin to roll out from 1 July this year onwards. The 85 are a new vista altogether, a new set of services.

Senator WEST—So it is the 85 on top of the 45?

Mr Eccles—Yes. It is our expectation that within four years we would have close to 250 services, including previous multipurpose centres, multipurpose services and the regional health services, including the new 85 which will start coming on board on 1 July.

Ms Davidson—That is actually in the table.

Senator WEST—Right.

Ms Davidson—It will show you the new 85 as opposed to the existing ones. I refer to the table down the bottom. Those called 'RHS old' are the ones we already had funding for.

Senator WEST—I will take this away, digest it and probably come back to you.

[9.54 p.m.]

Outcome 6—Hearing Services

Senator CHRIS EVANS—I will start by asking a couple of budget related questions. It seems to me that this measure in the budget is brought about by the fact that we have had quite a massive blow-out of the cost of hearing services. Is that right? Since the voucher

system has been introduced, it seems to be in the order of 40-odd per cent of the total costs. Is that what has driven this latest budget measure?

Mr DeGraaff—I think the situation first of all with the budget is that in the last budget there was an increase in funding and that was to fund what was then an increase in demand for vouchers, based on what we were seeing in the budget year 1998-99. You will recall that at that time we were looking at about 150,000 vouchers being issued per year from 1999-2000 onwards. In any event, in 1998-99 there were a little over 139,000 vouchers issued, and for this financial year we are looking at about 120,000 vouchers being issued. The trend in demand that is evident in 1998-99 has not eventuated to the full extent, so the forward estimates have been adjusted according to what we are now projecting to be the demand for vouchers into the future. Coming back to the measures introduced in this budget—

Senator CHRIS EVANS—Before you do that, what were you saying about the global cost of the Hearing Services Program?

Mr DeGraaff—The global cost of the Hearing Services Program, because the demand for vouchers is lower than what we estimated in previous years, is reducing.

Senator CHRIS EVANS—That is a lot higher than what you estimated at the start, is it not?

Mr DeGraaff—The trends in 1998-99 were a lot higher than what we estimated coming into the voucher system—

Senator CHRIS EVANS—I would like to come back to when we introduced the voucher system, which was part of a series of reforms in hearing services. I think it was the last we heard of those reforms. I think there was legislation due also, was there not? That has not eventuated. But you are telling me that the blow-out in demand following the introduction of the voucher system has been brought under control; is that what you are saying?

Mr DeGraaff—It has certainly stabilised. At that time we were looking at two drivers for that increase in demand. The first was the introduction of the voucher system and the widening of the competition for vouchers to private providers. The second was the return of part-pensioners, who became eligible for the program in 1992-93. They came back into the program after having been fitted with a hearing aid for about four or five years.

Senator CHRIS EVANS—You mean that they started to demand services again because their hearing aids were due for replacement or repair?

Mr DeGraaff—And they had heard about the new system that had been introduced.

Senator CHRIS EVANS—You were going to tell me what drove the budget measure?

Mr DeGraaff—Those three budget measures were introduced to address other issues in the program other than that demand for vouchers. I might go through them quickly?

Senator CHRIS EVANS—I would be interested to hear about this. Naturally, I assumed that demand might be driving it. I will be interested if it is not.

Mr DeGraaff—The first measure, that is, the introduction of a rehabilitation item, has been introduced to provide the service providers with more options for clients who come in with a voucher, have their hearing assessed and are found to not need to be fitted with a hearing aid. This rehabilitation item provides a range of services for those clients to receive even though they do not get fitted with a hearing aid.

Senator CHRIS EVANS—What are those services?

Mr DeGraaff—For new clients, that is, clients who come to the program for the first time, those services will range from some auditory communication training, which would comprise hearing tactics and communication strategies. A good example of that is the service provider educating clients and their families about how to position people in a room so that they can see their lips when they speak—those sorts of strategies that these clients new to the program might not be familiar with. There is some auditory training and also some additional training on how to use telephones more effectively with their hearing loss. It also would involve providing advice and training to the client's family, their friends or people who help them so that they are more aware of what hearing loss means and how they can help that person to engage in communication.

Senator CHRIS EVANS—Who is going to provide those services?

Mr DeGraaff—Those services will be provided by qualified practitioners who are currently accredited within the program.

Senator CHRIS EVANS—Does that mean they are private providers who are accredited to you?

Mr DeGraaff—Yes.

Senator CHRIS EVANS—They are not in-house providers?

Mr DeGraaff—No, it would be the contracted service providers that we have in the program. There are about 128 of them, employing around 600 qualified practitioners. There are two professional groups there, audiologists and audiometrists. It is those qualified practitioners who will be delivering these services.

Senator CHRIS EVANS—How will you be referring people for those services?

Mr DeGraaff—As I said, in relation to those clients who come in with a new client voucher, a professional decision will be made by those qualified practitioners, if the client is assessed as not needing to be fitted with a hearing aid, as to whether or not they would benefit from those additional services, and we will prescribe the conditions under which those services are to be delivered to clients by the service provider.

Senator CHRIS EVANS—You will then contract that service out to them and they will charge you a fee for that service?

Mr DeGraaff—No, the rehabilitation item will become a service item on our current service item scheme. It will have a fee attached to it.

Senator CHRIS EVANS—For whatever service they provide?

Mr DeGraaff—Yes, but the services they provide will be prescribed by us to meet the clinical needs of that client.

Senator CHRIS EVANS—You mentioned a range of services and then you said there was one fee.

Mr DeGraaff—Yes.

Senator CHRIS EVANS—So for whatever you request them to do there is only one fee attached to it? I gather from what you are saying that you are offering a range of services. Are lip-reading courses and things like that envisaged under this rehabilitation item?

Mr DeGraaff—No, they are not. Those sorts of services are not provided under the—

Senator CHRIS EVANS—So there is quite a limited set of services under this rehabilitation item, is there?

Mr DeGraaff—It is a limited set of circumstances within the current program, yes.

Senator CHRIS EVANS—And you are going to define that service by regulation and so on, are you?

Mr DeGraaff—We will define that by prescribing the service that will be delivered and we will obviously prescribe a fee for that. That will be one fee. We will also pick up the delivery of those services in our audit and compliance processes.

Senator CHRIS EVANS—Have you set the fee?

Mr DeGraaff—It will be $150.

Senator CHRIS EVANS—Will that be $150 per rehabilitation service?

Mr DeGraaff—Yes.

Senator CHRIS EVANS—Is this measure likely to deliver savings as part of the overall savings?

Mr DeGraaff—Yes, it is. It will deliver a very small amount of savings, because there have been some cases where a client has been assessed with a low level of hearing loss but the provider has proceeded to a hearing aid fitting. The $150 service fee for this new service item is less than the cost of the fitting and the device.

Senator CHRIS EVANS—What is your estimated saving on that measure?

Mr DeGraaff—I am not sure that I have that here, but I can take that on notice.

Senator CHRIS EVANS—Perhaps you can take that on notice for me?

Mr DeGraaff—Yes.

Senator CHRIS EVANS—What is a low level degree of loss; is that defined?

Mr DeGraaff—About 20 decibels—frequently the average hearing loss—is a low level hearing loss.

Senator CHRIS EVANS—Where is that defined?

Mr DeGraaff—In the service provider contract we have clinical standards. The 20-decibel level that I just mentioned is not prescribed as a level above or below which you do or do not fit. It is simply a level that has stood within the profession where questions need to be asked about whether or not a fitting is appropriate.

Senator CHRIS EVANS—That is at 20 decibels?

Mr DeGraaff—Yes.

Senator CHRIS EVANS—What do you describe as low level for the purposes of your rehabilitation referrals?

Mr DeGraaff—It will not necessarily be prescribed in that way. It will be prescribed where the service provider does a hearing assessment and, as a result of that hearing assessment, it is decided that the client does not need to be fitted with a hearing aid. The level of decibel hearing loss is not the only factor that is taken into account in that.

Senator CHRIS EVANS—So you do not describe low level other than that it is where you do not think they need a hearing aid?

Mr DeGraaff—We do not really prescribe a lower limit for the fitting of a hearing aid at all.

Senator CHRIS EVANS—The words you used were 'low level of hearing loss'. I am just trying to understand what that means when your clients come to you. 'Low level' is to be interpreted as being where the clinical decision is that they do not need a hearing aid; is that right?

Mr DeGraaff—As I said, 20 decibels of hearing loss is generally accepted in the profession as the first point where you can make a consideration that a person with a hearing loss can be aided.

Senator CHRIS EVANS—And then you went on to tell me that you were not applying that level. I am not quite sure why you are saying that to me. Am I misunderstanding you? I thought you said that you were setting the level and that we were not to take that as a guide? Have I got that wrong?

Mr DeGraaff—No, that is correct, Senator.

Senator CHRIS EVANS—So as general information that is the industry accepted warning mark, but that does not apply to this measure at all?

Mr DeGraaff—No, it does not.

Senator CHRIS EVANS—So what applies to this measure is the clinical decision about whether they need a hearing aid or not.

Mr DeGraaff—Yes.

Senator CHRIS EVANS—If they do not need a hearing aid, they may or may not be referred for rehabilitation, depending on the clinical assessment.

Mr DeGraaff—Yes. The service provider who makes the assessment may or may not offer that client those services.

Senator CHRIS EVANS—And what determines that decision?

Mr DeGraaff—It is the clinical judgment of the service provider as to whether or not that client would benefit from those services or not.

Senator CHRIS EVANS—So why do you not do that now, if it is a matter of clinical judgment? What is different now? I would have thought now that, if a provider gets a person who comes in and does not need a hearing aid but needs some rehabilitation, they would refer them to that. Is that not correct?

Mr DeGraaff—No, that is not the case now, Senator, because this is a new item. Under the current arrangement, if the client came in and had an assessment and it was determined that they did not need to have a hearing aid fitted, they would essentially leave the program at that stage, because there are no other rehabilitation like services that we pay for.

Senator CHRIS EVANS—Clearly, because you think there is a saving, what you are saying is that some people who would have got fitted with a hearing aid who you do not think needed one will now get rehabilitation. That is fair, is it not?

Mr DeGraaff—That is correct.

Senator CHRIS EVANS—Okay. So you were going to tell me about the other two measures.

Mr DeGraaff—The next measure is the extension of the period between hearing assessments or hearing services voucher issue from one to two years. The data that we have on claims made for assessments indicates that, under the current arrangements, clients are being routinely assessed for their hearing loss every 12 months because they could get a voucher every 12 months. The audiological advice and audiological practice that I have indicates that yearly assessments are not required for most of the clients in our program and that two years is considered to be a reasonable period between assessments for most people.

Senator CHRIS EVANS—So why were you funding the yearly assessments in the first place?

Mr DeGraaff—The yearly term of a voucher was the term that was decided at the introduction of the voucher system back in November 1997. What we have found since then, as I said, is that clients have been routinely applying for the voucher every 12 months, because they are eligible to do that, that they have been receiving their assessments and that there really is not a need for most of our clients to have a yearly assessment for hearing loss.

Senator CHRIS EVANS—I am just wondering what has changed between when the policy decision was taken in 1997 that committed to the yearly assessment and now; what clinical evidence has changed?

Mr DeGraaff—It is just the number of people who are coming in and just routinely having a hearing assessment when they do not actually need it in a clinical sense. We have observed that trend from the monitoring of the data that we gather on the program. We have taken audiological advice about whether or not that is needed in a clinical sense and we found that it is not needed for most of the clients in the program and that for most clients it is reasonable to have a hearing assessment every two years.

Senator CHRIS EVANS—What is that audiological advice? Is that a report that you commissioned.

Mr DeGraaff—No.

Senator CHRIS EVANS—What is the basis of it?

Mr DeGraaff—It is advice from the audiologists within the Office of Hearing Services. There are seven of those on the staff at the office.

Senator CHRIS EVANS—So you did not commission a study, or a report written, or anything of that nature?

Mr DeGraaff—No.

Senator CHRIS EVANS—This was just internal advice?

Mr DeGraaff—Yes.

Senator CHRIS EVANS—And their advice is that the majority of your clients do not need to have the 12-monthly assessment. What about the minority? How are they handled?

Mr DeGraaff—Under the current arrangements, if there is a need for a client to have their hearing reassessed within the 12-month life of the voucher, the service provider can seek approval from the office and that arrangement will continue under the new two-year life of the voucher. So, if any client needs to have a hearing assessment—and that can be for a number of reasons: a sudden hearing loss; they might be involved in an accident or something like that—they go to their service provider and the service provider applies to us requesting a reassessment. We turn those requests around very quickly, because they are usually quite a

short time frame request, and we issue a manual voucher to that client at the point we make the decision.

Senator CHRIS EVANS—So they have to go to the provider and the provider has to then request the review?

Mr DeGraaff—Yes. It is a very simple process and most of those requests are turned around in 24 hours and the manual voucher is issued in that time.

Senator CHRIS EVANS—Why did you not move to a system of refits and battery issue just based on the demonstration of clinical need?

Mr DeGraaff—In order to establish whether or not a client needs to have further assistance from the program, they need to have an assessment. At this stage, the way the program is set up, under the eligibility criteria it is reasonable, we think, to have the client reassessed every two years, because hearing can change within two years. It is just an easier way for a client to come back into the program.

Senator CHRIS EVANS—But did you not provide the advice about one year originally?

Mr DeGraaff—No, I am not sure where that—

Senator CHRIS EVANS—I do not mean you personally; I mean—

Mr DeGraaff—No, I am not sure where that advice came from. That was an extant program, from November 1997.

Mr Podger—I suspect, Senator, though I cannot recall firmly, that the issue of an annual arrangement was not seen as something that everybody would then take up. But suddenly the entitlement turned into the practice. I do not think that there was at the time necessarily a judgment saying, 'Yes, we ought to have the majority going annually.' I think that it was seen as a voucher being made available annually. I cannot be sure, but I think—

Senator CHRIS EVANS—I am sure that is right, Mr Podger. I am just trying to see who was the author of this policy decision, or policy advice. In 1997 the government made that decision. I am just trying to understand what has changed and why there is a different view.

Mr Podger—I think the experience is that we have discovered that the practice is being driven by the entitlement rather than the clinical need and we are now reviewing the entitlement accordingly. It is just in the light—

Senator CHRIS EVANS—Obviously our concern now is to make sure that budget cost savings do not drive the new system rather than clinical need.

Mr Podger—That is right, but what we have put to the government, and the government has accepted, is that we will have rules which are much more closely linked to the clinical need and to limit this problem that we had had before.

Senator CHRIS EVANS—And it just also has the fortuitous result that it might save some money. Where are the savings in these two measures?

Mr DeGraaff—The savings in the extension of the voucher term to two years are small and they accrue mainly in the first year, that is next year, and then after that—

Senator CHRIS EVANS—Presumably, you get the one-off blip from them not coming back next year.

Mr DeGraaff—Yes, that is right, and then after that they tail off significantly in the end.

Senator CHRIS EVANS—Right. So where is the money coming from? You have got $4 million a year, have you not?

Mr DeGraaff—There is $4 million a year, or a bit over $4 million a year, in the out years. There is about $10.9 million next year for the measures taken together.

Senator CHRIS EVANS—So which is the big money measure?

Mr DeGraaff—The big money measure is the one that we have not spoken about yet, and that is the increase in the period between hearing aid refitting from four years to five years.

Senator CHRIS EVANS—Yes.

Mr DeGraaff—Under the existing clinical standards, clients should be refitted with a hearing aid only when they need it from a clinical point of view. What we found again through monitoring the program is that, under the current arrangements where refitting has to be specially requested inside four years, very few clients are being refitted within that four years, but when the four years are up there are a large number of clients who are just being routinely refitted. So we have decided to push it out another year, based on—

Senator CHRIS EVANS—I am not sure I understood that. I probably was not concentrating closely enough. Could you explain it to me again? What do you say—

Mr DeGraaff—Under the current arrangement, if a client needs to be refitted within a four-year period, the service provider applies to the office for that refitting.

Senator CHRIS EVANS—Yes.

Mr DeGraaff—And they have to justify that on a clinical needs basis. What we have found through monitoring the program over the last 2½ years of the voucher system is that there is a very small number of clients who get refitted within the four years but there is a very large number of clients who get refitted just after the four years is up.

Senator CHRIS EVANS—Are you saying that the clinical need does not drive the need for refit before four years but the entitlement after four years tends to focus the mind on refitting then? Is that what you are saying?

Mr DeGraaff—It is back to the same effect and trend that we saw with the vouchers in that the entitlement is providing the incentive to the service provider to do the refit rather than clinical need of the individual clients.

Senator CHRIS EVANS—And why will that not change to just doing it after five years?

Mr DeGraaff—We are hoping that there will be some behaviour modification by extending it to five years: one, because we have raised their level of consciousness on this issue by extending the period to five years; and, two, because we are going to ensure that we are more strict in checking during audits and compliance processes about the clinical justification for those refits, whether or not they have occurred within the new five-year period or after five years.

Senator CHRIS EVANS—What does best clinical practice tell you about refits?

Mr DeGraaff—Best clinical practice is to refit the client when the hearing aid they currently have can no longer accommodate their hearing loss.

Senator CHRIS EVANS—What do we know from international research as to what the average time or mean time for a refit of a hearing aid is? You chose four years and now you have gone to five years. Do manufacturers say they should last eight years? What is the reason for five years, apart from a price signal to the providers?

Mr DeGraaff—There is a reasonably well accepted benchmark in Australia and also internationally that current technology hearing aids remain serviceable for about five years. That is one of the lesser factors we took into account in deciding this measure. The issues are more around the clinical need, and that is that in a five-year period, if the client does not have a reassessment, of course, in that time, the hearing loss can have changed to the extent where the hearing aid they are currently fitted with is not able to be adjusted or reprogrammed to accommodate their hearing loss and they need to be refitted anyway.

Senator CHRIS EVANS—You are basically saying that the cost saving there is that you expect the majority of clients to come back after five years rather than after four as a result of this measure?

Mr DeGraaff—We are hoping that there will be some behaviour modification amongst service providers and that that will reduce the incentive for them to routinely refit after the five years.

Senator CHRIS EVANS—What is in the measure to do that?

Mr DeGraaff—The fact that, in the way we have prescribe how that measure is going to be introduced, we will emphasise that we are going to increase our vigilance in our audit and compliance processes so that we check more vigilantly—and they know that we will—the clinical justification for those refits when we do the audits.

Senator CHRIS EVANS—Can you take on notice the breakdown of which of those measures provides which savings?

Mr DeGraaff—Yes.

Senator CHRIS EVANS—Can you do that for the outyears as well so that I can get a feel for the effect of that one-off measure.

Mr DeGraaff—Yes

Senator CHRIS EVANS—Thanks for that.

[10.20 p.m.]

Outcome 8—Choice through private health

Senator CHRIS EVANS—Dr Wooding, what have you got to tell me? Do you want to tell me anything about the price of the 30 per cent rebate?

Dr Wooding—What would you like to know, Senator?

Senator CHRIS EVANS—I just thought you might like to get it off your chest and tell me.

Dr Wooding—What its estimates are? I can give you the revised estimates in the budget if you are interested.

Senator CHRIS EVANS—Is the evidence you gave to me in February still your evidence about the cost of the 30 per cent rebate?

Dr Wooding—We have revised the figures in the budget down slightly.

Senator CHRIS EVANS—I thought you had.

Dr Wooding—Also, there has been a redistribution of money from the tax estimates over into the outlays. We are finding a higher proportion of people are claiming through premium reductions than we had initially estimated.

Senator CHRIS EVANS—So you did want to tell me. Can you take me further? What is the new estimate?

Ms Briggs—The new estimate is $1,882 million. That is inclusive of both tax and outlays. That comprises on the outlays side $1,608 million and on the revenue side $274 million, Senator.

Senator CHRIS EVANS—I thought that was about $96 million more than Dr Wooding told me last time.

Ms Briggs—It is $34 million less, Senator.

Senator CHRIS EVANS—In the total?

Ms Briggs—Yes, in the total.

Senator CHRIS EVANS—I was looking at the expenditure. I gather that this is brought about by this change in the mix on the claiming, is it?

Ms Briggs—That is the primary reason. We are projecting as we go into the outyears that our tax draw in terms of the revenue is going to be about $120 million to $130 million less than we otherwise anticipated and that our outlays are going to be higher but not to the same degree. They will be about $90 million a year more.

Senator CHRIS EVANS—And those changes are based on what you experienced from claiming this year?

Dr Wooding—That is right, Senator, although this year is not quite complete. In fact, as we know, tax returns come in over quite a long period, so we will not have final figures for some time yet.

Senator CHRIS EVANS—I thought that, even to avoid talking to me about it, you might have just left them as they were. But it is still very much a best guess, isn't it?

Dr Wooding—It is a projection forward of a trend based on a pretty short period of information in the operation of the scheme.

Senator CHRIS EVANS—Do you have any understanding of why there would be a lesser take-up of the tax option and more of the rebate?

Ms Briggs—As I explained at the last estimates, Senator, this is something I have been expecting to see. I think it is entirely rational of individuals to take advantage of the rebate as soon as they can. They can take advantage of it when they actually pay their premiums up-front rather than wait until their tax return at the end of any particular financial year. There is a real up-front cash issue for most people.

Dr Wooding—There is a difference. Where people would be uncertain of their income and there was an income test applied, there might be more point in waiting. With this one with an income test, there is no benefit.

Senator CHRIS EVANS—There is no complication.

Dr Wooding—That is right.

Senator CHRIS EVANS—Have you revised any of your other underpinning estimates, or is that the only change that led to those?

Dr Wooding—That is the only substantial change, Senator. We will continue to monitor the situation.

Senator CHRIS EVANS—But you have not changed the target rate or any of those factors? That is all based on the 32 per cent?

Dr Wooding—No. As I said, the target rate of 33 per cent was in the original estimate. We revised that to a projection forward of a trend on outlays and actual costs. That is what we are still basing it on. We have a projection forward with an underlying increase of seven per cent per annum in the rebate outlays, which is the evidence I gave last time. So we are still leaving that trend in at this stage, but we are continuing to monitor it.

Senator CHRIS EVANS—Thanks for that. Ms Briggs, I know I ask you every time about the advertising figure, but what does the budget tell us about that lifetime health cover advertising figure?

Ms Briggs—We indicated at the last estimates that we would be able at this estimates to go through where the funds of $15.9 million were derived from. If I can take you through it, Senator?

Senator CHRIS EVANS—Yes, please.

Ms Briggs—In the 1999-2000 budget, there was an allocation of $9.65 million. In addition to that is $1.9 million, which we rolled over from the 30 per cent rebate advertising campaign. We had agreement from the Prime Minister that that should be folded into general advertising on private health insurance across-the-board. We have a contribution of $2.2 million from the department of finance and another $2.2 million which comes from two programs—the Pharmaceutical Benefits Scheme, which was an information fund, and funding from the national institute of clinical studies.

Senator CHRIS EVANS—Why was the money taken from those two programs?

Ms Briggs—In relation to the pharmaceutical one, it was deemed that it was not necessary to go forward with publicity in that area at that time.

Senator CHRIS EVANS—So that came out of their advertising budget?

Ms Briggs—Yes, that is right. I am not sure about the other one.

Dr Wooding—It was just an underspend.

Senator CHRIS EVANS—I presume that there was not an advertising budget for the national institute of clinical studies. I have not noticed their advertising.

Dr Wooding—No. It was departmental expenses. It was underspending.

Mr Podger—It is a new program; again, we took advantage of another program slowing and put the money into it.

Senator CHRIS EVANS—So that was pulled together to get to your $15.95 million, was it?

Ms Briggs—Yes, Senator.

Senator CHRIS EVANS—And there has been no change in the projections?

Ms Briggs—Not at this time, no, Senator.

Senator CHRIS EVANS—Is there any intention to continue this scheme beyond 30 June?

Dr Wooding—No, Senator.

Senator CHRIS EVANS—I have a couple of questions about regulations. During debate on the Health Legislation Amendment Bill (No. 3)—we seem to do about three health bills a

week in the Senate, so I may have that wrong, but I seem to remember it was the health legislation bill (No. 3). The government undertook to provide new regulations to have the effect this year of removing the exemption from the Medicare surcharge payment for people on an income above $50,000 who bought policies with excesses of more than $500. Has that occurred?

Dr Wooding—There has been no legislation to that effect yet.

Senator CHRIS EVANS—That was proposed to be a regulation, wasn't it?

Dr Wooding—Yes, I think it might actually—it would be legislation or regulation. I think possibly legislation.

Senator CHRIS EVANS—You think it might have to be legislation, rather than regulation?

Dr Wooding—Yes, that is my understanding.

Senator CHRIS EVANS—I do not mean to ask you a question you are not allowed to answer, Mr Wooding, or anyone else at the table, but are we aware whether that has been commissioned? I am happy for you to say—

Dr Wooding—I think that is a question I cannot answer.

Senator CHRIS EVANS—Mr Podger, do you know?

Mr Podger—No.

Senator CHRIS EVANS—I know the decision is a question for government. I guess I am asking: has that decision been taken?

Dr Wooding—There has been no decision announced.

Senator CHRIS EVANS—At this stage we think it would require legislation to meet that commitment and there has been no decision announced on that matter?

Dr Wooding—That is correct.

Senator CHRIS EVANS—Part of the discussion of lifetime health cover was again some position that the government would adopt regulations under these acts to exempt certain groups such as those who were overseas at the time of the cut-off on 30 June. Have those occurred?

Dr Wooding—Those are regulated and not been tabled in the Parliament.

Senator CHRIS EVANS—We agreed that they can be done by regulation. Have they been drafted? Again, I am not trying to ask a policy question; I am just trying to get a feel for: do we know whether there has been a decision to—Mr Podger, I am not trying to ask a question I am not allowed to ask. Has there been any announcement about those regulations?

Dr Wooding—There has been no announcement.

Senator CHRIS EVANS—No announcement, but I think the department's view is that that can be done by regulation?

Dr Wooding—Yes, I think—

Ms Briggs—Yes, Senator.

Senator CHRIS EVANS—Would it be necessary for those to be done by 30 June?

Ms Briggs—As I recall, the hardship provisions work over the first two years from 1 July 2000. So there is clearly a period of time there, but as you would expect, people are already asking issues about the hardship provision. So the sooner that we could introduce regulations around this, I think the better for all concerned.

Senator CHRIS EVANS—Otherwise I guess it would be retrospective for people overseas in the sense that when they come back it will be an issue rather than now. But there are other issues for some of those people now. Have you had applications for exemption under the hardship provisions?

Ms Briggs—We have.

Dr Wooding—You could not really call them applications because we have not issued regulations that explained, but we have had some correspondence from people.

Senator CHRIS EVANS—Are you treating that correspondence as applications? What are you advising them to do—to write back when you have the regulations, or are you saying that you will keep it on file as an application?

Dr Wooding—That depends on how much information is provided, but certainly we are aware of their existence and they would be potential applicants.

Senator CHRIS EVANS—I am not suggesting that you might not be able to get more information, but are you taking that as a registration of an applicant for exemption?

Ms Briggs—Yes, we are.

Senator CHRIS EVANS—Do you have any idea how many of those you have had?

Ms Briggs—150.

Senator CHRIS EVANS—Given that there is no regulation currently, what is happening in terms of advertising or publicising the availability of those exemptions?

Ms Briggs—In the absence of publicly known regulations, we cannot do that obviously. But we are, however, in the process for those people who have sent in these applications—we have acknowledged receipt of those applications.

Dr Wooding—The existence of a hardship provision has been identified in our information campaign—that there will be a hardship provision.

Senator CHRIS EVANS—It is another hardship to find out how it works.

Ms Briggs—Further to that, I am advised that we have also put some information on our web site about these arrangements.

Senator CHRIS EVANS—Get Senator West onto that.

Mr Podger—It is not necessarily a wise thing to say. We are going to have to learn how to handle these Senate estimates.

Senator CHRIS EVANS—I was going to suggest to the chairman that she close the hearing before Senator West finds the web site. I have no further questions.

CHAIR—Are there any questions on Outcome 9? If not, I say thank you to the minister, Mr Podger and all the officers, Hansard, the secretariat and honourable senators. The meeting is closed. It will convene again tomorrow morning at 9 o'clock.

Committee adjourned at 10.34 p.m.