COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

WEDNESDAY, 19 OCTOBER 2011

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Wednesday, 19 October 2011

Senators in attendance: Senators Adams, Boswell, Carol Brown, Bushby, Di Natale, Fierravanti-Wells, Fifield, Furner, Kroger, Ludlam, Macdonald, McKenzie, Moore, Polley, Rhiannon, Siewert, Singh, Waters, Williams, Wright and Xenophon

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS PORTFOLIO

In Attendance

Senator Arbib, Minister for Sport, Minister for Indigenous Employment and Economic Development, and Minister for Social Housing and Homelessness

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

Department of Families, Housing, Community Services and Indigenous Affairs

Mr Finn Pratt, Secretary

Ms Liza Carroll, Deputy Secretary

Mr Michael Dillon, Deputy Secretary

Mr Bruce Hunter, Deputy Secretary and Chief Operating Officer

Ms Serena Wilson, Deputy Secretary

Cross Outcomes

Ms Julia Burns, Group Manager, Corporate Support

Mr Anthony Field, Group Manager, Legal and Compliance

Mr Steve Jennaway, Group Manager, Business and Financial Services Group

Ms Donna Moody, Group Manager, Information Management and Technology

Ms Peta Winzar, Group Manager, Social Policy

Mr Dave Agnew, Branch Manager, Property, Environment, Procurement and Security

Ms Roslyn Baxter, Branch Manager, Indigenous Communications Project

Ms Tracey Bell, Branch Manager, Communications

Ms Katherine Costello, Section Manager, Climate Change Household Assistance

Mr Simon Crowther, Branch Manager, Compliance

Mr Scott Dilley, Branch Manager, Business Planning and Financial Governance

Mr Ty Emerson, Branch Manager, Social Security Policy

Mr James Fletcher, Acting Branch Manager, Public Law

Mr Scott Glare, Branch Manager, Infrastructure Services

Mr Allan Groth, Branch Manager, Strategic Policy

Ms Yvonne Korn, Branch Manager, Program Frameworks

Mr Andrew Lander, Branch Manager, Audit, Assurance and Risk

Ms Lynette MacLean, Branch Manager, People

Mr Gavin Matthews, Branch Manager, Indigenous Housing Programs and Services Branch

Mr Gary Michajlow, Acting Branch Manager, Property, Environment, Procurement and Security

Ms Marian Moss, Branch Manager, Commercial and Indigenous Law

Mr Kurt Munro, Branch Manager, Ministerial, Parliamentary and Executive Support

Ms Fiona Sawyers, Acting Branch Manager, Seniors and Means Test

Dr Judy Schneider, Acting Branch Manager, Research and Analysis
Mr Kamlesh Sharma, Branch Manager, Financial Accounting
Mr Bruce Smith, Branch Manager, Performance Management and Modelling
Ms Michalina Stawyskyj, Branch Manager, International
Ms Kim Vella, Branch Manager, Budget Development

Outcome 1—Families and Children

Mr Michael Lye, Group Manager, Families
Ms Cate McKenzie, Group Manager, Women and Children Policy
Ms Helen Bedford, Branch Manger, Children's Policy
Ms Jane Dickenson, Acting Branch Manager, Paid Parental Leave
Ms Elizabeth Hefren-Webb, Acting Branch Manager, Welfare Payments Reform
Ms Diana Lindenmayer, Deputy Branch Manager, Family Payments
Ms Meagan Petteit, Section Manager, Paid Parental Leave Branch
Ms Elizabeth Stehr, Branch Manager, Family Support Programs
Ms Janet Stodulka, Branch Manager, Family and Child Support Policy
Mr Andrew Whitecross, Branch Manager, Family Payments

Outcome 2—Housing

Mr Sean Innis, Group Manager, Housing, Homelessness and Money Management
Ms Leesa Croke, Branch Manager, Social Housing
Mr Leon Donovan, Branch Manager, Homelessness
Ms Kathryn Mandla, Branch Manager, Evidence and Planning

Outcome 3—Community Capability and the Vulnerable

Ms Amanda Cattermole, Group Manager, Problem Gambling Taskforce
Mr Sean Innis, Group Manager, Housing, Homelessness and Money Management
Ms Susan Black, Branch Manager, Problem Gambling Taskforce
Ms Robyn Calder, Branch Manager, Community Investment
Ms Robyn Oswald, Branch Manager, Money Management

Outcome 4—Seniors

Ms Peta Winzar, Group Manager, Social Policy
Ms Robyn Calder, Branch Manager, Community Investment
Ms Fiona Sawyers, Acting Branch Manager, Senior and Means Test

Outcome 5—Disability and Carers

Dr Nick Hartland, Group Manager, Disability and Long Term Care and Support Taskforce
Mr Evan Lewis, Group Manager, Disability and Carers
Ms Laura Angus, Branch Manager, Disability and Carers Programs
Ms Jill Farrelly, Branch Manager, Mental Health

Ms Jillian Moses, Acting Branch Manager, Disability and Long Term Care and Support Taskforce

Mr John Riley, Branch Manager, Autism and Early Intervention

Ms Sharon Rose, Branch Manager, Disability and Carers Payments Policy

Ms Michalina Stawyskyj, Branch Manager, International

Ms Karen Wilson, Branch Manager, Disability and Carers Policy

Outcome 6—Women

Ms Cate McKenzie, Group Manager, Women and Children Policy

Ms Fiona Smart, Branch Manager, Safety Taskforce

Ms Mairi Steele, Branch Manager, Women's Branch

Equal Opportunity for Women in the Workplace

Ms Helen Conway, Director, Equal Opportunity for Women in the Workplace Agency

Committee met at 8:31

CHAIR (Senator Moore): I declare open this supplementary hearing of the Senate Community Affairs Legislation Committee considering the budget estimates for the portfolios of Families, Housing, Community Services and Indigenous Affairs; and Health and Ageing. The committee has before it a list of the outcomes relating to matters which senators have indicated that they wish to raise at the hearing. In accordance with the standing orders relating to supplementary hearings, today's proceedings will be confined only to those matters—that is a very brave statement!

Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 5 pm on Friday, 28 April 2011 and the committee has set close of business on Friday, 9 December as the date for the return of answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need assistance, we have the secretariat officers with us. Are you wanting to say something in the middle of the opening statement, Minister? Please, go ahead.

Senator McLucas: I just want to clarify the time when questions have to be to the secretariat.

CHAIR: It is 28 October at 5 pm.

Senator McLucas: I thought you said October, sorry.

CHAIR: I will check that, because I am reading this. If I am seeing April for October I have need of the next lot of portfolio estimates.

I particularly draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

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

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

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

(1) If:

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

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

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

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

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

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

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

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

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

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

Please switch off mobile phones. I welcome Senator the Hon. Jan McLucas, the departmental secretary and portfolio officers. I want to put on record my appreciation to the officers both of FaHCSIA and of Health and Ageing for being so cooperative in enabling this session to work this morning. As you know, we have some questions for FaHCSIA at the start of the day usually reserved for Health and Ageing. Senator, do you wish to make an opening statement?

Senator McLucas: I would like to thank the committee for its cooperation in accommodating the need for us to be away tomorrow. I really do appreciate the committee's cooperation on that. Thank you.

CHAIR: Particularly the secretariat, for making that work.

Senator McLucas: Thank you.

Department of Families, Housing, Community Services and Indigenous Affairs

[08:34]

CHAIR: We will begin with outcome 5, Disabilities and carers. Do you have an opening statement, Mr Pratt?

Mr Pratt: No, I do not, but I would like to echo Senator McLucas's thanks to the committee for being flexible around arrangements and allowing outcome 5 to participate this morning. Thank you very much.

CHAIR: Mr Pratt, we want to start with questions around the NDIS generally in terms of the focus at this time as we are in that program. Then we will go through to the questions by the program areas. Is that okay with you?

Mr Pratt: That is fine.

Senator FIFIELD: I think this will be a bit of an NDIS free-for-all, given the interest we all have in it. Dr Hartland, an NDIS unit has been established within FaHCSIA, which you head up.

Dr Hartland: That is right.

Senator FIFIELD: What is the name of the unit?

Dr Hartland: I am the manager of the Disability Long Term Care and Support Taskforce.

Senator FIFIELD: Okay. That is the title of it. How many people are in the task force?

Dr Hartland: Around 20.

Senator FIFIELD: What funding has been allocated to the task force for 2011-12?

Dr Hartland: Just under $3 million.

Senator FIFIELD: Does that $3 million come from the $10 million which was announced by the Prime Minister in August?

Ms Moses: $1.7 million of that is from the $10 million.

Senator FIFIELD: And the balance of the money?

Ms Moses: $8.3 million has been provided for consultancy and specialist advice.

Ms S Wilson: The balance of the $3 million—if that was your question—has been reallocated from internal funding. In fact, the $1.7 is also a reallocation of internal departmental funding.

Senator FIFIELD: So none of Dr Hartland's task force is being funded by the $10 million? I am confused.

Ms S Wilson: No, the $10 million comprises—

Senator FIFIELD: Some money which was reallocated from FaHCSIA?

Ms S Wilson: That is correct. Essentially, we have reallocated within the department from other priorities. We have looked at our overall departmental budget and made a decision about what the priorities are across the department. The Disability Long Term Care and Support Taskforce—is a new priority so we have reallocated within existing resources of departmental funding.

Senator SIEWERT: What I want to know is: what is not being funded now that this is being funded? What was a priority but is not now, because of this? I am not saying that this should not be a priority but I want to know what else—

Mr Pratt: Perhaps I can help on that. We will be able to talk about this in detail tomorrow across the portfolio if you wish. We will have all of the corporate people here. Essentially, the way we establish the budget is that we look at the money that is available to us for the financial year from government. We ensure that we have adequate resources for the top priorities and, essentially, we try and cut our cloth on that basis. So, while there will be a few things that we will be able to talk about in terms of things we stop doing, do less of or slow down, really the extra $1.3 million comes off the top.

Senator SIEWERT: Well, the $10 million comes off the top—

Senator FIFIELD: How much of the $10 million is new money?

Mr Pratt: The $10 million is reallocated funds from across the departmental funds and administered funds.

Senator SIEWERT: We will talk about that tomorrow. I am happy to do it if the people are there tomorrow, but I want to go into it in a bit more detail tomorrow.

Mr Pratt: Certainly.

Senator FIFIELD: Mr Hartland, your unit, I assume, has a role in developing the high-level principles.

Dr Hartland: They have principally been developed between discussions with the Department of Prime Minister and Cabinet and their colleagues in the departments of premier and cabinet, but we have had a lot of conversations with PM&C and provided input to their process.

Ms S Wilson: That work was led by the first-ministers departments because COAG agreed that some high-level principles would be developed to guide the work of the select council. So first-ministers departments chaired by PM&C got together a small group, but that work happened in consultation with us. Similarly, in the jurisdictions I understand it happened in consultation with the line agencies there.

Senator FIFIELD: You said, 'happened'. That makes it sound as if the high-level principles have been completed.

Ms S Wilson: They are in the process of being agreed. They have been agreed at officials level and are in the process of being considered by first ministers in each of the jurisdiction and within the Commonwealth.

Senator FIFIELD: Dr Hartland, could you perhaps briefly outline the role of your task force versus the role of the COAG select council which I think is meeting this Thursday?

Dr Hartland: The task force is a group of Commonwealth officials that will effectively work to the select council and also support the minister in her policy development role in the Commonwealth government. The task force will also do a lot of the grunt work to support a senior officers' working group that will support the select council.

Ms S Wilson: In a nutshell, I guess you could describe it as—it will be the lead policy group in the Commonwealth. It supports an interdepartmental committee. It supports also the Commonwealth's participation in the senior officials' working group.

Senator FIFIELD: You said it supports an interdepartmental committee. What is the interdepartmental committee?

Ms S Wilson: There has been an interdepartmental committee on disability long-term care and support, which has met and will continue to meet as we work on these issues. I chair that committee. I also jointly chair the senior officials' working group, which is the Commonwealth state officials reporting to the select council. I jointly chair that with Nigel Ray from Treasury and it is comprised of representatives of disability agencies, treasuries and first-ministers departments. We have been meeting, for example, to prepare the papers for the select council meeting.

Senator FIFIELD: Could you provide to the committee a diagrammatic representation?

Ms S Wilson: We can give you a governance diagram, certainly. We will take that on notice.

Senator FIFIELD: That would be helpful. Dr Hartland, is part of your brief looking at the issue of funding and how an NDIS may be funded or is your brief primarily design issues, separate to funding?

Dr Hartland: We will be providing advice to the minister across the full range of policy issues that she will have to consider as she works through issues associated with the National Disability Insurance Scheme. The focus of the work at the moment is on what COAG expressed as foundation reforms and working with our state colleagues to develop the elements that you would need to have worked on to be able to launch a scheme in mid 2013. But the task force will provide advice to the minister on the full range of issues that she feels she needs to consider.

Senator FIFIELD: Have you specifically been asked to look at funding issues as yet?

Mr Pratt: Yes, funding is one of the issues covered by the Productivity Commission report. As indicated by Dr Hartland, this is one of many things we are advising government on and there will be other people who will also be advising government on issues like funding—central agencies, Prime Minister and Cabinet, Treasury and finance—and these will be issues that need to be worked through with the states and territories as well.

Senator FIFIELD: Dr Hartland, is your task force also looking at the National Injury Insurance Scheme? I know Mr Shorten has a role in that. Is your task force the primary advice provider across the range?

Dr Hartland: No, the primary advice on the National Injury Insurance Scheme will be from Treasury to Mr Shorten.

Senator FIFIELD: They are being separately supported.

Ms S Wilson: I think it is worth identifying that the interdepartmental committees' senator will consider the NIIS as well as the NDIS. So we are ensuring the work happens in a way that is connected and the common membership of Treasury ensures that as well.

Senator FIFIELD: There was a report, I think in one of the Sunday papers on 16 October, that Minister Macklin was going to be putting it to her state colleagues that she wanted the foundations for an NDIS to be brought forward to 2013. Is that the case?

Ms S Wilson: I think you might be referring to a press article that was in the *Sun Herald* on 16 October?

Senator FIFIELD: Yes—by Stephanie Peatling.

Ms S Wilson: That is correct. I have that in front of me, and it is correct that the press article cites that the minister desires to get the work done quickly so that, by the middle of 2013, we would be in a position to launch, in a range of geographic sites, the NDIS. So it is about getting the foundations ready for that to be possible.

Senator FIFIELD: I may have missed it, but I do not think I previously heard anyone in government actually commit to launch sites. I note that was in the Productivity Commission's time line. I may have missed it, as I say, but I am not aware that anyone from government has committed to launch sites.

Dr Hartland: The specific sites—

Senator FIFIELD: Not to specific sites, but to having launch sites.

Dr Hartland: have not been announced.

Ms S Wilson: At the launch of the Productivity Commission's report, the Prime Minister and the minister talked about starting to build an NDIS and getting ready for a launch. The date of mid-2013 was not mentioned at that time. That is the date that we have been working towards in our discussions with states and territories, preparing a work plan to be considered by the select council.

Senator SIEWERT: As to these sites, you are moving away from the idea of trials or pilots and it is now going to be a small-scale version of a larger NDIS?

Ms S Wilson: The Productivity Commission's final report moved away from the language of 'trials' and used the language of 'launch'. The experience in launch sites would of course inform the broader refinement of the scheme and its incremental rollout, so they will be very important. But the terminology that was used in the final report was 'launching'.

Senator SIEWERT: How many sites are we talking about? Has that been refined?

Ms S Wilson: No. There has been no decision on that as yet.

Senator SIEWERT: So part of your process is defining where the launch sites will be?

Ms S Wilson: We will have to agree where launch sites would be, yes, once ministers are satisfied and select council and COAG are satisfied that the foundations are ready to be able to launch.

Senator SIEWERT: Is part of the foundation and of the process identifying what the criteria will be for the launch sites, and a time frame?

Dr Hartland: It may not exactly be a selection process with criteria because it will involve working with the states and territories. But, effectively, as part of the work with the Commonwealth and states and territories, there will be a process for identifying what would be an appropriate site to launch, whether the infrastructure is in place to do that and what needs to be done to be able to start a different way of doing disability care and support in that site.

Senator SIEWERT: What I would like to know is: how are you going to refine that? I know that already there are regions saying, 'We want to be a launch site,' and some seem to have pretty good cases already. So how do you do that so you ensure that those sites are going to be effective as launch sites and you are not getting a bidding war between various regions?

Ms S Wilson: You are correct: that is work that will need to occur. It has not started yet. It will happen and we will need to work with the states and territories, with the advisory group that has been established to support the select council and with other expertise to determine how you design a launch and what criteria you use to select sites. But we have not done that work as yet.

Senator SIEWERT: I would have thought that also goes hand-in-hand with the issue about building up and ensuring we have services that are ready to be part of that process. Surely you are going to have to identify the sites fairly early—presumably you will want to prioritise—so you can ensure that those services are ready to go.

Dr Hartland: Yes, Senator.

Ms S Wilson: Yes, Senator.

Senator SIEWERT: Where I am going is: how soon will you make that decision on the launch sites and the criteria?

Dr Hartland: The actual announcement will be a matter for ministers. I do not think we have a definite time line yet that would go to the identification of the launch sites. We are aware of the need to start work in the areas that will effectively be the launches early to make sure that the service response is there—not just the service response but so that the people in the area know what is happening. As you might appreciate, a whole series of things would need to be done. We are aware of the time line.

Senator SIEWERT: That is what I am trying to get to: what is the time line for that? If you do not have one, how soon will you be setting that so that you can get that process going?

Ms S Wilson: We have a work plan that went to ministers on Thursday for consideration. They have not considered that as yet. That is dependent upon the decisions they make about their work plan, their forward schedule in the select council, and then providing that advice back to COAG. We are mapping the likely decisions that would be required at which points in time. It is a matter for ministers to agree that that is the schedule that they want to sign up to.

Mr Pratt: Senator, your premise is correct. This is work that we will have to do very early with the states and territories.

Senator McLucas: Our focus very much at the moment is on the work that we need to do around the foundational reforms.

Senator SIEWERT: Has the select council signed off on the 2013 date?

Ms S Wilson: No.

Senator McLucas: The select council meets tomorrow.

Senator SIEWERT: The date that we have been talking about, 2013, is a date that the minister has outlined but it has not yet been signed off by the council. Is that right?

Senator McLucas: The select council meets tomorrow and that is part of the deliberations of the select council.

Senator FIFIELD: Regarding the advisory group—I know the parliamentary secretary opened the inaugural meeting of that group—have those appointments now been finalised?

Ms S Wilson: Yes, Senator.

Senator FIFIELD: We know the advisory group has had one meeting, courtesy of the parliamentary secretary's press release, but what work has the advisory group done to date?

Dr Hartland: They met yesterday. They had a discussion with the senator about the need for reform and a discussion about the nature of the tasks that have been put in front of them. They talked a bit about their remit, the way they would operate and their terms of reference, and they reviewed the material that is going to go to the select council on Thursday so that they could provide advice to the select council.

Senator FIFIELD: The advisory group is going to be undertaking committee workshops, I understand—is that correct?

Ms S Wilson: The advisory group has three roles: broad stakeholder engagement and communication; providing advice on the foundation reforms and their appropriateness and progress against them with respect to being ready for a launch; and advice on any other matters that the select council seeks their advice about. Yesterday they agreed to meet twice more this year and they provided some feedback on the material that is going to the select council, which the chair of the advisory group, Dr Harmer, will speak to at the select council meeting on Thursday.

Senator FIFIELD: So they have had some input into the development of the high-level principles?

Ms S Wilson: The principles?

Senator FIFIELD: I know the principles are being done by the first ministers' departments, and we have the group of ministers meeting this week. The ministers themselves and the advisory group do not have any formal role in helping form the high-level principles?

Dr Hartland: The principles will guide the work of the select council.

Senator FIFIELD: I get that.

Dr Hartland: As has happened in the Commonwealth, there has been a thorough coordination around the Commonwealth's input on the discussion of the principles. This department and our minister have been assisting the Department of the Prime Minister and

Cabinet with the discussions of the principles with their colleagues. We understand that has also happened at the state level. The advisory group has not been asked for their views on the principles.

Senator FIFIELD: And they will not be?

Ms S Wilson: No. The formal process agreed by COAG was that principles would be developed to guide the work of the select council. Those principles, subject to them being agreed by first ministers, very much reflect the values that were in the Productivity Commission's report and the design issues and considerations. I would have confidence that, given the discussion that we had with the advisory group on the foundation reforms yesterday, the principles would be concordant with the views and concerns of advisory group members—for example, person-centred approaches and those sorts of things.

Mr Pratt: To sum up on that, the advisory group does not have a role in determining the principles. Clearly, it will provide advice to the select council and to us on how we might develop and implement an NDIS consistent with the principles. But the advisory group of course is open to provide advice on whatever it sees fit—and, knowing the members of the advisory group, they will probably do that.

Senator FIFIELD: So this Thursday we have the COAG select council and on Friday there is a ministerial council. Is that correct?

Ms S Wilson: That is correct.

Senator FIFIELD: Does the ministerial council on Friday look at any of the matters that have been to the COAG select council, or are they two separate processes?

Dr Hartland: They are separate. Some of the work that will be done under the auspice now of the select council picks up work that was previously being done as a part of the National Disability Agreement, and the standing council will need to recognise those changed arrangements. So it will have a discussion on that issue but, once that settles, work on the National Disability Insurance Scheme will be done solely through the select council.

Senator FIFIELD: Will the select council issue a communique after its meeting on Thursday? Is that the anticipation?

Mr Pratt: That will be up to the select council to determine.

Senator FIFIELD: Have you already presented a draft communique?

Mr Pratt: I do not know.

Senator FIFIELD: I know these communiques are always drafted in advance and then tweaked on the day.

Mr Pratt: I am sure we always have a back-pocket communique somewhere, but whether or not the select council will issue one I cannot say.

Senator FIFIELD: That gives me cause for hope that it will.

Senator CAROL BROWN: With the select council meeting tomorrow, you said that the foundation reforms will be on the agenda. We have had a chat about the Productivity Commission's deadline of 2013. What sort of deadline will the states and territories need to have to have their work completed to meet that 2013 deadline?

Ms S Wilson: Firstly, the Productivity Commission did not have a start date of 2013 in their final report for a launch; their date was in fact 2014—mid-2014. Minister Macklin has signalled the Commonwealth's interest in launching earlier, as reflected in the press article at the weekend, and certainly a number of jurisdictions have said, 'We're keen to go as soon as possible and launch and test.'

The select council will be considering a range of deliverables within those foundation reforms and dates against those deliverables, which are the map of what it would it take to get things in place to be ready for a launch. So there is a work plan across the foundation reforms that is worked through deliverables and milestones. That is part of what the select council will be considering tomorrow.

Senator CAROL BROWN: Can we expect to come out of the select council some sort of deadline for states and territories if we are to meet a 2013 deadline?

Dr Hartland: There will not be any single deadline, because there are a number of strands at work. There are a number of things that have to be done, and they will have different deadlines and different sequencing. I think it is up to the select council, as we discussed in relation to the communiqué, as to what they say after their meeting, but certainly they will need to agree on a map and a timetable for officials to work to.

Senator CAROL BROWN: But there will have to be an end date.

Dr Hartland: There will be a number of end dates, because there are a number of things that have to be done—

Senator CAROL BROWN: What is the latest end date?

Dr Hartland: so I am just saying that, say, March 2013 is not going to work, because there will be some end dates that are earlier, some that are quite close in to mid-2013, so—

Senator CAROL BROWN: But you will have to set some dates—

Dr Hartland: Oh, yes.

Senator CAROL BROWN: whether they become flexible or not.

Ms S Wilson: The work plan going to the council has a range of dates against key bits of work that would be required to get things in place so that a launch could occur. So, for example, having an assessment toolbox that has been validated and there is confidence would work. That is one of the things that one could envisage as necessary.

Senator SIEWERT: Could I go back onto that process of the assessment toolbox. Presumably what you have got is, yes, there needs to be an assessment tool developed and there will be a process for developing and agreeing.

Dr Hartland: Yes. There are a number of steps, so—

Ms S Wilson: But that is a key piece of work. That is certainly the case, Senator. And we do not use the language of 'an assessment tool', because the likelihood, consistent with the PC's recommendation, is that you will need a toolbox or a range of tools, because of the nirvana of one single one is probably not there.

Senator SIEWERT: Yes. I know that is causing some concern in the community. Obviously that is a key element of this. It is essentially 'who is in, who is out'—that is how a

lot of people are seeing that process. Is that process going to be an overarching process that presumably has to be happening at the same time as all these other things are happening?

Dr Hartland: Yes.

Senator SIEWERT: And what is the time line that you propose for developing that?

Dr Hartland: I think we are a bit in the hands of select council before we talk about specific dates. But I think it is probably safe to say that, if you stepped back and thought about what would need to be done, you would have to take a number of steps before you were confident you had an appropriate national toolbox. The first step is reviewing what is available, looking at best practice, then there will have to be a process of making decisions about what you would want in a national toolbox validating that. All these strands of work have a number of dates and milestones.

Senator SIEWERT: Development of that is going to take an investment of resources.

Dr Hartland: Yes.

Senator SIEWERT: Does the investment of resources come out of the $10 million that is being set aside for this?

Ms S Wilson: We have identified the need for some of those funds, and we have some propositions with the minister about where those funds would be deployed, which include funding expert advice or validation, testing or those sorts of things that would be required for several bits of work. It is worth noting that some of these foundation reforms have already commenced under the National Disability Agreement, or they pick up pieces of work that are commenced under the National Disability Agreement. Not all of them are starting afresh, so yes, there will be a need for some resourcing, and we have some propositions with the minister in respect of that.

Senator SIEWERT: With all due respect, that did not answer my question about whether it is coming out of the $10 million or not.

Ms S Wilson: Some of it will, yes.

Senator SIEWERT: Okay. Is the assessment toolbox process one that has already been established—

Ms S Wilson: Yes. At the last meeting of the committee of the services and disability ministers' council, it was agreed that this was an important early piece of work even though we hadn't got the final report of the PC, so some work commenced at that time on the assessment issue.

Senator SIEWERT: On that one, will the advisory committee be involved and/or will you have an expert group that is associated with developing that particular assessment toolbox?

Dr Hartland: Certainly the advisory group will be interested in all of the reforms, and so we would expect that they would want to look closely at that one in particular because it is so important. Whether or not there is an expert group has not yet been decided but—

Ms S Wilson: It is certainly possible. The advisory group wanted to get some more information about where the work was up to in respect of the foundation reforms before they made a decision about which they thought needed additional expert groups and so that is something they will consider at their next meeting, I believe.

Senator SIEWERT: In terms of the breakdown, can we very quickly go back to the allocation of the resources, the $10 million. The $1.7 million was for the department and $1.3 million—or have I got it the wrong way around?

Mr Pratt: It is right on both counts.

Ms S Wilson: So we have around $2.9 million for the department or just under $3 million. Both the $1.7 and the $1.2 million are for departmental funds, so they are departmental funds being deployed for the task force and its work.

Senator SIEWERT: The $1.2 million was for getting independent—can you just explain that a bit or was it the other way around, I beg your pardon?

Ms S Wilson: Sorry; I do not understand your question, Senator.

Senator SIEWERT: When we were talking about this before, I think Dr Hartland was breaking down what that money was being used for, and I am trying to pursue that. I thought you said that $1.7 million from the $10 million was for—

Ms S Wilson: No. Sorry, I have probably confused you.

Senator SIEWERT: That is not difficult.

Ms S Wilson: So the department had already identified ahead of the final report coming out that we would need to set up a task force and made a decision to invest an amount in it, which was $1.7 million. When the final report came out and we looked at the work that was involved, we reviewed internally within the department what was required for this work and made a decision to increase the investment to just under $3 million dollars, and so that is how the $1.2 million and the $1.7 million hang together.

Mr Pratt: Just to complicate things, I guess you could now say that the amount of money which is being attributed to this early work in this financial year is now effectively $11.3 million. There is the original $10 million, which had $1.7 million from departmental funds and, on the basis that Ms Wilson made a very persuasive case about needing extra resources, I found another $1.3 million for that purpose.

Senator SIEWERT: I do not think I am as thick as I first thought I was; I think that wasn't clear from what the explanation was first off.

Mr Pratt: Our apologies, Senator.

Senator SIEWERT: In terms of—and I will go through some more of the detail of that tomorrow—what the rest of the money is being spent on, Ms Wilson, when you were talking earlier about the money that has been allocated to the assessment toolbox et cetera, presumably that is part of that brief that is going to the select council or can we explore that a bit? I am trying to work out what we can explore and what you will tell me is: 'I can't tell you yet because it is going to council.'

Ms S Wilson: So we have some recommendations with the minister about where the $8.6 million would be spent. She has not as yet made a decision, but we have costed those foundation reforms that we believe we will need to buy some expert advice in for and we will need some money for field testing or whatever it is. Those decisions are yet to be made by the minister. In terms of what the select council considers, they will not be considering specific resourcing propositions; they will be considering the work and the milestones, and the resourcing discussion, I guess, will happen subsequently.

Senator SIEWERT: I am presuming I am still unable to discover that because it is advice to the minister, and at the moment the minister has not made a decision?

Ms S Wilson: That is correct.

Senator McLucas: It is also predicated on the deliberations of select council.

Senator SIEWERT: All right—so I will need to explore that later. When the announcement was made with the Productivity Commission's final report there was discussion and comment on the need to ensure, and we have touched on it this morning, that services are available. How much are you going to be recommending, particularly in the potential launch sites? Or is this a separate process?

Dr Hartland: It is a bit early, I think, to talk about specific allocations; but we are aware that this is a major change for governments and service providers. We are aware of the need to work with services. If you look at the world the Productivity Commission envisages, it is quite a different world for service providers. They may have talked to you as they have talked us about the major change that this would involve for them, and we are aware of the need to take them from where they are now to a new world.

Senator SIEWERT: So none of the $10 million is being used for that? That will be a separate allocation of resources?

Ms S Wilson: Separate decisions will have to take place around that. The $10 million is just for this financial year and it is just around doing this foundation and related work. If you look at the Productivity Commission's proposed roll-out, they had incrementally-increased funding associated with a launch. Ministers and governments are yet to make those decisions, but that will have to be a piece of work that is done and that identifies, in addition to what resourcing decisions have already been made, what would be required to do a launch.

Senator SIEWERT: If you can pull it off, I think it is great pulling it forward, so this is not meant to be a criticism. The time lines are changing from what was proposed through the Productivity Commission Report, and I am just wondering, therefore, what different decisions you are going to be making to match that accelerated time frame.

Dr Hartland: We are developing a work plan that will map the steps to get to 2013. I think the Productivity Commission had a very broad online but did not map it in the sense of April, May, June—

Senator SIEWERT: Yes.

Dr Hartland: We are effectively starting with a clean sheet of paper. That is probably not the right word, but—

Senator SIEWERT: I know what you mean.

Dr Hartland: So it is not that we are changing a map that the Productivity Commission already had; it is that we are developing a map to get to 2013. I have just one thing about the $10 million not going to the change of the services: stepping aside from the uses of the $10 million, which we have talked about—and that is in the hands of the minister—the work that we are doing at the moment is the first steps towards engaging with services to bring them to the new environment. It is not a black-and-white issue of, 'We're not doing anything that leads to services now,' and—holy hell!—two months before the launch of the scheme we will suddenly start talking to people. We are actually working on the elements that would allow us

to engage with services at the right time now. I did not want to say that we are not doing anything that leads to that.

Senator SIEWERT: Yes, I take your point.

Ms S Wilson: Sector and workforce capacity are issues that the PC report identified, including the significant change that would be required of existing services and the opportunity for new forms of service provision to grow and become available under a radically different approach to disability care and support. That is clearly one of the pieces of work that we need to pursue: how you bring the current sector with you and have them ready and how you look at additional—more innovative or more diverse—ranges of service provision.

Senator SIEWERT: I want to explore this in terms of HACC services and other community services. Can we identify, Chair, where on the agenda we do that? I always get this—

Ms S Wilson: HACC is not us.

Senator SIEWERT: I know, but what I am trying to look at is the fact that there are changes to HACC services coming, there is still—

CHAIR: I would imagine it is in 5.4, but I—

Senator SIEWERT: I might explore some more. I understand exactly what you are saying but there is also ongoing service provision now and there are changes to HACC services there. I want to explore how that is all integrating.

CHAIR: That could be 5.1, targeted services for community care.

Dr Hartland: No, HACC are not directly funded by this department, nor indeed by our SPP but, after the reforms envisaged in health, reporting on HACC will be included in the National Disability Agreement. So we will have a relationship with them but it is not like our relationship to Australian disability enterprises.

CHAIR: Those particular questions may not be relevant here.

Senator SIEWERT: I think they belong somewhere else, but it is absolutely critical. Isn't it a key part of what you are doing as well?

Ms S Wilson: We are doing some work with the Department of Health and Ageing arising out of the health reform agreement which goes to the transition of HACC to the over-65s and the under-65s in terms of what happens in the aged care space and what happens in the community care space for people under 65. That does relate to the National Disability Agreement in that the National Disability Agreement will pick up reporting on the provision of services for people with disability under 65-years-old who were previously HACC clients. But the question about the HACC transition—because the SPP in those jurisdictions that have agreed to it is transitioned to these new arrangements, Health is responsible for the actual HACC transition and the NDA will only pick up the reporting on the effort. Because it has been a Commonwealth-state program with state contributions and Commonwealth contributions to HACC, there will not be a direct line of funding from the Commonwealth in respect of community care for people under 65 who were previously HACC clients, because that will be held by the states in future. I do not know if I have explained that very well.

Senator SIEWERT: As well as could be expected. My concern here is that now we are going into the brave new world of NDIS and we are talking about improving service provision and making sure they are up to speed. How does that integrate? What is the process for integrating that with the current system—and the divide at 65?

Dr Hartland: The divide does work, because the NDIS will be for that. So, in a sense, what has happened is that there is now clearly a set up disability services for people under 65 that are in scope for reform. We are starting on the process as part of the NDIS to look at what has to happen for these services. We know we need to engage with them but it is a bit early to be specific about exactly what, how and when. It does fit with the health reforms in the sense that it is now clear there is a focus on services for people over the age of 65, that is integrated end to end with Commonwealth and state efforts—previous state efforts—and we now have a capacity to look at services for people with disability under the age of 65 as a whole. So, it does make sense to us, but we are still at the early stages of mapping how we engage with HACC services—what falls in, what falls out of an NDIS and how the new system will work.

Ms S Wilson: That goes across broader than HACC services, because the PCs proposal for an NDIS has these different tiers. Tier 3 is the funded packages, or the funding for packages, for people with severe, ongoing disability with a need for support. So a key question for us in working on an NDIS will be the eligibility criteria for that tier of support and what other support will be ongoing and necessary outside of that tier. So that goes to the question of broader community care and, potentially, intersections with the current HACC client group and a whole range of other issues. So we will need to work through that. We do not have definitive answers on that as yet but we are mindful that that is part of the design work that we are going to have to do. I hope that is a bit helpful.

Senator SIEWERT: Yes, it is. Obviously I will keep following this through estimates. My final question is about the Productivity Commission recommendations on the age care reforms, which are also pretty fundamental changes. Has that been factored into that process as well?

Ms S Wilson: We are participating in supporting the health department in their work on age care reforms. We are on an interdepartmental committee, for example. We have been having discussions with health colleagues about the boundary issues and the interactions between age care reforms and NDIS. So those sorts of system interactions and boundary issues will also be part of the design work that we have to do.

Senator SIEWERT: Thank you. I could spend all day asking you questions about that but I had better shut up.

Senator McLucas: Senator, could I just point you to the press release that was put out on the day that we launched the Productivity Commission's report, where we identified that sector capacity and work force capacity were two key issues. I want to assure you that we are across all of those issues that you are raising, particularly with respect to the interface with age care. We are working very hard to deal with the issues that you are asking about.

[09.22]

CHAIR: We will go to program 5.2, disability support pension.

Senator FIFIELD: Good morning. I guess we should start with the latest figures on the numbers of Australians on the DSP.

Ms S Wilson: As at June this year, the DSP population was 818,850.

Senator FIFIELD: And the breakdown for male and female of that figure?

Ms Rose: Males accounted for 54.5 per cent of that number; females, 45.5 per cent.

Senator FIFIELD: Of that 818,000-odd, how many are in the musculo-skeletal category?

Ms Rose: That is 28.2 per cent.

Senator FIFIELD: How many are in the psychological/psychiatric category?

Ms Rose: That is 29.5 per cent.

Senator FIFIELD: The percentage in the intellectual/learning category?

Ms Rose: The percentage in that category is 11.8 per cent.

CHAIR: On the list that has been passed over is there an age breakdown?

Senator McLucas: Yes. We might have a look at the document and provide it to the committee as soon as we can.

Senator FIFIELD: I am sure you will be able to table some version of that before we finish today.

Ms S Wilson: We will.

Senator FIFIELD: If there is any additional information, I will put those questions on notice. I move to the impairment tables. The department would be aware of the work done by members of this committee on the impairment tables. I am not one of the members who did that work. There were a number of recommendations of the committee, one of which was to look for ways to expand consultation and evaluation of the revised impairment tables. Has any work been done to address that particular recommendation?

Ms Rose: Yes, Senator. We undertook four workshops in Canberra, Sydney, Melbourne and Brisbane. We had a number of bilateral discussions via teleconference with pain management groups, the National Council on Intellectual Disability, hearing groups and vision groups. At each of those workshops we had very good feedback and input from a number of stakeholders who attended, including other peaks and also members from the Social Security Appeals Tribunal. We sent emails to groups as well to try to get further input if required. So we have been working pretty closely with a number of groups who expressed either some minor wording changes they felt would clarify the situation or, in other cases, where they thought perhaps the committee had not got it quite right.

Senator SIEWERT: I am wondering about the process. When did you hold those workshops?

Ms Rose: The Canberra workshop was on 31 August, Sydney was on 12 September, Melbourne was on 16 September, and Brisbane was on 29 September.

Senator SIEWERT: Let's go to intellectual disability. The area of contention, as I understand it, was the 70 to 79 group.

Ms Rose: Yes.

Senator SIEWERT: Where did you get to with that process?

Ms Rose: First of all, we clarified with NCID that the current manifest rules for people with intellectual disability remain in place—that is, people with a score of less than 70 would

be granted DSP on a manifest basis. We have worked with NCID and now have a consultant called Dr Vivienne Riches who is an expert in the field of looking at adaptive tools to determine scoring for people with intellectual disability. We have just contracted her to come back to us within a week or so. We have been speaking to her for a number of weeks to come back with a proposal that we believe will make the table better.

Senator SIEWERT: Presumably, that will be included in the disallowable instrument?

Ms Rose: Yes.

Senator SIEWERT: Will you then take that back to NCID to see if they are satisfied with it?

Ms Rose: They are working with us. We are working on that together with them. With any of these changes, we also believe that it is important to take all of the changes that we make, minor or bigger changes, back to the original advisory committee and then back to the minister.

Senator SIEWERT: Where we up to with the pain management issue?

Ms Rose: We have had some input from them. We had a teleconference with them. They attended a number of the workshops. They have sent us some proposed track changes to the tables that they believe will make it clearer. Their main issue, I think, was that the introduction to the tables did not make it clear that chronic pain is a condition in its own right. We have agreed to make the clearer. They have also given us specific wording changes for a number of tables. People will be assessed across a range of these tables, so they have given us specific input and wording that they think will make it clear that someone with chronic pain can be assessed against table 1, 4, 5 or whatever it is.

Ms S Wilson: For example, if pain was affecting a person's ability to work, that could be assessed on the table for the function of lower limbs. We are working with them to make clear that the tables are appropriate for assessing the functional impact of pain on functioning.

Senator SIEWERT: Thank you.

Senator FIFIELD: When is the government planning to publish the final impairment tables?

Ms Rose: I imagine that that will be at the disallowable instrument stage. I have not had specific discussions with the office on that?

Ms S Wilson: We are still on track for the proposal be introduced with effect from 1 January. This work to refine the tables and then go back to the advisory committee will take place in sufficient time for the disallowable instrument to be developed for this year ready for the introduction next year.

Senator FIFIELD: Thank you. I wouldn't mind going to carers.

Senator SIEWERT: I still have some more on DSP. In terms of the other issues that came up during the Senate inquiry—and I realise there is an interaction with DEEWR here—there is the issue about people living in rural and regional areas with a disability and access to services and transport. Have you engaged with that further in terms of how people in rural and regional areas can access employment, given issues around mobility and access to transport?

Ms Rose: Not specifically, no.

Senator SIEWERT: Why is that?

Ms S Wilson: We do engage regularly with DEEWR on employment issues and continue to, but they are the lead department for employment assistance policy and employment support policy. I am not sure what you were anticipating that we would do in respect of that.

Senator SIEWERT: I am quite concerned about the impact that the new approach is going to have. With this and the previous changes there are a lot of barriers to people living in rural and regional areas who are living with a disability. You are responsible for policy on DSP. I will be asking similar questions with DEEWR next door. There are significant policy issues for people living in the bush, living with a disability, to be able to access employment opportunities because of travel. Have you talked about that with DEEWR?

Dr Hartland: We are certainly aware of the issues. As part of our work together on the budget measures that were announced last budget about participation, we had detailed discussions with DEEWR about the range of issues that are barriers to employment. We are aware of this issue, but I do not think we would see this issue as having a direct bearing on the impairment tables.

Senator SIEWERT: It is about what impact the impairment tables has and the budget measures that were introduced and what impact that has on people living with a disability. So the combination of changes to the impairment tables and the change in employment participation significantly disadvantages those living in the bush.

Dr Hartland: I am not sure how the impairment tables would bear on that. I do not think we would want to say that someone—

Senator SIEWERT: This is probably something that we need to go through in the Senate chamber rather than here. We already know that the disability tables are going to potentially mean that more people do not go onto DSP and the time frame is certainly longer for those to get on DSP because of the new budget measures that were brought in.

Dr Hartland: The impairment tables are an attempt to measure more accurately whether someone has an impairment that results in a disability that means that they cannot work.

Senator SIEWERT: I am not going to rehearse or go through again all the arguments that we have previously had and they are well on the record. The point is: are you addressing those issues or talking to DEEWR about how you address those issues for those who are living in the bush with a disability? They have significantly more barriers to access employment and participation requirements than those who do not.

Ms S Wilson: There are a range of forums in which these issues—in the generic sense, not specific to the impairment tables—get explored and pursued. One of them relates to the budget package, *Building Australia's Future Workforce* capacity and we have a steering committee and an underpinning project management committee that sits under that and which is looking at the implementation of those measures. Those measures went across both DSP and employment assistance for people with disability, including a whole range of new measures in respect of waste subsidies and the like. We have ongoing work that we do jointly with DEEWR and are pursuing with states and territories that looks at employment for people with disability broadly, including the positioning of mainstream services to support people with disability. The issue of transport is essentially a state and territory issue and is quite

important in the context of a national disability strategy, but in terms of Commonwealth provision it is not an area where we are a provider.

Senator SIEWERT: I am aware of all the packages. I am aware of the transport issues with the state. The issue is that it is a major barrier to those people who live in the bush.

Ms S Wilson: The range of barriers that people face in accessing employment assistance for accessing employment are considerations that employment service providers are required to make as part of looking at the plan for an individual who is subject to participation requirements. It is something that is front and centre—what is available in the community; what a person's plan should involve, given their barriers and given the availability of services and support—but the specific question is how that is operationalised and not something that FaHCSIA is in a position to deal with. It is not our area of policy.

Senator SIEWERT: I will go to DEEWR and see if I can get any further. Could you please provide us with the numbers and outputs of DSP medical appeals for the last two financial years? You will obviously have to take this on notice.

Ms S Wilson: Yes, we will do that.

Senator SIEWERT: Could you also provide us with the numbers and outcomes of all the DSP appeals that were client initiated and policy-department initiated?

Ms S Wilson: Yes.

Senator SIEWERT: Could you also provide us with any reports or evaluations into the current 25-hour rule and what alternative policies have been considered in respect to the 25-hour rule?

Ms S Wilson: For carer payment?

Senator SIEWERT: Yes; thank you.

Senator FIFIELD: Would you also have that data for up to July, August and September or do you only have it up to June?

Ms S Wilson: You are asking whether we have any data that is more recent than June? I do not believe we have, I am sorry.

Senator SIEWERT: Ms Wilson, is that data given six-monthly?

Ms S Wilson: Quarterly, we tend to get it. I will need to take on notice what is available quarterly and what is available six-monthly and what is annually because we have different collections. I do not have with me the specifications for each of those collections.

CHAIR: We are now moving to questions on carers.

Senator FIFIELD: I have questions on carer strategy and awareness raising. The government has allocated $1.6 million for a national campaign to raise awareness of the role of carers. I would be interested to know what elements make up that $1.6 million.

Mr Pratt: Just to clarify, Senator: you want to know what the $1.6 million is to be spent on?

Senator FIFIELD: That is right.

Ms Angus: Sorry, but would you mind repeating the question, Senator Fifield?

Senator FIFIELD: Sure. The government has allocated $1.6 million for a national campaign to raise awareness of the role of carers. What will that be spent on?

Ms Angus: This has just recently been advertised. The idea of the campaign is to raise people's awareness of the role of carers and for carers themselves to identify as carers and therefore encourage them to access supports that might be available to them.

Senator FIFIELD: How will that be done?

Ms Angus: As I understand it, in a general sense, we have sought people to come back to us with their propositions on how this could be done. We have just opened the advertising. It was announced by Senator McLucas last week. We have asked people to come back to us with an outline of how they will utilise the money that is available to provide the campaign. So we have not specified particular individual elements.

Mr Lewis: The elements that we have asked them to come back on are: to promote the benefits, services and supports to carers; to encourage hidden carers, such as people who see themselves first as parents, partners, a child or a young person; and to raise awareness of carers who are Indigenous and from culturally and linguistically diverse backgrounds and carers of people with mental illness and people who misuse drugs and alcohol. So there is a whole series of elements.

Senator FIFIELD: Has the department written to a range of carer organisations and said, 'Come back to us with ideas as to how awareness can be raised'?

Ms Angus: It is a competitive tender process. We have advertised it widely.

Senator FIFIELD: So you have placed an ad calling for submissions?

Ms Angus: That is correct.

Ms S Wilson: We are just at the start. We will see different propositions that come forward and then undertake an assessment process.

Senator FIFIELD: Is the Young Carers Festival separate to that $1.6 million?

Ms Angus: It was advertised and launched at the same time but it is separate.

Senator FIFIELD: What is the budget for the Young Carers Festival?

Ms Angus: It is $1 million for 2011-12.

Senator FIFIELD: What is a 'young carers festival'?

Ms Angus: We are looking for a series of festivals to be held in each state and territory for up to 5,200 primary young carers aged between five and 25. We are looking for those to provide an opportunity to raise awareness of young carer issues more broadly in the community as well as promoting the fact that caring can be a positive experience and provide an opportunity for those young people themselves to participate in something that is fun and which gives them an opportunity to network.

Senator FIFIELD: The government has also undertaken to identify key legislation and policy for review to improve the recognition of carers. Which legislation and policies has the department identified as yet that could be improved to help the recognition of carers?

Ms K Wilson: We are still in the process of working with other Commonwealth agencies to identify legislation and policy areas.

Senator FIFIELD: So are you going to come up with a blacklist of bad legislation and bad policy across government?

Dr Hartland: We would not quite express it in those terms, I am sure, but we are working with other departments to see whether there are areas that need to be improved in the spirit of the guidelines that have been issued about carer recognition, yes.

Senator FIFIELD: But there is nothing you can share with us at the moment?

Ms K Wilson: Not at this stage.

Senator FIFIELD: I do not have anything further on carers.

Senator SIEWERT: I have questions specifically around grandparents as carers.

Ms S Wilson: Do you mean grandparents as carers for children?

Senator SIEWERT: Yes. Should I take it up there?

Ms S Wilson: Yes. If you are talking about grandparents caring for children in lieu of parents because of—

Senator SIEWERT: Yes. It relates to kinship. It sort of fits in here and I suspect fits in there as well, because there are the sets of grandparents that are looking after children with a disability and what they are able to access, and then grandparents as kinship carers. So I am happy to deal with it tomorrow, but it will probably bounce back here.

Ms S Wilson: It probably fits tomorrow, but we might ensure that our colleagues have sufficient information about the disability- and carer-specific provisions that grandparents could access so that you can handle them together.

Senator SIEWERT: That would be fine, and I am happy to do it tomorrow as long as I can do it somewhere.

CHAIR: Under families.

Senator WRIGHT: My first question is about mental health carers. Apparently there are a lot of problems with the establishment of a mental health consumers peak body at this stage and, as yet, there is no mental health carer peak body. Are mental health carers going to have their own representative body and, if so, at what stage of development is it?

Ms Farrelly: We are working very closely with our colleagues in Health, and we would suggest that you talk to the health department when they are on next about that question.

Senator WRIGHT: So that is more appropriately directed to them? I was not sure about that, so thank you.

CHAIR: So, Ms Farrelly, that means the peak body process would go to Health? Is that your advice: that the peak body questions would go to Health?

Ms Farrelly: Yes.

CHAIR: Senator Wright, did you have any particular questions about carers? That was a peak-body question.

Senator WRIGHT: No. I suspected that might be the wrong area. I do have a couple of others, though, that I think might be relevant. Again, I may be directing this one to the wrong people but I will try. This is in relation to the Personal Helpers and Mentors, or PHaMs, initiative. Is that a FaHCSIA matter?

Ms S Wilson: It is.

Senator WRIGHT: The *National health reform: progress and delivery* report released in September reports that key national health reform milestone No. 4.3 is to 'Expand community mental health services—more Personal Helpers and Mentors and respite services'. The report states that this initiative will be fully operational by 1 July 2014. First of all, what guarantee is there that those time frames will be met?

Ms Farrelly: I will start. You would be aware of the recent budget measures and the expansion of Personal Helpers and Mentors. There is $154 million over the five-year period, and the department is at the moment working on the detail of that rollout and will be working very closely with the sector and with other agencies to make sure that those time frames are met.

Senator WRIGHT: The other area of questioning I have is in regard to the siblings of young people with a severe or profound disability or a mental health condition. Just as background, in Australia there are over 250,000 young people under 25 years of age with a severe or profound disability and many more have chronic illness or mental illness. If we take an average of one sibling per each of those young people, that makes a very large number, about 250,000 siblings. There is certainly some research that suggests that siblings have higher rates of depression than their peers irrespective of whether they are actually pursuing a caring role. So in a sense this is an area which falls within caring but also outside caring, and I am interested in exploring what opportunities there are to get support for people like this.

First of all, does FaHCSIA perceive the need to provide dedicated support and advocacy for siblings of people who have mental health conditions or disabilities irrespective of whether they are their carers?

Ms Farrelly: You might be aware of the family mental health support services as part of our targeted community care program. There are 41 of those nationally. The aim of the services is to support families of people with mental illness. It is about the support that they need to understand the condition and its episodic nature and providing support to them as individuals advocating for their sibling with a mental illness. Also, in the budget there is an expansion of that element, so over the five years there will be an additional 40 of those services nationally. Those services can provide a range of things like helping families with referrals; home based support, including developing family centred activities to help family functioning; education; improving support for school attendance; and so on.

Mr Lewis: Also, the Mental Health Respite Program provides support for carers. It is particularly for any carers who are caring for people with mental illness in this case. It is another program that sits within Ms Farrelly's area. In terms of the family mental health support services, as Ms Farrelly said, the intent of that program is to look at people within a family setting, whatever that may be. The context of the needs of that person is taken into consideration.

Senator WRIGHT: Thank you. Tell me if I am asking an inappropriate question here, but the government's National Strategy for Young Australians aims to improve the health and wellbeing of young people. How are siblings, as persons with their own particular needs and issues, specifically catered for within this strategy?

Mr Lewis: That might be a Health question.

Ms K Wilson: If I can clarify, I think the national strategy is a DEEWR strategy.

Senator WRIGHT: Does FaHCSIA have any plans to develop programs for siblings that are similar to MyTime for parents?

Mr Lewis: That would be a government consideration, really. FaHCSIA has not been working on that sort of program, I do not think.

Senator WRIGHT: There are no plans that you can identify?

Ms S Wilson: No, not at this stage. The family mental health services, as Ms Farrelly identified, do provide support across the range of family members, but the specifics of a program like MyTime for siblings of people experiencing mental illness is not on our agenda currently.

Senator WRIGHT: The National Disability Strategy was endorsed by COAG on 13 February this year. One of the listed outcomes is that family and carers are well supported. What performance indicators are or will be developed to measure how this is being achieved? Is there a specific acknowledgement in that document of the needs of siblings?

Ms S Wilson: The National Disability Strategy was released when it was agreed by COAG earlier this year. It does not separately identify siblings but contains recognition of the needs of family and carers for people with disability. In terms of performance measurement, the performance measures that have been agreed for the National Disability Strategy are actually population-level national measures that go to the high-level outcomes contained within the strategy—for example, employment, educational attainment and the like. So they are really pitched at very high-level outcomes in terms of indicating progress for people with disability across the six domains that the strategy covers: inclusive and accessible communities; rights protection, justice and legislation; economic security, which includes income support; personal and community support; learning and skills; and health and wellbeing. They are indicators that are captured in large national surveys, so they do not go to anything as specific as the issue that you identified.

Mr Lewis: There are some trend indicators within those categories that Ms Wilson has gone through. Under the personal and community support key indicator there is some data around proportion of carers of people with disability accessing support services to assist in their caring role.

Senator WRIGHT: The issue that has been raised with me is that siblings are not necessarily carers and it is not always appropriate to identify them as such. One of the issues is that, because of their relationship with the person with the condition, they have their own needs to be cared for. That is what I am addressing the questions to. Thank you for that.

Senator SIEWERT: I have a question that relates to carers and when they stop caring. I have had disappointment expressed to me that in the employment package—and we discussed that a bit earlier about some of the new workplace provisions that are in place to assist people to gain employment—there is increasing focus now on what happens with carers after they come out of caring. There is the process where people can stay on allowance for a little while and they are transitioned onto Newstart. Have you had any discussions with DEEWR about assisting carers? They are a specific group of people because, as you know, there are issues around not a lot of super, they have had to give up work so they do not have current work references, job experience, et cetera.

Ms S Wilson: In terms of how they would be assessed when they came onto Newstart, the time out of the workforce is one of the important criteria which would affect their identification of which stream of support they would receive. My expectation would be that they would go to one of the higher streams of assistance. I am afraid that DEEWR is the expert on the criteria. It has been an area of ongoing discussion with colleagues in DEEWR, including in the carer forum that we chair—of which they are a member—about how do we ensure early prioritisation and pick-up of people who have relinquished the caring role for whatever reason and are seeking to re-enter employment. I do know if you can supplement that in any way, Ms Wilson.

Ms K Wilson: Only to agree with everything you said. Yes, we are having ongoing discussions with DEEWR on this issue.

Senator SIEWERT: Do you have an idea of the numbers of people that we are talking about?

Ms S Wilson: Not with me, I am sorry, but we can certainly take that on notice.

Senator SIEWERT: I do have some fairly detailed data questions. I was just looking for a ballpark figure before I put those questions in.

Ms S Wilson: I do not have anything with me, I am sorry.

Senator SIEWERT: I will put those other questions on notice. Just quickly: in terms of the eligibility criteria for people caring for more than two adults living with a disability—this is the issue about where a child turns 16 and they transition from child to adult—and looking specifically at a family care situation, have you had any discussions with DEEWR or whoever around fixing what seems to me a bit of an anomaly?

Ms S Wilson: I think you might need to explain the issue. I did not quite grasp it.

CHAIR: We will not have time. It is right on 10 pm now. If the question requires more explanation I think it should go on notice.

Senator SIEWERT: I will put it on notice.

CHAIR: I thank the officers from outcome 5.

Proceedings suspended from 09:59 to 10:14

HEALTH AND AGEING PORTFOLIO

In Attendance

Senator McLucas, Parliamentary Secretary for Disabilities and Carers

Department of Health and Ageing

Whole of portfolio

Executive

Ms Jane Halton, Secretary

Ms Rosemary Huxtable, Deputy Secretary

Ms Megan Morris, Acting Deputy Secretary

Professor Chris Baggoley, Chief Medical Officer

Mr David Learmonth, Deputy Secretary

Mr Chris Reid, General Counsel

Ms Rosemary Bryant, Chief Nurse and Midwifery Officer

Ms Kerry Flanagan, Deputy Secretary

Mr David Butt, Deputy Secretary

Mr Paul Madden, Chief Information and Knowledge Officer

Mr Andrew Stuart, Deputy Secretary, DoHA National Alignment

Dr Marion Healy, Director, National Industrial Chemicals Notification and Assessment Scheme

Audit and Fraud Control

Mr Colin Cronin, Assistant Secretary, Audit and Fraud Control

Business Group

Mr Gary Davis, Acting Chief Operating Officer

Mr David O'Brien, Acting Assistant Secretary, IT Solutions Development Branch

Ms Ida Thurbon, Acting Assistant Secretary, IT Service Delivery Branch

Mr David Paull, Acting Assistant Secretary, Corporate Support Branch

Chief Information and Knowledge Office

Mrs Kerrie Reyn, Assistant Secretary

DoHa National Alignment

Ms Kylie Perrin, Acting Assistant Secretary, Change Management Unit

Legal and General Counsel

Ms April Purry, Acting Assistant Secretary

People, Capability and Communication Division

Ms Samantha Palmer, First Assistant Secretary

Mr Adam Davey, Assistant Secretary, Health Campaigns Branch

Ms Julie Schneller, Assistant Secretary, Online, Services and External Relations Branch

Mr Scott McWhirter, Acting Assistant Secretary, People Branch

Portfolio Strategies Division

Ms Kylie Jonasson, Acting First Assistant Secretary

Mr Paul Palisi, Acting Assistant Secretary

Ms Carolyn Driessen, Assistant Secretary

Ms Alice Creelman, Assistant Secretary

Mr Klaus Klaucke, Acting Assistant Secretary

Mr Adrian Davies, Acting Assistant Secretary

Mr Ian McLean, Assistant Secretary, Economic and Statistical Analysis Branch

Office of the Chief Financial Officer

Mr John Barbeler, Chief Financial Officer

Mr Paul Carmody, Assistant Secretary

Regulation Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary

Ms Anne Kingdon, Assistant Secretary, Governance Safety and Quality

Transition Office

Mr Charles Maskell-Knight, Acting Chief Executive Officer

Mr Peter Broadhead, Acting First Assistant Secretary

Mr David Mackay, Assistant Secretary, Implementation, Systems and Reporting Branch

Dr Masha Somi, Assistant Secretary, Hospitals and Workforce Branch

Outcome 1—Population Health

Office of Health Protection

Ms Julianne Quaine, Assistant Secretary, Immunisation Branch

Regulation Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary

Mr Peter Woodley, Assistant Secretary, Blood, Organ and Regulatory Policy

Ms Kathy Dennis, Assistant Secretary, Research Regulation and Food

Mental Health and Drug Treatment Division

Ms Georgie Harman, First Assistant Secretary

Ms Fiona Nicholls, Assistant Secretary, Mental Health Services Branch

Ms Phillipa Lowrey, Acting Assistant Secretary, Mental Health Early Intervention and Prevention Branch

Ms Gayle Anderson, Assistant Secretary, Substance Misuse and Indigenous Wellbeing Programs Branch

Population Health Division

Mr Nathan Smyth, First Assistant Secretary

Dr Bernie Towler, Principal Medical Adviser

Professor Rosemary Knight, Principal Medical Adviser
Mr Andy Paras, Director, Cancer and Palliative Care Branch
Ms Helen Catchatoor, Director, Cancer and Palliative Care Branch
Ms Kate Jorgenson, Director, Cancer and Palliative Care Branch
Ms Melinda Bromley, Assistant Secretary, Cancer and Palliative Care Branch
Ms Shirley Browne, Assistant Secretary, Chronic Disease
Ms Colleen Krestensen, Assistant Secretary, Drug Strategy Branch
Ms Janet Quigley, Assistant Secretary, Healthy Living Branch
Ms Sally Goodspeed, Assistant Secretary, Health in Social Policy Branch
Mr Simon Cotterell, Assistant Secretary, Tobacco Control Taskforce

Therapeutic Goods Administration

Dr Rohan Hammett, National Manager
Ms Jenny Hefford, Chief Regulatory Officer
Dr Megan Keaney, Principal Medical Adviser
Mr Stephen Dellar, Principal Adviser (Operations)
Ms Philippa Horner, Principal Legal Adviser
Dr Larry Kelly, Group Coordinator, Monitoring and Compliance Group
Ms Judy Develin, Group Coordinator, Market Authorisation Group
Dr Bill Turner, Head, Office of Manufacturing Quality

Australian Radiation Protection and Nuclear Safety Agency

Dr Carl-Magnus Larsson, Chief Executive Officer
Professor Peter Johnston, Branch Head Medical Radiation Services
Mr George Savvides, Chief Financial Officer, Corporate Office

Food Standards Australia New Zealand

Mr Steve McCutcheon, Chief Executive Officer
Ms Melanie Fisher, Deputy Chief Executive Office, General Manager
Dr Paul Brent, Chief Scientist
Mr Peter May, General Manager

Office of the Gene Technology Regulator

Dr Joe Smith, Regulator
Dr Michael Dornbusch, Assistant Secretary
Dr Robyn Cleland, Assistant Secretary

Australian National Preventative Health Agency

Ms Louise Sylvan, Chief Executive Officer
Dr Lisa Studdert, Manager
Mr John Kalokerinos, Chief Operating Officer

Australian New Zealand Therapeutic Products Agency
Ms Megan Morris, First Assistant Secretary
Ms Donna Burton, Assistant Secretary, ANZTPA Branch
Outcome 2—Access to Pharmaceutical Services
Pharmaceutical Benefits Division
Ms Felicity McNeill, Acting First Assistant Secretary
Dr John Primrose, Medical Adviser
Mr Kim Bessell, Principal Pharmacy Adviser
Ms Beryl Janz, Assistant Secretary, Pharmaceutical Programs and Support Branch
Mr Nick Henderson, Acting Assistant Secretary, Pharmaceutical Policy Branch
Outcome 3—Access to Medical Services
Acute Care Division
Mr Mark Thomann, First Assistant Secretary
Dr Andrew Singer, Principal Medical Adviser
Mr Charles Maskell-Knight, Acting Chief Executive
Ms Veronica Hancock, Assistant Secretary, Hospital Development and Dental Branch
Medical Benefits Division
Mr Richard Bartlett, First Assistant Secretary
Dr Brian Richards, Executive Manager, Health Technology and Medical Services Group
Mr Shane Porter, Assistant Secretary, Medicare Financing and Analysis Branch
Mr Alastair Wilson, Acting Assistant Secretary, Private Health Insurance Branch
Ms Penny Shakespeare, Assistant Secretary, Medicare Benefits Branch
Ms Fifine Cahill, Assistant Secretary, Diagnostic Services Branch
Professional Services Review
Dr Bill Coote, Acting Director
Mr Luke Twyford, Acting Executive Officer
Outcome 4—Aged Care and Population Ageing
Ageing and Aged Care Division
Ms Carolyn Smith, First Assistant Secretary
Mr Keith Tracey-Patte, Assistant Secretary, Policy and Evaluation Branch
Ms Samantha Robertson, Assistant Secretary, Aged Care Programs Branch
Mr Paul Hutchinson, Director, Access Reform Branch
Ms Michelle Roffey, Director, Access Reform Branch
Professor David Cullen, Assistant Secretary, Strategic Reform Taskforce
Mr Russell de Burgh, Assistant Secretary, Office for an Ageing Australia Branch
Ms Rachel Balmanno, Assistant Secretary, HACC Reform Branch

Ms Carolyn Brown, Assistant Secretary, Budget, Finance and Information Branch

Ms Shona McQueen, Assistant Secretary, Access Reform Branch

Aged Care Quality and Compliance Division

Mr Iain Scott, First Assistant Secretary

Ms Lyn Murphy, Assistant Secretary, Quality and Monitoring Branch

Ms Susan Hunt, Senior Nurse Adviser

Mr Damian Coburn, Assistant Secretary, Prudential and Approved Provider Regulation

Mrs Paula Swift, Acting Assistant Secretary, Aged Care Workforce Programs Branch

Mr Michael Culhane, Assistant Secretary, Aged Care Complaints

Aged Care Standards and Accreditation Agency

Mr Mark Brandon, Chief Executive Officer

Mr Ross Bushrod, General Manager, Operations

Mrs Victoria Crawford, General Manager, Accreditation

Mr Chris Falvey, General Manager, Corporate Affairs and Human Resources

Outcome 5—Primary Care

Primary and Ambulatory Care Division

Mr Mark Booth, Acting First Assistant Secretary

Ms Sharon Appleyard, Assistant Secretary, Policy Development Branch

Ms Meredeth Taylor, Assistant Secretary, GP Super Clinics Branch

Ms Vicki Murphy, Assistant Secretary, Primary Health Care Infrastructure and Support Branch

Ms Jennie Roe, Assistant Secretary, Medicare Locals Implementation and Transition Branch

Population Health Division

Ms Shirley Browne, Assistant Secretary, Chronic Disease Branch

General Practice Education and Training

Mr Erich Janssen, Chief Executive Officer

Outcome 6—Rural Health

Primary and Ambulatory Care Division

Mr Rob Cameron, Assistant Secretary, Regional Health Australia

Outcome 7—Hearing Services

Regulation Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary

Ms Teressa Ward, Assistant Secretary, Office of Hearing Services

Ms Cheryl Wilson, Acting Assistant Secretary, Office of Hearing Services

Outcome 9—Private Health

Medical Benefits Division

Mr Richard Bartlett, First Assistant Secretary, Medical Benefits Division

Mr Alastair Wilson, Acting Assistant Secretary, Private Health Insurance Branch

Outcome 10—Health System Capacity and Quality

Acute Care Division

Mr Mark Thomann, First Assistant Secretary

Dr Andrew Singer, Principal Medical Adviser

Mr Charles Maskell-Knight, Acting Chief Executive Officer

Ms Veronica Hancock, Assistant Secretary, Hospital Development and Dental Branch

eHealth Division

Ms Fiona Granger, First Assistant Secretary

Ms Sharon McCarter, Assistant Secretary, eHealth Systems and Implementation Branch

Ms Liz Forman, Assistant Secretary, eHealth Strategy and Legislation Branch

eHealth implementation

Mr Peter Fleming, Chief Executive Officer, National e-Health Transition Authority

Population Health Division

Ms Shirley Browne, Assistant Secretary, Chronic Disease Branch

Regulation Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary

Ms Anne Kingdon, Assistant Secretary, Governance Safety and Quality

Ms Kathy Dennis, Assistant Secretary, Research Regulation and Food

National Health and Medical Research Council

Professor Warwick Anderson, Chief Executive Officer

Mr Tony Kingdon, General Manager and Head, Planning and Operations Group

Dr Clive Morris, Head, Research Group

Professor John McCallum, Head, Research Translation Group

Outcome 11—Mental Health

Mental Health and Drug Treatment Division

Ms Georgie Harman, First Assistant Secretary, Mental Health and Drug Treatment Division

Ms Fiona Nicholls, Assistant Secretary, Mental Health Services Branch

Ms Phillipa Lowrey, Acting Assistant Secretary, Mental Health Early Intervention and Prevention Branch

Mr Alan Singh, Assistant Secretary, Mental Health System Improvement Branch

Outcome 12—Health Workforce Capacity

Health Workforce Division

Ms Maria Jolly, Acting First Assistant Secretary, Health Workforce Division

Mrs Gay Santiago, Assistant Secretary, Health Workforce Capacity Branch

Mr Lou Andreatta, Assistant Secretary, Health Workforce Training and Distribution Branch

Ms Ros Bauer, Acting Assistant Secretary, Health Workforce Policy and Data Branch

Ms Paula Sheehan, Director, Health Workforce Support and Supply Branch

Ms Jennie Della, Director, Health Workforce Policy and Data Branch

Ms Andriana Koukari, Acting Assistant Secretary, Health Workforce Support and Supply Branch

Health Workforce Australia

Mr Mark Cormack, Chief Executive Officer

Mr Roberto Bria, Executive Director, Corporate and Finance Branch

Outcome 13—Acute Care

Acute Care Division

Mr Mark Thomann, First Assistant Secretary

Dr Andrew Singer, Principal Medical Adviser

Mr Charles Maskell-Knight, Acting Chief Executive

Ms Gillian Shaw, Assistant Secretary, Hospital Policy Branch

Ms Veronica Hancock, Assistant Secretary, Hospital Development and Dental Branch

Ms Erica Kneipp, Assistant Secretary, Healthcare Services Information Branch

Ms Ann Smith, Assistant Secretary, National Partnership Agreement Branch

Regulation Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary

Mr Peter Woodley, Assistant Secretary, Blood, Organ and Regulation Policy

Outcome 14—Biosecurity and Emergency Response

Office of Health Protection

Ms Jennifer Bryant, First Assistant Secretary, Office of Health Protection

Ms Fay Holden, Assistant Secretary, Health Protection and Surveillance Branch

Dr Gary Lum, Assistant Secretary, Health Emergency Management Branch

Mr Graeme Barden, Assistant Secretary, Office of Chemical Safety

Dr Jenny Firman, Medical Officer, Office of Health Protection

Regulation Policy and Governance Division

Ms Mary McDonald, First Assistant Secretary

Mr Peter Woodley, Assistant Secretary, Blood, Organ and Regulation Policy

CHAIR: I declare open this session of the Senate Community Affairs Legislation Committee considering the budget estimates for the portfolios of Families, Housing,

Community Services and Indigenous Affairs; and Health and Ageing. The committee has before it a list of the outcomes relating to matters which senators have indicated they will wish to raise at the hearing. In accordance with standing orders relating to supplementary hearings, today's proceedings will be confined only to those matters. Senators are reminded that written questions on notice in respect of the supplementary hearings must be lodged with the secretariat no later than 5 pm on Friday, 28 October 2011. The committee has set close of business on Friday, 9 December 2011 as the date for the return of answers to questions on notice.

Officers and senators are familiar with the rules of the Senate governing estimates hearings. If you need any help, the secretariat has copies of these rules. I am required to draw attention to the Senate order of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised and which I now incorporate in *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

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

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

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

(1) If:

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

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

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

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

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

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

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

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

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

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

Please ensure all mobile phones are turned off. I welcome back Senator the Hon. Jan McLucas and welcome the departmental secretary and all portfolio officers. Senator, would you like to make an opening statement?

Senator McLucas: No thank you, Chair.

CHAIR: Welcome, Ms Halton. I put on record again my appreciation for the cooperation that you showed in being flexible so we could examine FaHCSIA this morning. We appreciate that. That was a need, so thank you very much.

Ms Halton: A pleasure.

CHAIR: We will begin with general questions and then follow the order as circulated in the program. Senators will know it is a very tight time frame this week, so I am going to try as much as I can to keep to some kind of schedule.

Department of Health and Ageing

[10:16]

CHAIR: We will start with corporate matters.

Senator FIERRAVANTI-WELLS: I begin with answers to questions on notice. Minister, the other day Minister Ludwig was asked questions in this area and there was a debate in the Senate on 13 October around a number of remaining questions on notice. Ms Halton, as you know, a routine area of questioning is the table relating to GP superclinics. I thank you for your cooperation and that of your officers, who have routinely provided this table to us. So it was with some surprise that we noticed that on this occasion it had not been provided. A reference was made to it the other day in the Senate. How long have answers to questions Nos 464 and 465 been sitting in the minister's office? Or perhaps I could ask: when were the questions forwarded to the minister's office?

Ms Halton: I actually do not know that I have that with me. You are asking for?

Senator FIERRAVANTI-WELLS: I am asking for when you sent them to the minister's office. I really want to know how long they have been sitting in the minister's office.

Ms Halton: We will have to take it on notice, if that is what you want.

Senator FIERRAVANTI-WELLS: Senator McLucas, for the record, I lodge a formal complaint in relation to this. It was raised with Minister Ludwig and I am surprised, actually.

Since the matter was raised in the chamber on 13 October, I would have thought that one of the officers would be aware of that, Ms Halton. Perhaps inquiries can be made and we can deal with it later this morning.

Ms Halton: I have brought every variety of statistic on how many we have answered and in what time frame, but I do not have that, I am sorry. I have pages of numbers!

Senator FIERRAVANTI-WELLS: That was the one that was most pertinent under the current circumstances.

CHAIR: Would you like to table those numbers, Ms Halton?

Senator FIERRAVANTI-WELLS: Ms Halton has all sorts of numbers.

Ms Halton: Yes, I have all sorts of numbers.

Senator FIERRAVANTI-WELLS: She carries them in her head.

Ms Halton: That is true—I do, actually.

CHAIR: That list is all about questions on notice? We will take what you can give us. It would just be useful for the committee.

Ms Halton: We will give you something. We will just take one teensy bit out of this, which is for my benefit, and we will table it.

Senator FIERRAVANTI-WELLS: Thank you. I will move now to questions in relation to health reform. Ms Halton, so that your officers are aware, I will deal with some general questions on health reform will be looking at areas pertinent to Tasmania, Queensland and other states. I would like to ask some general questions on staffing and bureaucracy, Local Hospital Networks, Medicare Locals and lead clinicians groups and will possibly have some questions on staffing and consultancies in this general area. If not, I will put those on notice. I thought I would mention that up-front.

Ms Halton: I will just make one observation—I have the transition office staff here. Some of these matters are now dealt with in divisions, so some of them may be under the program area. Why don't you barrel away and we will see what we can do with the transition people and then we can make a note—

Senator FIERRAVANTI-WELLS: You have lost Mr Head!

Ms Halton: I know. There is group weep about this.

Senator FIERRAVANTI-WELLS: His sense of humour will be missed.

Ms Halton: His sense of fashion and sartorial elegance will be missed, his sense of humour will be missed, his intellect will be missed and, yes, he will be missed. He was a great colleague and we are very sorry. He has gone to do an important job. That we understand. We are thinking about forgiving him in about 50 years time.

Senator FIERRAVANTI-WELLS: I will start. I note the health agreement or the last reiteration of it was signed I think on 1 August. I have mine dated 1 August.

Mr Maskell-Knight: The date I believe is 2 August.

Senator FIERRAVANTI-WELLS: This has now been going on since 2007. Are we able to detail the costs that have been associated with health reform? Since 2007 is there a sort of global figure, Mr Maskell-Knight, that can be associated with how much the health reform,

health reform promotion and stops and starts have cost us? Is that a figure you are able to give us?

Mr Maskell-Knight: I do not think there is a global figure readily at hand and I doubt it will be possible to readily construct one. We could probably—relatively easily—answer questions about communication costs but in terms of staffing costs and associated costs I think it would be very hard.

Ms Halton: Yes, it would be.

Senator FIERRAVANTI-WELLS: All right. I might come to those in more specific detail later. I notice that we now have a new purple book.

Ms Halton: It is called purple but I think it is more aptly described as lavender.

Senator FIERRAVANTI-WELLS: As opposed to the mustard yellow or the other description that you have given it in the past!

Ms Halton: The alternative label for mustard yellow is not a label—

Senator FIERRAVANTI-WELLS: Senator Siewert, I was not going to go there!

Ms Halton: What did Senator Siewert say, Senator, I missed that.

Senator SIEWERT: Baby poo!

Ms Halton: Yes. Now you have said that on the record—I could not possibly have!

Senator FIERRAVANTI-WELLS: I have done a comparison as best I can in relation to these time lines, and this time line here and now—the time line in this book—which starts at page 5. I appreciate that there are some matters which are different and some additional matters in that time line. My question is: are you confident now that the department and the government can meet the delayed time lines? A lot of these appear to be delayed. I have put crosses next to the ones that have not been met and that have been shifted sidewards. Are we confident we are going to be able to meet these delayed time lines—for example, in relation to accessing elective surgery, the funding components and the long-stay older patients?

Ms Halton: I am not aware that there are delays for those. We would have to have a look and compare. Can you tell me where you are reading exactly?

Senator FIERRAVANTI-WELLS: I have done a comparison of the time lines set out in the lavender book as opposed to the mustard yellow book and there appear to be shifts. For example, take access to elective surgery. In this book it is talking about July-September 2011 but now that has shifted to January-March 2012.

Ms Halton: I need Ms Flanagan for this one.

Senator FIERRAVANTI-WELLS: Ms Flanagan to the rescue?

Ms Flanagan: What has occurred with this particular target is that it was agreed in February at the COAG meeting that an expert panel would be set up. I think we talked about the expert panel, and Chris Baggoley, of course, chaired that. The expert panel was asked to look again at the time lines for the achievement of the elective surgery targets and EDs et cetera and came up with a series of recommendations that were incorporated in a revised national partnership agreement that was signed by all governments in August. The reason that those have changed is based on the recommendations of the expert panel.

Senator FIERRAVANTI-WELLS: What about delays in relation to establishing the hospital networks and Medicare Locals, for example? There are revised time lines, if I could put it that way. Are we confident of meeting those time lines. That is really my question, Ms Flanagan.

Ms Halton: Let us talk about Medicare Locals for a second. You know that they are being established in three tranches, the first tranche of which was announced and indeed established on 1 July. I am looking around the room to make sure I am right. Thank you. As you are probably aware, we had an advertising and application process in relation to the next tranche. Those applications are currently being assessed. We expect there to be an announcement about those shortly, with the tranche due at the beginning of next year. The final tranche is due in mid-2012. Again, I would have to get the books out to compare precisely, but I think that is basically what we said we were going to do.

Senator FIERRAVANTI-WELLS: Having started the exercise, what I might do is go through this exercise but on notice. Time precludes me from doing it now. I really want to do a comparison of the times just to make sure of the assurances. We have seen times slipping and I want to get a fix at this point in time: are we going to meet those deadlines?

Ms Halton: The thing I can be quite confident about is, as I said, on Medicare Locals and the process is absolutely well underway. I know because there are people in the department who have been working their way through the next tranche of applications. So that I am completely confident on that.

In terms of the LHNs, the states are well underway with that. Acknowledging that we are not doing that ourselves—it is being done through the states—I have no reason to believe that they will not be up and moving in the timeframe that was agreed.

Senator FIERRAVANTI-WELLS: In relation to Medicare Locals, how many of the contracts were signed by 1 July? Will that be a question specifically in Medicare Locals?

Ms Halton: Yes, but we can give you the timetable for when they were each signed.

Senator FIERRAVANTI-WELLS: Perhaps the officers from Medicare Locals will answer that when they come to the table.

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: In relation to the deadline for the introduction of Activity Based Funding for 1 July 2012, are you confident that that is going to be met?

Ms Halton: Mr Charles Maskell-Knight might want to give you a fuller answer on this. As you would be aware, the work on ABF—Activity Based Funding—has been underway for quite a long time. The interim pricing authority was stood up on 1 September, with Dr Tony Sherbon, who is I think known to this committee and others, as the interim CEO. That was precisely to ensure that the work that had been commenced in conjunction with state and territory colleagues could be kicked along, noting, as you rightly point to, the timetable, which means that this has to commence at the beginning of the next financial year. Again, recognising that we the department are not doing this, I see no reason why the work that is underway will not be delivered.

Senator FIERRAVANTI-WELLS: You might take this on notice. In relation to how you see activity based funding being introduced, what will be happening and when? Also, how

many hospitals will this apply to? Obviously, they will be the ones that remain in block funding. Could you take that on notice so that we get a fix for which hospitals are being identified as what?

Ms Halton: We are happy to give you a slightly longer and more technical answer on notice. What I would remind you of, though, is that the pricing authority itself has to make recommendations in relation to where block funding will apply. You will recall that there has been a lot of public debate and, in some cases, some misinformation put about. Block funding will have to apply in particularly smaller country hospitals and we need the pricing authority to provide a view about that. I suspect that in the time frame of answering these questions that we will not be able to say categorically that it will be 60 or whatever, but we can probably give you an indication of what kinds of facilities may, depending on their work—Mr Broadhead wants to be far more precise.

Mr Broadhead: Essentially, there will be some block funded hospitals and some purely ABF funded hospitals. When I say 'purely', for the majority of their activity there will still be block funding for things like teaching and research, even in those that are predominantly activity based funded. There may be some in the middle, depending on how the pricing authority recommendations to COAG turn out about this. Some will get a mixture, for their treatment activities, of both block and activity based funding. So there may be a band in the middle that have a mixture.

We do not know where the threshold will be set, for example, for smaller country hospitals to be block funded or predominantly block funded, but it is a feature of the Australian hospital system that we have a large number of quite small hospitals. So it is quite possible that there will be some hundreds of small hospitals that are block funded. However, even if there are, that would still be a minor percentage of the total hospital activity. In other words, most of our hospital activity takes place in larger hospitals, but we do have a lot of little hospitals across the country. So you can end up with a situation where you have a significant number of small hospitals block funded but you are still funding on an activity basis by far the majority of hospital activity.

Just to illustrate, this is not to be taken as a position or a value. For example, if you look at hospitals with fewer than 1,800 weighted separations—that is, patient admissions per year or patient discharges and separations per year—that constitutes about 450 hospitals across the country and yet they are responsible for only about seven per cent of the total separations from hospitals.

Senator FIERRAVANTI-WELLS: That is why asked the question. In volume, it might apply to a large percentage of hospitals around the country, but numerically it might not apply to 70 or 75 per cent of our hospitals—I am only plucking those figures out of the air. That is the very reason I asked the question.

Mr Broadhead: The process by which this will be settled is for the pricing authority to come up with what it believes are the appropriate criteria for hospitals to be block funded, those are put to COAG, COAG agrees or does not agree, as it happens, and then whatever criteria are settled are applied and the pricing authority looks at the level of funding that should be provided to those hospitals.

Senator ADAMS: Thanks for that information. What is your definition of a small hospital?

Mr Broadhead: That is the issue in question. We do not have a fixed definition of 'small hospital'. From our point of view, the discussions that we have had—and these are not settled—are really about the volatility of activity in hospitals. In other words, if a small hospital has, from one year to the next, large shifts in the amount of activity it does—and that tends to be the case in small hospitals—it becomes difficult to fund them on an activity basis, because they are rich one year and poor the next. If they have a year in which a number of things happen—therefore they treat a number of people—their throughput is higher and they get a large amount of revenue. Then the next year less happens and they end up with less revenue.

The difficulty that they confront is that often their costs are fixed to a significant degree. So they can end up with more than enough revenue to cover their fixed costs in one year but not enough revenue to cover their fixed costs in the next year. So on that basis you would not fund them on an activity basis because it sets them up, at some point in the future if their activity levels decline in a given year, to be in financial strife. And that is not the intent of all of this.

There will be, I suspect, a number of submissions from a variety of quarters to the pricing authority about what the right level is—what is the right size or type of hospital for block funding to be applied to—but we would expect that one of the key criteria in determining that is stability of funding to ensure that the hospital remains viable over time.

Senator FIERRAVANTI-WELLS: I would like to ask a question in relation to advertising, which I foreshadowed. How much of the $29.5 million that was supposed to deliver the national communication campaign was spent in relation to health reforms prior to the August revised agreement? How much remains unspent, and will the unspent amount be now used to continue to promote—from the lavender book onward?

Ms Palmer: Funding of $29.5 million was originally provided for the campaign and $2.95 million of it was committed to the Consumers Health Forum to provide an active health-consumer role in the health reform process. That has been managed by the transition office. The health reform mass advertising activity ceased on 17 July 2010, which realised $11.2 million in savings towards the government's election commitment to reduce advertising expenditure by $60 million over a four-year period. So the money that was not used for the advertising at that time—$11.2 million—was returned.

Senator FIERRAVANTI-WELLS: So any money for future advertising of health reform—

Ms Palmer: No, there is none.

Senator FIERRAVANTI-WELLS: There is no more money?

Ms Palmer: No.

Senator FIERRAVANTI-WELLS: Not even in your little jar, Ms Halton?

Ms Halton: I wish I had a jar, Senator, or even a magic pudding, but no.

Senator FIERRAVANTI-WELLS: So that is it. There was $29.5 million and $11.2 million was returned.

Ms Palmer: That is correct.

Senator FIERRAVANTI-WELLS: I will put some questions on notice in relation to that. In relation to Tasmania, I have questions about some of the budget cuts. Ms Halton, if we do not get through these can we deal with that through the public hospitals acute program?

Ms Halton: Sure.

Senator FIERRAVANTI-WELLS: Is it best dealt with under acute?

Ms Halton: Ms Flanagan can bounce to the front of the table at whichever point you wish.

CHAIR: Are we going onto acute care? We are particularly tight in this timeframe.

Senator FIERRAVANTI-WELLS: Can we go through them? I am happy to ask those particular questions in those programs. Similarly I have questions about problems in Queensland at the moment. Will I do those in the acute section, as well?

Ms Halton: Which particular problems,?

Senator FIERRAVANTI-WELLS: I am talking about Queensland spending blowouts and the impact that that is going to have in relation to funds from the Commonwealth.

Ms Halton: The short answer is that it will not have any impact on the Commonwealth.

Senator FIERRAVANTI-WELLS: You are obviously aware of the press articles in relation to Queensland.

Ms Halton: Yes, Senator, I am.

Senator FIERRAVANTI-WELLS: 'Health gaffs fuel $600 million spending blow-out'. They say that Queensland is facing cuts in health and, therefore, its failure to meeting conditions in the National Health Reform Agreement. That is the angle that I was coming from.

Ms Halton: I see.

Senator FIERRAVANTI-WELLS: So can I ask those questions in the acute area?

Ms Halton: Yes, I think so, Senator.

Senator FIERRAVANTI-WELLS: Similar issues in other states I should deal with in acute?

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: In relation to bureaucracy and in effect departmental numbers I think last time, or in answer to a question on notice, you gave me some figures in relation to current staffing numbers and projected staffing numbers. This whole issue of the neutrality of staff numbers as part of the national health reform—is there another area in which I could deal with that?

Ms Halton: No, that is really here—in terms of the numbers in the portfolio.

Senator FIERRAVANTI-WELLS: Perhaps, Ms Palmer, you can assure us that in the end, when all is said and done about health reform, we will have Public Service number neutrality—in other words, maintain the commitment that the then Prime Minister Kevin Rudd made about his health reforms not leading to any increase in bureaucracy around the country.

Ms Halton: Ms Palmer can talk about the Department and indeed probably the portfolio. The colleagues can probably make broader comments but Sam can go first.

Ms Palmer: As part of our strategic review announced in the budget in May, the department will be smaller over the next period of time. It will be about 10 per cent smaller over the next two years than we were at the time of the budget.

Senator FIERRAVANTI-WELLS: When you have the shifts, for example, to the various authorities—and I think in the past we have talked about staff moving et cetera—overall, if I can put it that way, do I read into that an assurance that there will be no extra bureaucracy? Ms Halton, do you understand the question I am getting too?

Ms Halton: I do. Mr Maskell-Knight has got the piece of paper that says we are estimating a reduction of 420 FTE in 2012-13, recognising that the quality and safety commission does not really change in size—it was an existing bureaucracy. And then we have preventive health, pricing and performance, and the aggregate of those will not outweigh the reductions in the department proper.

Senator FIERRAVANTI-WELLS: I will put some questions on notice in relation to that. When should I ask about Local Hospital Networks?

Ms Halton: In acute.

Senator FIERRAVANTI-WELLS: My questions on Medicare Locals?

Ms Halton: Primary care.

Senator FIERRAVANTI-WELLS: And Lead Clinicians Groups?

Ms Halton: The transition office can deal with that.

Senator FIERRAVANTI-WELLS: How many Lead Clinicians Groups have been formed within the Local Hospitals Network?

Mr Maskell-Knight: The National Lead Clinicians Group has been established and we are in discussion with the states about entering into agreements with them to fund a National Clinicians Groups at the local level within their jurisdictions.

Senator FIERRAVANTI-WELLS: Again, this fits into the commitment of no new bureaucracies?

Ms Halton: These are not bureaucracies; this is clinical input to the operation of clinical services, recognising that in a number of instances states already have ways of engaging clinicians and in some cases they will be party to these arrangements. So I think it is not a reasonable thing to say that these are bureaucracies. These are hardly bureaucrats; in fact, most doctors would be deeply offended if they were called bureaucrats.

Senator FIERRAVANTI-WELLS: There might be some costs associated with these bodies but they will not require departmental staffing or secretariat—is that it in a nutshell?

Ms Halton: I think that is right.

Senator FIERRAVANTI-WELLS: I have questions about consultancies which I will put on notice, and I will put some other questions in relation to staffing on notice.

CHAIR: Are those all your questions in general?

Senator FIERRAVANTI-WELLS: Those are all my questions in general but if other senators want to take some time out of population health I am happy for that to happen.

CHAIR: Population Health is always a huge one and I am trying to maintain time for that. Senator Adams do you have other questions in this area, or have they already been asked?

Senator ADAMS: I have one.

CHAIR: Senator Adams, Senator Furner and Senator di Natale have indicated that they have questions in general. Senator Adams.

Senator ADAMS: This is on funding and holding states and territories to account. The Gillard government has an agreement with the states and territories that when the Commonwealth puts extra investment into the health system it cannot replace the states' and territories' investment into health care. Could you explain to me how the Commonwealth ensures that the states and territories keep to their side of the agreement and do not cut back on health funding? What checks and balances does the government have in place to ensure that this happens?

Ms Halton: I think the short answer is that because, as you know, there will be a pool into which moneys will be placed—Commonwealth and state monies—and then those state monies provided to the delivers of the service, I think that transparency is what provides that accountability.

Senator ADAMS: So the pool will actually cope with the—

Ms Halton: Absolutely. The whole point about this is actually being able to see what is being provided. So it is not possible to stick it under a thimble and move it over here and there and then you lose the pea in the process.

Senator ADAMS: So, really, the cost-shifting side of things will be caught?

Ms Halton: Cost-shifting is one of those totemic labels that people like to use. The truth of the matter is that there are always boundaries in between the Commonwealth and the states. What these arrangements do, particularly as we have said that what will be funded will, if it moves, continue to be funded—so if it was in a hospital and it moves out we will continue to fund it—is enable us to have a much clearer view of who is doing what and where, and I think that really helps.

Senator ADAMS: I have some questions on boundaries of local network boards and Medicare Locals, so I will leave that to the other areas.

Senator FURNER: Ms Halton, what has been the consultative process in communicating and in consulting with the stakeholders about the National Health Reform Agreement?

Ms Halton: There is a very long answer to that question. My colleagues can probably give you the headlines. What I can tell you is that one of the last things the sartorially arrayed Mr Head did was actually indulge in a lot of shoe leather exercise across the country. He did how many consultations?

Mr Maskell-Knight: He did 14 meetings in 13 locations across the country in a 15-day period, I think.

Ms Halton: And it was not just in capital cities. So, in addition to the campaign which has already been asked about and in addition to things like the purple-lavender-lilac Jacaranda book and the website, there was a very deliberate attempt to go out and engage with people who are in systems who want to know, and a presentation was done, which, according to

Graham, went incredibly well. In a number of cases those presentations included people from state and territory departments. We have a list of where those occurred.

Senator FURNER: Maybe you could provide those 13 locations on notice.

Ms Halton: We are happy to do that.

Senator FURNER: What is the funding in respect of the Commonwealth's investment through health reform in the states and territories this financial year for sub-acute beds, emergency departments and elective surgery?

Ms Flanagan: Sorry, Senator; could you repeat your question?

Senator FURNER: How much funding is the Commonwealth investing through health reforms in the states and territories this financial year for subacute beds, emergency departments and elective surgery? If it is preferable that the question be put on notice, I am happy to do that.

Ms Flanagan: The total funding going out in 2011-2012 is $587.6 million.

Senator FURNER: Can you give me a breakdown in those areas of subacute, emergency departments and elective surgery as well?

Ms Flanagan: In 2011-12 the investment in elective surgery capital is $25 million; the investment in the national emergency access target itself, which is facilitation funding, is $75 million. Sorry; let me start again. The investment in the national elective surgery target in 2011-12 is $95 million, and that is all in facilitation funding. The investment, as I have just mentioned, in capital to go with that is $25 million. The investment in the national emergency access target is $75 million. The investment in capital to go with that for emergency departments is $50 million. The investment in new sub-acute care beds is $317.6 million, and there is a flexible funding pool that is also available for states to use where they wish, of $25 million. That totals the $587.6 million.

Senator DI NATALE: I am interested in the number of freedom of information requests that have been made to the department by tobacco companies in the period since that information was last tabled. Could you perhaps tell me the amount of time in terms of staffing hours that those FOI requests have taken up in terms of the department's time?

Mr Cotterell: We have not done a total calculation of the staff hours, but I can tell you that the department has received 63 FOI requests in total. Eleven of those were transferred from other agencies. As at yesterday, the department had 35 current FOI requests on hand from the tobacco industry.

Senator SIEWERT: Is it possible to provide the updated list you usually give us?

Ms Halton: Here is one I prepared earlier—knowing you would be interested. Senator Di Natale, if I can tell you, I am on the record in relation to this in the past, and I will reiterate this. There is a very deliberate—you can tell—campaign of swamping us with requests. I am on the record in the past as saying that. Acknowledging, accepting and supporting the principle of FOI as I do, because of the way the current FOI laws are written there are huge opportunities for people who wish to abuse process to do so. Essentially the amount that we can charge by way of cost recovery for these requests goes nowhere near meeting our costs. Whilst Mr Cotterell says we have not actually added up all of the hours. One of the claims that we had at one point got over a million dollars when we added it up. On the undercosted

costings we were allowed to tell the applicant it would charge and then of course the applicant reduced the scope of the charge. But the process of even working out how long it would take us and how much it would cost on this substandard charging arrangement—we cannot charge for that. So the truth of the matter is: this is a very specific and deliberate attempt to divert resource. There will come a point where we will have to consider what to do about that; but, as I said, I am very happy to table a detailed update for you—which also goes to this costing issue, because it will probably be useful for you to know.

Senator DI NATALE: Do you have any ideas about what you plan to do about what appears to be a fairly deliberate and vexatious campaign?

Ms Halton: That, of course, is the question for us, because as you know there is a provision in the legislation in relation to vexatious requests. That is not well tested, and certainly we are taking some advice in relation to that.

Senator DI NATALE: So you are taking legal advice on that?

Ms Halton: We are intending to take advice on that. But if I can—

Senator DI NATALE: Intending to or currently?

Ms Halton: It is being discussed. I can give you an example. The department can only charge $15 per hour for search and retrieval and $20 per hour for decision-making time. The department is funded between $44.80 and $50.54 an hour for an APS 6, who I think everyone would acknowledge is not going to be a decision maker, so we are hardly talking reasonable recompense for the amount of time and energy that is taken. As I said, I would be very happy to table some information in relation to that.

Senator DI NATALE: Would you have a back-of-the-envelope calculation in terms of how much you think it has cost your department?

Ms Halton: No, we do not. I could use the phrase 'an awful lot', but I think to speculate would probably not be wise. We will have a little think about whether we can provide something on notice.

Mr Cotterell: In some cases the industry is disputing the charges, so I think it is quite difficult for us in front of the committee to attempt to add up the hours and charges.

Senator DI NATALE: If you could take that on notice that would be appreciated.

Senator FURNER: The department listed in the annual report outcomes and figures in respect to Aboriginal employment and strategies. I would like some feedback on the results of those and on any areas of disability as well.

Ms Halton: Absolutely; we would be delighted. I can tell you that we have very active networks—one for our Aboriginal and Torres Strait Islander staff and the other for our staff with disability. Ms Palmer is, I think, acknowledged as a service-wide leader on the issue of disability, which is a testament to her commitment. I have been very pleased to have met myself with both networks quite recently. I can say about the commitment that we have in relation to the target that has been set for the APS, which is 2.7 percent—and we are not at 2.7 percent, but we are not doing too badly—that the certified agreement that we will be putting to staff for their consideration, hopefully very soon, will reiterate our commitment to meeting that target. Ms Palmer can probably give you a little bit more information.

Ms Palmer: Senator, I did not hear your question. Would you mind repeating it for me?

Senator FURNER: I was interested in figures and results through the annual report, in particular employment and strategies for Indigenous people and also areas of disability.

Ms Palmer: As the secretary said, it is something that we have been working quite hard on. We have quite a committed staff, and our people branch are working very closely with both the new staff—with disability network, which was established only this year—and ongoingly with our Indigenous staff network.

We are pleased at the moment to be able to report that, as at 30 August, 4.8 percent of the ongoing employees of the Department of Health and Ageing have identified as having disability, which is well above the APS average of 3.1 percent. This has been an increasing trend in our department since 2008.

We have a disability action plan, which our staff with disability have assisted us to develop, and it has quite a series of activities within it to improve both the disability confidence in our organisation and the capacity of all our staff to work to support staff with disability, whether in fact they choose to identify as having disability or not and remembering that many staff with disability do not find that their disability hampers their work in any way. So we have done quite a bit there.

Our network is very new—it was only established this year. It is of course a volunteer network, as is our Indigenous network, and they are working very hard on improving awareness and support in the organisation.

Ms Halton: I just want to make one point while Ms Palmer turns the page. The staff in our people area won an employer award for their work with people with disability from the ACT government recently, which we are very proud of.

Ms Palmer: We are very proud of it. Regarding Aboriginal and Torres Strait Islander staffing, currently 1.9 per cent of our ongoing staff identify as being Aboriginal or Torres Strait Islander. We have a reconciliation action plan that we have worked with our network which has a number of actions. We have a network meeting with our staff who are Aboriginal and Torres Strait Islander organised for later this year. At that meeting, we expect in our engagement with our staff to talk through that reconciliation action plan and to hear their ideas on other things that we can do to better support our staff within the organisation and improve our recruitment and retention of staff who are Indigenous.

Senator FURNER: Thank you for that.

CHAIR: That concludes questions in the whole of portfolio and corporate areas. We now move on to population health.

[11:01]

CHAIR: We will proceed outcome by outcome and see how we go. We will start with 1.1, Prevention, early detection and service improvement.

Senator ADAMS: My first question is regarding the BreastScreen evaluation 2009 report. Has there been any progress on the recommendations from that evaluation?

Mr Smyth: A number of the recommendations are actually administrative in nature and are being progressed around quality improvements to the programs and workforce enhancements to improve the capacity particularly of mammography technicians and readers.

The bulk of the recommendations are still to be considered by all health ministers, but that is under active consideration at the moment.

Senator ADAMS: When do you think that we will hear anything about it?

Mr Smyth: I would not like to give you a time line on that, but it will take a number of months, I suspect, to work through a lot of those issues. Some of the reasons for the delay, of course, have been in relation to the new health reform agreements, because there was at an early stage some consideration of the Commonwealth taking over full funding and policy responsibility for cancer-screening services. So consideration by all jurisdictions was somewhat delayed because of that. But that process is now in train.

Senator ADAMS: I was quite dismayed when I saw Minister Roxon's announcement about the changes in the age limit for mammography and the number of potential invitees. I just want some clarification. The age limit before was 50. People of 45 to 50 years were going to be included with an invitation and they are obviously not going to now.

Mr Smyth: That is not actually correct. Women are not excluded from participating in BreastScreen Australia. The target group is 50 to 69 years of age, but women of 45 to 50 who attend the services are able to be screened. There is currently no exclusion of that age group.

Senator ADAMS: I am fully aware that if they turn up they can be screened, but what worries me is that I felt the government had agreed that the 45 to 50 years would be inclusive.

Mr Smyth: That is part of the consideration of the recommendations and the evaluation of BreastScreen Australia. All ministers will take it into account, Senator.

Senator ADAMS: The 70- to 75-year age group are not invited; they can turn up as well. But a lot of these women—I do a lot of work in this particular area—think that because they are no longer going to be invited they cannot get breast cancer, that they are not in an age group that can. There has been a new evaluation done that has just been published in the Australian medical journal showing, with scientific evidence, that this group does have problems. So this is another area of concern for me. I would like your comments on that. Have you seen that article?

Mr Smyth: I do not have that article in front of me. I am certainly aware that there have been a number of articles recently around BreastScreen. Again, the age groups that are specific to this program will be under active consideration by all governments, all health ministers, in the months ahead.

Senator ADAMS: To help you with this, it is a BreastScreen based mammography screening on women with a personal history of breast cancer. It is a Western Australian study. The other part is, once someone has had breast cancer can they go back? Are they invited to go back every year, still, or is that going to be reduced?

Mr Smyth: It tends to be a different pathway when women have been diagnosed with breast cancer. They go through a different pathway with their medical practitioner. BreastScreen Australia is really about asymptomatic women, a population base screening program. But women who are at high risk, who have a family history of breast cancer or who have had breast cancer, will go through a separate pathway. That is one that they would discuss with their doctor.

Senator ADAMS: There is a problem there with the Medicare rebate because it is very small in comparison. That is something that perhaps the government could look at. It is pretty unfair, especially for rural people. They have huge costs in getting to the city—especially in Western Australia, as an example—and the Medicare rebate, really and truly, is not good enough for them.

CHAIR: Ms Halton I have questions on pregnancy counselling. Is that in 1.1?

Ms Halton: Could you be more specific?

Senator RHIANNON: Counselling services.

Ms Halton: Is it the services or the hotline? They are in two different places.

Senator RHIANNON: It is more about the services: how they are being run, and the standards.

Mr Smyth: There is a program that is about fertility but it is not about pregnancy counselling as such. Twelve organisations are currently funded.

Senator RHIANNON: I want to ask about the providers. We are just trying to work out whether I do it in this section.

Ms Halton: You will have to tell us which providers, Senator.

Senator RHIANNON: I will ask the first question and give you a case. Is there a requirement that all pregnancy counselling providers will provide counselling on the full range of options available to women?

Ms Halton: That is a very general question. It depends on whether the question relates to people we fund. We can make a comment about—

Senator RHIANNON: Specifically to the ones that you fund and then also to try to assess whether there are standards that all providers come under.

Ms Halton: No.

Senator RHIANNON: People can set themselves up to provide counselling on pregnancy and there are no standards by which they have to abide.

Ms Halton: There are professional bodies that regulate the conduct of professionals. There may be consumer issues in relation to how people present themselves but in terms of the things that we have any dealing with they are regulatory activities, which would go through the registration bodies and then funding agreements with bodies that we fund.

Senator RHIANNON: You are not responsible for any standards that would cover providers who do not receive public money.

Ms Halton: No.

Senator RHIANNON: We are just talking about the ones that you do fund. If I could therefore ask that question.

Mr Smyth: We have a family planning grants program, which is about evidence based family planning. It has a national focus and there are three key areas: public education, health promotion and information sharing; professional development, continuing education of professionals involved in family planning activities; and then there is consultation, networking, representation and collaboration across the sector.

The objective is to support evidence based family planning. This is about having couples or individuals achieve the desired number of children. There were 12 organisations that were funded under that program. I am happy to tell you who they are if you like.

Senator RHIANNON: Maybe you could take that on notice.

Mr Smyth: Sure.

Senator RHIANNON: Are you aware of any pregnancy counselling services that receive public funding but fail to provide information on pregnancy termination?

Mr Smyth: I am not aware of that.

Senator RHIANNON: When you say you are not aware does that mean that it does not happen or that the auditing has not been done so you do not know?

Mr Smyth: Our program is not necessarily about that. It is more about fertility advice rather than termination. People may ring the national pregnancy helpline and be directed through that area but—

Ms Halton: I might make a point about this. The then Senator Natasha Stott Despoja would, nearly every estimates—some of our friends and colleagues on that side of the table will remember this—ask questions in relation to the provision of public moneys to organisations who were active in the fertility space. In fact, I think after a certain period the telephone counselling line came about as a consequence of some of those questions. Essentially, some of the organisations we fund have a particular perspective on these issues. They provide advice, as Mr Smyth has told you, in relation to achieving the number of children that people wish. The service that they offer is about fertility and the pregnancy counselling hotline is the service which will provide you with every option et cetera.

Senator RHIANNON: So apart from the hotline there are, as you would be aware, a number of pregnancy counselling services that provide information on the range of options.

Ms Halton: Correct.

Senator RHIANNON: I understood from the answer to a previous question that some of those receive public funding.

Ms Halton: Some of them.

Senator RHIANNON: My question is about those. It was not about the fertility aspect of it. It is about ascertaining whether the services that receive public money are providing the full range of services. I understand from your response, Mr Smyth, that you were not aware of it.

Mr Smyth: We have an agreement with these organisations—the 12 that we fund—to provide a particular focus and service. If they are organisations that do other activities as well that is outside of our funding agreement with them. I am not fully aware of the activities that they may well undertake.

Senator RHIANNON: I am not interested in their other activities. Considering that you are funding them for pregnancy counselling services—

Ms Halton: We are not, necessarily. That is the important point.

CHAIR: This is quite an extensive area and we do not have time to go through the degree of questioning in the allowable time that we have today.

Ms Halton: What I suggest we do is to give you, on notice, the list of organisations we are funding and what we are funding them for.

Senator RHIANNON: Okay.

CHAIR: Senator Rhiannon, what we can do—it is common practice—when you get that information, if you require a briefing, is to go back through Senator McLucas and arrange that. That is the process.

Senator RHIANNON: Thank you.

[11:14]

CHAIR: I intend moving on to communicable diseases. I do apologise—I am putting it on notice now—we will not get to all the questions that I have now been given in this area. We will see what we can do. This is in the program 1.2.

Senator ADAMS: We asked a number of questions last time on the TB problem in the Torres Strait and also with Queensland Health. I am sure that you all know exactly what I am talking about. I would like to know how many times the Torres Strait Cross-Border Health Issues Committee met in the last 12 months.

Ms Holden: We have met two times in the last 12 months. We met recently in September and before that in March.

Senator ADAMS: What have been the committee's three main achievements in that time?

Ms Holden: The main focus in the last two meetings has been around arrangements for the TB clinics that will be ceasing in the Torres Strait and ensuring that appropriate arrangements are set up on the PNG side. That was a lot of the focus of the meeting. They also reviewed their terms of reference as part of that meeting and looked at broader issues around new committees that have been established in the Western Province of PNG.

Senator ADAMS: Could you tell me what is happening in Saibai and Boigu at the moment? Are those clinics being funded by the Commonwealth?

Ms Holden: The primary healthcare clinics in Saibai and Boigu are Queensland Health clinics so they are funded by Queensland. The Australian government makes a contribution towards those clinics for the treatment of PNG nationals.

Senator ADAMS: Queensland were going to remove that funding, so how long does their funding go for?

Ms Holden: The funding you are talking about is in relation to TB specialist clinics, which is an outreach service, not the actual primary healthcare clinic. In relation to that the Australian government has provided funding for three additional TB clinics to be held. The first one was held in October, there will be one held in September and there will be one in February. It is part of a transitional arrangement that has been worked together collaboratively with the PNG government to hand over into PNG care the current TB patients that that clinic is seeing. The first handover was on 13 October last week, when 21 TB patients were handed over from the care of Australian clinicians to care in PNG with the new TB physician they have put in place.

Senator ADAMS: So the patients that are seen at those clinics are not going to Thursday Island anymore, they are going straight back to PNG?

Ms Holden: For the ones that came over for the TB clinics, yes. There was a handover. I think they saw over 60 patients on the day for their general treatment. But 21 of them were handed over into the care of PNG and they will see the new TB physician based at Daru for the continuation of their treatment.

Senator ADAMS: What communication are you having with AusAID's program in PNG?

Ms Holden: They have been quite heavily involved. They are part of the Torres Strait health issues committee. The work that is being done around the TB clinic has been jointly between the Australian government, which includes the Department of Health and Ageing and AusAID; Queensland Health; and the relevant PNG governance. So there is quite a lot of involvement with AusAID's program in PNG.

Senator ADAMS: They have a large amount of money. As far as their drugs go, especially investment into the Mabaduan village, do they have enough drugs there?

Ms Holden: Could you repeat the name of the village?

Senator ADAMS: Mabaduan.

Ms Holden: I do not know the specifics of the AusAID work there. AusAID is doing a lot of work across all of the communities in the Western Province. As part of that, they are looking at the drug supply across the villages. But I do not have any more specifics on their program.

Senator ADAMS: Chair, I have quite a lot of questions that I will put on notice that are to do with the AusAID program and also others on the Commonwealth and Queensland Health involvement with the Torres Strait clinics.

CHAIR: We will now go to program 1.3. We have six minutes. Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS: PricewaterhouseCoopers conducted an efficiency review of the Ministerial Council on Drug Strategy and its reporting structures for the department in a report dated 24 January 2011. Why hasn't this report been released publicly?

Ms Krestensen: I will have to take that one on notice.

Senator FIERRAVANTI-WELLS: I have got a copy of the report. Could you also tell me why appendix A, the list of stakeholders consulted, has been redacted? Could you tell me who the consulted stakeholders were and whether they were consulted on the basis of suggestions made by PricewaterhouseCoopers or by the department directing PricewaterhouseCoopers as to who should be consulted? Could you also tell me whether those stakeholders, the various industries, were consulted and again whether that was at the suggestion of PricewaterhouseCoopers or of the department?

Ms Halton: We will have to take that on notice. But because committees are Commonwealth-state creatures, whenever there is an FOI request we have to go to all the parties in the Commonwealth-state arena to ask their permission about what can be released. So we will take it on notice but I think you will probably find that there are a number of parties who object to bits and pieces being released.

Senator FIERRAVANTI-WELLS: There is only one page redacted from the copy I have and that is the stakeholders consulted. I am surprised about that. But please do take that on notice. Could you also take on notice whether in the past three years the department has

appointed anyone with alcohol industry experience to any of its advisory bodies to provide advice on alcohol policy? Also in relation to the Blewett labelling review—

CHAIR: Senator, this is the drug strategy. This is program 1.3. I would have thought labelling—

Ms Halton: It depends on which labelling.

CHAIR: Which labelling are you going to, Senator?

Senator FIERRAVANTI-WELLS: I am going to the Blewett review.

CHAIR: That is food. It is FSANZ.

Ms Halton: That is food, and food is not a drug, last time I looked—although for some people—

Senator FIERRAVANTI-WELLS: See, the answer to the question was on population health, food labelling.

Ms Halton: True. Score one you!

Senator FIERRAVANTI-WELLS: Ms Halton, I am raising it particularly in view of some of the things that have been banned and said to be unhealthy.

Ms Halton: Okay.

Senator FIERRAVANTI-WELLS: You know we have had this discussion about chocolate and other things.

Ms Halton: We have.

Senator FIERRAVANTI-WELLS: I will put the rest of my questions on notice.

Senator SINGH: What has been the international response to the government's measures on plain packaging?

Ms Halton: That is a very broad question. It depends on how long you have got.

CHAIR: And you know, Ms Halton, we do not have long.

Ms Halton: What I can tell you is that the government has been commended for the plain packaging initiative by, very prominently, Margaret Chan. In fact, I was with her at the WHO regional committee in Manila last week. Not only has she awarded the minister one of her anti-tobacco awards but she also reiterated at that meeting the importance of Australia's leadership on plain packaging. I could also mention Minister Chen Zhu, China's Minister for Health; the European Commissioner for Health and Consumer Policy; the Indonesian minister; Kathleen Sebelius, the US Secretary of Health—and I could go on.

I can tell you anecdotally that when the UN had its general assembly meeting, where there was a special two-day meeting on noncommunicable diseases, there was a huge amount of interest in our initiative. We met with Michael Bloomberg, the Mayor of New York. He is a very prominent anti-tobacco campaigner. He was very interested and, indeed, very complimentary about the initiative. We met with a series of people. But probably by way of colour and movement I will tell you that when the minister presented to one of the roundtables at that meeting, her presentation was interrupted twice by spontaneous applause and she got a very significant round of applause at the end. For anyone who has done much international work—and I have done a fair amount of international meetings in my time—they will know that that is very unusual. So, yes, I think the short message—without going

through the entire cavalcade—is that it has been very well received by people who understand the importance of this from a global health perspective.

Senator SINGH: How many FOIs has the department received from big tobacco?

CHAIR: We have had that question.

Ms Halton: Senator, one of your colleagues has already asked that question. We are going to table some material for you on that.

Senator SINGH: Okay. There was an antismoking social marketing campaign that went out into the community. Out of that, was there any evidence to show that it has reached certain target groups—for example, pregnant women and their partners, those living in disadvantaged areas, those with mental illness, prisoners et cetera?

Ms Halton: It is important to understand that our approach to tobacco advertising does vary depending on the target group. In particular, with the work that we are doing on tackling Indigenous smoking you cannot use general community approaches; you have to be quite targeted. One of the things we are very conscious of with attempting to tackle smoking is that, particularly as the numbers come down, you have to have a very targeted approach.

Mr Cotterell: There was a specific amount of money set aside by the government for a targeted campaign to the groups that you have outlined. That was $27.8 million over four years. I think Mr Davey is going to take us through what has happened in that campaign.

Mr Davey: The measure that Mr Cotterell is talking about, the 'Tobacco Campaign—More Targeted Approach', specifically targets pregnant women, prisoners, people with mental illness, people from culturally and linguistically diverse backgrounds and also people living in socially disadvantaged areas. That campaign has been designed side by side with the national campaign to ensure efficiencies and to more specifically target those groups. We are in the process of evaluating the activity that is run. But as to whether we have reached those groups, we certainly have specific strategies which include things like advertising through targeted media, public relations activities and information materials that have been designed specifically and tested with those target groups to ensure that we are reaching them in the best way we can.

Senator SINGH: So when you are seeing that evaluation or some part of that evaluation being completed?

Mr Davey: It is in the final stages now. With these campaigns, when it is finalised we will publish those results.

Senator WILLIAMS: Ms Halton, officers of the Department of Health and Ageing told the House of Representatives health committee on 4 August that they had legal advice which made them confident that they would win proceedings in the High Court by anyone challenging the bills relating to tobacco plain packaging. How much has been spent obtaining this legal advice?

Ms Halton: We will have to take it on notice.

Senator WILLIAMS: Do you want to take it on notice?

Ms Halton: Yes, sure.

Senator WILLIAMS: Back in 1995, then health minister, Minister Carmen Lawrence, sought to look at plain packaging. As a result of the Attorney-General's advice at the time,

Carmen Lawrence reportedly dismissed the proposal, apparently saying, 'It is just not feasible. We would have to buy the tobacco companies' trademarks and that would cost us millions of dollars.' In 1995, how much did your department estimate would have to be paid? You might want to take that on notice. This is a concern I have: the tobacco companies, with millions of dollars behind them, could take a High Court challenge and win. We saw what happened with the Malaysian solution in the High Court. Basically, have you got it covered as far as legal challenges go with property rights? Notice that my only concern about this whole thing is that, if these companies sue Australia through the High Court, we could face billions and billions of dollars of trademark removal compensation, or whatever,. That is why I raise these issues with you. Can you expand on what the department has done in relation to that threat of being sued, basically?

Ms Halton: Regarding those matters, the tobacco companies have pursued us at great length to attempt to retrieve this supposed legal advice and they have lost consistently in relation to the attempt. All I can say is that the supposed view that there was a decision, in theory—and it is all speculative; let's be very clear about that—is, I think, immaterial. The real question here is: is the legislation well founded? Are we confident that the parliament of this country has the authority to take this decision? And is it the right thing to do? Frankly, that is our view. But my colleagues can expand, if you wish.

Mr Cotterell: Senator, on the question you ask in relation to the department's estimate of how much it would cost to pay out the trademarks, we were FOIed on this matter and there was no record of an estimate.

Senator WILLIAMS: You can see my concern: if there is a court case, Australian taxpayers could get hit for billions and billions of dollars for removing a trademark. As a member of the National Party I have seen property rights removed from farmers to farm their land, whether it be land clearing or whatever, with no compensation et cetera. The property right of this product is what concerns me—if they take us through the court and it ends up costing us billions of dollars.

Ms Halton: Let's also be clear: essentially, they are not restrained from using their trademark on correspondence and all sorts of things. Under the proposal, they can use their name. What they cannot do is use their name with any fancy printing or things which make cigarette packets of interest, particularly to young people. There is no restraint on the brand being on the packet. As I think you would be aware, we have done a lot of consumer testing. We have taken a lot of advice about this. In fact, the Senate would be very aware that, because the legislation has not come before the Senate, we will have to think about timetables, implementation et cetera. This has been very, very thoroughly worked through. The truth of the matter is, in my view, that this has been fought so strongly because they actually know it will work. If it was not going to be effective, why would they fight is for this?

Senator WILLIAMS: Chair, I will put a series of questions on notice because of time restraints.

CHAIR: Senator Brown, you have one more question On drug strategy. I am just checking whether there is anything more on drug strategy. Then we will go to NICNAS because we are not sure where it fits.

Senator CAROL BROWN: Following Senator Singh's questions, I just want to note whether you have any information about the nicotine replacement therapies that are now being placed on the PBS—whether you have any figures as to the take-up of those. It might be too early.

Ms Halton: The pharmaceutical people are on later. If you like, we will see whether they can get something by the time they get here.

Senator CAROL BROWN: That would be great.

Ms Halton: We have a little bit of time, so the team will make a phone call. I am sure they are back at the office watching.

CHAIR: We will now go to NICNAS. Senator Waters has questions in this area.

Senator WATERS: When I last spoke with you at the Senate inquiry into coal seam gas in August, I asked a few questions about the chemicals used in coal seam gas hydraulic fracturing fluids. You said at the time that you were still trying to work out which chemicals were being used in those fluids and that you thought there were about 50 or 60 common chemicals in the fluids used by the various companies. Do the companies have to advise you of the chemicals that they are using in the fracturing fluids?

Dr Healy: The companies are not required to notify NICNAS. Chemicals that are listed on the national inventory are available for industry to use without, necessarily, further consultation with NICNAS or notification.

Senator WATERS: You told us that you have assessed about four of those, roughly, 60 chemicals that are used in the fracking fluids, so there are 55 or so that you still have not assessed. You also told me that there is a fast-tracking process and that you are hoping to get through about 3,000 chemicals, which are not yet on the list, in the next few years. Are the coal seam gas chemicals on that list of the ones that you will look at shortly, or what is the time frame for working out if these chemicals are safe to be used?

Dr Healy: Yes, the fracking chemicals are included in the list that we will use the fast-tracking process for, and we are expecting that process to start in 2012-13.

Senator WATERS: If the coal seam gas companies are not obliged to tell you the chemicals that they are using, how do you know which ones to assess?

Ms Halton: We have been consulting with the companies as well as with the states and territories, particularly Queensland and New South Wales, but we have been consulting directly with the relevant companies.

Senator WATERS: If the chemicals are on the list but they have not been used in this manner—that is, in fracking fluids being blasted underground—is there a role for you to assess if this new usage of that listed chemical is appropriate?

Dr Healy: Yes, we can do that assessment, and that is what we are planning to do. The states and territories can also make a decision as they make decisions on the licensing arrangements.

Senator WATERS: So you can and in this instance you will, but you are not obliged to?

Dr Healy: Yes, we will. We have included them in the 3,000 fast-track.

Senator WATERS: But you have just chosen to do that; you are not obligated to do that?

Dr Healy: That is correct.

Senator WATERS: You told me last time that your the budget is about $9 million a year and you have about 60 staff, and that in the last 20 years you have been able to assess 220 chemicals, but you have 38,000 still to go. You mentioned you are implementing a new fast-tracking process that will allow you to get through about 3,000 in the next three years. If you were to assess all 38,000 in, let's say, five years, to a standard that is appropriate to ensure safety for people and the environment, how much additional resourcing would you need to get through that list in five years?

Dr Healy: We would have to consider that a bit further. We have not done the costings for the full 38,000. The initial 3,000 that we are looking at are predicated on certain availability of information, as well as certain tools. We will be using the experience of doing that 3,000 to determine the feasibility and cost for the larger part of the inventory.

Senator WATERS: So you cannot quite answer that question just yet? There is no point in taking that one on notice?

Dr Healy: I do not think so—not with any accuracy, anyway.

Senator WATERS: Good luck with the 38,000. I hope you get to them nice and quickly. Thank you.

Senator FIERRAVANTI-WELLS: I have a couple of questions in relation to plain packaging.

CHAIR: That is not under NICNAS. We just have the chemical group officers at the table. You want to go back to the drug strategy?

Senator FIERRAVANTI-WELLS: I thought that we were still doing 1.3.

CHAIR: No.

Senator FIERRAVANTI-WELLS: We have not moved to 1.4. The last time I looked, the drug strategy was under 1.3.

CHAIR: Senator, we do not have time to go through it, but I actually looked at all the senators and asked if there were any further questions on the drug strategy and then we went to NICNAS. Is it necessary for your questions to be asked today or can you put them on notice?

Senator FIERRAVANTI-WELLS: I will ask the question. On 12 October, the minister made a comment that she needed to reconsider the impact on the implementation frameworks for the plain packaging legislation. What implementation frameworks was the minister referring to? And, following up on your points about the international aspect—there are no international agreed standards in relation to track and trace. What action is the department taking in regard to track and trace since the minister made this comment in her summing up speech on 24 August?

Ms Halton: Unfortunately, the officer has left. What I can tell you in relation to implementation—you will be aware that the bill includes a number of dates that companies have to comply by, and some wash-through dates, in terms of when stock has to be replaced. What needs to be considered—because the bill was not considered by the Senate—is what exactly those dates are. Obviously, there are time frames that are necessary in terms of the implementation, so that is what needs to be considered there. Obviously, depending on

timetables, those dates will have to be considered, depending on whether we think the Senate is going to consider the bill.

Senator FIERRAVANTI-WELLS: Can you take on notice the issue about the action that the department has taken in relation to track and trace since the minister made those comments on 24 August?

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: Thank you.

CHAIR: We will now move to program 1.4, regulatory policy.

[11:41]

Senator FIERRAVANTI-WELLS: You are aware of articles in relation to CSL Biotherapies, and one dated 30 September in relation to rectification of flaws in its laboratory practices. I have two questions. One relates to the deficiencies that were identified by the USFDA. My question is: why are we leaving it to the USFDA to identify deficiencies with CSL, and why isn't the TGA doing that? How many CSL products that have been affected by problems—including Fluvax—have been given to Australians?

Ms Halton: This is a TGA question rather than a vaccine procurement question. In relation to media reporting, it is important to make the point that media reporting does not always accurately reflect the facts, or indeed provide a balanced view. It is fair to say that, yes, the FDA might have been doing its job but so has the TGA.

Dr Hammett: Just to reassure the committee that the TGA has in fact been very active in assessing the compliance of the manufacturing of CSL. Indeed, we have, over the last seven years, been used to auditing their manufacturing facilities on an annual basis. We are in fact currently auditing them on a monthly basis to ensure that they are satisfactorily addressing the issues that both we and the FDA have identified in our manufacturing audits. We are working very closely with the FDA, and the FDA are relying on our monthly audits of CSL to reassure them that CSL is making appropriate progress in identifying issues identified by both the TGA and the FDA. So we are not in any sense relying on the FDA to do the work that the TGA is in fact doing very actively.

Senator FIERRAVANTI-WELLS: What products in the national stockpile or on the national immunisation program are subject to any investigation by the TGA, the FDA or any other regulator?

Dr Hammett: I need to give a bit of background to help the committee understand the process of manufacturing audit. When we go into a manufacturing facility, we look at the processes in place to make sure that the company is able to ensure the final quality of the end products that come out. It is quite normal, whenever we inspect any manufacturing facility, for us to find things that need to be improved, such as record-keeping or tracking of batches or the way they are identifying problems with their own quality control. That is normal. In fact, it is almost unheard of for us to do a manufacturing inspection and not find something that could be improved in the manufacturing process. That has happened with the FDA and the TGA's inspections of the CSL manufacturing process. There are things that do need to be fixed to optimise that manufacturing, but it is important to note that neither FDA nor the TGA have identified any deficiencies that we believe are likely to contribute to unsafe end products. So, while there are things that CSL need to fix about their current processes and

their quality control, neither we nor the FDA believe that these are issues of significance for product safety.

Senator FIERRAVANTI-WELLS: We have canvassed in the past the issues in relation to the febrile convulsions and the dark particles in the Fluvax vaccine in 2009. I will not go there again, but it is very clear that it took CSL six months before they actually started to look at that. How can it take a company like CSL six months? What is the TGA doing to make sure that sort of thing does not happen? I was literally howled down in estimates when I last raised these issues about CSL and some of their practices, as if it was some major issue. Well, now we are seeing that there really was an issue and it took CSL six months. Dr Hammett, this is a serious issue.

Dr Hammett: We share your concern that companies respond in a timely manner when issues are identified with their manufacturing process. We have been working very closely oversighting CSL's response to these issues and, indeed, have sought explanations from CSL directly about their timely responsiveness to issues that are identified, and we will continue to make sure that CSL address the issues identified through these manufacturing audits.

Senator FIERRAVANTI-WELLS: And, of course, we had yesterday's little episode. It just keeps going and going.

Dr Hammett: Which episode?

Senator FIERRAVANTI-WELLS: The one referred to in an article in the *Australian*, copies of which I circulated before.

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: Are you demanding an explanation? You should be.

Dr Hammett: We are. We have written to CSL.

Senator FIERRAVANTI-WELLS: It emerged that the company knew two years ago about research suggesting a sharp rise in feeders linked to its seasonal flu vaccine but omitted this from information given to doctors. We have canvassed this in these estimates. My question is: when did you and when did the government first know about this? Is this the first you have heard of it? That is really what I would like to know.

Dr Hammett: No, it is not, Senator. In 2009 a study was published which related to clinical trials undertaken in 2005 and 2006. That study was published in peer-reviewed scientific literature. We were advised by CSL of its publication at about the same time as it was actually published. You will recall that that in the years before the Fluvax incident with febrile convulsions—and, indeed, for the last four decades—seasonal flu vaccine has been regarded as an incredibly safe vaccine. In 2009, 2008, 2007, 2006 and 2005 there was no suggestion of safety problems with the flu vaccine.

In retrospect, knowing now what we know in 2010, that there was a problem with the 2010 vaccine, people are going back through clinical trials and saying, 'With the aid of the 'retrospector scope', could we have picked anything?' Indeed, in those earlier clinical trials there were rates of fever for the Fluvax vaccine that were higher than some other comparable vaccines. However, as noted in yesterday's article, most of those fevers were mild or moderate and there was no sign of a febrile convulsion signal. Febrile convulsions were not occurring in those studies that were done.

As I have said, we have written to CSL and made inquiries as to whether there was any delay in notification of us of these issues and have sought to gain a greater understanding of what they knew when. We have not yet received a response, but we are awaiting that.

Senator FIERRAVANTI-WELLS: Can I ask you to take on notice how much money has been paid to CSL? It is an enormous amount of money that you pay them. You obviously must have a very close relationship with CSL—and I mean that simply because of the nature of the work that they do and how much they provide in terms of products to the Commonwealth. Surely, Dr Hammett, you must have been aware of what this company was doing and certainly known about its research in relation to these fevers.

Ms Halton: Let's just back up a second. There are a couple of things. Dr Hammett is the regulator. He does not pay the CSL anything. He has a very clear role, which is as a regulator. He takes that role very responsibly and very seriously. There is a separate part of the government which purchases vaccine, including from CSL. So I think we need to make a distinction here about who is paying what for whom and what the nature of the relationship is, because I do think it is—

Senator FIERRAVANTI-WELLS: I am happy for that to happen, Ms Halton, but the point that I am getting to is, given the close relationship—whether it is on the side of the purchasing arm or on the side of the TGA—this is a serious issue. Two years ago, at a period much earlier than has been previously canvassed in these estimates, there was an issue about fever. My question is: when did the government first become aware of this?

Ms Halton: Again, let's be clear. The regulator, as Dr Hammett has just indicated—

Senator FIERRAVANTI-WELLS: May I ask my question: when did the government and the regulator first become aware?

CHAIR: I will say once—it will not happen again, I know—that when the witness is answering a question, could you wait for the answer to be completed before you give your next question.

Ms Halton: The issue here is, from a regulatory perspective: was there a concern? As Dr Hammett has indicated, the TGA was notified by CSL of the article. In the context of what was known at that point and, as he has already pointed out, the very long history of vaccines and vaccine safety, was this cause for alarm?

Dr Hammett: That is correct.

Ms Halton: And the answer was no.

Dr Hammett: That is right.

Ms Halton: Exactly as he just indicated, if the answer of the regulator is no—I am happy to go back and check, although I expect it would be quite hard to find whether or not this was brought to any minister's or anyone else's attention—I would not expect it to have been. This is the regulator's judgment in the context of many, many years of safety—as we know the black spot issue is quite unusual—but, at the end of the day, as Dr Hammett has said, people might now be making an interpretation of this. But at the time this was not out of the ordinary.

There is a separate question about what information was provided to people, which is exactly the point that he has indicated that letters have been written about, and we are waiting for an answer.

Senator FIERRAVANTI-WELLS: This is my last question. I think it would be worthwhile for your officers to go back over the record.

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: We have had a lot of discussion in estimates over this. I want tax office make sure, as a consequence of what has now emerged from some of the evidence that all of the evidence that has been given in the past is correct and that nobody needs to correct any previous statement. That is really where I am going. In fairness to those officers, now that this has emerged, I would like an audit done of previous evidence given, as to whether any evidence previously given now needs to be corrected in light of what has emerged. That is really what I would like. I will leave it at that, because I think that is quite an exercise.

Ms Halton: I think that will be quite difficult.

Senator FIERRAVANTI-WELLS: I do not want anyone to have misrepresented to the Senate.

CHAIR: This is quite a serious process and I think that we need to have a discussion outside the Senate estimates on this issue.

Senator FIERRAVANTI-WELLS: I am simply saying, Senator Moore, that I think it would be worthwhile to review this evidence and past evidence to make sure that all previous evidence given in relation to these matters still stands on the record as being correct. That is really my point, Ms Halton. I am not making any accusations or anything; I am simply asking for that to be done.

CHAIR: The department will consider previous statements, but there is no intent in terms of changing evidence or anything of that nature.

Ms Halton: Exactly.

CHAIR: Dr Hammett, as you are at the table I think we will go to TGA questions.

Senator XENOPHON: Dr Hammett, further to Senator Fierravanti-Wells's questions in relation to the CSL vaccine you made reference to the instrument. What was it?

Dr Hammett: The retrospectoscope—a very useful instrument!

Senator XENOPHON: Is that a device that has been approved by the TGA?

Dr Hammett: It has not, yet. You may be able to list it.

Ms Halton: We will think about that one, Senator!

Senator XENOPHON: It sounds like a very dangerous device! Further to Senator Fierravanti-Wells's questioning, Professor Peter Collignon, the professor of infectious diseases and microbiology at the ANU, was critical of the TGA. He said that 'the study that included the more alarming 2006 data had been published in the peer-review journal in 2009'. That is correct. Was there any action at the time of the publication of the 2009 data when that data was made public? How quickly was there action by the TGA from the time that that data was made public in a peer-reviewed journal?

Dr Hammett: Every year there are literally hundreds of thousands of peer-reviewed scientific publications that bear relevance—

Senator XENOPHON: No, that is not—

Dr Hammett: In terms of answering your question it is important to understand the context of how the TGA as the regulator can possibly be aware of the full extent of scientific literature. As it happens, we were made aware in 2009 of the publication of this data. In 2010 we had the fluvax episode. As a result of that fluvax episode, the indication for the use of this vaccine in children under five was removed completely, so the data related to fever rates for children is no longer directly relevant to the use of this vaccine in children because it is not indicated for that.

Senator XENOPHON: Because time is so limited, I will put some questions on notice for you. First, can you provide details of when the TGA first became aware of the peer-reviewed article? Second, at what point was action taken? Third, did the TGA embark on other inquiries as a result of that peer-reviewed article? Fourth, do you agree with Professor Peter Collignon's view? It is:

The TGA should be ensuring companies do update their data—it should be compulsory that the TGA should be informed of any new information, and the TGA should ensure the product information is updated to reflect that.

Dr Hammett: I am happy to take those on notice, and we will—

Senator XENOPHON: Let us go to the issue of DePuy. I asked you at the last estimates whether the TGA was aware that DePuy had paid £4.8 million for bribes to secure contracts in Greece. In 2007, DePuy orthopaedics agreed to pay $84.7 million to the US government to avoid criminal prosecution over financial inducements to pay surgeons. The answers by the TGA were that you were not aware of the case at the time and that it was not applicable as to whether DePuy or DePuy products be subject to additional scrutiny because of this. Aren't you worried about a company that has been convicted of bribes in terms of their medical products and their role in the Australian marketplace? Wouldn't give a heightened level of scrutiny of that company given their convictions in two jurisdictions in respect of bribes?

Dr Hammett: The first time we were made aware of this was when you raised it in Senate estimates last time.

Senator XENOPHON: It worries me that I had to raise it.

Dr Hammett: Under the Therapeutic Goods Act we are responsible for assessing the safety, efficacy and performance of therapeutic goods; we are not responsible for regulating the—

Ms Halton: Purchasing.

Dr Hammett: purchasing and behaviour of company directors and company strategy. So we are limited in terms of our responsibilities under the Therapeutic Goods Act to assess the products.

Senator XENOPHON: So it does not raise any red flags that companies were convicted of bribing surgeons to use their devices? That does not raise a red flag?

Dr Hammett: If the devices are safe and efficacious, it is immaterial how—

Ms Halton: There is a separate question here. For anybody involved in the purchase of devices or the provision of medical services and the oversight of that, including proper professional practice, I agree with you: it is a concern. The TGA's remit goes to the device, so they do not have a remit in relation to those issues.

Senator XENOPHON: Does the department have an issue with it if a company has been convicted of bribes or has received substantial fines in respect of bribing surgeons for the use of their product? Does that indicate a corporate culture that could beg a number of other questions about their devices?

Ms Halton: There are two questions there. One, is any company who behaves in that way likely to raise an eyebrow so that you might turn and have a closer look where you are mandated to so do? Yes, I agree with you absolutely and completely. Two, does it necessarily mean that the various devices per se that they might be promulgating are good bad or indifferent? We take a neutral view; we take an evidence based view, and we have had discussions about this over a period. So, yes, the TGA will undertake its regulatory responsibility in terms of the data and the evidence, including evidence that comes in from around the world about the use of devices, as you know. That work continues and the TGA will do a proper and professional job looking at that information, including revision rates and all those other issues.

As to the people who would be paying for those devices and whether or not any inducements might have been offered for surgeons to use those devices, there are two places—or probably three places—that are relevant in that respect. One is the private insurers because, as you know, they are underwriting for people who are having these procedures done privately. The second is states and territories, who are delivering these devices to public patients. Yes, you are absolutely right: there should be a good, careful look.

Senator XENOPHON: I am running out of time. Would you take on notice whether there are any protocols in place to look at these sorts of issues. I would appreciate it.

Ms Halton: For us, the answer will be no because we do not manage those other issues, but certainly in terms of raising those issues with other people I am happy to do so.

Senator XENOPHON: Thank you.

Senator ADAMS: Dr Hammett, last estimates I asked a number of questions about devices being used for breast examinations. I would like an update on whether any more have been removed from your register.

Dr Hammett: We have awareness of eight non-mammography based devices that may have been promoted for breast screening. Six of them have been cancelled from the register, preventing further supply. One is in the process of being cancelled, and there is a legislated process around how that occurs. The eighth and final device is currently under review by the TGA. So all of them are under review or have been removed from the market. In addition, we have gone to the people who purchased the devices and advised them of the current regulatory status of that equipment and the prohibitions that apply to advertising and promoting those devices for use in breast screening.

Senator ADAMS: Would you provide me a list of those on notice, please?

Dr Hammett: I will have to take some advice about whether we can provide that. I do not see at firsthand that there is any problem with that. I will take that on notice.

Senator ADAMS: Thank you very much.

Senator DI NATALE: The report relating to the transparency of the TGA was released on 20 July this year, but I have not seen any response to the recommendations. Is the TGA

providing advice to government? What sort of advice is it providing? Has government indicated when it is likely to respond?

Dr Hammett: You are correct in noting that the report was released publicly on our website and it is currently under active consideration. I do not have a date of response for that report at this time.

Senator DI NATALE: The question was actually about what advice you are providing to government and the nature of the advice on that report.

Dr Hammett: We have certainly provided advice to government about the nature of the recommendations. That advice is under consideration, I understand.

Senator DI NATALE: Can I ask if you are generally supportive of the recommendations?

Ms Halton: No, we are getting into areas he cannot go, Senator.

Senator DI NATALE: For what reason?

Ms Halton: Because it is basically hypothetical and it is something which the government is considering.

Senator DI NATALE: Okay, I am happy to leave it there. In August this year the TGA announced that it was conducting a review of labelling and packaging—a regulatory framework for prescription medicines, over-the-counter medicines and complementary medicines—and stated that the labelling and packaging review consultation paper would be released this month. Are we still expecting it this month? When do we expect to see it?

Dr Hammett: I would be surprised if it was released this month. In fact, there is a working group that brings together the key stakeholders involved in this—consumers, healthcare professionals and industry—that is currently due to meet, I believe, next week to look at a number of options for improvements to current labelling and packaging arrangements. I think, given that next week is the last week of October, it would be unusual for any public consultation document to be ready for release by the end of the month. So I am afraid it is likely that it will be after the end of this month.

Senator DI NATALE: I expect that working group would be separate to the complementary medicines regulatory reform working group—is that correct?

Dr Hammett: That is correct.

Senator DI NATALE: That group, I understand, has put a number of regulatory reforms to government. When do we expect those reforms to be publicly available and when do we expect a response from government?

Dr Hammett: That group was convened by the TGA to provide advice to the TGA about potential improvements to our current arrangements for complementary medicines. That advice has been provided to us and, indeed, in the context of the transparency review and reviews of advertising and recent ANAO reports, government is considering how they might wish to deal with improvements to the complementary medicines framework. Those reforms are all under consideration currently. Because there is such a large piece of work involved in reforming major parts of our regulatory framework, there is very careful consideration being undertaken about how to build a coherent and consistent set of reforms that make sense and will work.

Senator DI NATALE: My final question is about the ANAO report. Your previous answer probably addresses this. I ask about the action that has been undertaken to address issues raised in that report and what further activity is planned. You are grouping that in one project, I imagine?

Dr Hammett: No. We are separating the ANAO report. As you may be aware, there were five recommendations relating largely to the regulation of complementary medicines. Those recommendations have all been accepted and we are moving to implement the recommendations of that report with an expectation that we will have those recommendations implemented by the end of 2012.

Senator DI NATALE: Good. Thank you.

CHAIR: For those who are watching the clock, you will know I have made significant unilateral changes to the program. That is the end of TGA. Thank you very much. I have checked with officers and they have agreed to put 1.5 and 1.6 questions on notice. We now move to the four designated agencies within the portfolio. We have questions on all of them but they will be limited in time. We will start with FSANZ.

Food Standards Australia New Zealand

[12:07]

Senator BOSWELL: I do not know who this question should go to. Where are we up to with *Labelling logic*? What is happening there?

Mr McCutcheon: Senator, that is actually a policy question; it is not a question for FSANZ. I can tell you that the report, as you would be aware, has been received. It is currently being considered by all governments. There will be a food ministers meeting later in the year where that report will be considered. As it was a report to COAG, any recommendations in relation to the individual items in that review will have to be considered by COAG.

Senator BOSWELL: I address this question to one of the departmental people: has the department done a full impact study on how the new system of labelling could impact on certain industries—for instance, sugar, fruit, vegetables, canned food products? My question is directed to Mr McCutcheon.

Ms Halton: Mr McCutcheon is not in a position to answer your question because it is not his responsibility.

Senator BOSWELL: I want someone from the department to answer my question.

Ms Halton: I am from the department and he is from the statutory body. It is the department that manages this from a policy perspective. The officers who are relevant to this are not here for this item, but I can answer the question because I chair the Food Regulation Standing Committee. I can tell you that the way this works is that any of the recommendations that would have a significant regulatory impact will have to have a RIS undertaken on those particular decisions prior to them being accepted and implemented, but we are not at that stage yet.

Senator BOSWELL: So I take it you are going to have this meeting of the ministers in November or December?

Ms Halton: Correct.

Senator BOSWELL: And, if you implement this policy—I realise it has to be from the majority of the state ministers—

Ms Halton: And New Zealand.

Senator BOSWELL: And New Zealand. Before any decision is made, you would have to have an impact study on the fruit industry, the vegetable industry, the sugar industry; is that what you are saying?

Ms Halton: You would have to have a regulatory impact statement done on relevant decisions to determine what the impact and the cost might be. It would therefore depend on which of the recommendations ministers were minded to accept as to which industry might be relevant to the formulation of that RIS.

Senator BOSWELL: Let's take the canning industry, which employs a large number of people in regional areas. If the decision was, 'Right, we're going to implement this on canned fruit', what is the next process? Would you then do an impact study on the canned fruit industry?

Ms Halton: If you had read the recommendations, you would know that there is no recommendation that goes specifically to canned fruit. There is a series of recommendations that go to what the composition of a label might include, and if ministers—

Senator BOSWELL: Can I interrupt you there: so you are saying it will not go on canned fruit?

Ms Halton: No, it would depend on which labelling recommendation ministers wanted to accept as to whether or not it was relevant to, for example, canned fruit. If one of the recommendations they were minded to accept was relevant to canned fruit—and a number of them would be—then the impact on all of the sectors would have to be considered in the completion of a regulatory impact statement.

Senator BOSWELL: I have an article in front of me and it shows milk and it shows Coca-Cola.

Ms Halton: Yes, that would be the traffic light labelling issue.

Senator BOSWELL: That is what I am talking about, a traffic light.

Ms Halton: Indeed, I am extremely familiar with it.

Senator BOSWELL: Can you tell me how milk can be more healthy or less healthy than Coca-Cola, because milk attracts one green light and three amber lights, and Coca-Cola has three green lights and one red light. Would you agree that would imply that milk is less healthy than Coca-Cola?

Ms Halton: That particular example of what might be some of the issues with traffic light labelling is fairly well promulgated. I think it is quite indicative of one of the problems with traffic light labelling. It is fair to say that one of the recommendations—only one—in that report goes to traffic lights. There is another recommendation which goes to interpretive information on labels. But ministers have not considered any of those recommendations yet.

Senator BOSWELL: Can I point out to you another one, which is that pure fruit juice has three greens and a red, and cordial has three greens and an amber. So the implication there would be that cordial is more healthy than pure juice. There is another one here—

Ms Halton: And it would have the red and the amber around its sugar content.

Senator BOSWELL: Yes, I know. This one is pure fruit, having three green labels and one red label, and lollies having three green labels and one red label. The implication there is that pure fruit is just as healthy as lollies. No wonder people are confused. People are worried about this, because it is confusing. Would you agree that the examples I have just showed you—and I have many more of them here—will confuse people over purchases and what they should be buying?

Ms Halton: As I have indicated, there are a number of issues around traffic light labelling. I think you have pointed rightly to some of the examples that are being promulgated as to some of those challenges. But I can underscore that no decisions have been taken on this issue.

Senator BOSWELL: I understand there are no decisions. I am trying to warn you of the implications if traffic light labelling does go ahead. I know it has not gone ahead. I am quite capable of reading the information that is put out. But I am trying to cut this off at the pass, because it will hurt local manufacturers. Take the case of sugar, where CSR are promoting a low-GI sugar, which is for people who have certain health problems, and a low-calorie white and raw sugar blend. They are all going to have to carry health warnings, and yet they are products that are made for people with health problems.

Ms Halton: Sorry—I am unclear what you mean about 'health warnings'.

Senator BOSWELL: Let me try and explain it. CSR are trying to promote healthy sugar and they are making a low-GI sugar for people who have health problems. They are also making a lower-calorie white and raw sugar; that is for people who are obese and want to cut down on sugars. They are going to have to carry health warnings and yet they are products made specifically for—

Ms Halton: I am unaware of any health warning that would be applied. If you would like to give us information, I am happy to come back to you on notice about that.

Senator BOSWELL: It will carry a warning of sugar being an unhealthy product.

Ms Halton: Sorry—we understood you to mean that something in the science and technology apropos this product would require a warning. You are talking about sugar requiring a warning.

Senator BOSWELL: Yes.

Ms Halton: There is not a recommendation in this document about sugar carrying a warning. The food labelling review does not include such a recommendation.

Senator BOSWELL: I am sure CSR will be very happy to hear that, because they are very concerned. If this does go ahead—

Senator McLucas: Can I just be clear: when you say 'this does go ahead', there is a series of recommendations that will go to options. So you cannot sort of say this will go ahead.

Senator BOSWELL: No, no. If the traffic light labelling does go ahead, will that labelling have to be carried by imported products?

Ms Halton: You are way out in front—

Senator BOSWELL: It is always a good place to be—

Ms Halton: of any decision-making process.

Senator BOSWELL: when you are representing hundreds of thousands of farmers; you have got to be out in front.

Ms Halton: Fair point. But you are asking me to answer a hypothetical question and I cannot answer it.

CHAIR: It is my understanding that no decisions have been made in this area and that officers cannot answer questions when there has been no decision made on what is moving forward.

Senator BOSWELL: Madam Chair, with due respect, there is a recommendation—there is a policy that is going to be debated in the health ministers' conference within a month or two months.

CHAIR: And no decision has been made.

Senator BOSWELL: What is the proposition? I would imagine we are not just going to go and debate a blank piece of paper. There will be recommendations go up on traffic light labelling. What I am saying to you is: if traffic light labelling is accepted, does this have to be applied to imported products, or only to Australian products?

Ms Halton: And, because there is no decision, I cannot answer that question.

Senator BOSWELL: What is the recommendation?

Ms Halton: There is, as yet, no recommendation.

Senator BOSWELL: So what you are going to have is all the health ministers gathering—

Ms Halton: To start with, it is actually not health ministers; it is ministers responsible for food. Ministers responsible for food will actually receive input in respect of a couple of matters on which they will have already sought advice from health ministers. But it is actually a matter for the food ministers.

Senator BOSWELL: Will the food ministers make a decision on whether a product that is imported will carry the traffic light labelling or will they not?

Ms Halton: Food ministers will decide what labels should comprise, and when and in what circumstances they would be applied. So they have responsibility but, as I have already indicated, because this report was actually commissioned by COAG, it is not open to food ministers to be the final decision-makers on this; it will actually have to be considered by COAG.

Senator BOSWELL: So COAG is the premiers' meeting, is it?

Ms Halton: And the Prime Minister; yes.

Senator BOSWELL: I still do not understand this, and I am seeking your help. You may have a million problems in there, but this does worry a lot of people in regional Australia who make products for canning, or sugar or whatever. They are concerned that their product that they have under an Australian label will have to compete with the high dollar and with the big chains importing house brands. They are concerned that, if they have to carry this label and the imported product does not, and you get the confusion of red traffic signs, there will be total confusion in the marketplace.

Ms Halton: Can I give you perhaps an assurance? I cannot speculate on what will be decided, but what I can do is give you an absolute assurance. I have only in the last week chaired the most recent meeting of the Food Regulation Standing Committee, which has myself as the chair, agriculture departments, health departments and, in a couple of cases, consumer affairs departments from around the country. What I can assure you is that the issues around these particular matters, your concerns and those examples that you have used will be absolutely, categorically brought to the attention of ministers. I can give a 100 per cent guarantee on that.

Senator BOSWELL: When you put a proposition, does your department put recommendations, or does it just say, 'These are the options'?

Ms Halton: We would brief our ministers, parliamentary secretaries et cetera on our departmental view. There is of course in this particular case a group of ministers who are relevant—the agriculture minister, ministers responsible for consumer affairs. So this is not a simple issue. It is not a one-minister issue. It is a whole-of-government issue. The whole of government in this case has to come to a view, and we are only one jurisdiction in these arrangements.

We have to come to a view as the Commonwealth on what we think of each of these recommendations, including the matters that you rightly raise. Then each of the jurisdictions will go through a similar process and each of those jurisdictions will then come to that meeting with a view on a recommendation-by-recommendation basis. Because with food arrangements the Commonwealth is not a majority—we do not hold the majority of votes; it is us, New Zealand and each of the states and territories—there will no doubt be a discussion on each item.

Senator BOSWELL: On each item?

Ms Halton: Each recommendation in the *Labelling Logic* report.

Senator BOSWELL: So we may have sugar; we may have canned fruit; we may have fish; we may have a whole range of products.

Ms Halton: No, it is not that kind of item. I apologise if I have confused you. My point is in respect of each recommendation. There are a lot of recommendations in that report. Each one will be considered separately.

Senator BOSWELL: Let us look at the range of products. I asked you before and you said the products will have an impact statement done—

Ms Halton: No; the recommendation will have a RIS done on it. Some of the recommendations go to very broad matters about how food is managed and some of them go to quite specific things. You have pointed to one that is highly contentious, which is the application of traffic-light labelling approaches. That is one recommendation. Each recommendation, if it has potentially a material impact on anybody, will have a RIS done on it.

Senator BOSWELL: So we have milk, tinned fruits, packaged sugars and tinned fish. Are you saying that every one of those products will have a RIS on them?

Ms Halton: No. I am saying that, for example, in relation to traffic-light labelling, if all ministers were minded—and they may not be—a RIS would be done on the impact of the

application of traffic-light labelling to food products, and that would include the impacts on different sectors. In order to work out the aggregate impact you would have to consider on a sector-by-sector basis what those impacts would be.

Senator BOSWELL: Will all these RISs be made public?

Ms Halton: RISs are, yes.

Senator BOSWELL: When will those RISs be available?

Ms Halton: That presupposes when decisions are taken.

Senator BOSWELL: Well, it is no good showing a RIS after a decision has been taken.

Ms Halton: No, a draft RIS.

Senator BOSWELL: When will the draft RIS be available?

Ms Halton: There will be no draft RISs until ministers have even considered—so they will not consider even the beginning of these recommendations until the end of the year.

Senator BOSWELL: Can they make a decision on traffic light labelling in this meeting that is in the next month or two?

Ms Halton: No, because it then has to go to COAG, and, if there were to be an in-principle decision that you were minded to accept a recommendation, if that RIS had not been done, it would have to be done, and there are no RISs at the moment.

Senator BOSWELL: So a decision cannot be made on a product until a RIS is done and presented to COAG; is that what you are saying?

Senator BOSWELL: COAG can decide whatever it wants to. Let's be clear about that. If COAG wants to decide not to have a RIS, it could. That has not been the case in this area, but it is theoretically possible. But there is no decision until it has been to ministers and then to COAG; and the normal practice is to have a RIS.

CHAIR: Senator Boswell, can I just interrupt you. Have you sought a briefing from Catherine King's office on this issue?

Senator BOSWELL: No, I have not. But I am coming to the butcher not the block, and this is the department that makes the decisions.

CHAIR: That is not true, Senator.

Ms Halton: No, no, no. We do not. I can categorically assure you on this one. We are not the decision makers.

Senator BOSWELL: Do you know anywhere else in the world that this traffic light system has been tried or implemented?

Ms Halton: Yes, in the United Kingdom—a trial.

Senator BOSWELL: When was that?

Ms Halton: We would have to take that on notice. It has been going for a few years.

Senator BOSWELL: Thank you. I am told I have to wind up now.

CHAIR: Yes, and, Senator Boswell, the process we have is that, when there are issues like this, we go through the minister and get a briefing. I am sure we can get a briefing with Catherine King's office about the whole process for you.

Senator BOSWELL: I will just say that there is a lot of concern out there. Be very careful where you put your feet on this one, because it has implications that blow a lot of people out of the water.

Ms Halton: I think I first had to consider traffic light labelling in the FRSC committee—I hate to say this—nearly 10 years ago. Be assured, many people have informed me in great detail of what they consider to be the issues, and we understand them very well.

Senator BOSWELL: I am sure you will handle them with great dexterity and wisdom.

Senator LUDLAM: I am going to put a bunch of questions to ARPANSA in a minute about food irradiation. But I just want to check with Ms Halton first: if I was asking questions specifically about labelling for products that have been irradiated, would they be directed better to you or to ARPANSA?

Ms Halton: You need to ask here.

Senator LUDLAM: I have a packet here of meat curry premix, which I will not seek to table, because goodness knows what would happen to it. In the box that it comes in, that it goes to the shop in, it says, 'This product has been irradiated in Malaysia'. On the packet that I would pick up in the shop, there is absolutely no mention of it whatsoever. Can you tell me what the story is? What is the point of labelling and what is the basic framework?

Mr McCutcheon: There is a specific requirement in the food standards code for foods that have been irradiated to be labelled as such. The particular issue you have raised I will have to take on notice, in terms of the actual food item that requires the statement. It may well be an enforcement issue, but it is something where I will need to look at the particular product and follow it up with the relevant enforcement agencies.

CHAIR: I am sure Senator Ludlam will provide you with the product.

Senator LUDLAM: I will. As far as the person buying the stuff in the shop is concerned, there is no notification whatsoever. So we only found out about this because we got one of the boxes that it was wholesaled in. Thank you.

CHAIR: Senator Siewert and Senator Fierravanti-Wells have kindly said they will put their questions to FSANZ on notice because of time restrictions. So I thank witnesses and now move to the Australian National Preventive Health Agency.

Australian National Preventive Health Agency

[12:29]

Senator FIERRAVANTI-WELLS: I have questions in relation to a couple of answers to questions on notice 21 and 356. Question on notice 21 was from Senator Xenophon. You referred to your strategic focus on reducing the harmful consumption of alcohol and, in particular, to promote and support evidence based approaches through strong policy and programs. Then in answer 356 you say that you are not currently involved in any work related to promoting the Australian guidelines to reduce health risks from drinking alcohol. Is there some inconsistency there between those two answers? What work, precisely, have you done in relation to alcohol?

Ms Sylvan: On 28 June 2011, the Prime Minister approved the transfer of the National Binge Drinking Strategy to ANPHA. We have been very actively involved in a variety of matters in relation to harmful use of alcohol from that point. In particular there are three

elements that I bring to your attention. One is the funds made available to the local communities in relation to binge drinking. This is the third round that we have currently advertised, and there are about $10 million available to local groups in relation to activities concerning reductions in binge drinking. I will come back to your point on the NHMRC guidelines in just a moment. The other two elements of that strategy go to the community sponsorship fund, which we are working out the guidelines for at the moment. This fund has been put into place as an alternative to alcohol sponsorship for community sporting and cultural organisations.

The third element of the strategy concerns a national telephone counselling service—a single number in Australia in relation to counselling help. That is continuing to be implemented by the department on behalf of ANPHA. There is a memorandum of understanding in relation to that.

The answer to your question on notice as to whether or not we are promoting the NHMRC guidelines I think I would say that we are not, as such. We are not out there saying, 'Everybody should read the 150-odd pages of the guidelines.' However, the elements of the guidelines which are critical, such as young people delaying drinking until they are 18 and so on, are quite fundamental as part of the strategy that we are leading.

Senator FIERRAVANTI-WELLS: Why do we need this agency? What functions will you be fulfilling that were not being undertaken previously? I think that question is probably directed to the minister. What roles are this agency now doing that were not being fulfilled before?

Ms Sylvan: Well—

Senator FIERRAVANTI-WELLS: Ms Sylvan, if you want to answer that question—

Ms Sylvan: I am happy to hazard an answer, then you can pursue it further. The agency is formed as part of the national partnership agreement between the Commonwealth and states and territories. I am talking about the National Partnership Agreement on Preventive Health.

Senator FIERRAVANTI-WELLS: I am aware of that, Ms Sylvan, but that was not my question. My question is: what roles will this agency perform—what functions will it have—that were not being undertaken previously? I am looking for specifics.

Ms Sylvan: The agency has a number of functions. I bring to your attention our strategic plan and the operational plan that have been put out publicly. I would like to highlight a number of its functions. It includes creating the national research strategy for preventive health, which we will do in consultation with the NHMRC and with state and territory colleagues and others in this area.

Senator FIERRAVANTI-WELLS: So this was not done before?

Ms Sylvan: This was not done before.

Senator FIERRAVANTI-WELLS: In any other guise or in any other way?

Ms Sylvan: Not as far as I am aware. There are a range of things that we are doing in relation to social marketing strategies. I have just mentioned one of them, which is the National Binge Drinking Strategy—

Senator FIERRAVANTI-WELLS: Which was there before. It has now been transferred to you.

Ms Sylvan: It has been transferred to us; that is correct.

Senator FIERRAVANTI-WELLS: So that was existing before.

Ms Sylvan: There is work being done in relation to social marketing on obesity—

Senator FIERRAVANTI-WELLS: Which was not done before.

Ms Sylvan: Some of this was done before, the Measure Up campaign—

Senator FIERRAVANTI-WELLS: I am after what specifically you are being tasked to do that was not being done before. Yes, we know all these things, are there, so—

Ms Sylvan: The reason that I raised the national partnership agreement at the outset is that the agency is particularly tasked with giving advice in relation to prevention to the Australian health ministers—not only to the Commonwealth minister but to the ministers as a whole. In addition, it is—

Senator FIERRAVANTI-WELLS: Which was not happening before?

Ms Sylvan: Perhaps the focus is different than it was before. The other thing that it is charged with doing is giving advice to the Local Government Association if it requests advice in relation to prevention.

Senator FIERRAVANTI-WELLS: All at the cost of what per annum?

Ms Sylvan: The moneys for the agency for 2011-12 are in two categories. One category is departmental money, which is $6.9 million. There is also the administered money—these are revised figures from the portfolio budget statements since the National Binge Drinking Strategy has come in—

Senator FIERRAVANTI-WELLS: What is your budget?

Ms Sylvan: In addition to the departmental money there is the administered moneys. That is essentially $47 million. This is for the Measure Up campaign, the tobacco campaigns and the research grants, which I mentioned, and the National Binge Drinking Strategy expansion.

Senator FIERRAVANTI-WELLS: Is there anything which you are doing which the Department of Health and Ageing was not doing before?

Ms Sylvan: I think the research grants that we are conducting—and the secretary can correct me if I am wrong—are something that was not being done before. I think a couple of elements of the binge strategy were begun by the department and have now been transferred over to us. The community sponsorship—

Ms Halton: Senator, perhaps I can make a general comment about this. This is a question of priorities, and the government has decided that health promotion and prevention is a priority. One of the things that we know is that, inside large government departments, where the day to day tends to buffet and direct people's activities, it is sometimes harder to carve out a single-minded and very particular focus on issues. The government has decided that this is a priority. so the advantage that Ms Sylvan and colleagues have is that they do not get buffeted by the day to day and the particular; they can focus. I understand your question, which is: what is different here? I think what is different here is that there is a group of very experienced, very professional people who now have as their particular focus in life emphasising something which I think we all agree our health system needs, which is a real focus on preventing some of the ill health that we see.

Senator FIERRAVANTI-WELLS: That is all very well, Ms Halton. Why don't you create a national health priority rather than creating a new agency and another bureaucracy? That is basically what this is, irrespective of what the experience is of those appointed to it, which I do want to come to. I have seen the appointees to the board. Would you provide on notice the background of the appointees to the advisory board. Is this a balanced body that really does represent both non-government organisations? It seems to me that, from the look of it, it is pretty much prevention rather than balance. It does not seem to be very balanced.

Ms Halton: If you are asking the officers for an opinion, which they cannot give you—

Senator FIERRAVANTI-WELLS: In that case, I will wait to form my opinion when I look at the background and the reasons why these people were appointed to the board after I have received that.

Ms Sylvan: Are you referring to the advisory council?

Senator FIERRAVANTI-WELLS: Yes, I am. Also, can you give me a background, without names, of course, of staff in the authority who have experience working in the food industry?

Ms Sylvan: Food specifically?

Senator FIERRAVANTI-WELLS: Yes, thank you. Also, I asked a question previously about alcohol.

CHAIR: Senator, are you getting close to wrapping up your questions?

Senator FIERRAVANTI-WELLS: Okay. In relation to the National Alliance for Action on Alcohol, have you consulted with this group? Are you considering doing any work in relation to the potential health benefits of alcohol consumption? Is this an area where you might be looking at doing some work?

Dr Studdert: The National Alliance for Action on Alcohol is a consortium of about 56 different organisations, if I remember the number. We have met with many of those and also with the key office holders of the alliance and we will probably continue to do so on a regular basis, I expect. So, yes, we are well aware of that entity. The second part of your question was in relation to the health benefits of alcohol consumption. Everything that the agency does is around the evidence for action or policy or programs, so of course any evidence in that field would be taken into account along with that around the harms.

Senator FIERRAVANTI-WELLS: I will put the rest of my questions on notice.

CHAIR: There will be quite a few questions on notice to the agency.

Australian Radiation Protection and Nuclear Safety Agency

[12:42]

CHAIR: Welcome.

Senator LUDLAM: Welcome back, Dr Larsson. FSANZ have taken the meat curry away, so we have at least saved you that trauma.

Ms Halton: I am sure they will share it later.

Senator LUDLAM: Yes, everyone will get a little sample. What part does ARPANSA play in the regulation of irradiated food products in Australia?

Dr Larsson: ARPANSA plays a role in advising the relevant bodies on radiation levels and the safety of radiation levels. As an example, in the wake of the Fukushima accidents we have had a very fruitful collaboration with both FSANZ and AQIS. We have also, at the request of AQIS, performed a number of food-monitoring roles for a variety of food imports from Japan.

Senator LUDLAM: That is at a tangent to the question I am asking, but it is interesting nonetheless. That is for food that has been irradiated incidentally to the disaster?

Dr Larsson: This is not food that has been irradiated; this is food that might have been contaminated.

Senator LUDLAM: Have you had to stop or advise on the stoppage of any shipments?

Dr Larsson: No.

Senator LUDLAM: That is good news. What about food that has been irradiated deliberately and then imported into the country?

Dr Larsson: Food that is irradiated does not become radioactive. Irradiation is for sterilisation purposes and for control of biological hazards, but it does not become radioactive.

Senator LUDLAM: I am aware of that. Do you not play any part at all in advising—

Dr Larsson: No.

Senator LUDLAM: So that is entirely at the whim of the health authorities. What about the regulation of irradiation plants here in Australia? I am aware of two or three at least. Does that come into your domain?

Dr Larsson: Sorry—can you repeat that question?

Senator LUDLAM: Food irradiation plants that use sealed sources to blast fruits—

Dr Larsson: If they were to be Commonwealth entities, they would be regulated by us.

Senator LUDLAM: I believe they are not.

Dr Larsson: If they are not Commonwealth entities they would be regulated by the states and territories.

Senator LUDLAM: Got it. It does not sound like it is much of a part of your mandate. Could you provide us with a quick update on the status of integrating Northern Territory uranium miners into your National Radiation Dose Register?

Dr Larsson: I do not have any information from the Northern Territory at this point in time which would indicate when we would have access to the worker doses of the Northern Territory.

Senator LUDLAM: That is a shame. Have you written or has your minister written to the Northern Territory government?

Dr Larsson: I am not aware that my minister has actually written to the Northern Territory government. There has been an exchange of letters between the minister for resources—

Senator LUDLAM: I should put those questions to DRET, I guess, a little bit later in the week. To what extent has historical data been incorporated into the register thus far? If this is complex, I would invite you to just to table any summary information you have.

Dr Larsson: A very short summary is that we have six years of dose history for the Olympic Dam and we have, if I remember correctly, 10 years of dose history for the Beverley mine.

Senator LUDLAM: And nothing yet for Ranger or any of the mines that previously existed?

Dr Larsson: That is correct.

Senator LUDLAM: Are you chasing dose records from mines that operated and closed down in Queensland, for example?

Dr Larsson: We are not doing that currently. I think that, with the 18,200 workers that we now have dose records for, we need to actually have a little bit of a control over the performance of the dose register. I see that it actually performs the services that we set out to deliver.

Senator LUDLAM: If somebody spent a couple of years working at Ranger and then worked down at Roxby Downs, you have only got that fraction of the record that relates to their employment in South Australia?

Dr Larsson: That is correct.

Senator LUDLAM: I want to come to the question of the proposed Commonwealth radioactive waste dump. At some stage in the future ARPANSA will receive, we understand—it is government policy—an application to site a facility at Muckaty. Can you just detail for us how ARPANSA will address that application and, in particular, for the parts of the regulatory framework that relate to your domain—radiation safety, rather than the EPBC approvals—what will the framework for community consultation look like?

Dr Larsson: I think that is actually something that we need to discuss in detail when I see the application because it is, of course, dependent on the nature of the application, where the site is actually going to be identified, as to what system of management of the radioactive waste we are talking about here. Certainly there will be a process for public consultation and also for seeking input from all interested parties. I would not go into details right now as to how that is going to be set up. I can only say that that is going to happen.

Senator LUDLAM: So you have come some way along designing some kind of process; is that just on hold for the time being?

Dr Larsson: That is on hold for the time being and there has been no reason to progress that, considering that the bill has actually not progressed. As you may also understand, probably since March this year we have been very busy with other issues.

Senator LUDLAM: Yes, I will come to those—in fact, I will come to those now. The recent UN multiagency system-wide review of nuclear power post Fukushima mostly had lessons and recommendations relating to the operation of civil nuclear power plants. The issue of local impacts of uranium mining was addressed. Has ARPANSA provided or been asked to provide or formulated advice on possible mechanisms where Australia might comply with the recommendations that arose relating to uranium mining?

Dr Larsson: As you will know, uranium mining is something that is under state and territory control. There is a mechanism by which we can also influence the control over uranium mining, and that is through the national uniformity process through the Radiation Health Committee. Also, in situations where there is a licensing application, or an application that falls under the EPBC Act, we will also advise the department of the environment on radiation related issues. So those are, mainly, the points in time or the issues where we become involved.

Senator LUDLAM: In the specific case of that UN review, have you had the opportunity to see that and to examine the parts that are relevant to Australia?

Dr Larsson: I am aware of the UN review, but I cannot comment in any detail on that.

Senator LUDLAM: Could I draw your attention to the section around the local impacts of mining, where it is noted that concerns exist regarding the impact of mining fissionable material on local communities and ecosystems, and maybe I will pick these issues up when you are next at the table.

Dr Larsson: Thank you.

Senator LUDLAM: I will leave it there.

CHAIR: Thanks very much to the officers of ARPANSA. On that basis, we finish Population health, despite ourselves. We will go to lunch now. When we come back we will go into Acute care.

Proceedings suspended from 12:50 to 13:51

CHAIR: We are starting back with officers from outcome 13, acute care. My intention is to have this go through until about 2.35. My understanding is that Senator Fierravanti-Wells, Senator Adams, Senator Macdonald, Senator di Natali and Senator Furner all have expressed interest in asking questions. We will start with Senator Fierravanti-Wells.

Senator FIERRAVANTI-WELLS: I would like to start with some comments about elective surgery. Your annual report says that the states have exceeded targets for increasing the volume of elective surgery performed and the states have been rewarded for doing so. Is this on the basis of more people treated because more people presented or were there actual cuts in predetermined waiting lists?

Ms Flanagan: If you can give us a page reference, but I suspect this is referring to the 2008 Elective Surgery Waiting List Reduction Plan.

Senator FIERRAVANTI-WELLS: That is right. The increased funding was first announced in the 2008 budget. That was the $600 million that would be made available to clear elective surgery waiting lists and to provide an additional 4,000 procedures. And then another $803 million in the 2010-11 budget; is that right?

Ms Flanagan: So the new national partnership agreement, let me just give you the 2010-11 figure on that—

Senator FIERRAVANTI-WELLS: The point I am coming to, Ms Flanagan, is not so much where it was, but what the AMA has stated in its *Public Hospital Report Card*. Are you aware of that document?

Ms Flanagan: Not the details of it.

Senator FIERRAVANTI-WELLS: The AMA makes reference to this: 'that the so-called elective surgery "blitz" didn't really exist and that the government's own My Hospital website currently records that waiting times for elective surgery were up to 35 days in 2009-10'. In other words, the point goes to the verifiability of waiting lists and then the information in relation to the outcome of the elective surgery blitz and any criticism that the AMA or any other body may have had. I am really asking: how are these lists and how are these numbers verified?

Ms Flanagan: Under the 2008 agreement there is regular reporting against a series of indicators. We are interested both in volume—that is, the additional number of elective surgeries performed—and in looking at the average waiting numbers. I am looking at my colleagues as to whether they can give me the actual reading of that particular measure. We had always suspected that wait times could blow out, and I think they have gone up by about a day in terms of the average over the last couple of years, and that can be due to a number of factors. For example, if you do a lot of your short waits or your long waits, it is going to change the average. We are looking at a range of indicators, and certainly the ones you have mentioned around volumes have increased and we believe have exceeded what was required under that agreement.

Senator FIERRAVANTI-WELLS: Are those published or are they available?

Ms Flanagan: I believe that they are, yes.

Senator FIERRAVANTI-WELLS: Last time I was given an extract from some document, which I should have known about but did not, so there is obviously a document—one of your little handbooks, Mr Thomann.

Mr Thomann: We have *Australian Hospital Statistics*, which is a regular publication from the Australian Institute of Health and Welfare, that has a range of statistics about hospital performance. In terms of waiting time statistics, one of the indicators they measure are days waited at the 50th percentile, that is the median waiting time. In 2007-08, 34 days was the median waiting time; in 2008-09 it was 34 days again; and in 2009-10 it was 35 days. So it is not a dramatic shift.

Senator FIERRAVANTI-WELLS: But the methodology of that, Ms Flanagan, where is that methodology for weighing up that formula?

Ms Flanagan: I believe it is specified in the 2008 agreement and I think we were not only measuring at the 50th but also measuring at the 90th percentile to see what was happening to long wait times, for example. There were five or six indicators that I think we report on.

Mr Thomann: Yes, there are other indicators such as days waited at the 90th percentile. Those statistics are: in 2007-08 it was 235 days; in 2008-09 it went down to 220 days; and then in 2009-10 it was back up to 246 days.

Senator FIERRAVANTI-WELLS: How does that then measure up against media reports—I have any number of them—that talk about waiting lists, such as the *Courier-Mail* reporting in June that 'hospitals were turning urgent need patients away as waiting lists continue to climb', the *Sunday Telegraph* in May talking about 'secret waiting lists', and various other media reports. You have seen them from time to time. How does that weigh up against those reports?

Mr Thomann: The institute's collection is a national collection of data, which goes through a rigorous process against defined data items that are reported from each state and territory health department. They also go through a verification process, I understand. So those are national statistics which are showing the national picture. I suppose what is more newsworthy is those anecdotal examples of particular areas of the health system in particular hospitals where there may be pressures.

Senator FIERRAVANTI-WELLS: These copies have markings on them, but I will provide them to you. But this is the flavour of them: for example, the *Courier-Mail* on 11 June quotes Queensland Health Minister Mr Wilson and it says:

> ... a quick check had uncovered at least 300 were turned away. Mr Wilson yesterday said a quick check had uncovered at least 300 more patients who were turned away from Gold Coast hospitals in the past year.

I will provide these to you but if you could comment in relation to this because there seems to be a discrepancy on the one hand between the data and these media reports. As Ms Halton said, one does read things in the paper but these comments—and I would otherwise not be raising it—are quoting the Queensland Health Minister and that is why I would like you to comment formally on them.

Mr Thomann: All I can say is that the states are the managers of the hospital system. They are expected to respond where there are pressures in certain parts and to allocate resources through their planning processes accordingly across the state. If there are pressures on the Gold Coast, there would be an expectation within their overall state budgeting and allocation of resources between hospitals to get some balance in the system.

Ms Flanagan: I do not wish to denigrate too much the *Courier-Mail* and other publications but I suppose—

Senator Furner interjecting—

Senator FIERRAVANTI-WELLS: Senator Furner has a particular interest in Queensland, as does Senator Macdonald.

Senator IAN MACDONALD: He should be very happy with the *Courier-Mail*. I am surprised to hear you say that, Senator Furner.

Ms Flanagan: Moving on from that authoritative source, we need to look at a national picture on the data that we are being supplied by the states and territories. Page 318 of the annual report shows that the 2010-11 target for the number of elective surgery procedures expected to be undertaken across the country was set at 624,813 and that the actual was higher than that at 659,685. Again, the percentage increase that we were expecting was 3.4 per cent and the actual was 5.2 per cent. This is the data that we are collecting to show that overall targets have been exceeded in terms of the number of elective surgery procedures performed in the country.

Senator FIERRAVANTI-WELLS: Given the time, Ms Flanagan, I will put a few more questions on that on notice. Moving on to my next item: the annual report says that you cannot provide any information on performance in emergency departments until next year. But given the minister's announcement in a media release on 12 May 2009 that $750 million was budgeted in the 2009-10 budget to reduce pressures in emergency, what was the result of this funding allocation? Given that the moneys were in 2009-10 but you cannot get

performance data until next year, how are we going to look at whether these funds were properly used and properly allocated?

Ms Flanagan: That particular agreement and that sum of money was in effect not tied to performance. There are areas where funding is provided to states and territories but we do not have that very close correlation with targets. The four-hour access target in this new national partnership agreement is going to be measured so we will be able to report on the success of that. So when the states were provided this money we had not required the states to actually start measuring what was happening with emergency department access.

Senator FIERRAVANTI-WELLS: So in the end it is not tied to performance, so how do you know if that extra funding is actually producing the results that you wanted to produce? Obviously you read the sort of reports that I have referred Mr Thomann to—yes, they were not just in the *Courier-Mail* but in other newspapers around the countryside. What is your guarantee that this is actually happening on the ground?

Ms Flanagan: One of the things we have measured—and part of this is that different agreements require different things. I know how difficult that can be for you, and we do not find it easy sometimes either but—

Senator FIERRAVANTI-WELLS: Your resources are considerably greater than mine, Ms Flanagan.

Ms Flanagan: One of the things we have measured in the past around emergency department access is the wait times to be seen. The measure we are now using is a very different one from that—

Senator FIERRAVANTI-WELLS: Is this a standard measure, not like 'beds'—

Ms Flanagan: It is a standard measure.

Senator FIERRAVANTI-WELLS: And the definition of 'bed'. I was going to come to the definition of 'bed' and whether we have progressed on that.

Ms Flanagan: No, we have not progressed; we can just be even clearer about how you might define a bed or a bed equivalent.

Senator FIERRAVANTI-WELLS: We will come to that in a moment.

Ms Flanagan: That was a discussion we had last year. Under previous healthcare agreements we have collected overall, in effect, wait times to be seen in emergency departments. I think those figures continue to be collected and reported. At a high level, we are certainly monitoring what has been happening under that sort of measure. I do not know when we last reported on the emergency department measures.

Mr Thomann: For this NPA it is an annual report. The states are required to provide us with an annual report with respect to that first $750 million.

Senator FIERRAVANTI-WELLS: I want to turn to two specific comments. You may be aware that after the New South Wales election there were reports in the *Sunday Telegraph* quoting the new—

Ms Flanagan: Another eminent paper, Senator.

Senator FIERRAVANTI-WELLS: Yes. If you are in New South Wales, it does often carry some very interesting news items, one of which included comments by the new minister

talking about secret 'waiting to wait' lists for elective surgery which had been disclosed to the new health minister. Were you aware of that? Have you taken that up in some form or spoken to the new minister in relation to that?

Ms Flanagan: I think there have been some stories about the wait list to get on the wait list. One of the things that the expert panel was very exercised about was exactly this issue. Professor Baggoley and his esteemed colleagues recognised this as an issue. One of the recommendations was to commission work on trying a slightly different measure which would be to measure from point of first referral. Professor Baggoley might be able to explain it better than I can. We do not have the data all the way to measure this. It is something that we would need to develop in conjunction with the states and territories.

Senator FIERRAVANTI-WELLS: Is that part of the redefinition of waiting and the new waiting time definition?

Prof. Baggoley: Thank you for the opportunity. The expert panel, of which I was chair, which included two surgeons and Associate Professor Brian Owler, a neurosurgeon from Westmead, and Dr Michael Grigg from Melbourne, looked at the whole issue of elective surgery, as we were required to do. What we noted were the current inconsistencies in the application of elective surgery targets, not just between hospitals or specialties but between states. Our recommendation 10 of the report was that, as a matter of urgency, national definitions for elective surgery categories be further developed, agreed and implemented across all states and territories. We also recommended that a nationally consistent definition of 'not ready for care' be developed and applied, and, while new definitions were under development, there be more detailed guidelines to be developed and applied across existing urgency categories to ensure, as much as possible, that there would be consistency in measurement and data collection. We recognised that sometimes people had to wait to get an outpatient to a clinic appointment, and then to get onto surgery there were examples where people had to wait to get on the waiting list, and then they may be deemed not ready for care. So there was a whole range of ways that made it very difficult to compare between specialties, hospitals and states as to what was happening. For the patient, of course, this was just a total mystery.

Senator FIERRAVANTI-WELLS: Bureaucrats were to be creative in their descriptions, Professor.

Prof. Baggoley: It could be that or, God forbid, even for clinicians to be so creative. What we learnt from the United Kingdom is that they had taken a measure from when a general practitioner first referred a patient for care to the hospital to when they had that care. That was the time. That is why the recommendation that we came up with, which is recommendation 14, was that there be a measure of surgical access time. Forget all the little steps in the way—just from the time of referral by the GP to when you have your procedure. That is the time. In the United Kingdom, 18 weeks is the target they had, and they have done very well with that. We believe that such a measure should be developed as would determine the true waiting time and the true demand for elective surgery. We believe that consideration should be given to utilising such a measure of elective surgery performance in future agreements. That is for the future, but we recognise that.

Senator FIERRAVANTI-WELLS: When is it anticipated that we will have a clear definition on this, Professor? It is clear, given the various things that are happening at a

national level and payments that are being made for a whole range of things, whether they be with or without performance measures attached to them, that it is necessary.

Prof. Baggoley: There are two aspects to this. One is to move as quickly as possible to get national consistency for the current agreement. The panel recommended, as I said, that that happen as a matter of urgency, and that process then is something for all the states, territories and the Commonwealth to agree on. This is a five-year agreement. For the next agreement, when it comes up in five years time, the panel recommends—and I am speaking on behalf of the panel, not the Commonwealth—that the simpler definition be embedded and ready to go.

Senator FIERRAVANTI-WELLS: So we are going to wait five years. Or are we going to implement a definition sooner?

Ms Flanagan: For the purposes of the agreement that was signed now, we have a definition embodied in that agreement that we need to measure against which is not—

Senator FIERRAVANTI-WELLS: But the professor is talking about a better definition—

Ms Flanagan: This will arguably be a better definition. This particular recommendation has been referred to one of the subcommittees of health ministers and health CEOs to start work on. Until we get into the work, we are not going to know how long it might take to develop it, but the work has been referred to one of the principal committees.

Senator FIERRAVANTI-WELLS: Given the provisions in the agreement for variation, is it possible that there could be a variation to the agreement on this or indeed any other specific term of the agreement or definition?

Ms Flanagan: There could arguably be, but it really changes the platform on which this agreement was set, because if you have—

Senator FIERRAVANTI-WELLS: Of the funding.

Ms Flanagan: Yes, of the funding. Also, you are involving parts of the system that in effect are not necessarily under state control, and this is an agreement between the states and the Commonwealth.

Senator FIERRAVANTI-WELLS: I will pursue that in questions on notice. I now turn to two states in particular. The first is Tasmania. Some issues have appeared in the press in relation to Tasmania. There have been reports that Tasmania has cut $500 million from its health expenditure in the 2011-12 budget across its forward estimates, and, of course, the reaction around the state in relation to that has also been reported. There are estimates about jobs—150 has been quoted—and wards and beds are likely to close at Royal Hobart Hospital and also at Launceston General Hospital. They are both predicated to lose beds. Without taking you specifically to them, Ms Flanagan, you are aware of those media reports?

Ms Flanagan: I certainly am, Senator.

Senator FIERRAVANTI-WELLS: The Prime Minister had promised that under this new agreement we would have more beds, more money, more services, more local control and less waiting times. How does this explain what is happening in Tasmania? Given that the agreement calls for maintenance of effort by the states in clause A80, how does Tasmania qualify for continued federal funding or for reward funding?

Ms Flanagan: Specifically under the national partnership agreement you would understand of course that states are the majority funders of the hospital system at the moment. We are moving into new arrangements into the future. In terms of the national partnership agreement itself, states and territories have committed to targets on elective surgery and emergency departments. One would suspect that if you are closing beds in Tasmania—and that is a state government decision—it may be more difficult to deliver on those targets and that, if Tasmania were not to deliver on those targets, it would not get any reward funding, because that is the way this particular national partnership agreement is structured: around the fact that you need to achieve certain things in order to receive reward funding.

Senator FIERRAVANTI-WELLS: At the beginning of your answer you said that you are obviously keeping a keen eye on what is happening Tasmania. At what point will you make that assessment as to whether Tasmania will lose federal funding?

Ms Flanagan: I do not know that it is a question of losing federal funding.

Senator FIERRAVANTI-WELLS: Whether Tasmania will lose federal funding.

Ms Flanagan: That is a decision that government will need to make into the future. These agreements were signed, I think, on 2 August. We are six weeks into it. The national partnership agreement for Tasmania runs for four or five years. They might be having trouble now but do you say six weeks into the agreement that they are not going to deliver overall on the targets? The targets are set for the end period and it is possible for states and territories to set their own profile of targets to achieve that ultimate target over the course of the agreement.

Senator FIERRAVANTI-WELLS: So the calculations are based on the end period, and at the end of the period they—

Ms Flanagan: Ultimately, we are looking to achieve that at the end of the period, though there are milestones that are set during that. I think there is a capacity to roll over funding if they do not need to target in a particular year, so that if they are able to achieve the target the following year they will be able to receive their reward funding.

Senator FIERRAVANTI-WELLS: The Prime Minister has made a commitment that there would be more services and less waiting time.

Ms Flanagan: And we would hope that that will be what we achieve.

Senator FIERRAVANTI-WELLS: But that is not her commitment. It could have been her hope, but she cannot give that commitment in those terms because it is out of her hands—it is up to the states.

Ms Flanagan: She can certainly give the commitment in terms of what the Commonwealth has signed up to deliver.

Senator FIERRAVANTI-WELLS: If I read correctly, she said on 3 August: 'More money, more beds, more services, more local control, greater accountability, less waste and less waiting time.' How can you give a commitment for all that when you have to wait five years to see if the states meet their side of the bargain? It is a hollow commitment. It is meaningless.

CHAIR: Is there question there, Senator?

Senator FIERRAVANTI-WELLS: It is a 'commitment' but its validity can only be measured in five years time. Is that a correct assessment?

Ms Flanagan: I think that that would be correct, certainly in terms of this national partnership agreement.

Ms Halton: Mind you, Senator—

Mr Thomann: Sorry, Senator—

Ms Halton: You go first.

Mr Thomann: May I, Secretary?

Senator FIERRAVANTI-WELLS: You can interrupt first, Mr Thomann. Ms Halton has given you that privilege.

Mr Thomann: I do not make it a habit to interrupt the secretary, but on this occasion I feel as though I must speak.

Ms Halton: He is mostly a wise man.

Senator FIERRAVANTI-WELLS: Ah, you have your trusty little book.

Ms Halton: He has his trusty little book.

Mr Thomann: I have my trusted book and I actually have copies from last time. We have copies for the whole committee.

Senator FIERRAVANTI-WELLS: You only gave me an extract the last time. This time you actually have a book for me.

Mr Thomann: I feel that we should speak on an equal basis. We will table these little handy copies of the new agreement for you and the rest of the committee members as well.

Senator FIERRAVANTI-WELLS: You will be very pleased to know that—

Ms Halton: This is a much handier, wallet-size.

Mr Thomann: We have interim targets for both elective surgery and emergency department targets.

Senator FIERRAVANTI-WELLS: Which page are you on?

Mr Thomann: We are talking about elective surgery. We are in schedule A. You will find on page 20 of the little booklet, we have interim targets for both categories 1, 2 and 3. There is a differential in terms of the final target to be achieved, with Tasmania, the ACT and Northern Territory to achieve the final target of 100 per cent in 2016 and with the other states to achieve that target in 2015. But there is a regime for regular monitoring of progress.

Senator FIERRAVANTI-WELLS: You will obviously monitor. This goes back to the previous question. At what point will the Commonwealth realise that this is happening and it is happening now? Ms Flanagan, when is that assessments made?

Ms Flanagan: As Mr Thomann has indicated, there are yearly targets that we will monitor against and reward funding is tied to those. There will be yearly monitoring of what is going on. However, the principle is that this agreement is structured in such a way that, at the end of the period, if the states and territories hit their targets, then I would say that this has been a successful national partnership agreement.

Senator FIERRAVANTI-WELLS: I note the comments made by the Premier of Tasmania that she is happier for a federal takeover. Is that something that has been warmly welcomed?

Ms Halton: I do not know that we are aware of how it has been welcomed by others. I think it has been observed.

Senator FIERRAVANTI-WELLS: I will close off on Tasmania. In the end, we were promised that this brave new world of health reform would stop the blame game, but aren't we really seeing in these sorts of comments—I suppose this is more a comment to Senator McLucas—that the blame game has not changed at all. We will watch with interest just to see what happens in Tasmania. Just briefly, in relation to Queensland, again there were media reports of blowouts in Queensland's health budget. Has the Queensland government flagged problems with its health budget with the Commonwealth? Have there been discussions between the Commonwealth and Queensland about possible bed closures in that state?

Ms Flanagan: On Queensland, we have had no discussions.

Senator FIERRAVANTI-WELLS: Other than what you read in that distinguished daily rag—

Ms Halton: That paper of repute—yes, that one.

Senator FIERRAVANTI-WELLS: you do not have any other comment?

Ms Halton: No.

Senator FIERRAVANTI-WELLS: I will put some questions on notice in relation to countries and some assertions, again in that worthy publication, about us not being able to meet our international obligations under agreements, because patients are being turned away from hospitals. I will put questions on notice in relation to what may be happening. That was an article on 3 October. I will ask some questions about that specifically. In relation to local hospital networks, are we going to get some maps?

Ms Halton: In due course. We perhaps have some maps, but we do not have a complete set.

Mr Thomann: We do not have a complete set, but I believe on the yourHealth website you will find maps of LHN boundaries for all states and territories, except Western Australia and Victoria at this stage.

Senator FIERRAVANTI-WELLS: I go back and look at the progress and delivery reports—and I had a look at that on page 12—about the local hospital networks. There was the initial promise in the blue book. I know, Ms Flanagan, but I do go back to these things. That is what was promised in the beginning. On page 60 of that book it says:

... to run small groups of hospitals, so that hospitals better respond to the needs of their local community.

When I look at the provisions of D5 and D15 in the latest agreement, to August, they are a far cry from what was originally envisaged about local hospital networks, aren't they? It has evolved to a totally different entity. I hold up page 62 of the blue book. There is a hospital and all the little hospitals around it. I know, Ms Halton, it is hard to go back to that many iterations ago.

Ms Halton: No, it is more that my eyesight is such that I am squinting at you to see what you are pointing to.

Senator FIERRAVANTI-WELLS: I am sure there is still a copy of a blue book floating around the department somewhere.

Ms Halton: I am sure there is.

Senator FIERRAVANTI-WELLS: We can you look at the provisions of D5 and at the parameters of their responsibilities. If you look at my favourite clause of D16, it appears to have survived almost intact from the previous version which was A10(b) i-v—remember my famous local isn't local clause—where it says that the clinical expertise will be external to the local hospital network wherever practicable. I notice that that has survived despite all of the discussions that have happened. Can I have an explanation as to why that clause is still there, despite everything that has been said about 'local not being local' and the clinical expertise coming from that local area? Is it because it was always the intention that the clinical expertise for local hospital networks would always come from outside the local hospital network? It just simply reinforces the criticism that local will not be local.

Ms Halton: We have canvassed this rather at length in the past, and you will recall that these words are the same for precisely the reasons we discussed last time. It says 'wherever practicable'. The truth of the matter is that it may be the case that in a number of instances it is not practicable, based on agreements. You know that the Victorian government has one particular view, and the AMA, as I understand it, had discussed that with the Victorian government. The objective here is to make sure that if there are conflicts of interest or perceived conflicts of interest then they are managed. Therefore, the language 'where practicable' has remained. In fact, I can tell you that this has not been a major issue of discussion for as long as I can remember. This is not in the area of contest; it is actually quite well accepted.

Senator FIERRAVANTI-WELLS: The reason I am going back to this is that you ran an advertising campaign that talked about 'run local'. In that whole 'run local' campaign, where is the 'run local'? There is nothing in this agreement and there was nothing in the previous agreement that looked at running local. Indeed, if you look at D5, you see there is nothing here about being locally run. They are not running anything.

Ms Halton: We may just have a different view of the meaning of these words in D5. I actually think D5 is exactly that. It is about local hospital networks. We know that some people in New South Wales, for example, are using the word 'district'. That is immaterial; the structures are there and they do have a responsibility to manage the budget that they have. This clause includes local governance arrangements, it includes receiving the funding that is provided and it includes managing performance of functions and activities specified in service agreements. I know from discussions that I have had with individual members of a number of these boards that they believe they are taking on the responsibilities to deliver local services. I had one of these discussions as recently as 24-hours ago.

Senator FIERRAVANTI-WELLS: I will put the rest of my questions on notice. In terms of determining the parameters of those local hospital networks, I was recently in South Australia and the 'local hospital network'—and I put that in inverted commas—covers virtually the whole state. How is that going to be an effective delivery of any responsibility?

Ms Halton: There are two things about this, isn't there? The first of which is—and we had that slight joke about doctors not wanting to be called bureaucrats earlier on; I think the Professor was party to that—

Senator IAN MACDONALD: Can we leave the jokes out? We really are pressed for time.

Ms Halton: No, no, this is actually not a joke, Senator—

CHAIR: Senator MacDonald, we do not need your contribution in that way; we are moving through this.

Ms Halton: This is not a joke. The whole point about this is that bureaucrats were the people who people did not want to see actually running local services. The whole point about this is to have people who have business expertise and expertise in running and delivering things actually doing that work. So this is actually not a joke, Senator. The reality is, if you look at the people that have been appointed to a number of these boards—including for example, in New South Wales—you are hard pressed to find a bureaucrat amongst them. But they do have operational experience in delivering high-value activities. In terms of the scale of them, they have to have a scale which is meaningful. Because at the end of the day—

Senator FIERRAVANTI-WELLS: The whole state or virtually the whole state? How can that be meaningful?

Ms Halton: They have to have a scale which goes to economies of scale. If we look at the experience that we had in the past of boards, very often the problem they had was that they were too small. They did not have people who had expertise and experience in the management of large complex agencies. That is what these are; these are large businesses. In many cases, they have extremely large budgets—tens of millions of dollars. There are not trivial things to run.

Senator FIERRAVANTI-WELLS: I will leave it there. I will put the rest of my questions in this section on notice.

Senator IAN MACDONALD: I only have five minutes, and Senator Adams has five minutes—

CHAIR: And then Senator Furner, if I can just extend it, has five minutes as well.

Senator IAN MACDONALD: Okay. That is fine. Can I ask for very brief answers. I would hope someone is aware of this, because I did write to the minister a couple of weeks ago. These questions are related to that, although they are not exactly the same issue. Can someone give me a three-line description of what the COAG 19(2) exemptions are and how they work?

Mr Thomann: The section 19(2) exemption from the Health Assurance Act enables hospitals in rural and regional community—

Ms Halton: Where the exemption is given—

Senator IAN MACDONALD: Look, can you tell me if this wrong on 19(2): in selected areas where it applies, if people come into a general hospital then the hospital can get Medicare payments.

Ms Halton: You can bill Medicare. The 19(2) exemption enables you to bill Medicare.

Senator IAN MACDONALD: Yes, thank you. When the Medicare payments come though, they go to in this case Queensland Health. Is Queensland Health then obliged under the arrangements to pay them to the hospital involved?

Mr Maskell-Knight: I think legally the payments are due to the patient who then assigns them to the medical practitioner. The medical practitioner may then have an employment agreement whereby they are passed through to someone else.

Senator IAN MACDONALD: They belong to the patient? I assume the hospital—

Mr Maskell-Knight: Medicare benefits are personal benefits.

Senator IAN MACDONALD: I would assume the patient, when they go to the hospital, would sign a form saying this is a—

Mr Maskell-Knight: They assign their right to the benefit to someone else.

Senator IAN MACDONALD: Fine. It should go to the patient or where the patient directs?

Mr Maskell-Knight: Yes.

Senator IAN MACDONALD: That is excellent. If those funds are not allocated in one financial year, they roll over into another financial year?

Mr Maskell-Knight: I think you are going to a matter of the Queensland health department's accounting practices. We have no visibility of those.

Senator IAN MACDONALD: What I am just getting at is that Mareeba hospital, which I have written about, has what they believe to be all of this money due and owing to them, and as a result of that they have extended their services, because they are in an area where there are less than the optimum or the necessary number of GPs. Mareeba hospital has then spent, in anticipation, the money to employ other health services in an area that is underserved. But they find that the money is not coming through to them from Queensland. There is something like $800,000 owing to them, so they tell me, give or take a few thousand. I guess your answer to the first question says it all. The money actually belongs to the patient or where the patient directs, so it is legally Mareeba hospital's money.

Mr Maskell-Knight: Not necessarily.

Ms Halton: No, not necessarily. That is not how it works. The reality is that if there is an agreement that is struck by medical practitioners with the Queensland department of health that they will bill then the Queensland department of health, if that is their employer, can actually direct where those funds go. In other words, it is not a question of the hospital; it is a question of what the arrangements are in that particular location as to where those funds are actually paid.

Senator IAN MACDONALD: What is the Commonwealth Medicare arrangement? Does the money go to where the patient directs?

Ms Halton: If the patient is going to be treated, they would have signed a form—it will be a standard form—and that form will basically say to whom the money should be remitted.

Senator IAN MACDONALD: And that would be to the doctor or to the hospital or to doctor's employer?

Ms Halton: It will depend on the arrangement in that particular state. This happens in New South Wales and it happens in a number of states?

Senator IAN MACDONALD: What happens in Queensland?

Ms Halton: I do not think we can answer that question on the spot; we will have to check.

Senator IAN MACDONALD: Please could you take on notice that series of questions that I have raised and tell me what happens in Queensland? What happens in the case of Mareeba hospital? Is it a fact that money is owed by Queensland Health to Mareeba Hospital—or whatever the situation is? I wrote to the minister about it a couple of weeks ago. If you could incorporate—

Mr Thomann: We are aware of the issue. We have raised it with Queensland Health and they have undertaken to talk to the Mareeba Hospital about this matter.

Senator IAN MACDONALD: Thanks for that. But Mareeba Hospital really do not want talk; they want that money, if they are entitled to it under the COAG agreement, which is administered from here by the Commonwealth. Well, Medicare payments are Commonwealth and they come through COAG. I can only act on what the Commonwealth can or cannot do. That is why I am asking how I can ensure that the people in the Northern Atherton Tableland get these additional services Mareeba Hospital wisely and credibly engaged because they thought they had the money coming in.

Mr Thomann: We will take it on notice.

Senator ADAMS: I have questions on the local network boards and their boundaries. I am from Western Australia and I am just having a looking at the regional health service boundaries plus the network board boundaries plus the Medicare Local boundaries. Unfortunately, none of them run the same way in the same areas. So I am quite confused about that and I would like an explanation as to how it is all going to work practically.

Ms Flanagan: Certainly one of the principles that we started with was that we wanted to see some alignment between the Medicare Local boundaries and the LHN boundaries. You would appreciate that the Medicare Local boundaries are determined by the Commonwealth and we put those out to the states and territories and consulted on those. I do not know whether we have anyone here from the area that looks after Medicare Locals. Local hospital networks were determined by the states themselves.

Senator ADAMS: I realise that.

Ms Flanagan: We had hoped for alignment. I do not know whether my colleagues know how misaligned Western Australia's are, but I thought they were fairly closely aligned.

Mr Thomann: I am not aware of how they are aligned.

Senator ADAMS: It is quite a concern. Having been involved with boards for a long time myself, I just cannot see how the practical issue is going to work. I thought there might have been a reason, but I will follow that up again with WA Health.

I may need some help here with performance authorities and how the authorities work together on medical errors. Does that come within this particular area?

Ms Halton: We have the safety and quality commission and, as you know, they do already report in terms of quality and safety, including misadventure, and then we will have the performance authority that will have an overarching view. There will have to be a

discussion between the two. I would imagine that the safety and quality commission will continue to publish in these areas, but the performance authority will have a much broader remit in terms of how the whole health system is performing.

Senator ADAMS: Will there be any duplication between the two?

Ms Halton: There will not be any duplication. There may be dual publications of some of the data. I cannot say that will not happen. It might, in fact, be quite desirable for information to be collected once but maybe sometimes disseminated through a number of different sources, but there will not be duplication of the work—if that makes sense.

Senator ADAMS: Thank you. I will watch that. Reporting the regulatory burden versus patient care seems to be quite a problem. As we are moving on with health, with Medicare Locals and acute hospitals, there seem to be multiple reporting requirements on top of existing reporting requirements. It is felt that it is taking the focus away from patient care. Has the government ever undertaken any analysis or research on what the costs of this regulatory burden is on the provision of patient care? It happens in aged care a lot, but it is now happening in acute care too.

Ms Flanagan: I will start by indicating that one of the things that the states and territories have been discussing with the Commonwealth is, I suppose, the reporting issues, in terms of wanting increased transparency about what goes on in Australia's hospitals in particular. There has been a working group set up to look at data rationalisation. Going back to the secretary's point around the Commission on Safety and Quality in Health Care, the Health Performance Authority et cetera, that you should just collect one piece of information once—it might be reported in a number of different ways—there is certainly an interest in ensuring that, as we move into this new era of transparency, the reporting burden does not increase and that we actually rationalise what we are asking the states and territories to do. The particular group that has been set up I think reports to health ministers in November about what they have found and how the data reporting burden can be rationalised. There is also work being undertaken by treasuries in terms of the National Health Performance Framework. That will also come to fruition and we will get a report back on that very soon. That covers not just health but the whole spectrum, such as education et cetera.

Senator FURNER: Thank you for the booklet. I think it answers my first question and that was in relation to the numbers of beds that will be allocated as a result of the health reforms. It indicates that, overall, by the end of 2014, there will be 1,316 in total amongst the states and territories. I take it that we are talking about financial years in the table?

Mr Thomann: Yes, they are financial years in that table, E14.

Senator FURNER: What improvements will happen in particular in one of the fastest-growing areas in the state, in Logan, with respect to Logan Hospital, as a result of the health reforms?

Mr Thomann: That is a very specific question. I might ask Ms Smith to answer that. We have a wealth of information resulting from the implementation plans from the different states and territories. It is just a question of finding that information.

Ms A Smith: Under the current NPA on improving public hospital services, Logan Hospital has been identified for a number of projects. One project is for approximately $52 million. That is for expansion of the emergency department in conjunction with capital

improvements throughout the emergency department, to help implement the four-hour rule. Logan Hospital is also, in the same project, referred for approximately $25 million. It is for 14 additional paediatric inpatient beds. It is also about having to revise the car park. Because of the way the hospital is structured they needed to revise the car park as well. Logan Hospital also has another project that will deliver a 24-bed rehabilitation ward, delivering some subacute services in that facility as well.

Senator FURNER: Thank you for that.

CHAIR: That is the end of the acute care questions. Thank you very much. Senators have said that they will put their questions for General Practice Education and Training on notice. I do apologise, but I just checked with the senators and that was their preference. We move on to 5.1: primary care education and training.

Senator FIERRAVANTI-WELLS: My questions in this area are the ones that were deferred earlier on. I have questions on Medicare Locals, GP superclinics and, if we have time, primary care practice incentives—otherwise they can be put on notice, and I am happy to put on notice questions in relation to the agency. In relation to the first 19 Medicare Locals funded from 1 July, how many were actually established by 1 July?

Mr Butt: By 1 July all 19 were funded. They had funding agreements in place for all 19 for transition funding for them to go through the processes and procedures to become fully established.

Senator FIERRAVANTI-WELLS: So they are not fully operative?

Mr Butt: They are all fully operative.

Senator FIERRAVANTI-WELLS: So the timeframe will still be the same for the establishment of the rest of them?

Mr Butt: Yes, there are 43 to go. There were 48 applications for those 43. The assessment process has been underway. We are looking for an announcement before too long—looking for around 15 to be established from 1 January and the remainder by 1 July next year.

Senator FIERRAVANTI-WELLS: And as part of that process you have sent stakeholders the detailed information about roles and responsibilities?

Mr Butt: Absolutely, yes.

Senator FIERRAVANTI-WELLS: I think that has been tendered in the past.

Mr Butt: I think it was 19 July that the applications closed for those.

Senator FIERRAVANTI-WELLS: But is the material that you are sending out publically available?

Mr Butt: Yes it is, and that was first published I think on 22 February.

Senator FIERRAVANTI-WELLS: In terms of bureaucracy and the bureaucratic neutrality that we were discussing earlier, is that commitment in relation to Medicare Locals still the case? There is a reason I ask—when did you, the government or the department realise that you needed a new national body, a new bureaucracy to oversee the function of Medicare Locals?

Mr Butt: I think those working in Medicare Locals would take the suggestion that they are a bureaucracy with some difficulty given that these are private companies that are

established under the Corporations Act and so they are not public sector organisations. They basically are evolving from and replacing the divisions of general practice. The divisions of general practice were also private organisations, and we are going from 111 divisions down to 62 Medicare Locals. So, firstly, they are not government bureaucracies and, secondly, there are fewer of them then there are divisions.

Senator FIERRAVANTI-WELLS: Well interestingly I note that on 28 June the General Practice Network announced that its CEO would resign to become deputy secretary, which is yourself.

Mr Butt: That is me, yes.

Ms Halton: So he may have a conflict of interest here depending on where these questions are going!

Senator FIERRAVANTI-WELLS: Yes, I know! Tell me, you were in private practice and you have now become a bureaucrat. Do you not think that that is a conflict of interest? You do not see any potential conflict of interest in your current position having gone from where you were to what you are doing now?

Ms Halton: I actually think you are now asking him a personal question. Mr Butt had a long and distinguished career previously as a bureaucrat—he formerly ran the ACT department. He has been an advisor and he has been in the community sector. So his career is long and distinguished, and he fully understands the distinction between roles and responsibilities very clearly. I can assure you that—and you would also know this very well—I am very conscious of the need for appropriate separation. He now provides policy advice, but he does not take decisions one way or the other which can be regarded as a conflict. I am very clear about that.

Senator FIERRAVANTI-WELLS: What was the process in relation to the formation of this new body, and was Mr Butt's position advertised?

Ms Halton: Yes, it was.

Senator FIERRAVANTI-WELLS: What about the process for the establishment of the new national body?

Ms Halton: They were decisions taken by the minister.

Senator FIERRAVANTI-WELLS: Can you tell me what that process now is? When did the government decide that there was a need for a new body to oversee Medicare Local?

Ms Halton: The minister took that decision well before Mr Butt's engagement with me.

Senator FIERRAVANTI-WELLS: When?

Ms Halton: We can give you the dates. If we do not have them here, we will certainly come back to you on notice.

Senator FIERRAVANTI-WELLS: Is there an announcement that you made?

Mr Booth: Yes, an announcement was made by the minister in terms of establishing a national body for Medicare Locals.

Senator FIERRAVANTI-WELLS: That was the announcement. What was the date of the announcement? My question was: when did you—

Mr Booth: It was 19 July.

Senator FIERRAVANTI-WELLS: At what point did you realise you needed a new body?

Ms Halton: We can probably check when there was a decision, but it substantially preceded the announcement.

Mr Booth: That is correct. Mr Butt was talking about earlier about the meeting in February about a national body for Medicare Locals. The actual invitation to apply was well in advance of that.

Senator FIERRAVANTI-WELLS: What is the funding—is there funding for this body?

Mr Booth: There is funding available for the national body.

Senator FIERRAVANTI-WELLS: What about staff and secretariat?

Mr Booth: The AGPN has been invited to put an application forward for the national body. They are going through that process at the moment.

Senator FIERRAVANTI-WELLS: In other words, the AGPN is likely to become the new body?

Mr Booth: The process that has been established is that the AGPN have to go through a process, as Medicare Local had to, in terms of proving their capability and capacity to perform the roles and functions of a national body. They are currently going through that process.

Senator FIERRAVANTI-WELLS: Will there be legislation necessary?

Mr Booth: No.

Senator FIERRAVANTI-WELLS: Will this mean no net increase in bureaucracy? Will this be another body that requires new staff, or will with the staff—

Ms Halton: There is an existing body there. I cannot make a particular comment about individuals, obviously, but I do not believe that you will see a net increase.

Senator FIERRAVANTI-WELLS: No, I understand you have a private entity that is now going to become a new national body, which presumably sits alongside all of those other bodies.

Ms Halton: No, it does not.

Senator FIERRAVANTI-WELLS: It is not going to be part of the Commonwealth?

Ms Halton: No, it is not.

Senator FIERRAVANTI-WELLS: So there will be staff from the department going to this new bureaucracy?

Ms Halton: No.

Senator FIERRAVANTI-WELLS: Mr Butt, I think you told me that all 19 Medicare Locals had already signed their contracts.

Mr Butt: They signed transition contracts for funding agreements from 1 July. They were then transitioning into new funding agreements, to go for a three-year period. I think there is one that is not signed.

Mr Booth: They are practically all signed now.

Senator FIERRAVANTI-WELLS: I have other questions on Medicare Locals, but I will put those on notice, given the interest that there is in GP superclinics.

CHAIR: We will go to GP superclinics.

Senator FIERRAVANTI-WELLS: I might start in relation to Redcliffe. Just by way of summary, so I understand, there have been problems with Redcliffe GP superclinic. It was raised on the last occasion here in estimates. I think Senator Boyce was demonstrated some of the issues quite graphically, with photographs et cetera. It is now going to be bailed out for another $3.2 million, as I understand, from the Commonwealth's perspective.

Mr Butt: Yes.

Senator FIERRAVANTI-WELLS: The funding agreement was signed on 27 January.

Mr Butt: Yes, 2009.

Senator FIERRAVANTI-WELLS: The clinic was promised on 1 October 2007, the funding agreement was signed on 27 January and it was due to be open in July or August this year.

Mr Butt: Yes.

Senator FIERRAVANTI-WELLS: Builders walked off the site, locked the government out and threatened legal action over lack of payment.

Mr Butt: They did not lock the government out. That was a issue between them and the Redcliffe Hospital Foundation. They certainly did not lock the government out.

Senator FIERRAVANTI-WELLS: When did the Redcliffe Hospital Foundation submit its preliminary project plan and budget to the Commonwealth?

Mr Booth: Which initial project plan?

Senator FIERRAVANTI-WELLS: I have a copy of what I think is the standard agreement. I think we canvassed this before. As I understand, with these GP superclinics there is a standard contract that gets varied with each GP superclinic. Is that is the case? That is what I understand from the previous evidence that was given.

Mr Booth: Yes. We do not have the exact date and signing of that, but we can certainly take that on notice.

Senator FIERRAVANTI-WELLS: I would have thought, given what has been in the press lately, you would come here fully armed with all this information. Goodness me—it has been one of the most reported issues in the last month. I would have thought this would be detail that you would have.

Mr Booth: You mean the original signing a number of years ago?

Senator FIERRAVANTI-WELLS: Yes.

Mr Booth: We do not have the exact date.

Senator FIERRAVANTI-WELLS: When did this hospital foundation submit its preliminary project plan and budget?

Ms Taylor: We do not have those details.

Mr Booth: We do not have the exact date with us.

Senator FIERRAVANTI-WELLS: In that case, did this budget include their financing requirements and costs as required by the funding agreement?

Mr Booth: Yes. There was an assessment process undertaken and, as part of that, the proposal that was put forward included the funding that would be required for the clinic.

Senator FIERRAVANTI-WELLS: Were those financing requirements and costs acceptable to the Commonwealth?

Mr Booth: They were, yes.

Senator FIERRAVANTI-WELLS: How did they propose to finance the project?

Mr Booth: The majority of the project was financed through the Commonwealth grant as part of the GP superclinics scheme. In addition, there was a smaller amount that the foundation proposed to raise through a commercial loan.

Senator FIERRAVANTI-WELLS: So you did not require any amendment of the project plan and the budget?

Mr Butt: In what sense?

Senator FIERRAVANTI-WELLS: As I understand the standard contract, paragraph 3, 'Planning, design and approvals', sets out in great detail what the Commonwealth is going to do and what the organisation is going to do. I would like to go through that and ascertain for myself that the Commonwealth met all its requirements. I would like to know, specifically, at each point, what the Commonwealth did and if they undertook the necessary governance in relation to this project. That is why I am asking details about when you did certain things and what those actions entailed.

I will go back to my initial question. Did you require any change to the plan or budget, or did you notify the organisation that their plan and budget were acceptable? Presumably you get a plan and a budget. You look at it. It tells me in this that you have to review it. It says under clause 3.1(d) it says you will review each project plan and submit and notify the organisation. Did you notify the organisation?

Mr Booth: Yes, as part of the assessment process at the very beginning we would have done.

Senator FIERRAVANTI-WELLS: When did that occur?

Ms Taylor: The original proposal included funding from the Commonwealth plus a considerable amount under a loan arrangement. The Queensland Health people were on that assessment process so that was well known at the time. From that point of view, there was $5 million available for the Redcliffe superclinic site. At a period past that point the minister approved additional funding. There was an additional $5 million approved later as part of last year's election commitments, and that was made very public. When we got to the point in terms of the $10 million versus the $12 or $13 million build, the understanding was that there would be a loan applied for from either commercial purposes or through the Queensland government for the additional money that was required.

Senator FIERRAVANTI-WELLS: Ms Taylor, I asked you a specific question in relation to a process that the Commonwealth was required to undertake. I would appreciate it if you could listen to my question and answer the question that I have asked you. My question was:

on what date did the Commonwealth, presumably under clause 3.1(d), notify the organisation that its plan and budget were acceptable?

Mr Booth: We do not have the exact date with us, but we will take it on notice and get the exact date.

Senator FIERRAVANTI-WELLS: This matter was raised in the Senate last week. I raised it with Minister Ludwig. You must have known that this issue would be raised at estimates because we did not get the answer to questions on notice 464 and 465, which particularly pertain to GP superclinics. I raised my concerns in the Senate. You knew this matter was likely to be raised. I would have thought you would come with all your documents. I hope that there was not any deliberate non-bringing of documents. You must have known I would raise these issues. Why don't you have the documents here with you?

Ms Halton: The officers—

Senator FIERRAVANTI-WELLS: It is not acceptable.

Ms Halton: The officers cannot bring every single file they have on Redcliffe or other GP superclinics. They have brought with them their usual compendium, which is quite detailed, about these projects. The fact they do not have a specific date I think is actually completely understandable. They would have to go back through a series of folios to find the specific date you have asked for, and they have said they will do that.

Senator FIERRAVANTI-WELLS: I just do not find that acceptable, simply because in the last week this matter has been raised in the Senate. Don't you get advice? Don't you follow these issues? It was not just in the press; questions were specifically raised of Minister Ludwig.

Ms Halton: I do not recall having read in the *Hansard* that you specifically raised in the Senate the specific date on which participants were told a budget was acceptable.

Senator FIERRAVANTI-WELLS: That is really being a bit cute.

Ms Halton: No—

Senator FIERRAVANTI-WELLS: You knew we would ask questions on Redcliffe. I shall proceed now with my questions, Ms Halton—

Ms Halton: Please do.

Senator FIERRAVANTI-WELLS: And you can demonstrate what your officers do or do not know. What steps did the Commonwealth take to determine whether the Redcliffe Hospital Foundation had access to sufficient finance before giving Commonwealth approval to commence construction?

Mr Booth: We had specific undertakings from the Redcliffe Hospital Foundation around the loan that they would need to take—

Senator FIERRAVANTI-WELLS: What steps did the Commonwealth take to determine whether the foundation had access to sufficient finance?

Mr Booth: As part of the initial assessment that we did, and that we undertake for every GP superclinic, we did a full financial analysis and probity assessment. We have external financial advisors who come in and work alongside us. We do full assessments of the finances

that are put to us before we make an assessment of whether a clinic will be financially viable and that process, as with any superclinic, was undertaken.

Senator FIERRAVANTI-WELLS: So you had documents from the Redcliffe Hospital Foundation?

Mr Booth: As part of their application process they are required to put forward a significant amount of information in terms of—

Senator FIERRAVANTI-WELLS: And you took written or oral undertakings?

Mr Booth: There would have been a written—

Senator FIERRAVANTI-WELLS: Not 'would have been'—were there written or oral undertakings?

Mr Booth: Written.

Senator FIERRAVANTI-WELLS: Written undertakings?

Ms Halton: Written undertakings.

Senator FIERRAVANTI-WELLS: You said 'undertakings'—I take that to be plural.

Ms Halton: If you think about it, there are a number of signed undertakings: firstly, when they submit the budget; secondly, in response to—this is a general answer—any questions that are answered, which are required to be signed off; and, thirdly, when they sign the contract.

Senator FIERRAVANTI-WELLS: Did you provide written confirmation that the Redcliffe foundation could commence construction?

Ms Halton: They have a contract.

Senator FIERRAVANTI-WELLS: What date did that occur—was that on 27 January 2009?

Ms Taylor: Yes, they signed our funding agreement on 27 January 2009.

Senator FIERRAVANTI-WELLS: Did that agreement with the foundation specify that they had to provide financial security—was that a term of that agreement?

Ms Taylor: Yes, it is a standard term of the funding agreement.

Senator FIERRAVANTI-WELLS: Did the foundation provide the financial security as required by section 6.6?

Ms Taylor: Can I just go back. It was always understood that there would be a significant amount of borrowing, and you cannot take out a security against borrowings not yet secured.

Senator FIERRAVANTI-WELLS: I am just asking a basic question. The answer is yes or no. I am asking you whether—

Ms Taylor: There was no money to secure at that point. We understood there would be loans secured. We had seen a business case as part of the proposal for those loans and, at that point, there was nothing to take a security out against.

Senator FIERRAVANTI-WELLS: Paragraph 6.6 of the agreement relates to financial securities. It says, 'the organisation must provide a financial security'. It goes on to detail various aspects of that and then says:

(c) the financial security must be:

(i) unconditional;

(ii) on terms satisfactory to the Commonwealth; and

(iii) from a bank acceptable to the Commonwealth;

My question to you is: did the foundation provide the Commonwealth with financial security as required under the provisions of section 6.6 prior to the commencement of the works?

Ms Taylor: That section could not be invoked when the loan was not actually in place. So there was nothing to secure at that point against the loan.

Senator FIERRAVANTI-WELLS: At what point in time, then, did you propose to invoke that?

Ms Taylor: Once the loan was secured.

Senator FIERRAVANTI-WELLS: And was there anything specific in the agreement in relation to the loan?

Ms Taylor: It was always intended that there would be a loan, yes.

Senator FIERRAVANTI-WELLS: Was there anything specified in the agreement with the foundation that made reference to the loan and how that loan would be obtained—in other words, sections pertaining to the foundation securing a loan?

Ms Taylor: Yes, there would have been a general statement about procuring.

Senator FIERRAVANTI-WELLS: Not 'there would have been'—were there specific requirements in that agreement going to the foundation obtaining a loan?

Mr Butt: There was a specific requirement in the agreement about them obtaining a loan, yes.

Senator FIERRAVANTI-WELLS: Were there provisions in that agreement that went to not only obtaining the loan but, in the event that that loan was not yet obtained, the timing for that loan? What sort of parameters were included in the agreement in relation to that loan?

Mr Butt: I do not have the agreement with me so I cannot recall the detail, but there was a timing issue on the loan that was included in the agreement, and they made an application to the state minister for approval to get the loan in August last year.

Senator FIERRAVANTI-WELLS: At this point in time, given the issues surrounding this, could a copy of that agreement be made available?

Ms Halton: We will take that on notice. If we can, we will provide a copy.

Senator FIERRAVANTI-WELLS: I appreciate that certain things might have to be taken out. My concerns go to the conditions that were imposed from the Commonwealth's perspective. I would not think that those particular aspects of the agreement would be such that they ought not to be disclosed. I mean, given the fact that we have now got to cough up another $3.2 million, I would have thought that it should be made available.

Did the foundation provide the Commonwealth with detailed statements of income and expenditure, and a statement of its current cash at bank, every three months as required by the funding agreement?

Ms Taylor: As far as I am aware, they have.

Senator FIERRAVANTI-WELLS: On what date did the foundation sign the construction contract?

Ms Taylor: January 2010.

Senator FIERRAVANTI-WELLS: What was the value of the construction contract?

Ms Taylor: It was just over $11 million and then there was GST on top of that.

Senator FIERRAVANTI-WELLS: $11.65 million—something like that?

Ms Taylor: Something around that basis.

Senator FIERRAVANTI-WELLS: At the time that they signed the construction contract, what access to funds did they have? Had they already arranged finance? And, if not, why not, and had they provided an explanation to the Commonwealth as to why they had not arranged finance?

Ms Taylor: The understanding was that they would be applying to the Queensland government for a loan, and that process happened in August. At that point we had seen a business case, it is my belief, for commercial lendings, which we had seen, and they needed permission to actually go ahead to apply to the banks at that point from Queensland Health before they could pursue that process.

Senator FIERRAVANTI-WELLS: So when did you become aware that the foundation had signed this $11 million contract and had only accessed $6.7 million in secured funding?

Ms Taylor: I could not tell you the exact date. I will take that on notice.

Senator FIERRAVANTI-WELLS: When did the minister become aware of this?

Ms Taylor: I do not know.

Senator FIERRAVANTI-WELLS: It is a very pertinent question. Will you take it on notice?

Ms Halton: She may not be able to answer that question.

Senator FIERRAVANTI-WELLS: Senator McLucas, will you take that on notice?

Senator McLucas: I will see what I can find out for you.

Senator FIERRAVANTI-WELLS: I would have thought that, given the debacle that this Redcliffe has become, that would be uppermost in the minister's mind. Can you also tell me what action the minister took at the point that she did become aware of this? What is the department's understanding? Let me rephrase that: at what point was the department instructed by the minister to take action, following the minister becoming aware that the foundation had access to only $6.7 million? I accept there are dates. The minister becomes aware; I assume the minister then informs the department—or the other way around?

Mr Butt: Just to be clear about it: as we have already said, there was $10 million put forward by the Commonwealth and there was $1.7 million being put forward by the University of Queensland at a certain date. There was an extra $1 million that they were putting in themselves. So the loan component was a separate component on top of it. It was always known it was going to be required. This is a fairly unique situation. A loan component is not unusual in constructions and super clinics; it is quite common. This is quite unique in that they had to get the permission of the Queensland health minister—or the Queensland Treasurer, in fact—to secure a loan. So the foundation went to the state health minister in

August last year and asked for that. At the time they were in negotiations with two commercial banks about borrowings, which they had been told they would be able to get. Queensland Health came back to them and said it should be a Queensland Treasury Corporation loan, so they then worked on that basis and did not proceed with the commercial loans. The thing continued to get delayed in terms of the approval from the state health minister, and it was only in September, after work had ceased because they had not been able to get the loan, that the Queensland health minister then determined that he would not support them going for a loan. Hence, we needed to take further action. And, as I say, it is quite a unique situation in the fact that they were not able to get the loan.

Senator FIERRAVANTI-WELLS: You are aware obviously of the comments by the Queensland Auditor-General in the annual report; I will not refer to those. Basically, of the Redcliffe Hospital Foundation, he says: 'Without further qualifying my opinion, attention is drawn to note 18 to the financial report which indicates that the foundation has entered into a construction contract during the year ended 30 June 2010 with a financial obligation of $11.6 million. The foundation has only secured funding of $6.7 million for the construction. This matter indicates the existence of a material uncertainty which may cast significant doubt about the foundation's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.'

Mr Butt: The Queensland Audit Office report was a report across the whole of government, and it certainly gave a qualified opinion on the Redcliffe Hospital Foundation—but then it gave qualified opinions on other organisations, including Queensland Health. In fact, at that stage, they had already secured $10 million from the Commonwealth, so it was not up to date in that sense. But we were working on the basis, quite understandably, that, for a facility which is going to be a magnificent facility for the people of Redcliffe, the amount of capital being put in by the Commonwealth and others, along with the operational capacity of the facility, would more than support a loan of that nature.

Senator FIERRAVANTI-WELLS: On 14 August 2010 you announced a further $5 million to fast-track specialist services. What has happened to that $5 million?

Mr Butt: Again, it is part of the overall capital for that building.

Senator FIERRAVANTI-WELLS: Was it paid to the Redcliffe foundation?

Mr Butt: Yes.

Senator FIERRAVANTI-WELLS: And from what program was it drawn?

Mr Butt: The GP superclinic program.

Senator FIERRAVANTI-WELLS: And is it in the GP superclinic program; it is not identified specifically as an extra payment?

Mr Booth: I think it is part of the program.

Senator FIERRAVANTI-WELLS: Just part of the overall program from the bucket of money—okay. On 10 October recently the minister announced the $3.2 million bailout. The media release refers to the foundation and the Commonwealth agreeing to make variations to the existing funding agreement to include new approval requirements for finalization of the

construction fit-out of the facility. Don't these powers already exist under the existing funding agreement under clause 4.8?

Mr Butt: There are specific powers within the agreement, but these were actually specific steps we required the foundation to take in relation to the situation which we had reached, where the state minister had not approved them taking a loan; hence this unique circumstance where we needed to inject further funds to complete the building. Those arrangements, which are included in a new deed, include things such as appointment of a building superintendent to oversee finalisation of the capital, the engagement of a clinical services planner to help identify a third party operator and then the engagement of a third party operator to manage the facility.

Senator FIERRAVANTI-WELLS: In view of what has happened with Redcliffe, does that mean you will be amending the standard funding agreement?

Mr Butt: No, as I said, this is a pretty unique circumstance; we are not aware of others where there is a requirement for a state health minister to approve them getting a commercial loan.

Senator FIERRAVANTI-WELLS: So, in conclusion, what is now the total Commonwealth commitment to the Redcliffe Superclinic?

Ms Taylor: It is $13.22 million.

Senator FIERRAVANTI-WELLS: And what is the total expenditure to date for the clinic?

Ms Taylor: The original $10 million and just under $2 million that was paid last week for the outstanding bills.

Senator BUSHBY: I have some questions about the rural GP superclinic. There were suggestions in the media that Sorell Integrated Health asked for additional funding. Can you advise what date they asked for additional funding, if in fact they did?

Ms Taylor: The funding agreement was signed on 3 March 2010. We became aware on 1 September 2010 that they had drafted a series of architectural plans that were well and truly above what was available to be built with the money that existed at the time, and it was at that point that the Sorell Integrated Health group suggested that they might like some more money.

Senator BUSHBY: Do you mean that the government's response was that it was not available? Did you advise them of that in a formal way?

Ms Taylor: Absolutely, they were advised at that point that there was no additional funding and probably at half-a-dozen points between then and now.

Senator BUSHBY: What was the date that you advised on that?

Ms Taylor: The first point I know was at the September 2010 meeting. It could have been earlier than that in general conversations. The meeting was between the department and the architects, Sorell Integrated Health, to talk about the discrepancy between the plans and the available funding.

Senator BUSHBY: The minister a couple of weeks announced that the superclinic was not proceeding, on the basis that the Sorell Integrated Health Ltd had withdrawn from it.

When did Sorell Integrated Health Ltd advise the Commonwealth that they did not wish to proceed with the clinic?

Ms Taylor: I do not think the term 'withdrawn' was used in the media announcement by the minister. Sorell Integrated Health had an extra six weeks—this was not too far back—to investigate a number of options. We then went back down to Tasmania to talk about lack of progress and what we might be able to do to sort this out. At that point, the terminology that was used by the Sorell Integrated Health people to us, as a result of that six-week investigation, was: 'We are therefore unable to establish a viable GP superclinic in Sorell within the remaining grant funds.' That is pretty explicit.

Senator BUSHBY: There was a funding agreement signed on 3 March last year. Has that funding agreement been terminated?

Ms Taylor: No. We have commenced action to do that, but at that point it had not been terminated.

Senator BUSHBY: Was any money paid to Sorell Integrated Health Ltd under the GP superclinic program?

Ms Taylor: Yes.

Senator BUSHBY: How much?

Ms Taylor: Around about half a million dollars. That was primarily for architectural fees, and some council and project management fees were incorporated into that amount.

Senator BUSHBY: Will you be seeking to reclaim any of that?

Ms Taylor: We will have to look at that.

Senator BUSHBY: I presume that none of it has been refunded at this point?

Ms Taylor: At this point, no.

Senator BUSHBY: I guess it is fair to say that the first time you became aware that this would not be proceeding was at that meeting where you were advised that they would be unable to establish a clinic given the funding.

Ms Taylor: As I said, there was a considerable track record of discussions between us and Sorell Integrated Health leading to that point. The repeated message was that there was no more money. We thought we had got some agreement for them to progress to construction at a number of points between October last year and now, and that simply did not happen. But, in terms of that final advice, that was the letter that came—I am just looking for the date—

Senator BUSHBY: What was the date of that?

Ms Taylor: On 3 June 2011 we went down to Sorell and on 25 July we received the report.

Senator BUSHBY: You received a report from Sorell Integrated Health?

Ms Taylor: Yes.

Senator BUSHBY: So that, effectively, was the day that you became aware that the clinic at Sorell would not be proceeding—

Ms Taylor: That was the day I became aware that they had said they could not proceed.

Senator BUSHBY: At that point you accepted that that was the case?

Ms Taylor: After all the work we had done, and that was the culmination of that latest six-week exercise to actually establish whether there were any other options, that was my understanding at that point.

Senator BUSHBY: Are you aware that, since the minister made the announcement that it would not be proceeding, Sorell Integrated Health have publically stated that they have not advised you that they do not wish to proceed with the GP superclinic?

Ms Taylor: I am aware that they have made that statement.

Senator BUSHBY: Has the department taken any action since you became aware of the conflicting nature of their statement and what you understood to be the case?

Ms Taylor: We have been in contact with Sorell Integrated Health on several occasions since that point.

Senator BUSHBY: What was the outcome of that contact?

Ms Taylor: I am not sure what you mean. We had the conversation—

Senator BUSHBY: Has there been any change in your understanding in terms of their intention to proceed?

Ms Taylor: No.

Senator BUSHBY: Do you have any response today to their comment:

We've definitely not withdrawn from the project. The Minister's release is absolutely wrong.

Ms Taylor: I think there is a semantics issue here. Clearly they said to us that they are unable to proceed on the basis of the current money. We have clearly said to them on half-a-dozen, if not more, occasions and in writing from the minister that there was no more money available. They gave us a report that clearly said: 'We are unable to establish a viable GP super clinic in Sorell within the remaining grant funds.' I am not sure how else people would think that that would go.

Senator BUSHBY: I will leave that there. Can you advise me whether the $2.5 million that was allocated for Sorell, and I guess less the half a million dollars that has already been spent, will still be used to fund primary health care services in Sorell or surrounding region?

Ms Taylor: My understanding is that there have been announcements made in that regard but there are no specific projects that I am aware of at this point.

Senator BUSHBY: What announcements were made?

Ms Taylor: I believe the minister indicated in her media release of the 7th that the money was going to be looked at in terms of the Sorell and community areas.

Mr Butt: Yes, the minister's release said that they were working with the local community to investigate other ways of improving frontline help facilities for Sorell and surrounding communities.

Senator BUSHBY: But there is no decision that has been made as to how that might occur at this point?

Ms Taylor: Not at this point, not that I am aware of.

Senator BUSHBY: Has the department been in discussion with any other general practices or alternative providers in Sorell regarding the reallocation of that?

Ms Taylor: No.

Senator BUSHBY: Thank you, I will leave it at that.

Senator ADAMS: With the consolidation of 159 funding programs into 18 new or expanded flexible funds, I want to ask a question about, as part of this consolidation, the regionally tailored primary health care initiatives through the Medicare Locals Fund. Is this the right place to ask that?

Mr Butt: Yes.

Senator ADAMS: Activities to be supported under this fund include some specific rural programs such as workforce support for the Rural GPs Program, the Rural Primary Health Services Program and the Rural GP Locum Program. It also includes some generic programs such as Medicare Plus Better Aged Care Residents (Aged Care Access Initiative), the allied health component, primary health care organisations, Medicare Locals, and improving access to general practice and primary health care services for older Australians. My question is: what proportion of a Medicare Locals discretionary funds are likely to be provided from this fund?

Mr Booth: As you are aware, Senator, where we are heading with the flexible funds is to consolidate a number of separate funding streams into single larger funds so that we can gain efficiencies from doing that. Those funds have been established, guidelines have been issued for a number of the funds, and we are just going through the process at the moment. In terms of the Medicare Locals Fund we will be developing that over the next few months.

Senator ADAMS: What other resources will be available to a Medicare Local for its gap analysis work and work to follow up on identified gaps?

Mr Booth: There was a specific amount of funding made available to all Medicare Locals on establishment which was core funding to enable them to carry out functions such as needs analysis. The total amount of funding available to Medicare Locals was $173 million, which was roughly twice the amount available previously to divisions of general practice.

Senator ADAMS: Have you started consultations with the Medicare Locals on how they are going to use this fund?

Mr Booth: There are two aspects here. One is the core funding to enable Medicare Locals to do that and that goes through the standard funding agreements with the Medicare Locals. In terms of the flexible fund we will be moving down that fairly soon. The issue with the flexible fund for Medicare Locals is of course that not all Medicare Locals are yet established. As we have said there are 15—

Senator ADAMS: Yes, I meant the ones that are established, I suppose.

Mr Booth: But we are putting our timelines in in conjunction with the establishment of the Medicare Locals.

Senator ADAMS: So how is the department going to ensure that allocations under this very diverse flexible fund will meet the specific needs of people in rural and remote Australia? And, secondly, will other rural and remote interest groups be consulted? I was not sure whether it should come under rural health—

Mr Booth: We can talk about it here. Certainly the intention of the flexible funds is to give flexibility within those areas. Initially the funding that is within the flexible funds will

continue in the areas that it is established at the moment, so in that sense the fund will not actually come online until the Medicare Locals are all established so there will not be any initial changes around that.

Another aspect to talk about is, of course, the intent of Medicare Locals is to be able to respond to local need. If Medicare Locals are in rural and remote areas they will have specific needs which will come up as part of that needs analysis program and that is contained within the core funding that they obtain.

Mr Butt: The core funding is based on a funding formula which takes into account rurality, for example, so it does take into account weightings for rural people, aboriginality, socioeconomic status—a whole range of factors that come into it.

Senator ADAMS: Thank you. I will have some more questions on that next time. My second question is on the redirection of the domestic violence referral point project. This is something that was in Budget Paper No. 2 at page 243. I had quite a discussion about this last time. I asked a question on notice and I am still not happy with the reply, so I would like to continue the discussion.

Mr Booth: Essentially what has happened with respect to the domestic violence prevention campaign is that the campaign was split between two different departments: the Department of Health and Ageing and FaHCSIA. The take-up of the incentive in terms of practices that were taking up the incentive was very low. The numbers in terms of people actually going on training in terms of domestic violence prevention was very low. So an analysis was done of the program and as a result of that it was decided that the program should be consolidated. Rather than splitting it across two agencies it should be consolidated into a single agency, and it has been consolidated within FaHCSIA and they are now running the program. My understanding from FaHCSIA is that FaHCSIA is intending to create a new program to improve support services for women in regional, rural and remote communities. The intent is that by combining the two areas together, the number of programs will be able to be increased.

Senator ADAMS: I have got that on the question on notice. I am a bit confused. In the budget paper it says:

This measure will provide savings of $12.2 million over five years which will be redirected to support other Government priorities, delivering on the Government's commitment to responsible economic management.

The question on notice, which I received from the department recently, says, 'The redesign, together with the consolidation of administrative responsibility within a single agency, will result in efficiencies of $12.2 million over four years, while increasing the number of services provided', et cetera. There is a slight discrepancy there—five years and four years. Could you explain that please?

Ms V Murphy: I think we will have to take that on notice. I cannot explain why there is a discrepancy.

Senator ADAMS: The question on notice I am referring to is E11-463. It is under 'domestic violence referral points.

Ms V Murphy: I think we will have to take that on notice. I am not quite sure why the discrepancy is there. I think it should read 'four years', not 'five years'.

Senator ADAMS: It is five years in the budget paper and four years in your reply.

Mr Booth: We will investigate that discrepancy, but my understanding was $12.2 million over four years.

Senator ADAMS: That $12.2 million in savings over four years or five years: where is that going to go? I am quite concerned, because domestic violence is something that I follow very strongly and I would like to know whether that is going to be removed from the health budget and go into some other hole, or is it going to be kept in health and extended into another useful program?

Ms V Murphy: The program dollars have not been allocated to anything specifically, so we cannot answer that.

Mr Booth: But the savings in terms of the $12.2 million over four years is essentially an accounting area, because the people who would have been working on this in the department of health, because the program has been combined into FaHCSIA, will not be doing that work anymore. So that saving goes back into departmental funds.

Senator ADAMS: It will go back into the FaHCSIA budget or the department's budget, or which budget?

Ms Halton: My understanding is that this was a saving in running costs because we are not administering our side of this program, so there was a net save but it was a saving back to bureaucrats.

Mr Booth: That is correct. It is a saving to the department.

Ms Halton: It is not a saving to the department—that is what is confusing people.

Mr Booth: Apologies; yes.

Ms Halton: It is a net save but it is from administration.

Senator ADAMS: So that would be across $53 million if it is over four years, $3 million in administration, for that program.

Ms Halton: As I said, Senator, I think we should give you a clearer explanation of what savings have been taken and which money has been moved, so you can understand.

Senator ADAMS: Thank you very much.

Senator FIERRAVANTI-WELLS: How many GP superclinics have requested extra funding above the original Commonwealth commitment?

Ms Taylor: The other sites that have received additional funding are Wallan in Victoria and Mount Isa in Queensland.

Senator FIERRAVANTI-WELLS: From which program was this funding drawn?

Ms Taylor: GP superclinic.

Senator FIERRAVANTI-WELLS: Have any GP superclinics received additional funding under the Health and Hospital Fund?

Ms Taylor: Yes. Wallan has, which was an extension of the primary care facility to go in there.

Senator FIERRAVANTI-WELLS: I will come to Wallan in a moment. So no GP superclinic has applied and been denied additional funding?

Ms Taylor: I could not answer that question, I am sorry.

Senator FIERRAVANTI-WELLS: Please take that on notice. Has the department advised GP superclinic operators to apply for further funding under other health programs and, if so, what are the programs? Could you take that on notice please?

Ms Taylor: No, I can tell you that now. As a general rule we make funding recipients aware that there are other funding pools in the department, such as the HHF pool, but other than making them aware that is the extent of our involvement.

Senator FIERRAVANTI-WELLS: When did the department realise that there were no applications for the Darwin GP superclinic?

Mr Booth: The invitation to apply was advertised on 8 and 11 June in the *Northern Territory News*. The invitation to apply was open for six weeks and following that there were no applications.

Senator FIERRAVANTI-WELLS: Can you tell me why the minister did not announce until 12 October that there had been no applicants for the Darwin superclinic despite it being known in the department since 20 July?

Ms Halton: That is a matter for the minister.

Senator FIERRAVANTI-WELLS: When the department realised that there were no applications for the Darwin superclinic what action did it take? Did you inform the minister?

Ms Halton: We would have to go back and have a look to see exactly what form—

Senator FIERRAVANTI-WELLS: Can you take on notice the steps after 20 July, including when you advised the minister?

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: Senator McLucas, could you take on notice why the minister did not announce until 12 October that there had been no applicant for the Darwin clinic despite there being information available in the department since 20 July?

Senator McLucas: I will see what the minister would like to add.

Senator FIERRAVANTI-WELLS: The Warnervale superclinic is one I have kept a weather eye on in Dobell. Has Warnervale Medical Services Pty Ltd advised the Commonwealth that it proposes a variation to the works?

Ms Taylor: Yes.

Senator FIERRAVANTI-WELLS: Are you aware of the various discussions that have gone on in council in relation to that or has Warnervale Medical Services made the Commonwealth aware of those issues?

Ms Taylor: We are aware that there have been quite considerable delays in the council around approvals for that complex.

Senator FIERRAVANTI-WELLS: Are you also aware that the proposal by Warnervale Medical Services and changes that they themselves have made to the works now mean that the proposed GP superclinic is about a quarter of what was originally anticipated?

Ms Taylor: That is not precisely the case. The issue was—

Senator FIERRAVANTI-WELLS: Well, is the size considerably less than was originally proposed?

Ms Taylor: The GP superclinic component of that overall medical facility is still the same size. There were a number of other facilities that were going into that overall complex, which included a private hospital, a range of specialist offices and some additional untenanted space that was basically there for medical services to go in there. But the GP superclinic component of it remains the same.

Senator FIERRAVANTI-WELLS: On what date was the Commonwealth advised that there was a variation to the work, and has the Commonwealth provided its consent in writing to that variation?

Ms Taylor: There have been several variations around the revised works. The applicant requested formal approval back in November. We would have approved that from that point. I think there was another more recent one as well, given the length of time this had sat in council. I need to clarify that. But certainly we are aware of variations to that medical complex.

Senator FIERRAVANTI-WELLS: Okay. I will put some further questions on notice in relation to that.

Have any representations been made in relation to any aspect of Warnervale GP superclinic by Mr Thompson, the member for Dobell?

Ms Taylor: I am not sure what you mean.

Senator FIERRAVANTI-WELLS: I think you know what 'representation' means.

Ms Taylor: Not that I am aware of specifically.

Senator FIERRAVANTI-WELLS: Has the department received any correspondence? Could you take that on notice?

Ms Halton: We will certainly check and see if there is any anywhere in the department.

Senator FIERRAVANTI-WELLS: Yes, and to the minister. Can you also take that question: have any representations been made to the minister by Mr Thomson, the member for Dobell—absent member for Dobell—in relation to the Warnervale GP superclinic and any responses that either the department or the minister have given Mr Thomson or his office in relation to that superclinic?

I might ask some questions in relation to the Wallan GP superclinic. Can you explain the difference between the Wallan Integrated Primary Healthcare Centre and the Wallan GP superclinic? Are these the same organisation?

Ms Taylor: Mitchell Community Health Services, I understand, is the potential operator of those facilities. They are certainly our funding recipient. I believe that that will be one and the same facility.

Senator FIERRAVANTI-WELLS: I understand that the funding agreement was signed on 13 April with $1 million attached to it, and I also understand that under the Health and Hospitals Fund $2.6 million has been provided for the development of the Wallan Integrated Primary Healthcare Centre. Is this money for the GP superclinic coming out of the Health and Hospitals Fund?

Ms Taylor: No.

Senator FIERRAVANTI-WELLS: No? Could you explain what parts of that facility are being funded by the GP superclinic fund as opposed to the Health and Hospitals Fund?

Ms Taylor: The GP superclinic funding was $1 million. That was increased by $2.5 million on 7 July due to the land issues, which I think were much publicised. I am not aware of the exact figure that went in from the Health and Hospitals Fund, but that certainly would have been its own separate funding; superclinic money went in as the superclinic money.

Senator FIERRAVANTI-WELLS: But for the same facility—that is, a GP superclinic?

Ms Taylor: I understand that there is significant extra space going in there.

Senator FIERRAVANTI-WELLS: For purposes other than the GP superclinic?

Ms Taylor: That is my understanding.

Senator FIERRAVANTI-WELLS: I will put some further questions on notice in relation to that.

CHAIR: Senator Fierravanti-Wells, I know you are doing a trade-off with mental health.

Senator FIERRAVANTI-WELLS: I am taking a little bit of time from mental health. I have some questions in relation to Riverina, which I will put on notice. I have one question in relation to South Morang: Will dental services be included at the South Morang GP superclinic, as promised?

Ms Taylor: The dental services were never a promise for the GP superclinic—that was not part of the original proposal. That particular funding recipient, as far as I know, currently delivers dental services to that area, but that was not part of the GP superclinic. I think they had a desire, possibly, to include that in the GP superclinic facility, but that was never actually part of the planning.

Senator FIERRAVANTI-WELLS: Thank you. That is probably way over time now. Thank you, Chair.

CHAIR: There being no more questions under outcome 5, I thank the officers. I know there will be numerous questions on notice. Thank you very much.

Proceedings suspended from 15:46 to 16:02

CHAIR: We will now go to outcome 11, which is mental health.

Senator FIERRAVANTI-WELLS: First of all, I thank your department, Ms Halton, for filling in my tables for me in relation to the COAG funding from 2006-11. That was very helpful. Ms Harman, were you responsible for filling in the table for me?

Ms Harman: My very talented team were. It was a cross-divisional effort.

Senator FIERRAVANTI-WELLS: Thank you. In relation to the Better Access scheme money and that total over five years, the $2053.7 million for Better Access, as opposed to—having gone back to the budget papers back in 2006, the amount that was set aside was $538 million. But I understand—correct me if I am wrong—that that money was an amendment to the Medicare Benefit Schedule, so the $538 million was meant to come out of MBS and that bucket of money rather than program money out of the department. Could you clarify that for me?

Ms Harman: The better access scheme, as you know, is a Medicare funded initiative, so it would be a demand driven appropriation put into the forward estimates. My understanding is that these figures include education and training programs, which are treated slightly differently, and those have a program amount allocated to them. Better access is a demand driven Medicare based program, so the moneys in the forward estimates would be an estimate of future demand and would be appropriated to the MBS bucket. However, I just want to clarify that the understanding of the figures that we have given you in this table is that they also include some program related funding around education and training, so it is a combination of both of those things.

Senator FIERRAVANTI-WELLS: I think rather than trawling through this, Ms Halton, if you do not mind, perhaps Ms Harman could be made available. There are a few questions I would like to ask in perhaps a short briefing if that could be arranged. I will apply to Minister Butler, if that is okay.

Ms Halton: Fine.

Senator FIERRAVANTI-WELLS: It might be easier rather than trawling through bits and pieces. I can bring my folders and do it that way—thank you. I would like to ask some questions in relation to the National Mental Health Commission. The other day I asked some questions in Prime Minister and Cabinet. Perhaps if I could ask first off, Ms Halton, in relation to the minister's now dual responsibilities, ageing and mental health, and clearly I know those responsibilities—

Ms Halton: And health and medical research as he keeps reminding us.

Senator FIERRAVANTI-WELLS: Yes. I am looking at it in so far as I am concerned. This responsibility of minister assisting obviously has a much broader whole-of-government approach.

Ms Halton: Correct.

Senator FIERRAVANTI-WELLS: The other day when I was asking PM&C questions about the National Mental Health Commission, it was interspersed with what Minister Butler did and what the Prime Minister's department did. I am going to ask some questions here. I would assume from those answers that were given by PM&C that, whilst this is in the Prime Minister's department, will the day to day, if I can talk about the logistics of the National Mental Health Commission, still remain with Minister Butler in this department? The lines weren't clear, and I did not have the time to pursue it.

Ms Halton: Let me see if I can help by saying that the commission is in the Prime Minister's portfolio and that is for the purposes of reinforcing, as I understand it, that this is a whole-of-government issue. As much as I sit here with all our agencies, it is very clearly in the portfolio of the Prime Minister's department. Obviously, as the department which has the most day-to-day and detailed interest in mental health issues, we take a very close interest in what the commission are going to be doing but for food, watering, provisioning, et cetera, it is a Prime Minister's department issue.

Senator FIERRAVANTI-WELLS: The reason I have asked these questions is that the press releases in relation to the National Mental Health Commission appear to be being made by Minister Butler. For example, the first of June, 'First steps towards National Mental Health Commission', where he announces the appointment of Ms Kruk as the CEO designate of the

new commission. He talks about the nine commissioners and the chair. He talks about transparency and accountability in the mental health system, which I will come to in a moment. There is also 7 September where he announced the appointment of Monsignor Cappo as the National Mental Health Commissioner. I saw the reports in the press and I understand that Minister Butler has now put out a press release in relation to Professor Fels but I will come to that in a moment. I am asking these questions because it seems that the press releases do not come from the Prime Minister; they are coming from Minister Butler.

Ms Halton: You would expect that; he is the minister assisting the Prime Minister.

Senator FIERRAVANTI-WELLS: I will ask them in that capacity. Was the decision to appoint Monsignor Cappo made through the Prime Minister or was it made on the recommendation of Minister Butler?

Ms Halton: Again, that is not a question we can answer, because that body sits in the Prime Minister's portfolio; that is not a matter in relation to which we have any role.

Senator FIERRAVANTI-WELLS: Do I understand that the department had no role in relation to the appointment of Monsignor Cappo as the National Mental Health Commissioner?

Ms Halton: Correct. As you would understand, we talk to the minister a lot about all sorts of bits and pieces, and certainly we talk to the Department of the Prime Minister and Cabinet all the time, but the process of appointment is a Prime Minister and Cabinet issue. Does that make sense?

Senator FIERRAVANTI-WELLS: Yes. I do not have it with me but I would appreciate it if you could review the evidence given by PM&C the other day and make any comment in relation to it.

Ms Halton: I would be happy to—maybe directly to them, depending on what I think of it.

Senator FIERRAVANTI-WELLS: Yes, thank you. I am sure that you will in your inimitable style, Ms Halton, because what you are telling me today does not sit very squarely with what I was told the other day.

Ms Halton: I gather it might have been Mr Eccles?

Senator FIERRAVANTI-WELLS: Mr Richard Eccles. That is absolutely—

Ms Halton: Yes, Mr Richard Eccles might be getting a telephone call if I disapprove of what he has had to say.

Senator FIERRAVANTI-WELLS: I think you should review what Mr Eccles had to say because he seemed to be fobbing it off to Health rather than dealing with it himself.

Ms Halton: Did he? I will no doubt form my own opinion, but, as you would well understand, if I have anything to say to Mr Eccles you can be quite confident I shall say it.

Senator FIERRAVANTI-WELLS: Perhaps you might clarify it for my purposes as well.

Ms Halton: When next we see each other, absolutely.

Senator FIERRAVANTI-WELLS: Thank you. For the record, I asked questions in relation to the short listing of suitable candidates. Health and Ageing had nothing to do with the drawing up of any short list of candidates or any consultations with the mental health

sector, consumers, carers, peak bodies in relation to who should be the National Mental Health Commissioner.

Ms Harman: As Mr Eccles said to you, as I understand it, there was no short list. The appointment of Monsignor Cappo was a usual process that resulted in a cabinet decision and that is a usual appointment process for a significant appointment of that kind. The department was involved in providing advice to our portfolio ministers in respect of suggested names. The Minister Assisting the Prime Minister on Mental Health Reform, Minister Butler, wrote to his ministerial colleagues asking for their nominations or their suggestions and we provided advice to our Minister Roxon and Minister Snowdon following a request from them.

Senator FIERRAVANTI-WELLS: So there was a process in the sense that Minister Butler wrote to his colleagues inviting them to make suggestions for this position?

Ms Harman: That is correct—reflecting the whole-of-government interest in getting a range of commissioners.

Senator FIERRAVANTI-WELLS: I was interested in the appointment of 7 September. The story appeared in the Fairfax press before the minister actually made the announcement. I was interested from two points of view, one is that it was there in print—

Ms Harman: If I could just clarify my previous answer, which was advice that the department gave to Minister Roxon and Minister Snowdon in respect of the commissioners broadly, not the chair.

Senator FIERRAVANTI-WELLS: I see—about the nine commissioners?

Ms Harman: That is correct.

Senator FIERRAVANTI-WELLS: If I understand correctly from PM&C, the chair was purely a matter for discussions.

Ms Halton: A decision of government.

Senator FIERRAVANTI-WELLS: 'A decision of government' was the short-term phrase used?

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: Minister Butler put out a statement on 15 September, and there were various other statements attributed to his office in relation to Monsignor Cappo being the obvious choice. Was the department consulted at all in relation to this point that Monsignor Cappo was the obvious choice? There seems to be this repeated comment in the press about Monsignor Cappo being the obvious choice; was there any consideration given at any stage to any other person?

Ms Harman: That is a question that I am not able to answer; that is a question for Prime Minister and Cabinet.

Senator FIERRAVANTI-WELLS: Senator McLucas can you take that one on notice? This was repeated, particularly after the announcement was made—there were these references to Monsignor Cappo being the obvious choice. In light of what is in the public arena and was in the public arena and indeed was in the public arena before the announcement of Monsignor Cappo as the National Mental Health Commissioner, why did the minister persist in referring to Monsignor Cappo as the obvious choice in circumstances where it appeared that nobody else was considered, and given Monsignor Cappo's history? How could

he still maintain the view that Monsignor Cappo still is the obvious choice, because in his press statement when he resigned the minister said:

I still believe that, given his background and expertise, Monsignor Cappo was the obvious choice to lead the Mental Health Commission.

I do not want to go into those issues here, but given the very serious matters that were raised in the press, and indeed by Senator Xenophon, I would like to put that question on the record and get a response from the minister. Can I then ask what would be the working relationship between the National Mental Health Commission, the new commissioner, the chair and the nine commissioners? Have we worked that out yet? What will be the working relationship between Health and Ageing and Prime Minister and Cabinet in relation to this?

Ms Harman: As the commission is due to be established on 1 January next year, it does not formally exist yet. Having said that, the department has been working closely with PM&C and has met with Ms Kruk on a number of occasions to provide her with information and briefing, so we expect that to be a very close and collegiate working relationship.

Senator FIERRAVANTI-WELLS: Who is going to discuss with Ms Kruk her remuneration? I notice from the Senate orders tabled by the President on 11 October that her remuneration is yet to be determined and indeed Monsignor Cappo's remuneration was yet to be determined as well.

Ms Halton: You would be aware that as a former secretary of a department there are particular arrangements that apply to Ms Kruk—I think you would be aware that she had a period of sick leave—and there is a provision in the act at the moment that talks about the employment of former secretaries.

Senator FIERRAVANTI-WELLS: What, the Ken Henry section 64 type of appointment? By the look on your face, you do not want to go there.

Ms Halton: I could not make a comment about that particular issue.

Senator FIERRAVANTI-WELLS: It is not one of those types of appointments?

Ms Halton: I think the question of how the Remuneration Tribunal treats this will by definition take account of the fact that she is actually a former secretary and various provisions of various acts will apply to her which might not to others.

Senator FIERRAVANTI-WELLS: But my question is who is going to engage in those negotiations—which department will have the lead on that? Will that be PM&C?

Ms Halton: PM&C.

Senator FIERRAVANTI-WELLS: And likewise with the chair?

Ms Halton: Yes. They would have to put in those submissions.

Senator FIERRAVANTI-WELLS: And likewise with any remuneration due to the commissioners?

Ms Halton: Absolutely.

Senator FIERRAVANTI-WELLS: I will now move to the 10-year roadmap. I understand that this is to be due before the end of the year—is that the case?

Ms Halton: That is correct.

Senator FIERRAVANTI-WELLS: Ms Kruk is not starting until 1 January and the chair appears not to be formally starting until 1 January as well, although I assume, from the documents tabled by the president—is that the case? When is Professor Fels officially starting in his new role—do we know?

Ms Halton: No. I think this will actually be a bit like the conversation we had a bit earlier on about the IPPA. We have a pro tem CEO, to wit Ms Kruk, who can undertake duties, but the chair, by definition, requires a formal start date, which is the beginning of the year. As Ms Harman has already indicated, we have had a number of conversations with Ms Kruk. She is well engaged now but the chair is a slightly different matter.

Senator FIERRAVANTI-WELLS: The roadmap and the COAG process is underway and due before the end of the year. What role will Ms Kruk—certainly the chair will not have an input before the end of the year—and the commissioners have in relation to the roadmap process?

Ms Harman: The government has made it clear that the role of the commission in respect to the roadmap is to monitor progress against the roadmap once it is agreed by government.

Senator FIERRAVANTI-WELLS: So, at this stage, there is no role for Ms Kruk, the chair or the commissioners?

Ms Halton: No, but I would emphasise that in the drafting of the roadmap there is a COAG working group, of which I am chair, working on a draft of the roadmap for consideration by ministers, COAG et cetera. It is fair to say that the consultation around input structure, form et cetera is very widespread and all encompassing, and Ms Kruk is included in that process. Obviously, as Ms Harman has indicated, when the formal commission is up and running it will have a particular charter, but Ms Kruk is very experienced—indeed a psychologist—so it would be perfectly prudent to take some advice from her.

Senator FIERRAVANTI-WELLS: I was senior private secretary to John Fahey when she was Deputy Director-General of the NSW Department of Premier and Cabinet, so I know Ms Kruk very well.

Ms Halton: As indeed do I, as you would know well.

Senator FIERRAVANTI-WELLS: It is a long history. I will leave my questions there. I have some questions in relation to mental health workforce issues and how they fit into the bigger picture and the 10-year roadmap. Ms Huxtable, is it appropriate to ask them here or in 'Workforce'?

Ms Huxtable: It probably depends on what the questions are.

Senator FIERRAVANTI-WELLS: I will just launch in. Take headspace, for example. We know we are looking at headspace and EPPICs to be located. Workforce considerations are a catch-22 situation; if you do not have information about workforce and availability workforce, how much does that influence where you put headspace and where you put EPPICs—do you see what I am getting at: how they fit into there?

Ms Harman: In respect of headspace, the underpinning success of the model is the fact that it does not duplicate existing services; it links young people to them. It links into the existing workforce and, as I said, that has been one of the features of its success. There are workforce challenges in mental health, as there are in many other areas of health. As I

understand it, Australian health ministers have recently signed off—and I might be corrected on this—on a national mental health strategy and plan, which we will now start to look at implementing with our colleagues in the states and territories. It is a bit of a work in progress but the government has made a number of commitments to increase certain aspects of the mental health workforce. Those kinds of increases and the detail in that is probably better asked in outcome 12, Health workforce capacity.

Senator FIERRAVANTI-WELLS: Issues such as fly-in fly-out workforce—

Ms Harman: No, in terms of numbers of increases in—

Senator FIERRAVANTI-WELLS: In terms of numbers; not dealing with the issue, as such. My point is, there are real workforce issues here. In the bigger picture, will they be part of what you are looking at in the 10-year plan?

Ms Harman: One of the pieces of feedback that has come very strongly to us, through a number of consultation mechanisms we have in place to inform the drafting of the road map, has been workforce so I think it is something we cannot ignore.

Senator FIERRAVANTI-WELLS: I notice in some answers to questions on notice, on headspace, the criteria used to determine the location of the first 30 sites is different to the criteria that will now be utilised. Thank you for the information on that. What about the location of these sites, given the criteria has been revised? Under the original, there was an application type process. Now there is a different way of deciding. What has been the basis of that change and what criteria will the minister use in determining where the remainder of the headspace sites will be located?

Ms Harman: There have been three phases of headspace and we are about to enter into the third one. The first phase was very much a start-up. The selection criteria, as you indicated, and as we put in our question on notice, were quite specific and headspace went to market for lead agencies and backed winners—backed those people who put their hands up and said 'yes, we are wanting to give this a go'. I think that is a reflection very clearly of the fact that it was an organic process at the beginning and something that reflected the fact that the headspace model was starting up.

The second phase, which was announced in the 2010 budget, where the government gave some additional funding to expand the number of headspace sites, then took a more strategic, if you like, approach to the selection of sites—building around the locations that were already operating—and took into account the factors that we outlined in our question on notice. As we enter into the third phase, where we are seeing a significant increase again in the numbers of headspace sites around the country—up to 90 by the end of 2014-15—the government has asked the department to do some far more scientific modelling that uses a population based approach, using population data from the ABS and then with socioeconomic weightings and so on to inform its decisions around what that national rollout should look like.

Senator FIERRAVANTI-WELLS: Are we shifting to a role now for the states and territories?

Ms Harman: We have consulted with states and territories. The department did the initial modelling and then had a number of bilateral conversations with states and territories where we tested the findings of the model and also sought advice to add a level of human intelligence to that modelling, to take into account local factors like how young people travel,

where they hang out, local readiness, infrastructure and other state services that could link in. The feedback that we received from states and territories broadly confirmed that the results of the modelling were spot on.

Senator FIERRAVANTI-WELLS: It is not like epics, where there is the contribution of states and territories. Your consultation with the states is purely one of information gathering and framework and stuff like that.

Ms Harman: It was to test whether or not the model had produced the right locations.

Senator FIERRAVANTI-WELLS: Understood.

Ms Harman: It was a very useful process, which did result in some changes to the phasing, for example, of some of the recommendations where future sites should be located.

Senator FIERRAVANTI-WELLS: Obviously you are at a point now where you have a company running headspace. Are we going to see headspace shifted to 'control' by the Commonwealth? Is this now the next dimension in your phase 3? Are we starting to see, under this new model, that it will come under the Commonwealth umbrella? There have been issues about governance associated with headspace and I do not want to traverse those but suffice to say, is this the gist of where the Commonwealth is going, in controlling headspace?

Ms Harman: As I understand it, there are no proposed changes to the governance and funding arrangements. Those have been very stable since around 2009, when the company structure was introduced. The company is operating extremely effectively. It has a very sound governance structure and the board is working very well. We have a very close relationship with headspace, and we have no issues around any of that.

Senator FIERRAVANTI-WELLS: Does that mean the decisions about where they will be located are basically up to the government? Once the locations have been selected, will you then go into a tender type process?

Ms Harman: That is exactly right. The previous process will be repeated. The final decision on locations has always rested with the Commonwealth, but that process has been done in very close consultation with the headspace board. As I indicated earlier, there has been a series of consultations with states and territories to test some of our thinking. Ultimately that is a decision of the Commonwealth. Following that final decision of the Commonwealth as to the next tranche, headspace will do what it normally does, which is to put out an expression of interest process to select lead agencies, and that will be a merit based process.

Senator FIERRAVANTI-WELLS: I will move on to EPPICs. I notice that in your answer 103 you say: 'Subject to negotiations with states and territories on co-contribution ...'. My question was: when will they be up and running? Where are we at with that? What happens if the states do not want to come to the party? I have asked this before, but on this occasion I am hoping for a more constructive response.

Ms Harman: You did. There has been progress. We have had consultations through the senior officials group, which the secretary chairs, and we are considering the results of that feedback. We are still on track to have a national partnership in place with states and territories by the end of the first quarter of next calendar year—so March next year. Through those consultations, the states and territories have indicated a strong interest in partnering with

us. They have confirmed that investing in early intervention in youth psychosis is well justified. We will be going through the formal processes.

Senator FIERRAVANTI-WELLS: My question is: if the states do not want to play ball, at what point will you decide that you either have to abandon your commitment or pay for them out of the Commonwealth fund?

Ms Harman: That is a hypothetical question. We are nowhere near that. As I said, the states are indicating—

Senator FIERRAVANTI-WELLS: You are not at that point yet; I accept that. I now move to questions about beyondblue. There has obviously been a lot of media attention on mental health issues lately, Ms Halton.

Ms Halton: Yes, there has.

Senator FIERRAVANTI-WELLS: Professor Baggoley, from reading the AAP wires, I understand that you were seeking a full explanation from the organisation's board regarding the internal matters. Is that report correct? I understand that you were attending the annual general meeting.

Prof. Baggoley: Correct. A number of areas of concern were raised by me in writing to the acting chief executive of beyondblue. I have requested a detailed response, in writing obviously. The Commonwealth—with all jurisdictions who are members of the board; not directors of the board—attended the AGM yesterday, and these areas were raised by me at the AGM. The answers provided at that stage were satisfactory. But of course we are waiting for the written response. The beyondblue board issued a statement, which I can table if you wish. It has been issued today.

Senator FIERRAVANTI-WELLS: Can you take this on notice: how much money does beyondblue get from the Commonwealth? There was an answer which pertained specifically to suicide prevention.

Ms Harman: I can answer that now. It receives $60 million from the Commonwealth over four years; that is, for the period 2010-11 to 2013-14.

Senator FIERRAVANTI-WELLS: Could you provide me on notice with a breakdown of where that is?

Ms Harman: Of course.

Senator FIERRAVANTI-WELLS: I will look at that and put some further questions on notice. Tell me a little more—or take it on notice—about suicide black spot funding. Where has that $277 million announced at the last election gone? I know there has been some re-allocation. In I think 194 you answered—

Ms Harman: Over the period, as a result of the adjustments and redirections made in the budget over the period 2011-12 to 2014-15—

Senator FIERRAVANTI-WELLS: Is that the table you provided?

Ms Harman: That is correct. Of the original 15 measures announced, eight are either fully or in part implemented, four are in the process of very advanced implementation planning and three are no longer proceeding, as a result of the budget announcements.

Senator FIERRAVANTI-WELLS: I have more questions on suicide prevention. I will put them on notice. I am determined to finish at a quarter to five. This question relates to e-mental health. You gave an answer to a question by Senator Adams about telephone and online mental support. That is different to the portal. Will you take account of existing e-mental health portals? For example, there is the work that ANU has done with Beacon—those sorts of things. Is it envisaged that you will start from scratch or will you look at what is already in the marketplace?

Ms Harman: This will be a national portal. It will draw together, and provide an easy gateway to access, all those existing online services. The various telephone counselling and web-based support organisations such as the ones you have just mentioned are continuing to be funded by the Commonwealth. Over the next five years 64.31 will go to those organisation to continue those services. The portal will create an umbrella of access to all of those and a range of other initiatives. In that sense we are not wanting to re-invent the wheel; we are wanting to create one place where everybody can go to and get either self-drive help or to—

Senator FIERRAVANTI-WELLS: That is that $14 million?

Ms Harman: It is $14.4 million. The e-mental health portal will be funded from what has already been allocated to the national health call centre network. Using that money, the national health centre will be contracted to develop the portal. The $14.4 million will fund the virtual clinic and a central support service, which will provide peer support to—

Senator FIERRAVANTI-WELLS: Will it be another pilot? How will you—

Ms Harman: In terms of those other two elements—the virtual clinic and the central support service—we are looking to go to tender I believe towards the end of this year, early next year. These measures will obviously be evaluated in due course.

Senator FIERRAVANTI-WELLS: I put a series of questions on notice about the multicultural mental health project. Is it possible to get a copy of the independent review of the project?

Ms Lowrey: It is on our website.

Senator FIERRAVANTI-WELLS: Sorry, I do beg your pardon.

Ms Lowrey: That has been put on the website but we can get you a copy.

Ms Harman: So that was the Health Outcomes International review. That report was published on the mental health website.

Senator FIERRAVANTI-WELLS: Is that the independent review of the Multicultural Mental Health Australia project?

Ms Harman: That is correct. There were two independent reviews. There was a program and management review which was done by Health Outcomes International, which is the one that is public. Then there was another review that was done into financial management issues which is not public.

Senator FIERRAVANTI-WELLS: That is the one I was interested in in relation to the various questions that I asked. There were a range of issues that were canvassed in relation to the south-eastern, south-western area health service that had had the funding in the past to undertake the project.

Ms Harman: I would have to take advice on that.

Senator FIERRAVANTI-WELLS: Would you take advice on that, even if a redacted version of it could be provided to me. I have a couple of other issues. How is the implementation of the consumer peak body going? I understand there was an announcement made. Obviously with all the things happening with mental health at the moment a body of this nature is really important. Where are we at with that, Ms Harman?

Ms Harman: In terms of the establishment of the new consumer organisation, as you are aware Minister Butler announced on 1 July a decision that the new organisation would be auspiced by an established organisation. The rationale for that decision was to get the organisation up and running as quickly as possible and to create some certainty around its back-end office functions and to create some surety around its sustainability. The minister invited the Consumers Health Forum to be that auspicing organisation.

Senator FIERRAVANTI-WELLS: So Ms Bennett's organisation will auspice—

Ms Harman: The minister invited CHF to be the auspicing organisation. We are in negotiations with CHF in that respect. A meeting was held between the department, CHF and consumers in Canberra on 21 September where a number of issues to clarify the auspicing arrangements and the role that CHF were proposing to play were discussed. Those discussions are ongoing.

Senator FIERRAVANTI-WELLS: I might put some further questions on notice in relation to that. I would like to conclude with some questions about detention and where processing is occurring at the moment in relation to mental health services. I understand that it is outsourced by the Department of Immigration and Citizenship. Does the minister, in his capacity as minister assisting the Prime Minister on mental health issues, have any role at all in relation to mental health issues/detention centres?

Ms Halton: The answer to that is: he does not have any responsibilities because it is a matter for that portfolio. As you are probably aware, because we have canvassed it in respect of other issues in the past, that this department occasionally is asked to provide technical advice to that department. That is usually in respect of what medical conditions may or may not be regarded as relevant in terms of visa applications. It tends to be that kind of advice we are asked for. In terms of the provision of mental health services, you would also know that we recently had torture and trauma transferred to us from that department.

Senator FIERRAVANTI-WELLS: Yes.

Ms Halton: Immigration is responsible for all aspects of the care and provision of people who in this particular case are in detention.

Senator FIERRAVANTI-WELLS: Could you give me an example of the sort of technical advice you might give?

Ms Halton: For example, if you were thinking of applying to bring somebody to Australia under some sort of a visa—and I cannot do visa numbers for you; it is not my area—

Senator FIERRAVANTI-WELLS: I used to deport people in another life.

Ms Halton: Okay, Senator, there you go! But, say, whether or not the person might have a need for medical treatment that actually is in short supply in this country would be a relevant issue—for example, organ donation. If someone was in need of an organ, that would be something we would say to the Department of Immigration and Citizenship is an issue of

short supply and therefore would be relevant to the consideration of whether or not the person should be granted a visa.

Senator FIERRAVANTI-WELLS: Other than that no other—

Ms Halton: No.

Senator FIERRAVANTI-WELLS: What about in matters where the Commonwealth is being sued for post traumatic stress and those sorts of issues for people who have been in detention?

Ms Halton: Not that I am aware of but I will take any correction from the team—the answer is no.

Senator FIERRAVANTI-WELLS: Thank you, Ms Halton.

Senator WRIGHT: I would like to take you back to the issue that Senator Fierravanti-Wells raised about the mental health consumer peak body. I understand you said that there was a meeting on 21 September between the department, the Consumer Health Forum and consumers in relation to that. I understand that about $4 million was allocated to the Consumer Health Forum to establish the mental health consumer peak body. I am interested to know how much of that has already been expended and what has been the outcome in terms of deliverables.

Mr Singh: The $4 million has been set aside but it has not been provided to the CHF. As my colleague has indicated, they are currently considering their participation in the project and obviously we are in contract negotiations with them. They would include deliverables for the project.

Senator WRIGHT: So it has not been provided yet and there are still negotiations ongoing. Is it definitely going to be the Consumer Health Forum auspicing this consumer peak body?

Mr Singh: The minister has certainly indicated his desire to have an auspicing arrangement for the new consumer national peak body, and he has invited the CHF to be that body. But obviously they need to be comfortable about their role, what it will entail and whether they will have the capacity to deliver on the project. So at the moment, as I said, we are currently in contract negotiations and they are considering their position.

Senator WRIGHT: So it is still at a very preliminary stage from what you are saying?

Mr Singh: Yes.

Senator WRIGHT: Is the department satisfied with the progress of the Consumer Health Forum in its role in establishing the consumer peak body?

Ms Halton: I do not think we can be either satisfied or dissatisfied as it is rather early.

Senator WRIGHT: So it is too early to form any kind of view about that?

Ms Harman: Senator, as Mr Singh has indicated, we are currently in negotiations with the CHF around the contract. So they are not actually in contract and therefore we are not able to assess their performance against a contract at this stage.

Senator WRIGHT: Have you received any complaints or been asked to address any concerns about the way the process has been handled thus far?

Ms Harman: Yes, there were a number of issues that were raised by consumers and that was the reason the department called together CHF and consumers in Canberra on 21 September. That was an extremely productive meeting; there was a very clear airing of views, a very respectful exchange. People participated in that process very willingly. As a result of that, all parties concerned are going away and thinking about what their involvement is going to be.

Senator WRIGHT: So that does sound productive. Can you tell me what the nature of the complaints or concerns were that were raised?

Ms Harman: They ranged from a fundamental objection to the organisation actually being auspiced—that is a decision of the government and for the reasons that I outlined earlier—through to the role of consumers in the establishment of that organisation. So there were various issues.

Senator WRIGHT: Can I take you back to the first aspect of that—a fundamental objection to the organisation being auspiced. I am just not sure whether you mean an objection to the particular organisation which was chosen, or which apparently will be selected to do the auspicing, or whether it is the process of having the consumer peak body auspiced at all.

Ms Harman: I think there are some consumers that would prefer to see the organisation stand on its own two feet from day one. I do not believe there is anything particular around CHF. Clearly the minister has indicated his confidence in CHF as an organisation that has a strong track record in good governance and establishment, and obviously also sits across the health system so has that broader health experience not just around mental health.

Senator WRIGHT: In terms of the other concern that you indicated has been raised, which is the role of consumers. Could you elaborate on that?

Ms Harman: In respect of an auspicing arrangement, the CHF, were it to accept the invitation of the minister to auspice the organisation, ultimately the board of CHF would be responsible for the outcomes under the contract. If it were to sign a contract with the Commonwealth, the CHF board would be responsible for those deliverables. So there is a degree of tension around the role of a consumer advisory group in respect of decision making around an auspicing arrangement. That would be no different to any arrangement under an auspicing approach. It is not about the CHF; it is about, again, the auspicing idea.

Senator WRIGHT: And the processing?

Ms Harman: Exactly. As I am sure you will appreciate, any organisation or board would ultimately carry the financial and governance risk around a contract with the Commonwealth. So whilst it might take advice from a consumer reference group or advisory group, the decision making would ultimately rest with the organisation and contract.

Senator WRIGHT: Thank you. What is happening with the mental health carer peak body? My understanding is that there is not one at this stage. Is there foreshadowed to be one in the near future?

Mr Singh: The last part of your question is probably an issue for government. You are correct to say that there is not a specific mental health carer body at the moment. We do fund the Mental Health Council of Australia to auspice the National Mental Health Consumer and Carer Forum, which does help to make sure that carers have the capacity to advocate on

behalf of their constituents at a national level and enable their participation on some national committees—for example, the Mental Health Standing Committee, which ultimately reports to health ministers. It is also true that there are state carer bodies with whom we engage quite regularly—for example, ARAFMI—and that DOHA currently provides funding to the national body for carers generally in the shape of Carers Australia. We certainly value the role of carers in mental health and there are number of ways in which we seek to make sure that their voices are heard at the national level and are appropriately engaged in the consultation.

Senator WRIGHT: But there is nothing that you are aware of that suggest that there is any kind of planning for a mental health carer peak body at this stage?

Mr Singh: That would be a matter for government.

Senator WRIGHT: Thank you for that. I have another question in relation to the Day to Day Living Program. The National Health Reform *Progress and delivery* report released in September reports that key National Health Reform milestone No. 4.2 is to expand the support for the Day-To-Day Living Program to meet demand for services. Funding negotiations are due to commence, I understand, with existing service providers in January 2012. Correct me if I am wrong on that.

Ms Nicholls: There are contracts in place with existing services to December 2011. We are in the process of finalising the funding allocation for the additional funds that were made available in the 2011-12 budget and we would be expecting to provide offers to services later this month or early November at the latest.

Senator WRIGHT: Thank you. How many additional people are expected to receive services via this program and when will this occur?

Ms Nicholls: The funding commences from 1 January 2012. It is anticipated that an additional 3,650 people per year would receive services, which is an additional 18,000 over five years.

Senator WRIGHT: Can you explain where that figure came from, because it is about meeting demand for services? How has demand for services been measured?

Ms Harman: We fund the program on a place basis. It is a capped program in the sense that we have a funding allocation and we understand from several years of the program now how that funding is used and how much a place costs. If you are going to ask me how much a place costs, I do not have that figure with me, but I am happy to take that on notice.

Senator WRIGHT: I would appreciate that. Thank you.

Ms Harman: We do have some historical knowledge of how the program behaves and how NGOs that we currently fund—there are about 40 of them, I understand—are actually using those monies. The $19.3 million over the next five years marks a significant expansion of that program and it will allow an additional 18,000 people, as my colleague has said, to be assisted over the next five years.

Senator WRIGHT: How will it be determined that demand is being met?

Ms Harman: It is a capped program in the sense that we do have a limited bucket of dollars. The $19.3 million, as I understand it, will go a significant way to meeting the demand the program in is currently facing. But we will have to monitor how that goes. We are also in

the process, as my colleague said, of rebasing the funding so that more funding will be available for service delivery.

Senator WRIGHT: Thank you very much. Thank you, Chair.

Senator FURNER: Can I ask some questions around the new National Mental Health Commission. One of the responsibilities of the commission, as the third dot point of the media release says, is:

- Develop, collate and analyse data and reports from a range of sources—with a particular focus on ensuring a cross sectoral perspective is taken to mental health reform;

Would you be able to describe what 'a range of sources' might be in respect of that particular responsibility?

Mr Singh: Obviously, given that the commission starts on 1 January, this will be a hypothetical discussion. But I think I can say that there are a range of existing data sources, including national minimum datasets, where the states provide us with information about services within the purview; there are surveys that the Commonwealth funds on a national level; and we are constantly in the process of developing more surveys and better ways of targeting people's experiences in mental health and finding out more about their journey through the system. So, for example, at the moment there are projects underway to develop some indicators around the consumer experience of care in mental health. The commission I think would be looking at all those sources of information. They are currently published in a range of areas, including a national mental health report and the COAG annual report. The AIHW has a report they put out as well. It is likely that the commission will be looking to synthesise some of that data and fill some of the gaps in the suite of reporting that is currently available. The government has already said that one of the tasks for the commission in this particular area will be to take on the *Annual national report card on mental health and suicide prevention*. That is very likely, I think, to look at particularly the consumer and carer experience, which is something that is not currently will reported elsewhere.

Senator FURNER: Would one of those sources available to the commission be the good work this committee has done in terms of suicide prevention and some of the inquiries it has been involved in over the past several years?

Mr Singh: I am sure that the commission will be looking at those, yes.

Senator FURNER: It also mentions as one of the responsibilities as consulting with relevant agencies. Would you be able to describe what those relevant agencies might be?

Mr Singh: As the secretary previously noted, the commission is very much intended to take a whole-of-government view, a cross-sectoral view, for mental health given that the needs of consumers and carers in mental health are wider than if they related to health care alone. As a result, the commission will need to engage with agencies like us and FaHCSIA, with DEEWR in relation to employment support, and with states and state agencies on a broad basis.

Senator FURNER: The commission has been provided a budget of $32 million over the 2011-12 budget period. I take it some of that would be spent on marketing or advertising in terms of what the commission is going to do in its forward planning and work.

Mr Singh: The details of the commission's budget and what it is planning to spend its money on is unfortunately a matter for the Department of the Prime Minister and Cabinet. If I

could just correct one thing: that $32 million is over five years, not the four-year forward estimates.

Senator FURNER: I would like to ask some questions on mental health in general. There are some good organisations around, like Mates in Construction. When this committee was in Melbourne a few years ago, it heard from beyondblue about the sort of work it is doing, also in the construction industry. Are you able to provide any contemporary data to the committee, particularly in respect of that area of construction workers and suicide prevention.

Ms Harman: Unfortunately, I do not have that detail with me today, but I am very happy to take that on notice. Mates in Construction is a program, from memory—again, I will stand corrected if my colleagues throw something at me—that we funded with the National Suicide Prevention Program. It is a very high-performing program as I understand it. We are happy to take that on notice and provide you with some further information.

Senator FURNER: Thank you. Are you suggesting they are already funded?

Ms Harman: Sorry; I got that completely wrong. I will correct my evidence there. It is not something that we currently fund under the National Suicide Prevention Program.

Ms Lowrey: That is right. We do work with beyondblue though. We have special funding for targeting men in the workplace, and they do do some work in the construction industry.

Senator FURNER: Do they only do it in Victoria, though?

Ms Lowrey: I will have to take that on notice and get back to you.

Senator FURNER: Thank you.

Ms Harman: My apologies, Senator.

Senator FIERRAVANTI-WELLS: I, and I am sure I speak on behalf of other senators, have not asked any questions in relation to the better access program because we have just recently had the inquiry. I have not traversed those sorts of issues, and I will probably wait until the outcome of the Senate inquiry. I just wanted to put on the record the reason we have not asked any questions on that. Senator Moore is nodding and agreeing with me on that one.

CHAIR: On that basis we have finished our questioning on outcome 11, Mental Health. Thank you to the officers.

[17:03]

CHAIR: We will move on to Outcome 6, Rural Health.

Senator McLucas: Mr Butt has an answer to one of Senator Adams questions if it is timely to do it now.

CHAIR: If you would like to put that answer on record, Mr Butt, that would be fine. Which one was it?

Mr Butt: It was an issue raised earlier about the alignment of boundaries between Medicare Locals and local hospital networks. In fact, there is quite substantial alignment of the boundaries across Australia. One of the objectives of the planning that was done at national and state level, and of a lot of the consultations that occurred, was trying to align as much as possible—that was one of the criteria—along with using local government area boundaries. In WA, which you mentioned specifically, in fact the external boundaries of the local hospital networks and the Medicare Locals are absolutely aligned. Even though you

have got eight Medicare Locals in Western Australia and four proposed local hospital networks in Western Australia, for example Northwest local hospital network is absolutely aligned with Kimberly-Pilbara Medicare local.

Senator ADAMS: What about the Great Southern down the bottom there? That is where there was some confusion.

Mr Butt: Goldfields-Midwest plus Southwest are absolutely aligned. Their external boundaries are aligned with Southern, so that in planning together those two Medicare Locals can plan with the local hospital network. Then if you go into North Metro, the two Medicare Locals in North Metro— North Metro being the local hospital network—align with North Metro. So, again, the two Medicare Locals can work on the same boundaries as the one local hospital network.

Senator ADAMS: There was one problem with the new health service boundaries with the Kalgoorlie area and Esperance, and I think Esperance and Ravensthorpe were pushed over into the Great Southern area and not into that one, which is really why I asked the question—because it was out of line up there well and truly.

Mr Butt: But the boundaries are still contiguous—even though there are two Medicare Locals their boundaries are contiguous with the one local hospital network, so they can work together and plan together and compare data and do population based planning.

Senator FIERRAVANTI-WELLS: I just want to ask some questions in relation to the Health and Hospital Fund in relation to the regional priority round.

Ms Halton: That is actually not this program, but see what you can do.

Senator FIERRAVANTI-WELLS: Where is it under?

Ms Halton: It is under acute care. The officers have been and gone, so tell us what you would like to know.

Senator FIERRAVANTI-WELLS: My questions go to how much money remains in the fund, expenditure to date, allocation of moneys, contracted projects.

Ms Halton: We will have to take it all on notice. At 9:30 tonight, under Health Infrastructure, at 10.6, the relevant officers will probably be here.

Senator FIERRAVANTI-WELLS: My other questions are in relation to the dedicated unit for rural health services. I am just going back to an announcement in the 2010-11 budget of the establishment of a dedicated unit within the Department of Health and Ageing to provide advice to the public on regional health and aged care matters. Part of the commitment to regional Australia—and this was part of the agreement I think with the member for Lyne, and the member for New England, is it, Mr Cameron?

Mr Cameron: Correct.

Senator FIERRAVANTI-WELLS: This is just within rural health in outcome 6—is it a dedicated unit? How many staff are in that unit? Tell me a little about it.

Mr Cameron: The number of staff in the unit is currently around the high 40s. That is a—

Senator FIERRAVANTI-WELLS: They go bush every so often.

Mr Cameron: No. Because we have had some ons and offs, the creation of the agency itself has effectively subsumed parts of both branches of the previous office of rural health.

Senator FIERRAVANTI-WELLS: Is it a unit or is it one of these executive agencies?

Ms Halton: No.

Senator FIERRAVANTI-WELLS: Just a unit.

Mr Cameron: It is an agency within the department; it is not a prescribed agency.

Senator FIERRAVANTI-WELLS: So it has its own budget?

Mr Cameron: It has a budget in the sense that any unit of the department has a budget.

Senator FIERRAVANTI-WELLS: So a cost—what is the estimated cost of this unit, and is it funded out of existing resources?

Mr Cameron: Yes. There are two components to it: one is the administrative expenses that go to the services programs that it administers; and the other is the departmental staffing and supply costs.

Senator FIERRAVANTI-WELLS: So roughly what?

Mr Cameron: I have them for the year—it might just take a minute to get it in rough terms. The departmental expenditure cost is about $6 million and the administered services program expenditure currently is about $190 million. I can certainly refine that for you, given a bit of time.

Senator FIERRAVANTI-WELLS: You can take that on notice. The annual report talks about providing a single entry point to information on regional health and aged-care programs, policies. Is this a virtual entry point or physical; do you have points in regional Australia where you can go and ask for information like the pharmacies where you had the Medicare points?

Mr Cameron: No, to the latter part of your question. The single point of entry consists of three things: one is a telephone line; the other is a website that uses much the same information as the call centre will provide; and the other is an email function.

Senator FIERRAVANTI-WELLS: So there is no physical location. Have you undertaken any advertising or promotion?

Mr Cameron: No, not yet. The minister is yet to formally launch that.

Senator FIERRAVANTI-WELLS: Just to give me an idea: how many inquiries have been handled since 1 July this year?

Mr Cameron: I can tell you that.

Mr Booth: We will find the exact figures, but they will be minimal; there hasn't been a formal launch of the agency yet, so the numbers will be fairly low.

Senator FIERRAVANTI-WELLS: Perhaps if you could just give me the type of inquiries, albeit limited: is it health services, aged care, referral—the sort of work that has been done to date? Is it intended that you will provide advocacy advice to the government?

Mr Cameron: Advocacy advice within government, I think, is a better way of couching that. The intention is to make sure that, within the policy framework in which rural health exists, key issues are kept front and centre within both our department and where we can with other key decision-making departments.

Senator FIERRAVANTI-WELLS: Is it the intention of the unit to undertake any research on the health and aged care needs of regional Australia?

Mr Cameron: It would probably be more accurate to say that it will be a point of collation for other research. Research in the pure sense is well beyond—but we will be very interested in the outcome of other research and will be looking to establish a fairly substantial reference point, a knowledge base of other research.

Senator FIERRAVANTI-WELLS: So other consultants could be engaged to do research or something like that?

Mr Cameron: Where we are funded for such consultancies, yes, we would be looking to pull together as much of the existing work as we possibly could.

Senator ADAMS: I would like to start off with the Royal Flying Doctor Service and the rural women's GP service. Is that going to continue?

Mr Cameron: I am not quite sure that I understand the question. The RFDS and the rural women's GP service are two different programs.

Senator ADAMS: You fund it get the RFDS to actually run it.

Mr Cameron: So your question is actually about the rural women's GP service?

Senator ADAMS: That is right. I was trying to identify which he was talking about and that was what it was.

Mr Cameron: The rural women's GP service will continue for the next couple of years, after which it will be rolled into the Rural Health Outreach Fund, one of the flexible funds I heard you refer to earlier, but there will be a couple of years before that will take effect.

Senator ADAMS: So it is still going to be continued?

Mr Cameron: Yes.

Senator ADAMS: That is good. A few people have asked me about it and I have said, 'I am sure it's going to continue,' but I will ask the question of the right people, so I have done that. I would just like to come back to the consolidation of the funding programs. There are three concerns that I have been approached about. Firstly, if contestable funds are allocated through competitive tender, how can the most needy communities and small organisations that do not have access to people who can write very good applications for funding be assured of funding so that the programs actually get out to the areas that are desperately in need of funding?

Mr Cameron: In the context of the Rural Health Outreach Fund, it would be important to make a distinction between the management of the program and contestability in that space and contestability for the actual services in particular locations, as you have just described. No matter what we end up with after the guidelines for the fund are finalised, there will be a needs based assessment process that makes a recommendation to the department about where and for what the outreach resourcing should be spent. Under the current arrangements, under the Medical Specialists Outreach Assistance Program, MSOAP, for example, which is one of the component programs—

Senator ADAMS: I am coming to that later.

Mr Cameron: There are advisory forums in each jurisdiction that essentially provide an expert reference panel to both the fund holders and the department. A function that is either that or like that will still need to exist to make sure that locations with need are serviced.

Senator ADAMS: How will the consolidated funds be administered to ensure that the schemes targeted to rural and remote areas to redress poor access to health services and health professional shortages are not diminished?

The reason for asking this question is that possibly coming from Western Australia where we started off with nurse practitioners it has been a worry that a lot of those nurse practitioners originally were hopefully going to go into the more remote areas and, of course, ended up in the city. So the funding has not got out to where it is going. That is just an example of why I am asking this particular question. It worries me just how local the Medicare Locals are. This is where, somehow, we have to get the message through that this funding must go out to those rural and remote areas and not be concentrated on the regional areas.

Mr Cameron: The Rural Health Outreach Fund will be one of the suite of targeted rural health programs. The core eligibility criteria for those programs is that the money is spent where the services are provided in remoteness areas under the ASGC-RA program 2-5, inner regional to very remote. Only in unusual circumstances can targeted rural health funding be spent in a major metropolitan centre. That circumstance would then be that the services are then delivered remotely—where someone's post office box or business office may be.

Senator ADAMS: This is quite a worry for the eastern seaboard, probably because some of the larger regional centres are referred to as rural and they come in under that band. When you look at what they have and what a small community has, they are very different situations. I wanted to check up on how that was going to go. As far as the rural waiting goes for program delivery that will be done under the scaling, so that is targeted.

Mr Cameron: Targeted rural health program eligible for expenditure for ASGC-RA 2-5.

Senator ADAMS: Something that I have been pretty interested in is the national maternity services plan. One of the first endorsements from AHMAC was for the endorsement of the national strategic framework for rural and remote health, so could I ask that question here?

Mr Cameron: About the strategic framework, yes.

Senator ADAMS: This includes objectives and strategies to address access to health services in rural and remote Australia. Signs of success were to include that access to maternity services for women in rural and remote areas is improved, so can you tell me what progress the Australian government can report towards a sign of success? It is on maternity services?

Mr Cameron: We might be at cross-programs here.

Senator ADAMS: Sorry to do this but it does get a bit complicated, trying to work out where it all goes.

Mr Cameron: Just so we are clear, you have asked a question about the national maternity services plan and—

Senator ADAMS: I am asking it because AHMAC endorsed the national strategic framework for rural and remote health and that included the access to maternity services for

women in rural and remote areas. I was not quite sure whether it was coming under the national maternity services plan. That was the problem.

Mr Booth: We can discuss some aspects of the national maternity services plan here and—

Senator ADAMS: The main thing is, has there been any progress made and what progress also has been made with the states and territories with funding for maternity units in rural areas to redress the service closures in recent years? This is a huge problem and Western Australia is a great example of it.

Mr Booth: We can certainly talk about the plan. As you are aware, the maternity services plan was launched earlier on this year and I think a copy of it was provided to senators after the last estimates. Where we are getting to with it is there are a variety of different deliverables within that plan—which states are tasked with looking at—at the moment. There is going to be annual reporting against the plan. My understanding is that the first annual report is probably due later on this year. It is probably at that time when all the states have got the plan, done the reporting and then reported back centrally that we will be able to provide an answer to just exactly what is happening.

Senator ADAMS: When do you expect that to happen? What is the time frame?

Ms Appleyard: The plan, as you know, was agreed by AHMAC in November last year, so the first year technically ends in November this year. There is a requirement under the National Maternity Services Plan for an annual report at the completion of the first year. Towards the end of this year we can expect that annual report. Hopefully, it will be endorsed by AHMAC; it is going through the process at the moment. We then expect the annual report to be publicly available. Some of the actions that you are talking about, like the progress the states have made on access to maternity services in rural communities, would be covered under the state and territory responsibilities, and you will see that reported in the annual report.

Senator ADAMS: This question is more or less along the same lines, so please do not go. What progress has the government made on the development of nationally consistent maternal and peri-natal data collections, including by remoteness, that can inform ongoing planning and improvement in maternity services for rural and remote women and their families?

Ms Appleyard: Thanks for that question. We have made quite a lot of progress on that, having signed an agreement with AIHW earlier this year. We had our first board project meeting recently with all of the relevant stakeholders and we have three years for the first stage of that plan on nationally consistent maternal and peri-natal morbidity and mortality data collection. The first thing we have to do is to establish where the gaps are in the data across the jurisdictions. You would be aware that there is some inconsistency, so one of the aims of the project is to see whether inconsistencies exist and to suggest some ways of achieving national consistency in the data collections. So that project has well and truly commenced.

Senator ADAMS: That is good to hear. The government has recently indicated that the Medical Specialist Outreach Assistance Program is being expanded to enable it to support multidisciplinary maternity-care teams in rural and remote areas. Is there any additional

allocation to MSOAP in this and also in the out years? Secondly, what is the budget allocation for this in out years for locum support for the existing rural maternity workforce?

Ms Appleyard: What I can say in respect of MSOAP is that, most definitely, there is an additional budget allocation for it. I do not think I have those figures with me at the moment. Mr Cameron may be able to assist. Basically, the Medical Specialist Outreach Assistance Program funding agreements were established towards the end of the last financial year, and we would expect services to start rolling out later this month in some jurisdictions.

Senator ADAMS: What else is being done to help women in rural and remote communities to get access to high-quality maternity care before, at and after the birth of their babies? Do you have any extra programs or any extra funding?

Ms Appleyard: As you would realise, there are a number of actions outlined under the maternity services plan. A couple of them fall within the responsibility of the Commonwealth, such as the MSOAP, the training for procedural GPs in anaesthetics and obstetrics and the extension of SOLS, the Specialist Obstetrician Locum Scheme. There are also projects being undertaken under the auspices of the MSIJC, the Maternity Services Inter-jurisdictional Committee. I can give you an example of a few of those. There is an investigation into access to public antenatal care in a range of community settings. That project is currently underway. A project on the identification of the characteristics of successful community based care in remote locations is also underway at the moment. There are also some specific measures in respect of Indigenous primary maternity care, which are being actioned under the maternity services plan. Also, as you will be aware, in acknowledgement of the distance for rural and remote areas, tele-health services for midwives have been made available as well. Besides MSOAP, these are some of the main things within the Commonwealth's area of responsibility. A number of other actions are the responsibility of states and territories.

Senator ADAMS: You mentioned the locum scheme. How is that going? Are you getting people to take it up?

Ms Appleyard: I would need you to ask that question under outcome 12, health workforce.

Senator ADAMS: Thank you. Medical skills, programs available for maternity services, anaesthetic, minor surgery: that would be workforce as well?

Ms Appleyard: That is right, Senator.

Senator ADAMS: E-health for rural and remote: is that here or in e-health?

Ms Appleyard: Medicare items would be under MBD, which is outcome 3.

Senator ADAMS: I think I have just about exhausted the rural health bits.

Senator FIERRAVANTI-WELLS: Going back to your question, Mr Cameron, in terms of the ambit of what you are doing in health and ageing, are you looking at aged-care facilities in regional and rural areas? That will be purely under aged care—all you do is gather information about health services, aged-care services, so if somebody from Bourke rings up and says, 'I want to find an aged-care facility,' that is the sort of facilitation that you will do. Is that right?

Mr Cameron: Exactly.

Senator FIERRAVANTI-WELLS: You have got a list of facilities and services available in regional and rural areas and you assist people with that information.

Mr Cameron: Depending on what the particular subject is, it is either a list of facilities or the appropriate contacts to refer them to.

[17:34]

CHAIR: I think we have exhausted our questions in rural health. Thank you very much. We will make a start on aged care.

Ms Halton: While the officers are taking a seat can I just say: we have already tabled the list of FOIs on tobacco but I promised to table the facts in terms of things we talked about earlier.

CHAIR: Thank you very much; a couple of senators had an interest in those.

Senator FIERRAVANTI-WELLS: I might just start on some big picture issues. When is the government intending to respond to the Productivity Commission?

Ms C Smith: The timing of the government's response is a matter for government, Senator.

Senator FIERRAVANTI-WELLS: What sort of modelling, if any, is the department doing on any of the 58 recommendations?

Ms C Smith: We are obviously going through a process of careful analysis of all the recommendations of the Productivity Commission and all of the submissions that were contributed to that process, and there are discussions occurring within government on that basis.

Senator FIERRAVANTI-WELLS: If need be, will you go to other departments like Treasury?

Ms C Smith: We are working with relevant departments because of the wide-ranging nature of the recommendations.

Senator FIERRAVANTI-WELLS: Why is the minister having more consultations in the form of these conversations when he has this report? The reason I ask that is because I go around and speak to the aged care sector and it has been put to me that we are having now more consultations when there has been this comprehensive report. Perhaps you could provide some insight into that?

Ms C Smith: I think the minister felt that it was important to hear directly from older Australians and their families; their views of the Productivity Commission's recommendations and of the issues facing older Australians more broadly. So far he has had a number of events around Australia—I think around 16 as of yesterday—and there are more scheduled over the next couple of months. Older Australians have found it a matter of some interest and people are really taking up the opportunity to talk directly to the minister.

Senator McLucas: I understand that they have been very well received.

Ms Halton: Yes, that is my understanding too. I love the Productivity Commission dearly—we all do, though I do think that those reports are a fraction inaccessible to a lot of people. I think the opportunity to actually hear, in a more accessible way, some of the things

that are meant by the report—and also to give people the opportunity to have their say about what the Productivity Commission said—is really valuable.

Senator FIERRAVANTI-WELLS: To perhaps raise the more controversial parts of the PC's report. I think on the last occasion that we had this discussion about the PC reports I asked whether there had been, because of the more controversial elements in the PC report, complaints through the complaints mechanism and whether we had received any but I think Ms Smith or one of the officers told me on the last occasion that there had not been too many come through. Is that still the case?

Ms C Smith: I certainly would not say that we are receiving complaints.

Senator FIERRAVANTI-WELLS: I put 'complaints' in the broad context of people using the complaints system or using the complaints framework to basically express a view on the more controversial aspects of the PC report.

Ms C Smith: I think what we are seeing through the conversations, and in other sessions that a number of us have with various people in the sector through a variety of mechanisms, is a huge degree of interest in the report and its findings; a feeling that it is a very well put together, comprehensive report. Themes around access are of concern to older Australians; themes around quality and themes around workforce have come up as themes—and then a variety of particular sectors have views—but I would not have thought that some of the more controversial aspects, around financing for example, have had quite as much of a run as one might expect.

Senator CAROL BROWN: There have forums that the minister has been holding around the country. We have just recently had three very successful rounds in Tasmania. and I was at the Hobart one, which was successful in both in terms of the amount of people that came to put their views forward but also in the discussion that was had. Are you able to provide us with any other feedback as to what issues they are raising and whether those are the same sorts of issues being raised around the country?

Ms C Smith: I think there are probably some common themes, but then, not surprisingly, people in different parts of the country will have particular areas that they focus on. Obviously in rural areas there is a different set of issues than there would be in metropolitan Sydney, for example. We can certainly take on notice to get back with a bit more feedback.

Senator FIERRAVANTI-WELLS: That would be helpful to get some flavour, without necessarily going into specifics, but if there is sort of a sanitised version of the meetings. I understand that they are public meetings and open to the public so there is no reason not to. There would be presumably a report done in relation to each of those meetings.

Ms C Smith: We certainly take records of the issues that are being raised.

Senator FIERRAVANTI-WELLS: I think we have had it with other things like Medicare and other issues. So if that can be taken on notice that I think the committee would find it quite helpful to see the feedback from those meetings that the minister has had.

Ms C Smith: Senator Brown, the feedback I think you are acknowledging from the Tasmania event is typical of others—that people are very positive to be involved and find it a really constructive experience to be able to have that dialogue directly with the minister.

Senator CAROL BROWN: You may have said it earlier, but how many forums will be conducted?

Ms C Smith: There are 16 that have been held as of yesterday, and I think by mid-December 37 events will have been held, but there is also other events.

Senator CAROL BROWN: The number seems to be growing.

Ms C Smith: There are other events that are emerging too. Alzheimer's Australia is also holding some dementia-specific events and some other consumer organisations are organising—

Senator CAROL BROWN: Who is holding those dementia events?

Ms C Smith: Alzheimer's Australia is convening those with some support from the department, and the minister is attending a couple of those himself, but not all of them.

Senator FIERRAVANTI-WELLS: I guess in this year of decision and delivery, Parliamentary Secretary, are we likely to see some decision and perhaps a delivery of a position on this? I am waiting with baited breath.

Senator McLucas: I think you would recognise that the PC's report recommends significant change and that Minister Butler is very keen to make sure that people are very aware of what sort of changes are proposed by the PC. That is why these consultations are occurring—to inform government's response. It is a very wide-ranging series of recommendations that work across government—it is not simply in the ageing section of the health department—so it warrants significant thought, consultation and deliberation before the government will respond to the report. I have no advice about when Minister Butler is going to respond, except to say that he is taking this consultation process very seriously.

Senator FIERRAVANTI-WELLS: The reason I am pushing the issue minister is that Ms Gillard and Minister Roxon before the last federal election did not really talk much about aged care, except to deliver a speech at the Nursing Federation, where Ms Gillard indicated that aged care and ageing would be a second-term priority.

Senator McLucas: That is right.

Senator FIERRAVANTI-WELLS: I am conscious of that timing and also that, clearly, there will have to be some definitive response as the budget process for next year, which is what a lot of the sector is anticipating, is ticking away and, I understand, has probably started already. If some action is not taken soon, it will not meet that budget process. I am only reflecting some of the issues that have now been referred to me, which is why I am asking: are we going to see something by the end of the year? If we do not—

Senator McLucas: I simply cannot answer that question.

Senator FIERRAVANTI-WELLS: Well, I have reiterated my comments for the record.

Senator McLucas: But I think I have explained what Minister Butler is doing and why and how well it is being received in the community.

Senator FIERRAVANTI-WELLS: I appreciate that. I note that these conversations are publicised through the aged-care conversation website. Are they being publicised in any other way?

Ms C Smith: They are being publicised through a variety of means: through the Council on the Ageing, which liaises with its members, and other consumer groups get invitations out to their members. It is very much trying to use all of the local networks to get information out there, but we always ensure that the schedule is on the blog as well, and I think a number of the organisations put it on their websites as well.

Senator FIERRAVANTI-WELLS: But the information is basically web based rather than through any other means—Seniors Week or those sorts of things.

Ms C Smith: I think some of the seniors organisations find that email does not work with all their membership, so they have other—

Senator FIERRAVANTI-WELLS: Some of us still prefer snail mail; I know that is hard!

Ms C Smith: Yes: snail mail, newsletters or whatever the group has found to be effective in reaching its membership.

Senator FIERRAVANTI-WELLS: How many conversations are planned? I think you said there have been 16 to date.

Ms C Smith: There were 37 scheduled between August and the end of the year, but they are the main conversations on ageing with the minister himself. As I said earlier, there are also others organised through Alzheimer's Australia and other groups which are a bit different to that.

Senator FIERRAVANTI-WELLS: I meant the ones with the minister. So the minister has determined where these will be held with the department?

Ms C Smith: That has been a decision of the minister, yes.

Senator FIERRAVANTI-WELLS: He has gone to the 16 meetings and will be attending the 37?

Ms C Smith: That is right.

Senator FIERRAVANTI-WELLS: How many people on average are attending?

Ms C Smith: It depends on the size of the town that they are being held in.

Senator FIERRAVANTI-WELLS: Obviously if you go to the Wesley Conference Centre in Sydney you will get more than if you go to—

Ms C Smith: I think there might have been a couple of hundred at those bigger events in the capital cities. In smaller locations it has been more in the 50 to 70 range. Interestingly, different issues come up depending on the numbers. People feel more comfortable talking about personal experiences where there is a smaller group of people.

Senator FIERRAVANTI-WELLS: For no reason other than to gauge the number, following on from the discussion we had earlier about a summary of those conversations, if you would not mind, please provide me the rough numbers on notice. I would like to just get a feel for how many. So what happens now? You have feedback sessions and then they will be processed?

Ms C Smith: We are gathering the feedback as we go by event, and that is obviously feeding into the process of government consideration. As we have more events, I suppose themes emerge as well. That will all be collated and recorded as we go along.

Senator FIERRAVANTI-WELLS: I would like to know where we are with the accreditation standards. Are those consultations still going? Chair, I have been asking general questions and now I was thinking of going into outcome 4.1.

CHAIR: I think Senator Siewert has a general question.

Senator SIEWERT: In terms of the process from hereon that Senator Fierravanti-Wells was just asking about, and as the PC report said, this is a process of reform that is going to take quite a time. The area of concern is that some of the viability issues that providers have been talking are going to be ongoing during this transformation process. So will how you go from here include dealing with some of the transitional issues ensuring that providers remain viable? I am wondering what happens while we get from here to there.

Ms Halton: The short answer is that we cannot answer that question in detail yet for obvious reasons. But I can tell you that, in the discussions we are having about how you do what you do and when you do it, obviously we are very mindful of those issues. I think we can say with some level of confidence that the industry has been very clear about where they think the fracture points are. It is reflected in the PC report but they tell us quite regularly and whilst there are no decisions yet—

Senator SIEWERT: I appreciate that.

Ms Halton: I can say we are very aware of it.

Senator SIEWERT: So the process will include where some of those key fracture areas are—I think that is a good term.

Ms Halton: Again, I cannot say what the government will do with those but in terms of our discussions about this matter they will not be forgotten.

Senator SIEWERT: Thank you.

Senator ADAMS: The 2011-12 budget included continuation of expansion of the aged care viability supplement for the current financial year pending the recommendations of the Productivity Commission report into aged care. We have already had an answer to that, but my question really is to do with rural and remote aged care providers. What steps have been taken to provide surety to rural and remote aged care providers that the true cost of providing aged care in rural and remote communities will be better recognised in the future? The second part of the question is: what interim steps are in place to ensure that both community and residential aged care providers in rural and remote communities are able to remain commercially viable in the 2012-13 financial year and beyond while the aged care reforms are being established and implemented?

Ms C Smith: I think you have already noted, Senator, that the viability supplement was extended for a further year. Anything for the 2012-13 year and beyond will be a matter of further consideration by government. Regarding what is currently being done, we have a range of programs, as we have briefed you about before, that recognise the particular needs of providers in those areas of Australia. It is certainly an area that has been drawn to the commission's attention at some length in their process, and the government will certainly ensure those areas are thoroughly considered as part of the government response.

Senator ADAMS: Right, because they are pretty concerned about it.

Ms Halton: Yes, we understand that, Senator.

Senator FURNER: Have conversations been held in any rural or remote areas, or in fact are being proposed, to consider those areas?

Ms C Smith: Yes, some of them have been in rural and remote areas. I have not got the full list with me, but I can certainly provide that on notice. There has been a mix of metropolitan and regional locations and there are others planned in those areas as well.

Senator ADAMS: Could we have them when we are not sitting? There have been three that I could have got to but of course we were over here instead of in Western Australia.

Ms C Smith: The minister has obviously got the parliamentary timetable to worry about as well, so yes, they are concentrated in non-sitting periods but sometimes are on a Friday of a sitting week.

CHAIR: Some were on Fridays?

Senator ADAMS: I do not know, but I just looked and thought 'oh blow'. I think we probably had inquiries and just could not get there.

CHAIR: We will adjourn now for the dinner break.

Proceedings suspended from 17:55 to 19:05

CHAIR: We will now reconvene. We will go back into questions of the aged care program. Senator Fierravanti-Wells, in which program do you believe your questions are?

Senator FIERRAVANTI-WELLS: I am going to start in 4.1. Where are we at with the accreditation standards?

Mr Scott: Since we last saw you in May, we have completed a national consultation process, if you like, across each state and territory on the draft set of standards. We have consulted with a culturally and linguistically diverse subgroup of the ageing consultative committee on the draft standards. We received around 65 written submissions. The outcomes of those consultations are currently being looked at by the technical reference group. We have also started discussions with the Aged Care Standards and Accreditation Agency and others about the best way to test the proposed standards operationally before we start looking to finalise them.

Senator FIERRAVANTI-WELLS: What were the main issues in the culturally and linguistically diverse component of it?

Ms Murphy: The culturally and linguistically diverse group were keen to have the standards reflect the needs of the special interest group. We have had representatives from those groups at each of the consultations around the country. We have also had another meeting with them. We have taken the information that they have provided to us on what they feel they require to the technical reference group, and they are currently considering the issues that they put forward.

Senator FIERRAVANTI-WELLS: What is the next step in terms of the timing, Mr Scott?

Mr Scott: The key next step for us is refining the standards in light of the feedback and doing some sort of piloting or operationalising to have a look at how they would work in actual aged care facilities. Thereafter, there will be some important issues for us to look at in terms of the government response to the Productivity Commission report as well as working with the accreditation agency on where the accreditation cycle is at. I do not want to put any

time frames around it, because we will want to genuinely have a look at how the piloting goes and where we are at in the accreditation cycle.

Senator FIERRAVANTI-WELLS: Is a sanitised version of that feedback available anywhere? Would it be appropriate for a sanitised version of that feedback to be available? Could you take that on notice, please?

Mr Scott: Yes, we will take that on notice, because we also need to come back to government on the outcomes of the feedback and the next set of standards.

Senator FIERRAVANTI-WELLS: I have questions for the agency but I will keep those till later. In the Auditor-General's report on monitoring and compliance arrangements—this is the section that would deal with the department's comments and response to that report?

Mr Scott: Yes.

Senator FIERRAVANTI-WELLS: There were three recommendations, and the department has agreed to all three. Can you tell me in practical terms where you now go on this?

Mr Scott: Yes, there were three recommendations. The audit office overall were supportive of the work of the department and the agency in the monitoring and compliance of the residential aged-care framework. In terms of the specific actions, we will be going away to look at the service charter—we have already started looking at it. The agency obviously already has a service charter and they will be looking at reporting against it.

Recommendation 2 was around the understanding compliance and noncompliance, and developing a common risk profile. The department already routinely prepares common risk profiles for aged-care homes. We will be adding to that work to pick up accreditation-specific information that the ANAO has identified as well as incorporating that into our whole-of-sector risk analysis. So that will—

Senator FIERRAVANTI-WELLS: Just on that, Mr Scott: in terms of any of the benchmarking that you are doing, is that working parallel to that or you are not looking at benchmarking on that basis?

Mr Scott: The risk profiling we do is within the Office of Aged Care Quality and Compliance and we do a compliance risk assessment of each of our regulated entities. Some of the financial type of information that would be looked at through the benchmarking process we look at as well, but the benchmarking is more a facility for approved providers to be able look at their performance against peers.

Senator FIERRAVANTI-WELLS: I was looking in terms of some of that software that does simultaneous reporting and whether dovetailing those three concepts all in together is the sort of thing, Mr Scott, that you had perhaps given some consideration to?

Mr Scott: The financial information that gets used in the benchmarking we have already accessed to through the general purpose financial report, so, yes, there is dovetailing there but they are two separate processes operationally.

Senator FIERRAVANTI-WELLS: So if I understand, potentially, your risk profile of a home would contain a whole range of criteria. At this point you have not worked that out. You are still working through potentially what that could—

Mr Scott: No. We have for the last 12 months been preparing routinely risk profiles of each of our regulated entities, and it will look at things like accreditation outcomes but also complaints history, compliance patterns, financial performance and the like. Coming out of the ANAO audit, we will be picking up additional accreditation related information. They have suggested that we also aggregate the trends that we are seeing across the individual risk profiles to look at broader sector trends, and we will be building on work on that front to pick up the accreditation aspect.

Senator FIERRAVANTI-WELLS: The Auditor-General's office made comments about obviously the visits of the agency are for a specific purpose. What you are saying is that, once you start putting risk profiles of homes together, you could almost have a narrative and that narrative is updated and is available to be accessed by obviously the appropriate people in the department and in the agency, I would assume, in relation to particular home X or Y?

Mr Scott: Yes. Sorry, I am speaking a little bit on the agency's behalf here as well—and I am sure Mr Brandon will correct me if needed. The agency already has a very well established risk profiling process of its own for its own operations for individual homes, as does the department. We have for some time also cooperated with that risk profiling. Primarily what the ANAO were suggesting here was that there would be further benefits for us if we looked at common trends across the homes to form a more complete picture at the industry level. But what you are saying is quite right. We will continue to develop our risk profiling of individual homes. That already drives quite a bit the visits program of both the department and the agency and we will continue to build on that.

Senator FIERRAVANTI-WELLS: A common example is that I might go to visit a home and they will say they have just gone through their three-year accreditation and then they had three visits in three months or they have had a visit immediately after accreditation and those sorts of things. Is that the sort of risk management you are contemplating? When it is put to me that they have just had their three-year accreditation and been ticked off and then a month or two later they get to visit, I do not quite understand how a visit in those circumstances is necessary in the absence of a specific purpose.

Mr Scott: In terms of those sorts of visits, we would generally not go out unless there was a specific event. For instance, from the department's perspective we would normally only go in if we had received a complaint that warranted an investigation. Likewise, the agency would only go in for some follow-up or a specific referral of a possible problem from the department. But what we do strive to do is make the visit schedule from both the department and the agency sensitive to the level of risk that has been identified.

Senator FIERRAVANTI-WELLS: My interpretation and the way it has been put to me is somewhat different from the rosier picture that you interpret.

Mr Scott: We can always improve our performance and will continue to work on it.

Senator FIERRAVANTI-WELLS: The description used is 'support contacts'. That is hardly how they are described to me at times, but I will not go there at this point.

Senator McLUCAS: That is what they have been called for some time—for many, many, many years.

Senator FIERRAVANTI-WELLS: What I meant, Senator McLucas, was that some of the providers describe them not quite in those neutral terms, as you probably heard when you

were the shadow minister for ageing. Mr Scott, do you want to speak on the third recommendation?

Mr Scott: That is around the quality indicators. This is an area that was picked up in the Campbell report. It is obviously quite a challenging area to try and identify meaningful and sensible indicators of the quality of accommodation and care delivery. The technical reference group that is working on the accreditation standards has a remit to also look at the quality indicators. We would also expect that the work will be progressed in conjunction with the work on the government's response to the Productivity Commission report, because it was also obviously picked up in that report.

CHAIR: Senator Fierravanti-Wells, you might want to put some questions on notice.

Senator FIERRAVANTI-WELLS: I have a workforce issue, involving a log of claims to a particular home in Meningie in South Australia. Can I just get some guidance?

Mr Scott: I think it would be better to put that on notice because the name does not immediately spring to mind.

Senator FIERRAVANTI-WELLS: I shall do that.

Senator McLucas: Senator, if it was something that you thought should be confidentially raised you might want to have a chat with me and we will—

Senator FIERRAVANTI-WELLS: It is really pertaining to a log of claims. I think what I will do is raise it and put it on notice. I suspect it is probably best to do it that way. I noticed that the Minister has put out certain media releases in relation to culturally appropriate aged care and conversations with multicultural and ethnic groups. Following on from the comment that was made before in relation to standards—having had an interest in this since my early 20s, which was a considerable time ago—there are obviously, in this area, some parameters that are very different in terms of mainstream aged care delivery and the need to not just be flexible. In dealing with this area, will we be looking at parameters?

Let me just give you an example. I will produce this on notice and give you a copy of these documents. Recently I came across an organisation which receives a considerable amount of money from the Commonwealth to deliver aged-care services. This organisation is promoting—it is in Italian but I will give it to you, it is pretty obvious from the look of it—a political rally, in effect. Their logo is clearly at the bottom of the page and there are other logos at the bottom, including one of another organisation which I am sure gets money from the Commonwealth in some other guise.

In this area, are we going to have to look at dealing with frameworks? Many of these organisations are used to dealing with other governments where frameworks are perhaps not as stringent as our frameworks. I think you get the gist of the question that I am getting to, Mr Scott. Are you bearing those sorts of things in mind when you are having these conversations, looking at frameworks which bring these sorts of issues to the fore?

Mr Scott: Sorry; I must confess that I am not quite sure where you are going.

Senator FIERRAVANTI-WELLS: There are a lot of organisations that operate in this space that do not just operate in the welfare area but also have political overtones, political involvement. Particularly in the Italian community, I can name you any number of them. They are organisations which are mostly politically aligned to the left, but they are politically

aligned. They operate in the welfare space but they are also increasingly receiving funds from governments to deliver particular services. When we provide guidelines to them to deliver services in whatever space—whether it be health or ageing—do we make it very clear to them that they are not to engage in party political activities in terms of the use of the moneys that they receive from the Commonwealth?

Mr Scott: That is probably somewhat outside my remit. In terms of the Office of Aged Care Quality and Compliance, our principal focus is around approved providers' responsibility to deliver care. So certainly from the perspective of my responsibilities as a regulator my principal focus will be: are they meeting the accreditation standards and are they discharging their responsibilities as an approved provider? The issue of their involvement in other non-aged-care activities is not centrally relevant to me unless it is somehow impacting on their meeting their obligations as an approved provider.

Senator FIERRAVANTI-WELLS: When we are talking about culturally appropriate aged care, I know that the department gives grants and under the program for community organisations. There are a range of areas in the department where you give moneys to different cultural-called organisations.

Mr Scott: Yes.

Senator FIERRAVANTI-WELLS: My comments are in relation to those broader areas, Ms Halton. It is an issue that has concerned me for some time, but now I will bring to your attention this particular instance which involves an Italian organisation in Sydney. But it is not the only one, and I am sure that it is happening out there. I just want to know from the department's perspective what sort of parameters are in place to ensure that Commonwealth funds are not used in an inappropriate manner.

Ms Halton: Yes, indeed. The thing I can tell you is that funds are to be used for the purpose provided. That is the overarching requirement of any recipient, be they grant, benefit—whatever kinds of moneys. As Mr Scott has indicated, essentially the responsibility of the regulator in the aged-care area is to make sure that services are delivered consistent with the act et cetera. I think the difficulty we have in this area is to what extent you are asking, 'Can we circumscribe the activities of an organisation to just the activities we have prescribed?' Obviously, we cannot do that.

Senator FIERRAVANTI-WELLS: No, but the point I am making—

Ms Halton: So the question is: are they using our cash for that purpose?

Senator FIERRAVANTI-WELLS: Are they cross-subsidising?

Ms Halton: Indeed.

Senator FIERRAVANTI-WELLS: That is really the point I am making in broad terms. I will bring the particular issue separately to your notice, but it is the broader context in which I am asking the question, given it is at a time when it is clear that the minister is having conversations with ethnic groups—certainly according to his press release with Senator Kate Lundy.

Ms Halton: If you put the political activity in a box that says, 'inappropriate activities' you would understand that we investigate across all of our programs where there is an allegation—and it does not matter whether the moneys have been criminally appropriated,

just generally misused—we do investigate organisations who are in receipt of our funding. In fact in the past and on occasion we have taken criminal action where it is quite clear that moneys have been used for purposes which are right outside the scope of the grant or whatever.

Obviously we cannot make any comment about the particulars of the circumstance, but the general principle that says, 'You get money for a purpose, use it for that purpose' applies. The act, as you know, is quite clear about that. So certainly if there is evidence that our funding has been misused. You understand probably better than I that many of these organisations have all sorts of sources.

Senator FIERRAVANTI-WELLS: They do, and often they have sources from other governments.

Ms Halton: Yes, exactly.

Senator FIERRAVANTI-WELLS: That is where the line is not very clear. But I guess the point I am making is that increasingly, with the growing need to cater to an ageing population that is ethnically diverse, the Commonwealth, regardless of political persuasion, is going to be facing this issue. I am really asking: in the context of these conversations, are we looking at those parameters as well, bearing in mind that often the requirements of moneys that come from foreign governments do not come with the same degree of stringent—

Ms Halton: Not foreign governments. Are you talking about overseas governments?

Senator FIERRAVANTI-WELLS: Yes, I am talking about overseas governments that may give moneys to these organisations.

Ms Halton: Right.

Senator FIERRAVANTI-WELLS: Take an organisation that has different sources. One of those sources is the Australian government; one of those sources is a foreign government and maybe its own fundraising or whatever.

Ms Halton: I understand.

Senator FIERRAVANTI-WELLS: The parameters that are imposed by that foreign government may be different to the standards that the Australian government imposes.

Ms Halton: Absolutely, and there is nothing we can do about that.

Senator FIERRAVANTI-WELLS: No, there is nothing you can do about that, but they need to understand that we are a bit more stringent in our approach.

Ms Halton: Yes, indeed—and certainly there are circumstances where we have a well-founded view that Australian taxpayers' money is not being used in the way that it is intended. We take that very seriously.

Senator FIERRAVANTI-WELLS: I will leave it there, Ms Halton, but I will provide those details to you.

Thank you for the information provided on notice on the Hughenden aged-care facility. Is this a new model created specifically for this particular facility, or is it a model that is in existence in other places around Australia?

Ms C Smith: It is a relatively new model of care.

Senator FIERRAVANTI-WELLS: We have got some basic information in relation to it. There is a contribution from the shire council and the moneys will be paid to the Hughenden facility? The Commonwealth funding for provision of services will be paid to the Hughenden facility?

Ms C Smith: Yes, that is correct.

Senator FIERRAVANTI-WELLS: Rather than to the council—that was the point that I am getting at.

Ms Robertson: What is happening at the moment is that a funding agreement is currently being prepared between the Commonwealth and the approved provider for the service.

Senator FIERRAVANTI-WELLS: And that funding agreement covers the 'peculiarities' of this particular circumstance, taking into account the involvement of the Flinders Shire Council and the Hughenden operators themselves?

Ms Robertson: Yes.

Ms C Smith: But obviously it is going to cover the terms of our funding to them—

Senator FIERRAVANTI-WELLS: I appreciate that, Ms Smith.

Ms C Smith: and there will need to be separate agreements with the other parties.

Senator FIERRAVANTI-WELLS: Is this an approach that was made by that community to the Commonwealth? How did it come about?

Ms C Smith: It was a decision of government.

Senator FIERRAVANTI-WELLS: So, presumably, take another little community somewhere in regional Queensland, who may have a similar idea: would it would be open to them to approach the Commonwealth with a similar proposal?

Ms C Smith: You will find that different communities and different providers approach governments regularly.

Senator FIERRAVANTI-WELLS: No, that is fine.

Ms C Smith: There is nothing to prevent them doing that.

Senator FIERRAVANTI-WELLS: I am just asking, just like Mr Katter probably did. Thank you.

Senator McLucas: Councillor McNamara has been talking to me about this concept for about 10 years.

Senator FIERRAVANTI-WELLS: I take that back then.

Senator McLucas: It is a well-formed concept that the council had been working on with the community for a very long time. That is why it is a different approach. It is a small community—

Senator FIERRAVANTI-WELLS: I am not commenting. Please do not get me wrong, Senator McLucas. It is just that on the last occasion it was referenced to Mr Katter's involvement. I am glad to see, Senator McLucas, that you have put your involvement in the Hughenden facility on the record as well for the benefit of the good burghers of that area.

I at this point, Chair, have some questions of the agency. I will put the rest of my questions on notice.

CHAIR: Senator Siewert has some questions on community care.

Senator SIEWERT: This morning when we were on disabilities I asked about community care. I would like a quick update, if this is the right place to ask, on where we are going, where are we up to with the changes for HACC.

Ms C Smith: This was obviously agreed as part of health reform in 2010. There are two key milestones. The first was that from 1 July 2011 the Commonwealth would take over funding and policy responsibility for the Home and Community Care Program for older Australians in participating states. At this point Victoria and WA have confirmed that they will maintain business-as-usual arrangements. From 1 July 2012, the Commonwealth will assume direct operational responsibility for the Home and Community Care Program for older Australians. Some very intense work is going on with our state and territory government partners and with the service providers to work with everyone to get them onto Commonwealth contracts by 1 July 2012.

Senator SIEWERT: Does that mean Victoria and WA are out of that process?

Ms C Smith: They will be out of the process of that change to roles and responsibilities. Obviously our existing arrangements with those states to deliver the Home and Community Care Program, which have been in place for 25 years, will continue.

Senator SIEWERT: The process is going on of refining the definitions and reducing the number of different types of funding programs. Does that mean that in WA they will remain the same?

Ms C Smith: The Home and Community Care Program is a joint program between the Commonwealth and the states and territories that provides services for both older and younger people. At the moment it is administered by the states. The funding is shared on a 60-40 basis, with the Commonwealth funding 60 per cent and the states funding 40 per cent, overall. The key change as part of health reform that we are in the process of implementing is as follows. The Commonwealth has agreed to take responsibility for services for the older cohort, and the states and territories have agreed to do so for the younger cohort. Under that arrangement, the funding split becomes more like 70-30. In participating areas—so all state and territories except Victoria and WA—from 1 July 2012, we will directly administer the contracts for service providers delivering services for older clients and the states will administer the funding agreements for the services for the younger clients. In Victoria and WA, the current arrangements, with a joint program administratively run by the states and with a 60-40 split, will remain.

Senator SIEWERT: So there will be no change for providers in Western Australia and Victoria.

Ms C Smith: That is correct.

Senator SIEWERT: And in the other states it will be 70 per cent with the Commonwealth and 30 per cent with the state.

Ms C Smith: Yes. We are working incredibly closely with our state and territory colleagues and with the sector to ensure that the transition process is as smooth as possible—that it minimises regulatory burden for the providers and does not have any impact on service delivery.

Aged Care Standards and Accreditation Agency Ltd

[19:39]

Senator FIERRAVANTI-WELLS: Mr Brandon, you probably heard that exchange with Mr Scott. Can I ask to respond from your perspective to those recommendations?

Mr Brandon: The only recommendation that we are required to do is one concerning the service charter. We have agreed to do that. We have our company annual general meeting next week, where the board will hopefully pass the annual report, and I am anticipating that we will report our performance in that annual report.

Senator FIERRAVANTI-WELLS: I have a question in relation to some of the comments that were made in the Auditor-General's report. Before I go there, could you explain to me what the basis is of your visits to aged care facilities? You heard the comments I made before. What is your rationale? I understand that you do it if there is a complaint, but—

Mr Brandon: We do three sorts of visits. The two main ones are accreditation audits, which for most homes happen triennially, and support contacts, which are now known as assessment contacts. The vast majority of homes last year received only one support contact; very few received two or more. We would do a support contact for a number of reasons. First, we may receive information from the complaints investigation people. Second, we place on a timetable for improvement the 10 percent of homes which are found to have non-compliance at a site audit, and we then follow them up. The other reason that we would do a support contract would be that during a site audit or a previous visit we had identified a system which had the potential to fail but had not failed. We would say in the report we gave them: 'We see weaknesses in your system. That doesn't mean you haven't met the standard, but we have concern about that so we will go back and look at that.'

We also identified and published our findings on what creates risk, such as a change of owner or a loss and change of key personnel. If we become aware that there has been a change in key personnel—because we know it is a risk creator which, left unmanaged, creates a lot of risks for residents—we will go back and do a visit. Above and beyond that, we have the government's program of every home receiving one unannounced visit. You may have noticed that in the Auditor-General's report he spoke favourably about our case management processes. The case management process decides which home we will go to, even within the unannounced program. Also, our knowledge of the home—its previous history; information we have from other sources—directs what we look at when we go to the home for a support contact.

Senator FIERRAVANTI-WELLS: How many assessors do you have all around Australia?

Mr Brandon: There are 396 registered assessors who are registered under the Aged Care Act and approximately 135 in our full-time employment. The balance of people, who generally work in the aged care sector in what I describe as their day jobs, we use on a casual basis.

Senator FIERRAVANTI-WELLS: What processes do you have in place to ensure consistency of approach by those assessors? Anecdotally, as I have gone around, people have said, 'I've got one assessor who comes in and makes comments about the way of doing things;

somebody else comes in and gives me another view.' What is in place to ensure consistency of approach?

Mr Brandon: There are two things. When aged care managers talk to us about that, were meet with them and try to understand what they are talking about, because, given human nature, aged care workers will have slightly different approaches. The way we seek to ensure that there is an accuracy of the assessment—which is what it is really about, because very few people in fact complain about the outcome or the result; the few complaints we get tend to be about approach—is the selection process, on which the requirements under the Aged Care Act are quite rigorous. We have an eight-day training program and a two monthly update program for assessors. We have a performance management system. We have mentoring of assessors all the time. We have observers on audits. There are few other odds and sods, but that is about the gist of it. We also have international accreditation of our assessor training and management.

Senator FIERRAVANTI-WELLS: Will assessors that might go into a home have access to the reports of previous assessors who have gone in there? Is that part of that risk profile?

Mrs Crawford: They will have access to the reports that, via our case manager process, we think are going to be useful to them. We do not really want assessors going back over a 12-year history and looking at reports. We are interested in what is happening now but we do need to build on what has happened recently. So, if there has been an assessment contact because the home has areas where it has not met the accreditation standards then the assessors need to know what has been looked at before, what things have been improved, and how that home is moving. So they will have access to those sorts of reports on an as-needs basis.

Senator ADAMS: I would like to ask a question about the new agency Regional Health Australia, which has been created to provide a single entry point to information on regional health and age care programs. Where do I ask questions about that?

Ms C Smith: I believe that would have been under the rural health outcome.

Senator ADAMS: I did not ask it. I think that one went wrong.

Senator McLucas: I think you were asking questions about work force, Senator.

Senator ADAMS: I was, but age care is on page 6 of the department's report. I was wondering where I ask questions on age care or where I put my questions on notice.

Ms C Smith: I think you are referring to Regional Health Australia.

Senator ADAMS: Yes.

Ms C Smith: It has been designed to do that focus at a regional level on both health and age care programs. I believe there were people here before dinner who took questions on that.

Senator ADAMS: In that case I have only one question on program 4.3, aging information and support, early onset dementia. There was a younger onset dementia summit held at Parliament House in 2009. Since that summit, what action has the government taken to ensure that there is age-appropriate services for young people with dementia?

Mr de Burgh: Younger onset dementia affects approximately 15,000 people in Australia today. It can affect people in their forties and fifties. Programs and services funded by the Australian government around support for dementia are available to all people living with dementia, regardless of age. There are, however, a number of programs and supports which

are specifically designed to incorporate the needs of people with younger onset dementia. This includes activity through the National Dementia Helpline, which provides counselling and support, behaviour management advice and training for people with dementia and their carers. There are some examples of particular activity that we fund for people with younger onset dementia. Would it be easier for me to take some of this stuff on notice?

Senator ADAMS: All right. I would appreciate that. Did the government take up a lot of the recommendations that came out of that summit? What was the outcome of the summit?

Mr de Burgh: I would have to take questions on that on notice and look at the recommendations before we can do that.

Senator ADAMS: The latest aged care approvals round closed in August. Given the recent undersubscription of places in residential places would you please advise the level of interest from service providers in applying for these providers. Has there been an undersubscription?

Ms C Smith: The invitation to apply for places was advertised on 18 June and applications closed on 2 August. Those applications are currently being assessed by the department and we would expect to be in a position to make announcements later this calendar year. Given that there is an active consideration and a process going on, we do not comment on the nature of the applications we received during that process. Those kinds of discussions, we can have after the round has been announced.

Senator ADAMS: The government recently changed the rules in relation to extra service places, making it easier for providers to apply for these places. This might cut across what you just told me. Has there been an increased level of interest in these places, with the extra service?

Ms C Smith: It is the same issue. We cannot comment in terms of the nature of the applications, but you are correct. We still have the same criteria in the act and the principles to apply but there was additional information in the guidelines that went out as part of ACAR on how we would interpret ESS applications.

Senator ADAMS: What do the extra care places consist of, or is that too long a list to let me know? I should know but I just cannot remember.

Ms C Smith: I am sure we can give you an example of the types of things that can be offered.

Ms Robertson: It is not actually extra care that is provided. Extra service is around the sort of amenity that you would have within an extra service place. It might be things like upgraded furnishings, a choice of different meals at mealtime—a menu, a glass of wine with your dinner—and things like that. It is having the ability to have a hairdresser. A lot of the facilities that I have seen personally have very high-tech theatre equipment for watching movies and things like that; really top-end screens and audio-visual equipment. That sort of thing. It is about making your life more comfortable rather than providing an extra level of care.

Senator ADAMS: Are those things flexible, if the resident perhaps does not drink wine, or cannot read the newspaper or cannot see the TV? Is there any flexibility with the home where they could add an extra something that pertains to that particular resident?

Ms Robertson: Certainly individuals will avail themselves of different services that are available and that would be up to an individual negotiation between the person or person's representative and the home. In that particular case somebody might have additional aromatherapy or massage or something like that.

CHAIR: That concludes our discussion on aged care. We will now go on to outcome 3. I will just let you know that we have had a discussion and we will not be able to fit in NHMRC tonight—we just cannot do it—so they will be on tomorrow morning. With the time frame this evening, we cannot fit them in. We will start with Medicare services.

Senator DI NATALE: I am particularly interested in the Chronic Disease Dental Scheme. Do you have any information to suggest how much the Chronic Disease Dental Scheme will cost the Commonwealth in 2010-11?

Mr Thomann: We have some information on the expenses accrued for the Chronic Disease Dental Scheme. I am not sure whether I have it for 2010-11. We have been accounting since its introduction, so we have some cumulative figures from its introduction. For the cumulative figure, I believe we are up to about $1.9 billion, but perhaps Ms Hancock would care to elaborate. We do not have it by financial year; we have not done that calculation.

Senator DI NATALE: You have not broken it up by financial year?

Mr Thomann: We do not have it with us. We would have to take that on notice.

Senator DI NATALE: Okay. Could you do that, please?

Mr Thomann: That is for 2010-11?

Senator DI NATALE: If you can, from the inception of the scheme—if I could have expenditure per financial year.

Mr Thomann: Sorry, Senator: we do have the figure. For 2010-11, it is $726.4 million.

Senator DI NATALE: That is to date?

Mr Thomann: That is for 2010-11. To date, in 2011-12, it is $144.8 million at 31 August 2011.

Mr Thomann: This is for the CDDS. In the financial year 2010-11 it is $726.4 million.

Senator DI NATALE: Do you have any idea how the figure for 2011-12 to date compares with the same period for 2010-11?

Mr Thomann: No, I do not have those figures here, but we could do an analysis on notice.

Senator DI NATALE: Great, thank you. I have not asked you to account for previous financial years, but I understand the expenditure has been increasing each year from the inception of the scheme.

Mr Thomann: It has—

Senator DI NATALE: What do you believe to be the chief drivers of the growth in expenditure?

Mr Thomann: Demand.

Senator DI NATALE: More people being seen? The types of services provided? Are we seeing an increase in the more expensive item numbers?

Mr Thomann: We have not done that analysis.

Ms Halton: It would just be more people accessing the program.

Senator DI NATALE: It is not a change in the profile of item numbers?

Ms Halton: We can check, but I doubt it. I think it would just be the number of people who become aware of the program and use it. If that is not correct, we will correct it on the record.

Senator DI NATALE: Good, thank you. What are the items on the schedule that cost the most in total?

CHAIR: To the government?

Mr Thomann: Do you mean as an item?

Senator DI NATALE: Yes.

Mr Thomann: It is the high restorative procedures.

Senator DI NATALE: Do you have that as a proportion of the total expenditure on the scheme? What I am asking is: what proportion of expenditure do the restorative treatments make up?

Ms Hancock: I do not have the exact figures, but it is just under 30 per cent.

Senator DI NATALE: We are talking crowns—

Ms Hancock: Crowns, bridges and implants.

Senator DI NATALE: Is there any evidence that that is changing? I suppose that gets back to my earlier question. Has that been a fairly static figure?

Ms Hancock: We would need to check.

Senator DI NATALE: Good. How many patients in total have been seen under the scheme?

Ms Hancock: To 31 August, 784,198 patients.

Senator CAROL BROWN: Do you have a breakdown of states and territories?

Ms Hancock: No with me, but we could get that.

Senator CAROL BROWN: Thank you.

Senator DI NATALE: Do you have an estimate on how many Australians in total might be eligible for treatment under the scheme?

Ms Hancock: No.

Senator DI NATALE: Are you able to get a gauge of that or is it too difficult?

Mr Bartlett: Essentially you have to meet the criteria of having a chronic disease, and really that changes day to day. We could not make an assessment of potentially eligible clients on that basis.

Senator DI NATALE: I would be surprised, though, if you did not have—

Mr Bartlett: We can tell you how many people are accessing those arrangements and for whom those GP items are being claimed at the moment. Whether or not they therefore need dental care is a different factor, so to try to break it down is very hard.

Senator DI NATALE: Okay. If the scheme were to continue unchanged—it does not sound like you have, but I will ask anyway—do you have any sense for the expenditure for this coming financial year? I suppose that depends on a comparison of where we are at the moment and the previous years. Do you have a sense of what expenditure is going to look like for this financial year? I have heard people suggest that we will hit the $1 billion mark and I wonder if you have done any modelling to suggest that that is the case.

Ms Hancock: Provision has been made in the forward estimates for expenditure up to the end of this calendar year but not beyond that.

Senator DI NATALE: So you have not done any modelling at all beyond the end of the calendar year?

Mr Thomann: No, we have not done any modelling of trends.

Senator DI NATALE: No modelling of trends at all. Is that something that the department—

Mr Thomann: Not into the future, no. But we are obviously observing a trend, a gradual increase month by month.

Senator DI NATALE: I have had some analysis presented to me that suggested that over time the cost per patient drops quite sharply, because that burden of existing disease is worked through. In other words, once we get through the initial burden of disease we might see a drop-off in the cost of the scheme. Have you got any information along those lines?

Ms Halton: No, Senator. I would be curious to see that analysis though.

Mr Bartlett: It would also seem to run counter to every other area of medical treatment—

Senator DI NATALE: No, it would not, because we are providing a public service that was not available previously. The hypothesis, I suppose, is that there is a burden of disease, we work through that burden of disease and eventually we reach an equilibrium and the costs might start to decrease.

Ms Halton: But countervailing that theory, Senator, essentially what that says is you are treating a backlog and once the backlog is cleared you will get to a natural state of demand. But the question you asked earlier, about what explains the growth—which is more people becoming aware—I think it would take quite some time, just speaking hypothetically, before all of that backlog (1) became aware and (2) presented itself. As the mathematicians would say, at infinity point it is a good theory but I suspect it would take probably more than my career and lifetime before we got there.

Senator DI NATALE: Perhaps I will forward you on the analysis—

Ms Halton: I would be very interested to see it.

Senator DI NATALE: I suggest it might a lot sooner than we think. How many dentists are currently participating in the scheme?

Ms Hancock: To date, 11,375 dental providers.

Senator DI NATALE: That is individual providers, all of whom have accessed an item number at some stage.

Ms Hancock: That is correct.

Senator DI NATALE: Is the number of dentists participating in the scheme increasing? I suppose what I am asking is: are we seeing an increase in the number of new dentists who participate in the scheme?

Ms Hancock: There has been a gradual increase since the program started.

Senator DI NATALE: So that is a linear increase. You are not seeing, as more dentists become aware of it, a sharp increase in the number of dentists who participate?

Ms Hancock: No, there has not been a sharp increase.

Senator FIERRAVANTI-WELLS: The increase is proportionate to the number of dentists?

Ms Hancock: Yes.

Senator DI NATALE: What is the process for making dentists aware of the scheme?

Ms Hancock: There is not a process for making dentists aware of the scheme.

Senator DI NATALE: Has the department been given any instructions in terms of the future of the scheme—what is likely to happen?

Ms Halton: The government's position on this is quite clear. It stated that its preferred position would be to close the scheme, recognising it does not have the support currently. That is its stated position and I am not aware that that position has changed.

Senator DI NATALE: So it would be safe to say that you are operating under the assumption that the scheme will close by the end of this year and the corresponding item numbers will be removed from the MBS?

Ms Halton: We understand the government's position and we also understand that the legislation is not being re-presented because of the circumstances which the government finds itself in with respect to the view of the Senate.

Senator DI NATALE: But the fact that you have done modelling only to the end of this financial year would indicate that perhaps you are working under that assumption? Would that be fair to say?

Mr Thomann: Senator, what has occurred is: because of the government policy to close the scheme, it is only possible to do a forward estimate for a certain period of time. That figure is the estimate agreed with the Department of Finance and Deregulation and the data of 31 December is simply for the purposes of producing an estimate for the budget.

Senator DI NATALE: Understood. Thank you. Given the current intention of the government to close the scheme, have dentists been notified of that fact? Is it your role to do that—to notify dentists that the scheme may be closed and that those item numbers will no longer apply?

Mr Thomann: I think it would be fair to say that the ADA and dentists are aware of the government's position.

Senator DI NATALE: But the department is not taking any action to notify dentists that the scheme may close?

Mr Thomann: No, we have not been. I think dentists are fully aware of the government's position.

Senator DI NATALE: I suppose there are dentists who would say that they were not aware of the framework for the scheme and of being caught up in a difficult process of auditing. At this stage the department has not done anything.

Mr Thomann: No.

Ms Halton: No, and I might make a particular comment about the auditing question, given that the comment has been raised. I am aware that the CEO of Medicare Australia wrote to dentists quite some time ago about the auditing obligation and the accountability obligations in relation to those items.

Senator DI NATALE: I have got a number of questions about the audits. I wonder whether they should be put to you—

Ms Halton: Not for us, no.

Senator DI NATALE: We will save those until tomorrow.

Ms Halton: Yes.

Senator FIERRAVANTI-WELLS: I was going to follow on from some of your questions, Senator. Will the Medicare dental items be repealed by regulation? Is that the intention?

Ms Hancock: The Medicare chronic disease dental scheme is set up by legislative instrument. In order to make any change to the scheme, including closing it down, a legislative instrument needs to be made and tabled in both houses of parliament.

Senator FIERRAVANTI-WELLS: Have you drafted this?

Mr Thomann: No.

Senator FIERRAVANTI-WELLS: You have not drafted it, so you have not contemplated registering it yet. Assuming 31 December, will the regulation be tabled in parliament before the scheme is closed?

Mr Thomann: Sorry?

Senator FIERRAVANTI-WELLS: Is it the intention to table the instrument in parliament before the scheme is closed.

Mr Thomann: That would be the process. The 31 December is the date for the purpose of accounting the forward estimate. On process, yes, the instrument would need to come before the House.

Ms Hancock: The scheme cannot be closed without the legislative instrument to give effect to the closure.

Senator FIERRAVANTI-WELLS: Hypothetically, if the scheme is closed on 31 December, or some other date, and the parliament disallows the regulation to repeal the item numbers next year, will patients currently eligible for the scheme be able to use the balance of their $4,250 in benefits?

Ms Halton: We are getting ahead of ourselves. The government has a stated policy but the government has indicated that until it is assured of support it is not moving. We are into a hypothetical here which we actually cannot answer.

Senator FIERRAVANTI-WELLS: What assessments have been made of the impact of the closure of the scheme?

Mr Thomann: Can you be more specific?

Senator FIERRAVANTI-WELLS: Impacts on the profession and on public dental services.

Ms Halton: The government's stated policy intention was to put money into public dental services—

Senator FIERRAVANTI-WELLS: My questioning was then going to ask whether you are aware of comments made by the New South Wales branch of the Australian Dental Association—and I am happy to provide a copy of this for the record—where Mr Fisher warned, 'Should the CDDS cease on 31 December, there will be flow-on effects for public dental services in New South Wales and increased demand for services beyond the additional funding and capacity made available under the proposed CDHP, and it will increase both the number of people on the public dental waiting lists and the length of time that they will wait for treatment.' Given such warnings, have you looked at and have you made assessments in relation to the effect of the closure of the scheme?

Ms Halton: No.

Senator FIERRAVANTI-WELLS: Clearly there will be an impact on the public dental system. Has this impact been quantified? How many more people will be on the public dental waiting lists? Have you done that sort of assessment?

Mr Thomann: No, we have not and I am not sure how we would do that. We have not done that kind of analysis.

Senator FIERRAVANTI-WELLS: In answer to a question on notice—and I do not have in front of me–I think you told me that there are about registered 1,600 dentists in the public system.

Mr Thomann: That is true.

Senator FIERRAVANTI-WELLS: Have you considered the impact, particularly in light of the fact that there is that limited number of dentists in the public system?

Mr Thomann: Dentists are only part of the equation in the public health system. There is also a sizeable proportion of dental therapists working in the public system. The public dental system has a different workforce profile to the private system.

Senator FIERRAVANTI-WELLS: Perhaps you might take on notice the profile of the public dental workforce. I think we have discussed this before and we confined our discussion to dentists in the public system rather than the dental workforce. Perhaps you could take that on notice and provide me with some statistics in relation to that. I do not have any more question of that scheme.

CHAIR: I am reminding people of time. What other questions do you have in outcome 3?

Senator FIERRAVANTI-WELLS: I have got questions in relation to women receiving ultrasounds by obstetricians and gynaecologists in their rooms.

CHAIR: Is that diagnostic imaging services, 3.3?

Mr Bartlett: It is probably more 3.1.

[20:15]

CHAIR: We will move to outcome 3.1, Medicare services.

Senator FIERRAVANTI-WELLS: What arrangements would be put in place to ensure that the public hospital system can cope with privately insured women patients abandoning specialist obstetricians? There have been reports about the government attempting to call back money from Medicare by refusing rebates of $29.95 to women who receive ultrasounds by obstetricians and gynaecologists in their rooms.

Mr Bartlett: Sorry, I am not aware of the circumstances you are describing. I have seen stuff about safety net changes in terms of obstetrics but the ultrasound changes I am—

Senator FIERRAVANTI-WELLS: There have been reports that public maternity wards have been overwhelmed since the cuts to the extended Medicare safety net for obstetricians.

Mr Bartlett: In terms of safety net changes, yes, there were changes made to cap outlays on the safety net. There have been a number of assertions made about people moving from the private to the public sector. There is very little evidence to support those assertions at this point.

Senator FIERRAVANTI-WELLS: Any issues in relation to that are wrong.

Mr Bartlett: There is very little evidence at the moment that supports an assertion that is being made by people like NASOG that there is a significant shift of patients from the private to the public sector.

Senator FIERRAVANTI-WELLS: Thank you. I have got further questions on that but I will put them on notice.

Senator DI NATALE: I have a couple of questions on arthritis injections and midwifery.

CHAIR: That is the PBS element?

Senator DI NATALE: Yes. I think Senator Fierravanti-Wells also had some questions on the injections, so I am not sure if I will cover those. The item numbers for joint injections and aspirations, items numbers 50124 and 50125, were removed. I am just wondering if you have any numbers in terms of people who have been affected by that decision. Do you have any sense of how many people would have been eligible for those two item numbers?

Mr Bartlett: I can give you the number of people for whom that item was being paid prior to the change; I cannot tell you how many have been affected now?

Senator DI NATALE: That would be helpful, thank you. Obviously, one of the ways for achieving the outcomes under those two item numbers would be for a patient to be issued with a prescription which would then be dispensed through the PBS. Have you got any evidence that there has been an increase in the number of prescriptions dispensed for steroid preparations through the PBS since the removal of those two item numbers?

Mr Bartlett: I have got no evidence, but that is a PBS matter so, unless I ask a specific question of pharmaceutical colleagues, I am probably not going to have that information; I have not asked that question.

Senator DI NATALE: So you would not necessarily look at the impact of a decision to remove an item number as it may relate to another area of government expenditure?

Mr Bartlett: We would look at it in a range of ways and, in terms of joint injections, one of the things that we have done is offered a range of the affected provider groups to apply and make a case for the need to provide joint injection items for specific services. The only group that has taken that up is the rheumatologists. There is an assessment of that going through at the moment. It was reviewed by MSAC in April. They have asked for some more information. The Rheumatology Association and the arthritis association have worked together to provide that information. It will be reconsidered by MSAC in November.

Senator DI NATALE: One of the other ways around it would be to have a radiologist use ultrasound or X-ray control for a joint injection, which is obviously a much more expensive item number. Do you have you any sense of whether or not there has been as increase in those item numbers since the removal—

Mr Bartlett: Not to the extent that you would expect to see if what you are describing was occurring, no.

Senator DI NATALE: So there has been no change in those item numbers that you are aware of?

Mr Bartlett: Those item numbers have changed over time, but there is certainly not the sort of spike that you would expect to see if you were seeing a change in practice of the type you are describing.

Senator FIERRAVANTI-WELLS: At Estimates on 10 February, you said your standard would be for there to be a decision within three to four months. I think it was in response to a question from Senator Boyce. You said, 'We would be aiming to go through and process it provide advice to government within three to four months.' That was back in February. What is the situation now?

Mr Bartlett: Within two months of that date, the application was provided to MSAC for assessment. MSAC went through an assessment process. It believes that it requires more information to be able to make a decision on the application that has been made. We have gone back to the two groups involved and they have put that information together, with our assistance. That will go back to MSAC in November. So it met that three- to four-month time frame.

Senator FIERRAVANTI-WELLS: I am following up on Senator Boyce's question.

Senator ADAMS: What progress has there been with the uptake of the new MBS items for videoconferencing?

Mr Bartlett: In the period between 1 July and 13 October, there have been 2,275 items claimed.

Senator ADAMS: You may need to take this on notice but what is the range of medical specialists so far involved?

Ms Shakespeare: There have been a fairly broad range of service groups provided so far. The most services have been provided through consultant physician attendances. There have also been psychiatric attendances, specialist consultations—item 104—and a smaller number of neurosurgery and obstetric attendances. I think those are the main categories.

Senator ADAMS: What are the number and proportions of patients that have been seen in each ASGC RA? Could you take that on notice perhaps?

Ms Shakespeare: I could give a breakdown by RA. It is 19 per cent of the services in RA1, inner and outer metropolitan areas; 35 per cent in RA2; and 34 per cent in RA3. So that is a total of 69 per cent in regional areas. And it is 12 per cent in RA4 and RA5, remote areas.

Senator ADAMS: What settings have the patients been in in those remote areas? Have they been at a community resource centre, at a health service—

Ms Shakespeare: Unfortunately, it is not possible for us to tell setting from the Medicare claims data.

Senator ADAMS: I was just wondering what facilities they were able to get to.

Mr Bartlett: The impression we are getting is that the overwhelming majority of these services, from the patients' perspective, are being done at GPs' rooms. Some of that will become clearer as some of the incentive payments for the practices that are delivering them are made down the track. At this stage, we do not have the data to be able to tell for sure. It is anecdotal.

Senator ADAMS: That is pretty good take-up for just those few months. It has been worth pushing for it. That is all I have on MBS.

CHAIR: We will now go on to midwifery.

Senator DI NATALE: I have a question about midwives who are eligible for Medicare. They need to display current competence for pregnancy, birth and post-birth care. The problem is that the preferred insurance product does not cover public patients and midwives have very limited access to private hospitals. So we have a situation where, of the 61 midwives with Medicare provider numbers, only two have been granted visiting access to a public hospital. How can midwives demonstrate competence and practice within the confines of their practice, given the limitations that exist so that they are eligible for a provider number?

Mr Bartlett: Senator, in terms of what you are describing, the MBS is designed for private practice. In terms of practice in public hospitals, there is clearly potential for midwives to offer private practice in public hospitals. There is the whole question of accreditation for visiting rights that is being dealt with gradually but, I would have to acknowledge, quite slowly. There is a program in place in Toowoomba that is starting to make that available to people. New South Wales is doing some work in looking at it. It is gradually being taken up as an issue that needs to be dealt with. Not surprisingly, there is a degree of concern about indemnity risk and things like that, in terms of people providing services outside their range of competence. It is going to be a fairly gradual process, as this has been.

Senator DI NATALE: What is your sense of why it has been so slow? What are the obstacles to improving the pace of change in this area, given that we have so many midwives who are eligible but are unable to do it?

CHAIR: Mr Bartlett, you cannot offer an opinion, in terms of the evidence that you been able to speak on.

Ms Halton: I was just about to make that comment.

Senator DI NATALE: I am asking for whether there are any obvious impediments to the necessary reforms.

CHAIR: We are trying to get an answer, Senator; I am just trying to phrase it in a way in which the officer can answer. I am not trying to stop you.

Senator DI NATALE: Thank you.

Mr Bartlett: The concerns that have been expressed to us are that it is like a lot of areas where you are introducing a significant change to existing practice. It takes a fair amount of time for people to develop confidence in that. They generally tend to look for existing successful models that give them that confidence. There are things happening at the moment that may well achieve that, but I think it will take time for that level of confidence to build and for the take-up to spread. That is not inconsistent with what we see with a range of new programs as they are introduced.

Senator DI NATALE: Okay. Senator Fierravanti-Wells, do you have any more questions on midwives?

Senator FIERRAVANTI-WELLS: I do.

CHAIR: Senator, I have to remind you of the time.

Senator FIERRAVANTI-WELLS: I am happy to put my questions on notice. I also have some questions on the extended Medicare safety net which I will put on notice.

CHAIR: We have concluded questions on outcome 3. I thank the officers. There will be several questions on notice. We move to outcome 2: Access to pharmaceutical services. Some questions flow over from the previous section.

Senator DI NATALE: I have some questions about the Pharmacy Guild. Clearly, there have been some issues recently around the guild's relationship with several pharmaceutical companies. In fact, a number of members of the profession have expressed their disappointment with the position adopted by the guild. It appears clear that the guild now no longer represents a significant body of pharmacists as a profession. In light of the recent issue with Blackmores and Pfizer and also in light of the fact that there have been some proposed changes to the location rules for pharmacies, I am interested in whether the department sees the guild as essentially representative of the pharmacy sector or the patient.

Ms Halton: You have couched that question in a context which brings a whole series of loaded meanings to it. Can I make a couple of observations. Firstly, issues in respect of the guild and the Blackmores arrangement are largely regulatory, and you would be aware that the Therapeutic Goods Administration has taken a number of actions in relation to that particular arrangement. The government has a remuneration agreement with the Pharmacy Guild, and that has been the case for as long as I have been involved in these issues. The Pharmacy Guild and, to a slightly lesser extent, the society have been the key parties with whom we have negotiated those remuneration agreements for, again, as long as I can recall. So I do not think we have a view about the representation or otherwise of patients in this respect. The reality is we have a relationship with the guild in relation to remuneration for the services that they provide in the dispensing of pharmaceuticals.

Senator DI NATALE: My questioning really relates to the exclusivity of that relationship and whether in fact the department is considering other voices within the profession and other representative groups who may actually take a different and, I would suggest, in some instances more representative view of the profession when negotiating on issues that relate to the profession.

Ms Halton: I think we need to make a distinction in terms of what matters we are discussing. The reality of professional matters in relation to the profession of pharmacy, workforce issues and a series of other things is that they are not just matters for people in the pharmaceutical benefits area of the department; they are a more wide-ranging issue. We would talk to a number of people, including academics, in respect of the practice of pharmacy as a profession, and that has always been the case. I think we need to be quite clear about which domain we are talking about here because the people we discuss these various matters with varies depending on the subject of the conversation.

Senator DI NATALE: Let us look at a specific example, the Urbis review. Given that the intent was to provide an independent review, do you think it is appropriate that the review committee directing Urbis was made up essentially of representatives from the guild and the department exclusively?

Ms Halton: It would depend on the context. The officers can talk to you about the context in which that particular review was undertaken because I think that goes to who was party to it. Ms McNeill can give you more detail on that.

Ms McNeill: The new rules you are talking about emanate from the Urbis review, which was concluded in 2010. Whilst the action of those recommendations is something we have been negotiating with the guild, the input into that broad consultation and the development of that review included a large number of stakeholders—over 16. There were representative groups such as the Consumer Health Forum, the PSA, hospital pharmacies—a wide variety of stakeholders. That review was independent and thorough and gave us a suite of recommendations. Actioning those recommendations has been the responsibility of the department, which we have done in consultation with the guild as part of the implementation of the Fifth Community Pharmacy Agreement.

Senator DI NATALE: Given those extensive consultations with stakeholders other than the guild, can you indicate whether the government's announcement on the location rules differs at all from the original proposals of the Pharmacy Guild?

Ms McNeill: The announcement on the pharmacy location rules, which came into effect yesterday, reflects the consideration and recommendations of the review. Not all recommendations are fully supported by the guild. Not all recommendations were necessarily fully supported by any particular stakeholder that was consulted. What they reflect is extensive negotiations that have gone on between the department and the guild over the previous six months to give effect to those findings, which was about maintaining community access in existing locations and making it easier for pharmacies to establish in new community pharmacy locations. One of the things the department put a lot of effort into, in the implementation and negotiation of these revised rules, was to look at the fact that it was predominantly based on the relocation of pharmacies, which means taking a licence from one pharmacy in one particular area and moving it to another area. That was the predominant way that the rules were supported. Twelve of the 14 rules relied on that. We have restructured that quite significantly to make sure that pharmacies stay in communities where they are already needed, and made it much easier and simpler to make new pharmacy applications, to try and stop that shift.

Senator DI NATALE: In terms of the location rules, which ones were not supported by the guild? How many?

Ms McNeill: I would have to take that on notice. I do not have that information with me.

Senator DI NATALE: Finally, has the department communicated, either formally or informally, with the guild about the relationship—now no longer—with Blackmores? If so, what was the nature and purpose of that communication?

Ms McNeill: I think the secretary has already answered that. That work was already done predominantly by the TGA.

Senator DI NATALE: So your department has not—

Ms Halton: The TGA is part of my department.

Senator DI NATALE: Okay, sorry. What was the nature and purpose of the communication with the guild on that matter?

Ms Halton: We will take that on notice so that I do not mislead you, but I can assure you that the matter was of some concern to us.

Senator DI NATALE: Good.

Senator FIERRAVANTI-WELLS: I have questions further to some of the questions that Senator Di Natale was asking. In relation to the change in the pharmacy location rules, what organisations were consulted on the changes to the rules after the review was conducted?

Ms Janz: As part of the review there were 17 different organisations that were consulted, including the guild and the department, of course; Medicare Australia; the Royal Australian College of General Practitioners; the Australian Medical Association; the Pharmaceutical Society of Australia; the Australian Community Pharmacy Authority, which is the authority that makes the recommendations around the location rules; the Association of Professional Engineers, Scientists and Managers Australia; the Society of Hospital Pharmacists of Australia; the Pharmacy Board of Australia; the Consumer Health Forum; and the National Rural Health Alliance. As well as that there were four independent brokers that usually act on behalf of pharmacists who apply under the rules. The Primary Health Care centre provided a submission and there was an on-line survey of 15 applicants who had applied under the location rules, to seek their views, as well.

Senator FIERRAVANTI-WELLS: Did this all take place as the single consultation or were there individual consultations?

Ms Janz: It took various forms. There were conversations and interviews, mostly, with the organisations or representatives of the organisations, and then there was the on-line survey of the 15 applicants. There were workshops held following the review, as well, which built on the findings of the review and how those might or might not be taken up.

Senator FIERRAVANTI-WELLS: Were some organisations agreeing to the changes? Did everyone agree or was there a mixed reaction?

Ms Janz: They had various views. They expressed their views around the existing rules and things that could be done to improve those. Those views were looked at to take a way forward in terms of streamlining the arrangements to make it easier, cheaper and more efficient for everyone—for applicants as well as the administration of the scheme.

Senator FIERRAVANTI-WELLS: What problems are the new location rules attempting to fix? Why did they need to be changed? Can you just give me an outline of that?

Ms Janz: Yes. The rules that came into effect yesterday were looking to address the unintended consequence of the previous rules. For example, there became a trade in approval numbers. So in order to establish a pharmacy there were many of the rules that relocated a pharmacy often from a rural or a regional location into another location. In doing so there became a trade in these pharmacy approval numbers up to about $500,000, which was then increasing the costs of establishing a pharmacy in another area. At the same time that then created a temporary or a longer term gap in services in the areas where the pharmacy approval number came from until that could be filled. So it was addressing that—

Senator FIERRAVANTI-WELLS: By another trade?

Ms Janz: Yes. Or a new pharmacy coming in to a rural area which was easier to establish. So this is really looking at a way of dealing with that and also opening up the rules. Under the old rules there were 14 rules. Two of those were for establishing new pharmacies, and under the new rules we have seven ways of establishing a new pharmacy. So what we have done is open it up to make it easier for pharmacies to be established in locations based on community need.

Senator FIERRAVANTI-WELLS: So you obviously went through a consultation process in relation to what needed to be changed in respect of the old rules, but what organisations were consulted in relation to the new rules specifically?

Ms Janz: We needed to be careful here because we did not want to give any particular group a commercial advantage in the situation because it was around being even-handed in the way the rules were changing and not letting people know in advance what might be happening so that they could take advantage of that situation. So we were quite limited in the conversations we could have, but we did have conversations with Consumer Health Forum representatives around those issues in terms of how effective they were or whether they was going to be any gaps as a result of the changes that we were seeking to implement.

Senator FIERRAVANTI-WELLS: Only the Consumer Heath Forum?

Ms Janz: We had negotiated with the guild as well because a requirement of the fifth community pharmacy agreement under which the pharmacy location rules operate was that any changes to those would need to be negotiated with the guild, so they were included and that is why we negotiated on that basis.

Senator FIERRAVANTI-WELLS: So the guild and the Consumer Health Forum and that was it in relation to the new rules?

Ms Janz: As well as government agencies, Medicare Australia and—

Senator FIERRAVANTI-WELLS: A series of relevant government bodies. Can you tell me, with respect to rule 130, why is it necessary that there be a large supermarket within 500 metres of the proposed pharmacy? And the rule states that you need the evidence of a full-time prescribing medical practitioner and you need a stat dec or a statement from that practitioner. Can you give me the rationale behind that?

Ms Janz: One of the other reasons we were looking to simplify the rules was that there were difficulties around catchment area under the old rules. So in order to establish a pharmacy you would look at a catchment area which had a certain population. What we tried to do was simplify those arrangements whereby we reduced a subjective test to more of an

objective test in order to establish that there was a community need and a sufficient community and population there to support a pharmacy.

Senator FIERRAVANTI-WELLS: If there is a supermarket there then clearly there is a need and that acted in your mind as an objective indicator of a need?

Ms Janz: Yes.

Senator FIERRAVANTI-WELLS: So what happens if the medical practice will not provide the information to the prospective person? They might just refuse to give a stat dec, for example, unless that practice has an interest in the pharmacy—

Ms McNeill : A statutory declaration is just one option available to applicants. We have other options such as going into the local councils and getting information on the services available there. You can get a practice information sheet from the doctors, their advertised opening hours, take photos of their advertised opening hours on the actual front door—

Senator FIERRAVANTI-WELLS: So there is a range of other options.

Ms Janz: There is. We are just trying to give people a variety of options to actually meet that test.

Senator FIERRAVANTI-WELLS: It also states that you need a floor plan of the supermarket demonstrating the gross leasable area and a stat dec from the manager of the supermarket confirming the gross leasable area. It is the same situation. What if the supermarket manager, for some reason or other, will not give you a stat dec? What other evidence will be considered?

Ms McNeill: It is an option for how you provide that information. There are other ways to do this. These kinds of plan are usually available from local councils when they are in with development applications et cetera, so there are a number of other ways you can provide that information. Obviously if a supermarket is being built in a shopping centre that information is also usually available from that developer as well. These are just examples of how you can provide the information. They are not necessarily absolutes on the only way to provide the information.

Senator FIERRAVANTI-WELLS: How many registered pharmacists are there in Australia and do you have information as to whether those pharmacists have equity in a pharmacy? You may want to take that on notice.

Ms McNeill: We will have to take that on notice.

Ms Halton: The answer to that will be no. Essentially, the number of registered pharmacists—people qualified to practise pharmacy—will far outweigh the number of pharmacies, for obvious reasons.

Senator FIERRAVANTI-WELLS: But they are just statistics. Can you take that on notice to see if you can provide them to me.

Ms Halton: Let me put it to you this way—

Senator FIERRAVANTI-WELLS: You cannot answer the second one but the first one you can—the number of registered pharmacists.

Ms Halton: Absolutely.

Senator FIERRAVANTI-WELLS: There were two questions. I understand it is 'no' to the second. I will put the rest of the questions, on that part, on notice.

Senator DI NATALE: I understand the rationale of using the supermarket as a proxy for demand, but clearly there will be examples—such as in growth areas—where you do want some planning. It may be an opportunity to plan for the future and there may not be a supermarket in the area but there still would be significant demand for a pharmacy. In rural and regional areas, I know myself, from living in a regional area, that would be a very difficult test to pass and yet there may be significant demand. Are there any exemptions to that particular rule, given that it is not a perfect proxy for a community demand?

Ms Janz: The rules differ. There are 11 new rules and you pick the appropriate rule for your circumstances, so you might not necessarily be using that particular rule, which is usually in an urban environment. If you were going into a rural environment there would be a different rule that would apply, which would have different criteria on it. We did some research around supermarkets of certain sizes and what sort of viability in terms of the population you would expect to draw to those. For example, a supermarket of at least 1,000 square metres would service up to 5,000 persons. A supermarket of 2½ thousand square metres would service up to 10,000 persons. That is information we obtained through the *Retail Policies Futures* paper and some related websites. The premise is that if a Woolies or a Coles or another supermarket was prepared to invest in the area because they would pull that kind of clientele then that was an objective proxy for population.

Senator DI NATALE: I understand that, but I suppose that assumes that Woolies and Coles have invested in every single area where they can service that population. One would imagine that there will be areas that have not been covered by a Woolies or a Coles, where that demand still exists. I suppose the question I am asking is: are there opportunities to look at other proxies given that it is not a perfect market? I do not think anyone would expect that that is the only proxy for demand.

Ms McNeill: I think, as Ms Janz has already referred to, this is only one of the rules about establishing a new pharmacy. There are other rules, and there are other rules that specifically relate to regional and rural areas.

Senator DI NATALE: I am not talking about regional and rural now I am talking specifically about urban settings. Are there other rules that could be used in an urban setting?

Ms Janz: In the *Pharmacy Location Rules* handbook, which is available on the website, there are one, two, three, four rules in relation to relocating existing pharmacies and seven in relation to establishing new pharmacies. You could establish a new pharmacy as long as it was 1.5 kilometres away from another pharmacy, which would generally be in an urban area. Then there would be bringing pharmacies into small shopping centres, large shopping centres, private hospitals or large medical centres, and the rules around those situations are different to the one in relation to a new pharmacy—at least 1.5 kilometres. So there are a range of rules that you could apply under to establish a new pharmacy in an urban area.

Senator DI NATALE: But, under those rules, if you are in an area that does not have a supermarket and you want to establish a new pharmacy and you think the demand is there—and there might be other measures that would support that case; other proxies—you would not be able to establish a new pharmacy?

Ms Janz: If you applied under rule 130 and you did not meet the criteria that were set in that rule, no, you would not be recommended as an approved pharmacy in that area.

Senator DI NATALE: Was consideration given to using any other proxy potentially to avoid the situation where in fact there may be demand but there does not happen to be a supermarket there?

Ms Janz: One of the issues at present with the Community Pharmacy Authority in assessing claims is that it has worked on a catchment which looks at a population base. It is about establishing a population—which was again difficult because we were using 2006 census data, which was some years old—and also about identifying the exact circumstances of a particular area. That was somewhat difficult because they were unique in different areas and there were all sorts of other factors involved. That was an expensive process where town planners and specialist consultants were involved in trying to work that out, and it was always difficult. So the feedback that we had from a lot of people was that a more objective test would be more suitable, and, from the research that was done, the supermarket test was found to be the most suitable at this point in time.

Senator DI NATALE: I appreciate that. It appears that it is a better way of assessing demand; my question really is: it may not be perfect, and I expect it will not be, but is any consideration given to a situation where a supermarket does not exist but perhaps it would still be a suitable candidate for a pharmacy, and would other proxies be considered?

Ms Halton: I think the thing to remember is that in all of these things the minister retains a discretion. So if at the end of the day there is some anomaly here—if there are some circumstances, which from time to time is the case—the minister can exercise their discretion.

Ms Janz: Yes.

CHAIR: Senator Brown, are you going to put one on notice?

Senator CAROL BROWN: Yes. I asked earlier about the take-up rate on the nicotine replacement therapies on the PBS. Given the time, I will be happy if you can just provide me with some information on that on notice.

Ms McNeill: Certainly we can do that for you, Senator.

Senator FIERRAVANTI-WELLS: We went through the process at the last estimates in relation to the PBS deferrals that were announced in February. We know that there are going to be deferrals into the future. In a press statement on 30 September, Minister Roxon mentioned:

The Government, industry and consumer groups agreed to work together to discuss ways to manage deferrals into the future.

Do you have a copy of that, Ms McNeill?

Ms McNeill: Yes, Senator.

Senator FIERRAVANTI-WELLS: Could you explain to me why medicines that have been evaluated as cost-effective and efficacious by the PBAC need to be deferred into the future?

Mr Learmonth: I think we covered this fairly extensively in the previous hearing. It is a matter for government to consider each and every listing in light of fiscal circumstances at the

time and in light of the priorities both within and beyond the health portfolio and to make decisions accordingly about medicines that were to be listed.

Senator FIERRAVANTI-WELLS: Regarding the comment by the minister about managing deferrals into the future, what does that actually mean? Are we going to see a new deferral process announced?

Mr Learmonth: As part of the commitment that the minister and the Prime Minister announced on 30 September, medicines and price increases that were deferred in February were listed. In addition to that, there was a commitment from the three stakeholder groups—the Consumers Health Forum, the Generic Medicines Industry Association and Medicines Australia—to work with the government to look at a range of ways that go to sustainability of the PBS. Part of that was about looking at ways to manage deferrals in the future. It remains the prerogative of any government to choose where it spends its money. The government, as part of that commitment, has agreed not to defer medicines costing less than $10 million in each year over the next 12-month period while we work through things with stakeholders. In addition, those stakeholders will work with us in a couple of processes—one over the short and medium term about what might be possible to do to improve sustainability and a longer-term process starting from next year which will go to what some longer term ways might be to improve sustainability following the expiration of the memorandum of understanding with Medicines Australia. These are all matters for discussion with those groups.

Senator FIERRAVANTI-WELLS: Will any of those new listings be contingent upon offsets within the health portfolio? Managing deferrals is quite a wide ambit. Are there things like being contingent on offsets within the health portfolio or other things like therapeutic groups? Everything is on the table?

Mr Learmonth: It is an open question to be discussed with stakeholders.

Senator FIERRAVANTI-WELLS: The statement also referred to further savings in 2012-13. What additional savings will be required from the PBS?

Mr Learmonth: The commitment refers to a couple of processes. As I said, one is a short-term one, which we will try and conclude by the end of this year. It goes to discussions with those groups about the kinds of things that could be pursued in that time frame to improve sustainability. What they might be remains to be seen.

Senator FIERRAVANTI-WELLS: Are you contemplating any legislative amendments in relation to price disclosure?

Ms Halton: Not at this time.

Senator FIERRAVANTI-WELLS: I note from some reports that former PBAC head, Professor Sansom, is undertaking a process in relation to pradaxa. What is this process? Is this another committee? Mr Learmonth, can you explain the rationale behind this, please?

Mr Learmonth: Certainly. The management of our coagulant therapies is a very complex space. In looking at Pradaxa, the PBAC made a number of observations. It observed that Pradaxa, or dabigatran, gets its advantage over the existing therapy, which is warfarin, where warfarin is used suboptimally. It noted that there were other ways to improve the use of warfarin, including through such things as education campaigns, which were much less costly and could achieve the same health outcome, and it raised questions about the extent to which the results of the clinical trial might be reflected in the Australian population.

Broadly, this is a complex space involving how patients comply with existing therapies, how prescribers use and manage those existing therapies and what alternative ways there are to generate the health outcome that government is looking for, which might involve different levels of expenditure, and there are certainly different models around the world of how that is done. So it is quite a complex space with some complex interactions and some alternatives. Those go to things that are usually beyond the normal remit of the PBAC. Professor Samson will be drawing together all of those elements in a report to government and he will be doing that in consultation with the company, consumers, clinicians and a range of people to try to draw those strands together and provide some comprehensive advice to government.

Senator FIERRAVANTI-WELLS: Do we know how long Professor Samson's process will take? I assume that at the end of that process there will be some consideration given to potential listing of Pradaxa. Is that what is envisaged?

Mr Learmonth: There will be a report that goes to government that will enable the government to make a decision.

Senator FIERRAVANTI-WELLS: I will put the rest of my questions on the PBS on notice.

CHAIR: Thank you very much to the officers on outcome 2.

Proceedings suspended from 21:01 to 21:14

CHAIR: We will now go into health workforce. Thank you so much to the person who provided every FOI request in the last 10 years. That is great. We are going into health workforce and Senator McKenzie is going to start.

Senator McKENZIE: Thank you. I will get right into regional workforce shortages. In a media release dated 5 September 2011, Minister Roxon announced Labor was delivering record numbers of doctors and nurses to regional Australia, according to new Medicare data released that day. We have rung media contacts and the minister's office on the release. The Parliamentary Library has also looked into this. Despite all this, the supporting data for the media release has never actually been located. The statistics at the bottom of the release cannot be found, and their source, to the best of our knowledge, has not been verified. Anecdotal evidence is that the workforce shortage is critical. What is the source data for the media release dated 5 September which claimed that Labor was delivering record numbers of doctors and nurses to regional Australia?

Ms Halton: If people are going to comment on something then we are going to have to see it.

Senator McKENZIE: I have the media release link. I do not have a copy of the actual release here. I am happy to table the release or, on notice, the release plus the questions, which go to the source data. We have done our best to track it down, and we would really appreciate finding out where that came from. Obviously it then does become publicly available, and if it is not publicly available we would like to know why it has been so hard to track down. Thank you.

My second question goes to geriatricians.

Ms Halton: You will have to practice that one!

Senator McKENZIE: I know! I am new to the committee, as you all know. I will get better at this. Given Australia's ageing population, what is the government's strategy for attracting and training more geriatricians to meet future demands?

Ms Jolly: I can talk in broad terms about our specialist training programs. They are available to all specialties and specialties in areas of priority. We have the specialist training program where we encourage specialists to do rotations in a range of locations. We also have other, possibly more direct programs in aged care, but I would have to take that on notice to give you some more detail about those. In the broad we have a particular focus on specialist training which we deliver.

Senator McKENZIE: Thank you. Can the department provide information on the number of geriatricians there were practising in Australia yearly from 2007 to 2010?

Ms Jolly: I could take that on notice. We would have to check the AIHW data source as to how it is defined. If that data is available we are happy to provide it.

Senator McKENZIE: Thank you. Would the department provide those figures for the years 2007, 2008, 2009 and 2010 as a percentage or ratio of geriatricians to Australians aged 65 years and older?

Ms Jolly: Certainly.

Senator McKENZIE: Thank you.

Senator ADAMS: What programs are available to increase the number of procedural medical skills in rural and remote areas? What evidence is available about the reduction in availability of GP proceduralists to rural people? This is also for maternity services, anaesthetics and minor surgery. The last question on this particular piece is: what is the distribution of general physicians outside major cities?

Ms Jolly: For the percentage of general physicians outside the major cities I will just have to check my reference book. In the meantime I will ask Mr Andreatta to talk about the GP procedural training program, which will answer the first part of your question.

Mr Andreatta: We have a GP procedural training support program that the department funds. It was part of the maternity services review findings that a program of this nature should be implemented. It was announced in the 2009-10 budget. The initiative targets existing GPs in rural and remote areas—in areas RA2 to RA5. It aims to improve access to maternity services for women living in rural areas by supporting GPs to obtain the procedural skills necessary for obstetrics and anaesthesia. The objective of the program is to provide funding of $40,000 to a total of 142 GPs to enable them to obtain either an advanced diploma of the RANZCOG program or a statement of satisfactory completion of advanced rural skills training in anaesthesia.

In terms of the take up of the program, for the obstetrics component we received 41 applications for the 2010 round, of which 37 met the eligibility criteria, and 26 places were awarded in 2011. For 2012, 25 places are to be awarded and 44 applications have been received. In 2013 we are looking at having 35 places available. For the anaesthetics component, for the 2010 round, we received a total of 85 applications. We awarded 16 places for 2011, and 15 places will be awarded in 2012 and in 2013.

Senator ADAMS: It is very good to hear that people do want to come out and live in rural areas again. I have a question on training places for medical specialists. Can you answer that for me?

Ms Jolly: Yes.

Senator ADAMS: In the 2010-11 budget, funding was announced to increase the number of training places for medical specialist from 360 to 900 by 2014. What progress has been made towards reaching this goal and what proportion of these training places are outside the major cities?

Ms Jolly: That is the specialist training program and it has been highly successful. This year we have 518 places in the system, which is ahead of the target we have set for this year, and the numbers will continue to grow next year as well. At least 50 per cent of those places are in rural locations.

Senator ADAMS: What progress has been made in establishing the new dental internship year outlined in the 2011-12 budget and what has been spent so far on that project?

Ms Jolly: There has been quite a lot of discussion around the guideline development of that program. There has not actually been any funding spent as yet. We have had discussions with states and territories and with the peak professional groups to ensure that the guidelines are going to deliver on the program. So we should be seeing in the next couple of months some requests for tender around the evaluation methodology for the program which will run alongside it. Then we will have requests for tenders for the actual places early in the new year. That will therefore be in place for the first placements in the following year.

Senator ADAMS: What has the cost been to date? Do you have any idea what part of the budget you have spent?

Ms Jolly: At this stage we have not spent any of the budget. We have been in the process of guideline development.

Senator ADAMS: And there is no expenditure associated with that part of the department's—

Ms Jolly: There has been, I guess, a consultation at this stage. We have not gone out for the development of guidelines. We have been doing that in consultation with the profession and with states and territories.

Senator ADAMS: I am very aware of Health Workforce Australia being here. I am trying to work out what I have to ask them and what I have to ask you, so bear with me a little bit. If I am going wrong, please tell me.

In an endeavour to address shortages of health professionals in rural and remote areas a number of programs have been implemented to encourage medical students and young doctors to take up rural practice. These include scholarships and HECS reimbursement in return for practicing in rural and remote areas. To improve the health of people in rural areas, these doctors need the support of multi-professional teams. Given that there are currently a greater number of nursing and allied health students than ever before, what strategies is the department using to encourage these health professionals to take up rural practice?

Ms Jolly: You mentioned our rural undergraduate training programs in that opening remark. Those are our rural clinical schools that have been incredibly successful—25 per cent

of medical students undertake a year in rural practice. We also have a program around the university departments of rural health, which is the allied health component of our rural undergraduate training investment. We also have a program that offers dental training in rural locations. So we do have a complementary program around allied and dental professions to encourage training in rural locations similar to what we have for medicine.

Senator ADAMS: Have you evaluated just how many of these health professionals are taking up practice in rural areas since they have had that exposure to working there earlier on?

Ms Jolly: We have certainly evaluated people's experience with the program and their intention, but because of the long lead time between training and completion of training we do not have data which would give you a direct link between student intentions and results. So we have good intentions data on those sorts of programs and we have a student outcome database in medicine, which will give us some of that information in the future.

Once the AHPRA database is up and running it will also be able to give us better information about where allied health practitioners are practicing and it will give some of that workforce data. But at the moment we do not have a direct correlation other than that people are very positive about the program and indicate that it is making a difference as to whether they wish to practice in rural Australia.

Senator ADAMS: Under the so-called scaling system, incentives are available to GPs to encourage them to move from major cities to rural areas or to move from rural to remote areas. How many doctors have moved as a result of these incentives, and how much of the budget has been spent on this incentive program?

Mr Andreatta: Are you referring to the rural relocation incentive grant?

Senator ADAMS: That is correct.

Mr Andreatta: That is part of the general practice rural incentive program—one of two incentive parts of that program. There is a relocation and a retention component. We are 12 months into the relocation program. Our target for the year just gone was for 70 doctors to take up the relocation grant. We had 87 applications in that year but only 39 were assessed as eligible. The main reason we found was that the providers were not as aware of the program as much as we thought they would be, and some of the criteria was probably unclear to them in that, when they put their applications in, they did not meet a number of the main criteria. In that respect we are looking to increase the awareness of that program through our workforce agencies.

Senator ADAMS: Were the 39 or whatever it was that were eligible from the city or from regional areas?

Mr Andreatta: I do not have that data with me but they are certainly from less remote or less rural areas, so they have to move from a lesser RA classification.

Senator ADAMS: Could you take that on notice?

Mr Andreatta: I need to warn you that that data may not be able to be released, given the small numbers, and privacy might come into that issue.

Ms Jolly: We will certainly have a look at whether we can give you a trend as to where to and where from in terms of RA—

Senator ADAMS: That is fine but I do not need to know specifically. I just want to make sure that the program is working and they are not just shifting from one town to the next town.

Mr Andreatta: The data I do have is where they relocated to but not from. I can give you the distribution by RA of where those doctors actually—

Senator ADAMS: Yes, that is what I am after—just so long as I can see that it is actually working and it is not going from one place to the other, that they are actually getting an incentive to do it.

Senator FIERRAVANTI-WELLS: In terms of the Australian Health Practitioner Regulation Agency and the National Registration and Accreditation Scheme—I know that is the agency, but have the issues of registration been bedded down? We had a lot of problems at the beginning—

Ms Halton: In fact, they have just done a very, very large exercise with nurses and it has gone—I do not want to jinx it by saying 'seamlessly' but we have been watching this like an absolute hawk and it has gone very, very well.

Senator FIERRAVANTI-WELLS: I would like to ask a couple of questions about workforce planning and training of Health Workforce Australia.

Health Workforce Australia

[21:33]

Senator FIERRAVANTI-WELLS: Mr Cormack, how is the agency going? Is it well and truly up and running? Have you filled all the position you have advertised?

Mr Cormack: Yes, the organisation is established. We are running at our targeted establishment of 120. We have established virtually all of our services. We are based in Adelaide and all of our principal programs are being rolled out and the funding that has been allocated to the agency has been committed to those programs.

Senator FIERRAVANTI-WELLS: Earlier we were talking about mental health with regard to the workforce and the big picture. Are you now in a position to better provide information in terms of a snapshot of the mental health workforce in Australia and the aged care workforce? Do you have some statistics around that?

Mr Cormack: Health Workforce Australia is completing the national training plan. Ministers asked us to undertake that in November last year, and we are coming to the end of that process. It focuses on the health workforce requirements out to 2025 for doctors, nurses and midwives, specifically, but it identifies the specific requirements of specialty groups and service groups, such as mental health and aged care, across those three disciplines. We will be providing the report to the Australian Health Ministers Conference at the end of 2012, and that will contain a consolidated set of information about workforce projections, by specialty, and in some cases by service grouping, such as mental health and aged care, for the consideration of ministers.

Senator FIERRAVANTI-WELLS: In the interim, are you putting up data on your website in preparation for that work and the work that you are doing towards that report or are you just going to release it all in one hit?

Mr Cormack: We have been putting up a series of technical papers that describe the methodology and how we are consulting with groups to get the best information. But we have not released any of the preliminary figures because they have not been finalised at this stage.

Senator FIERRAVANTI-WELLS: But you will be releasing information as you complete it rather than waiting until the end of 2012?

Mr Cormack: The report will not be finalised until the end of 2012.

Senator FIERRAVANTI-WELLS: Sure, but you will be releasing information and statistics?

Mr Cormack: We will be providing the national training plan report to the Australian Health Ministers Conference, as we were requested to, by the end of the financial year. Its publication will be after it has been considered by ministers.

Senator FIERRAVANTI-WELLS: In other words, you will do two years worth of work, which will include the gathering of information and statistics which will all go towards a report. There are statistics that may relate to the mental health and aged care workforces, but you are not going to release that raw information; you will be waiting and that raw information will be released as part of the report process? That is the question I am asking.

Mr Cormack: We will not be releasing any information about the national training plan until it is finalised and considered by health ministers.

Senator FIERRAVANTI-WELLS: That does not answer my question. Ms Halton, I appreciate the plan, but, I am sorry, I just cannot understand why the statistics and a lot of that information gathering is not going to be released beforehand.

Mr Cormack: What we are doing is using the available information that we get from public domain sources such as the AIHW—and more recently from data sources from the new national boards and APRA—to consult with different service groups, such as those involved in mental health, those involved in aged care. On the basis of working through those numbers with those groups, we will develop the final plan for the end of the year. But it is unlikely that we will be releasing bits and pieces of information until the plan is complete, because it has to be considered by a board and then it has to be considered by ministers and we envisage it will be released shortly thereafter.

Senator FIERRAVANTI-WELLS: Thank you.

Senator McKENZIE: I have a question in relation to the Medical Specialist Outreach Assistance Program.

Ms Halton: That is outcome 6.

Senator McKENZIE: Thank you. Apologies.

CHAIR: Rural health.

Senator ADAMS: No, I am doing health workforce.

CHAIR: Yes, but I have just been told by Ms Halton that the question belongs in outcome 6.

Ms Halton: So we should have dealt with it earlier in the day. At five o'clock.

CHAIR: Any others?

Senator ADAMS: I understand that Health Workforce Australia is undertaking consultations to develop a rural and remote workforce strategy and implementation plan. What funding is available for the implementation of such a plan, and when can rural and remote people expect to see a lessening of the disparity between their areas and major cities in relation to the workforce supply?

Mr Cormack: As part of our 2011-12 work plan, which was approved by ministers last month—this is part of the $70 million workforce innovation reform program—there is an allocation for rural health, and I will get that figure for you in just a minute. There is an allocation to implement that. I am happy to take another question while we look for that information.

Senator ADAMS: Well, I was ducking and diving with my workforce questions; I thought some might have been yours but I think they have all been answered. It gets a bit tricky. I do have another question here. Health Workforce Australia and the Medicare Locals, do you have a lot to do with them or some interaction with them?

Mr Cormack: At this stage, we do not have a lot to do with Medicare Locals. Obviously, they are in the formative stage. But clearly they would have a very significant view, I would imagine, on the health service needs of the particular geographical area that they serve. That relates to workforce, and we will be wanting to work closely with them to better inform our workforce planning.

Senator ADAMS: With the divisions at the moment, are you working with them, as they are going through their transition?

Mr Cormack: Not specifically. Our focus of work has not been heavily concentrated on individual divisions. We have certainly had dealings with the AGPN at a national level, and some of them have been involved in our consultations around our various programs, but we have not got a structured, ongoing dialogue going with them. If I could just give you an indication, there is $5.5 million allocated for that strategy.

Senator ADAMS: Thank you very much for that.

CHAIR: Are we now finished with outcome 12?

Senator ADAMS: I have finished with Health Workforce Australia.

CHAIR: On that basis, I believe we have finished with outcome 12. Thank you very much to those officers.

[21:43]

CHAIR: We will move on to outcome 10—health system capacity and quality. Senator Furner, to which program do your questions relate?

Senator FURNER: 10.2.

CHAIR: Do we have anyone in 10.1, chronic disease?

Senator ADAMS: I am wondering if—since I missed out on asking about bowel cancer screening in population health—I can sneak in here.

CHAIR: Ms Halton, it was my suggestion that Senator Adams may be able to put her questions about the bowel cancer screening in this one, in case there is an officer who can help, if that is okay.

Ms Halton: Here he is: 'Mr Bowel Cancer'.

Mr Smyth: Thank you!

CHAIR: We are in outcome 10.1, which is chronic disease, and Senator Adams is going to lead off on it.

Senator ADAMS: I have three questions and I will be as quick as I can. Given the failure to expand the National Bowel Cancer Screening Program in the 2011-12 budget, is the department developing any lower-cost strategies to increase participation among the limited target age range, such as communication strategies or working more closely with the primary care sector to involve GPs in program promotion?

Mr Smyth: Yes, we will be working collaboratively with Medicare Locals and the like. I think that one of their remits is around prevention. Once Medicare Locals start to get established we certainly will be working collaboratively with them to promote the program.

Senator ADAMS: Does the department have any contact with the Rotary bowel cancer screening program? It is confusing people quite a lot.

Mr Smyth: I am aware of the program, but I would have to take that question on notice.

Senator ADAMS: I just wonder if there was any funding that went there—

Mr Smyth: Not under this program.

Senator ADAMS: Has the department put up a funding proposal for the program's expansion? If so, would it be available under FOI?

Mr Smyth: I think I answered this question last estimates. Any consideration of expansion of a program would have been, if it had occurred, considered as budget-in-confidence and would have been advice to government. I am not in a position to answer that question.

Senator ADAMS: The previous screening program experienced data collection problems, as data collection is based on a usual care pathway with few incentives for health professionals to return information about the screened patients to Medicare. What are the department's plans for improving data collection in the next phase?

Mr Smyth: In the next phase, I really cannot give away the specifications at the moment for the open tender process that we are going to be going through. Suffice to say we are looking at electronic data capture, and we have been doing electronic forms for pathologists and general practitioners, so we are looking at it from the user's point of view and trying to make it easier for them and for them to be able to provide us with that information, which will then get captured into the register.

In the next phase, and with some of the e-health initiatives that are rolling out, we would look to streamline some of those processes and make it less burdensome for medical professionals to be able to provide us with that data.

Senator ADAMS: Thank you.

CHAIR: Senator Fierravanti-Wells, do you have questions on 10.1?

Senator FIERRAVANTI-WELLS: No, not 10.1. My questions relate to the health and hospital funds—the regional priority round which I was told could come into 10.6.

CHAIR: We will start with Senator Furner.

Senator FURNER: Starting with the IHIs, the individual health identifiers, how many layers have been either downloaded or accepted as being sole identities in the e-health system?

Ms Granger: It is a million all together, or a little over a million—830,000 in GP practices and e-health sites and 430,000 in Tasmania and ACT administrative systems as part of their data cleansing projects.

Senator FURNER: As I understand it, that is administered by Medicare? Can you run through the process of how someone gets on the system?

Ms Granger: How they download into their system?

Senator FURNER: How they get onto the system, yes.

Ms Granger: To get IHI identifiers?

Senator FURNER: Yes.

Ms Granger: They apply to Medicare and have to provide identity and their name. Do you want to add some more depth?

Ms McCarter: They ring Medicare and provide their name and date of birth by phone, and a form is sent out. They are able to receive an IHI identifier at that point.

Senator FURNER: Medicare has already got that material, hasn't it? They have all that data—it is just a case of being identified as IHI.

Ms McCarter: Correct—based on the date of birth and the name.

Senator FURNER: Is there any other information that is stored as an IHI, as opposed to being on the Medicare system, other than the typical identification of name, address, sex, date of birth and those sorts of things? Is there anything in addition to those?

Ms Halton: The question is not completely clear, Senator. If your question is: is that number stored separately and securely, yes.

Senator FURNER: Is it separate from the Medicare system?

Ms Halton: Yes.

Senator FURNER: Because there have in the past during estimates been some concerns about privacy and security, can you run through the protections that are available as an IHI?

Ms Halton: Is this in terms of the privacy legislation?

Ms Granger: Or the proposed PCEHR?

Senator FURNER: Maybe do both.

Ms Forman: There are quite strong controls in the Healthcare Identifiers Act to protect access to and use of identifiers. Those protections limit the use of individual health care identifiers to the delivery of health care and the use of health care information in the normal health care provider organisations.

Senator FURNER: Just going to the infrastructure partner arrangements, can you explain what the process was in respect to the choice of the national infrastructure partner, and whether that was a rigorous exercise in terms of identifying and achieving that?

Mr Madden: Their selection of the national infrastructure partner was based on a two-pass process, where we went to the market to select systems integrators and providers of

particular services. The processes used there were the usual procurement processes we use for the Commonwealth for procurement of infrastructure of that kind. They certainly followed all of the procurement guidelines. We had probity advisers and independent representatives on the committee in both of those places.

Senator FURNER: How has industry as a whole embraced the eHealth system?

Mr Madden: Industry being the IT industry?

Senator FURNER: Yes.

Mr Madden: There is certainly a groundswell of support there from the IT industry to be involved in eHealth. I think the expectations of reaching a set of specifications and standards that will allow interoperability is what they have been waiting for. We are certainly reaching that point now. But the level of interest is certainly high. Those who wish to participate in providing infrastructure support and those who are looking to provide services to GPs, consultant physicians, specialists in hospitals, are certainly there.

Senator McKENZIE: I would like to know what will have been achieved by 30 June 2012 with regard to eHealth and the PCEHR in Australia?

Ms Granger: By 30 June 2012 the infrastructure will be in place for all Australians to register for a personally controlled electronic health record. They will be able to set their access controls for the record and enter data that they choose to share with their clinicians. We will be able to approach a provider to create a shared health summary for them.

Senator McKENZIE: Can you provide the benchmarks for the PCEHR on notice?

Ms Halton: Certainly.

Senator McKENZIE: When the minister was first notified that the usual standard-setting process would have to be bypassed to meet the 1 July 2012 deadline—

Ms Halton: This would be a certain newspaper article.

Senator McKENZIE: It is.

Ms Halton: I think I have a copy of it.

Senator McKENZIE: I would appreciate clarification.

Mr Madden: The article depicts that we have changed the standard-setting process in order to meet a time frame, but we have not actually changed the standard-setting process at all. We are committed to using the Standards Australia process through the IT-14 committee. We have been working collaboratively with that committee to work out the time frames, program and plan to develop the standards.

The first step in the setting of standards is the development of specifications and guidance material on how to use these things. We are publishing those specifications in October and November such that software vendors who want to get involved and start providing those services to their users early—as in somewhere between February and July 2012—have the guidance, material and information to do so. But it is the complete expectation that those specifications will continue the normal track through the standard-setting process and they will emerge sometime around July 2012.

To make that possible for the software vendors, we have offered a change control process which will give them certainty and stability that building systems based on those

specifications will be guaranteed to continue working and will continue to support those specifications for a two-year period. The expectation from the software vendors is that standards give you stability; they do not change very quickly over time. So we need to keep that same guarantee in relation to the specifications.

Senator McKENZIE: Thank you for that clarification. Is it the case that a patient may have registered for PCEHR by 1 July 2012 but their doctor, pharmacist or clinician may not yet be capable of entering the data onto the patient's electronic record? Essentially, what provisions are in place to encourage medical professionals to upgrade not only their own software but also their skill sets as well?

Mr Madden: The expectation is that the infrastructure and the registration process will be there for the patients. We are doing what we can around software vendors to provide them with the instruction material, guidance and testing facilities for them to get the products to the users, being GPs and hospitals. We also have a change in adoption partner who is working with the healthcare professional community to look at change and adoption and how it is we get them to a point where they want to demand those services and use them. We have software vendors in the wave sites. We also have software vendors who wish to get engaged in this. While they might put the products in the hands of the health professionals, getting them to use them is the next step. So we are doing all of those things at the same time to get the software in place, to get the demand and the ability and willingness to use that and also to get the understanding of the things they need to do to get their data quality lifted up to a standard where they can transact electronically to share their records with other clinicians.

Senator McKENZIE: Excellent. Is it also the case that the PCEHR audit trail will only be able to identify which organisation has accessed the PCEHR and not the individual within the organisation who has accessed it, unlike similar systems, for instance, in police forces et cetera?

Ms Granger: It will log access at the individual level.

Senator McKENZIE: It will log at the individual level?

Ms Granger: Yes. So there will be an audit trail.

Senator McKENZIE: Okay, thank you. I just wanted that clarified. The draft legislation says:

A nominated healthcare provider will be responsible for creating and managing a consumer's shared health summary …

This is surely going to increase the time burden on the healthcare provider. Is there an estimate of how much extra time the nominated healthcare provider will spend maintaining a consumer's shared health summary? Will they be compensated financially for this extra time? And any comments you have around those sorts of issues would be good.

Ms Huxtable: Senator, we are sharing things a bit here—

Senator McKENZIE: Everyone is getting a go!

Ms Huxtable: Yes. Mr Madden spoke earlier about the wave sites, and we have not really discussed those, but there are 12 lead sites that have been funded as part of the measure and which are on foot already. Those lead sites are enabling us to better understand what the processes are around putting a PCEHR into the field, so they are a very important part of the

learning. One of the things that we are interested in in that context is what the benefits of a PCEHR are, not just from a consumer perspective but also from a provider perspective. I think that we need to keep in mind, when talking about what this means for a general practitioner or a specialist, the amount of time that is already spent in practices basically searching for the right bit of paper—for example, trying to connect the pathology test that came in with the right patient. I think we are already developing some of this anecdotal evidence that there are many business benefits to PCEHR, and we are working with our change-and-adoption partner around explaining and broadcasting some of those benefits. It has to be a balanced proposition in this regard. We would anticipate that, in developing a shared health summary, a nominated provider will gather information that is readily available and accessible in their patient information systems. Certainly, we are looking on the wave sites at how some of that information can be streamlined and uploaded into the PCEHR.

As for what supports there might be going forward, no decisions have been taken in respect of how workflows might be managed. I think we still have a lot to learn about what is happening in the lead sites and how that gets translated into broader practice.

Senator McKENZIE: Yes. I guess, when you think about your normal general practice, that sort of paper-chasing is done as a back-office function, or a front-of-office function, really, and the GP is not doing that level of paper-trailing, whereas with this the onus is on the health professional themselves rather than on some of their support staff in terms of taking on that administrative task.

Ms Huxtable: I am not sure that is entirely correct. I think often practitioners do get involved in trying to marry up information. Certainly, that is some of the anecdotal advice that we have been provided with.

Senator McKENZIE: I want to follow up on something you just said about the wave sites—that you have got these happening and you are collecting data about how this is going to work and, obviously, that is going to be feeding back into your processes over the coming months. I am just wondering about the relationship between the wave sites and the specs that Mr Madden was talking about being developed for the ICT software providers: how is that being fed back in, given that we want the specs sooner rather than later, to get it all tidied up?

Mr Madden: The wave sites were dealing with some of the early versions of those specifications and guidance materials. So the benefit of them having tried to implement some of those and going through the testing processes has been fed into the next level that are going to be produced. But, on the wave sites themselves, there are some specifications for the PCEHR which have been published already and they are already using those. Others that will be published on 31 October are being consumed and reviewed by those wave sites as well, with the background that we have seen the earlier versions of those and we understand some of the pitfalls. We are also bringing some of the software vendors who are not in those wave sites into that process as well, so it gets a broad review. But we fully expect that the wave sites will be the first adopters of those specifications that come out in October and then November—and, if there are things that change as a result of their implementation, then we will upgrade those as we go. But that would only be if they create system errors, as opposed to 'we thought of a better idea'.

Senator McKENZIE: Yes, because we want to give the ICT software providers security to develop.

Mr Madden: The specification process has matured quite well. The feedback and the loop to the software vendors has got us to the level where what we produce is at a high level of quality and meets their needs in comparison to where we were maybe two years ago. So I think, with the experience we have had in iterating and reviewing those, it has a level of maturity now.

Senator McKENZIE: Thank you. I have a few more questions that I will put on notice.

Senator ADAMS: Have allocations been made in this and the out years to support doctors, remote area nurses and allied health professionals in rural and remote areas to become involved in the priority rollout of the personally controlled electronic health records? Are there any plans to support allied health professionals and nurses in the use of electronic health records for clinical management so they are equipped to contribute to the PCEHR when it starts?

Ms Huxtable: There are probably two elements to that question. Included in the work that is being conducted now in respect of the investment that has been made leading up to 30 June 2012 is money around change and adoption. As part of that, there has been work done about the readiness of various sectors to pick up and run with PCEHR related material and money to support them in this period through change and adoption. So our change and adoption partner is out consulting with various groups, analysing their particular circumstances and advising us about how materials can be prepared to support them.

In respect of beyond 30 June 2012, there has basically been no decision by government on funding beyond that period, so I think the question you are asking is probably a little premature because it does relate to something that might happen in a period for which there has not yet been a funding decision.

Senator ADAMS: I was just trying to highlight the fact that often rural and remote get forgotten. Our allied health people out there and, once again, our nurse practitioners and remote area nurses sometimes do get forgotten.

Ms Huxtable: With regard to those wave sites, there are a few operating in rural and remote areas. There is one, for example, that is covering the whole of the Northern Territory, so we are learning about things from that. There is another on the Cradle Coast that is looking at advanced care directives. So quite a variety of activity is occurring around the country. The consumer population covered by those 12 sites is up around the 500,000 mark, so we have quite a lot of activity occurring across some quite diverse areas.

Senator ADAMS: That is good. It is just something I had not caught up with. What funding has been made available to allied health and nursing professional organisations to ensure that standards and practice guidelines are available for their members' involvement in various facets of e-health? Is any funding or are any grants available for them to apply for?

Ms Huxtable: We might have to take that on notice. There might be moneys that have been available over the period, but we are talking about quite a long development period here, so we should it take notice.

Senator ADAMS: Thank you very much.

[22:08]

CHAIR: We will move to 10.6, Health infrastructure.

Senator FIERRAVANTI-WELLS: Senator Boyce left us with a multitude of questions and traipsed off into the great blue yonder and left us to decipher them!

Ms Halton: I am not sure that you should indulge her by asking every single one of her questions; I think there should be some price paid!

Senator FIERRAVANTI-WELLS: We will not indulge her further. I cannot believe we have had an estimates without a multitude of e-health questions. I have questions about the Health and Hospitals Fund. My questions relate to HHF funding rounds 3 and 4. They are based on information taken out of the annual report. How much money is left in the fund? I am just going to refer to it as 'the fund', rather than HHF.

Mr Thomann: There is $4.35 billion as of 30 June 2011 left in the HHF—in the fund itself.

Senator FIERRAVANTI-WELLS: Could you take on notice the expenditure to date?

Mr Thomann: I can give you the expenditure to date now if you so wish. As of 30 September 2011, expenditure was $1.271 billion.

Senator FIERRAVANTI-WELLS: Could you take that on notice and give it to me by year and project, and the projected expenditure by year and project until the end of completion of each project?

Mr Thomann: It can be done. That will be quite a large table.

Senator FIERRAVANTI-WELLS: Do you want me to refine that request?

Ms Halton: It would be better if you could.

Mr Thomann: I think it would be better if you could do that.

Senator FIERRAVANTI-WELLS: I am asking questions on behalf of someone else, so I will get those refined. So, after this funding round, the $5 billion allocated will not be fully allocated because there will be some money left over?

Mr Thomann: The interest accumulated in the fund will be left over.

Senator FIERRAVANTI-WELLS: The annual report for 2010-11 notes that 88 per cent of the progress reports from the contracted projects met agreed requirements. In relation to those reports which were not accepted, which were the main reasons for the reports not meeting the agreed requirements? Do you want to take that on notice?

Mr Thomann: No, I think we can answer the question. I will just hand that to Ms Hancock.

Ms Hancock: The main reasons were essentially insufficient information in the report provided.

Senator FIERRAVANTI-WELLS: Paperwork not in order?

Ms Hancock: Yes.

Senator FIERRAVANTI-WELLS: So there is a time frame for these reports to be resubmitted—they were allowed to do that?

Ms Hancock: Yes. As a milestone report is submitted, it is assessed by officers of the department. If further information is required then we seek it straight away and it is always provided.

Senator FIERRAVANTI-WELLS: So have any projects had payments withheld as a result of non-compliance with reporting requirements?

Ms Hancock: Some payments have been delayed while we sort out the additional information.

Senator FIERRAVANTI-WELLS: I have some questions in relation to resources in the department for managing the contracts awarded. I will put some questions on notice about the staff and the sorts of levels and that sort of detailed information. The annual report also notes that the department implemented recommendations by the fund's advisory board to establish a strengthened compliance and monitoring framework for the fund projects. What changes were required, and have those changes been fully implemented?

Mr Thomann: Those changes are being implemented. One of the recommendations was the establishment of a centre of excellence and the appointment of a senior adviser, and that has been achieved. Mr Paul Carmody, who is with us today, has been appointed. He has significant experience in the construction industry and is advising us on the rollout of the HHF rounds and in our negotiations with project proponents. The WorleyParsons report also recommended quarterly reporting against key indicators such as project expenditure, scope, time frames, milestones and compliance with state and federal legislation. The department has implemented a portal to enable HHF project proponents to report against those areas of risk on a regular basis. That portal is up and running and people are reporting.

Senator FIERRAVANTI-WELLS: This is like an evaluation, effectively, of the contract management?

Mr Thomann: No, it is really a project reporting system to enable the department to have visibility of the projects against some key dimensions of project risk.

Senator FIERRAVANTI-WELLS: Will you be doing an evaluation of the contract management processes with the fund at some stage?

Mr Thomann: At the moment we are focused very much on managing round 4—it closed today—and negotiating with the 63 successful applicants in round 3 to get their projects to the agreement finalisation stage.

Senator FIERRAVANTI-WELLS: I am going to put further questions on notice in relation to more specific detail around this. Just going back to monitoring, given that these are 20-year periods for these contracts, what is now being looked at to examine how the department will monitor over a 20-year period?

Ms Hancock: Once the project goes into what is called the designated use period, which is after the construction is complete, the standard project agreement requires an annual report from the funding recipient which certifies that the construction is being used for its required use.

Senator FIERRAVANTI-WELLS: All right. I have more detailed questions in relation to that I will put on notice.

National E-Health Transition Authority

[22:17]

CHAIR: Senator McKenzie, NEHTA are here. Can you do your questions in 10 minutes?

Senator McKENZIE: Thanks to Senator Boyce, we have oodles and oodles of questions for NEHTA.

CHAIR: The 'oodles' will be 10 minutes and the rest will be on notice.

Senator McKENZIE: Yes, absolutely, Chair. Mr Fleming, are you aware of the steady stream of criticism directed NEHTA and its parent DOHA by local industry of their handling of IT and software tendering and contracting?

Ms Halton: And I am pleased to know that I am his parent!

Senator McKENZIE: You are looking remarkably well!

Mr Fleming: The structure of NEHTA is that we are owned by the Council of Australian Governments, so all of the governments obviously contribute as per the COAG formula. Therefore, the Commonwealth contributes 50 per cent plus obviously also the PCEHR relationship. As part of that, Ms Halton sits on the NEHTA board.

In terms of the stream of criticism, there have been, obviously, a number of comments in terms of various aspects of the tendering process. As Mr Madden mentioned earlier on, for the tenders around the PCEHR, all have followed Commonwealth guidelines and all have had independent probity assessments as part of that process. So we have all the way through followed Commonwealth guidelines in that process.

Senator McKENZIE: Given there has been some issues around that—Oh, now I am asking you for opinion. Okay.

Mr Fleming: Sorry.

Senator McKENZIE: I have had another question tonight in the Defence portfolio, where there were issues. Yes, it is Senator McKenzie's first estimates! So you have outlined those issues in that regard—it is around the tendering.

Mr Fleming: The tendering process has absolutely followed Commonwealth guidelines all the way through and, as you are aware, there have been many tenders issued through that process.

Senator McKENZIE: Thank you.

Senator McKENZIE: The proposal by NEHTA to have 'tiger teams' develop key standards in less than one month and bypass the normal Standards Australia process could have enormous and negative consequences. Please respond.

Mr Fleming: The tiger teams is a process we have used for a number of years now, and certainly was part of the process for the individual health identifiers. This is not a process that has been underway for one month. In terms of specifications that have been developed, it has been happening for a long period of time and, as Mr Madden mentioned earlier on, it is absolutely not bypassing the Standards Australia process. The tiger teams consist of representatives from key stakeholder groups, including clinicians, technicians, vendor reps et cetera. Through that group we put together a series of specifications which are then, through the wave 1 and 2 sites, tested in the field and then followed through with the Standards

Australia process thereafter. It is very much in line with what Mr Madden mentioned earlier on.

Senator McKENZIE: Thank you. I have some further questions from Senator Boyce. This goes to the work culture and staff morale at NEHTA. How would you describe that, Mr Fleming?

Mr Fleming: We are, as you would expect, as are all groups associated with this program, working long and hard. We have some of the most talented and intelligent people in the country working on this program. There is an absolute commitment towards delivering this for the benefit of all Australians.

Senator McKENZIE: The capacity of your staff is not the question. How are they feeling?

Mr Fleming: How are they feeling? It is hard to give an opinion on that. We have been doing some research in the area of morale. We have an external company looking at that. I have not got the final research back. However, the verbal update I have received is that morale is actually quite high in the context of everything we are working on.

Ms Halton: Senator McKenzie, I can tell you that from a board perspective—if I can put that hat on for a second—we have a conversation with management quite regularly about what is going on, reasons for exit et cetera. So in terms of board duties this is a matter which is discussed.

Senator McKENZIE: Thank you. Has the NEHTA headquarters in Sydney been subject to a New South Wales WorkCover investigation following bullying complaints?

Mr Fleming: There was just recently a very brief investigation. I believe a WorkCover officer came and had a talk to our head of personnel and I believe that that issue was dealt with to their satisfaction immediately.

Senator McKENZIE: Thank you. Could you please provide details of NEHTA's staff turnover over the past 12 months?

Mr Fleming: The annualised turnover is approximately 28 to 30 per cent over that period of time.

Senator McKENZIE: Is that high?

Mr Fleming: It is reasonably high, yes. The research we do is in relation to the type of organisation—a transitional authority—and how it compares to other consulting groups. In terms of consulting groups, it is actually on par with what we see in the industry. In terms of what we would expect if we compare with the IT industry, it is probably significantly higher than we would want to see. So we have commissioned research to talk to our staff and understand the drivers behind that and what we need to do.

Senator McKENZIE: That does me for NEHTA. There will be questions on notice.

CHAIR: There will be many questions on notice, Mr Fleming. That concludes outcome 10. Thank you to the officers.

[22: 24]

CHAIR: We will now move to outcome 9, Private health.

Senator FIERRAVANTI-WELLS: Did you see the article in the *Sydney Morning Herald* on 14 October entitled 'Roxon hits monster health bill'? Mr Bartlett, yes, I see you have dreamt about it too.

Ms Halton: We never dream about Mark Metherall.

Senator SIEWERT: Nightmares!

Ms Halton: Yes, Mark Metherall, definitely. Hello, Mark!

Mr Bartlett: Yes, I am aware of it.

Senator FIERRAVANTI-WELLS: Have there been any revisions to the government's projection of the impact of the proposed rebate changes?

Mr Bartlett: There has been a minor revision that took the estimated impact on hospital policyholders reduction from 25,000 to 27,000.

Senator FIERRAVANTI-WELLS: Sorry?

Mr Bartlett: Twenty-five thousand was the estimate that was done when rebate means-testing was first proposed. It was reviewed recently and it is now 27,000.

Senator FIERRAVANTI-WELLS: How many Australians in 2010-11 had to pay the Medicare levy surcharge?

Mr Bartlett: We do not have that information available. I think it is actually Treasury information. I can take it on notice and check whether we can get it for you.

Senator FIERRAVANTI-WELLS: Will you take it on notice and if you cannot supply it will you forward that on to Treasury?

Ms Halton: Yes, I suspect that is where it will end up.

Senator FIERRAVANTI-WELLS: How many people who earn under the threshold for the Medicare levy surcharge have private health insurance? Do you have that statistic?

Mr Bartlett: I suspect it is a statistic that we have because a fair amount of work has been done in preparing for this. I do not have it with me; I will have to take notice.

Senator FIERRAVANTI-WELLS: Okay. What is the latest update on the number of people with private health insurance who fall within the thresholds affected by the rebate change—of the revised figure of 27,000?

Mr Bartlett: The 27,000 is the number anticipated to drop their private health insurance. They are certainly within the thresholds. There is a much larger group within the thresholds who are anticipated to continue to hold their private health insurance.

Senator FIERRAVANTI-WELLS: Do you have the figures for the number of people with private health insurance who fall within the thresholds affected by the rebate changes? Do you want to take that on notice as well?

Mr Bartlett: I have some overall figures; I do not have a breakdown by category. I will have to take that on notice.

Senator FIERRAVANTI-WELLS: Thank you. Has any research or modelling been done on the impact of the private health insurance rebate changes without the proposed increases in the Medicare levy surcharge? If so, what did that find?

Mr Bartlett: No, there has not. It has been modelled as an overall proposal—

Senator FIERRAVANTI-WELLS: As an overall proposal with all the components?

Mr Bartlett: That is right.

Senator FIERRAVANTI-WELLS: What was the value of benefits paid by private health insurers for hospital services in Australia in 2010-11? If you do not have that with you, could you take that on notice?

Mr Bartlett: I have that here. In terms of hospital episodes, there were 3,380,689 and of those insurers paid out $2.5 billion in total hospital benefits in the June 2011 quarter. The annual figure is $9.7 billion.

Senator FIERRAVANTI-WELLS: Thank you. What was the average cost of single and family hospital cover policies for 2010-11?

Mr Bartlett: We will have to take that on notice.

CHAIR: Thank you to the officers from outcome 9.

[22:31]

CHAIR: We will now move to Hearing Services under outcome 7, who are not last this evening, but very close.

Senator SIEWERT: I am after an update on the implementation of the recommendations from the Senate inquiry report that were funded under the budget initiatives.

Ms C Wilson: Would you like me to take you through each of the components one by one?

Senator SIEWERT: Yes.

Ms C Wilson: We are on track for implementation according to time frames. We will be issuing three-year vouchers from 1 January 2012. We are working closely with stakeholders on the development of the arrangements. We have held national face-to-face consultations on the voucher changes between June and August. To facilitate input from people who were unable to attend the face-to-face meetings we have posted all of the relevant documentation used at the consultations online and invited input from stakeholders. That is due on 2 November.

Senator SIEWERT: That is the finalisation of that consultation process.

Ms C Wilson: When we get that input in we will revise the relevant documentation, repost it and allow people a consultation period to look at it so that they can see all of the documentation as a whole and how it interacts and then we will move towards finalising that. So the documentation around the contract and the rules of conduct et cetera do not need to be in place by 1 January.

Senator SIEWERT: Is it okay with you if I cross-reference back to some of the recommendations from the committee report?

Ms C Wilson: Yes.

Senator SIEWERT: Part of that process you have just been talking about is just to do with the voucher program itself. Recommendation 11 had other parts and as part of the government's response they said that they accepted in principle and that you would be carrying out discussions with stakeholders. I am wondering whether as part of your process

you are looking at those other issues or whether that will be done later on. Am I making sense, you look a bit nonplussed?

Ms McDonald: There are a number of areas where we are implementing things. For the voucher program there are two lots of changes to the CSO, the extension to 26-year-olds and the increase for population growth and also the improved IT. In relation to a number of the other recommendations there is a series of actions happening. I am just wondering about the best way to go through those. There are 34 recommendations, and there are a number of things we have done. In some cases we are picking up comments as part of consultations that are already underway. We are allowing stakeholders to comment on issues that are broader than just the things being implemented, and we are collecting that information. In other cases a number of the recommendations related to the work of state and territory governments.

Senator SIEWERT: Exactly, and I wanted to deal with those as well.

Ms McDonald: We certainly have started the process of discussions with other portfolio ministers. Minister Butler has written to a number of other ministers, alerting them to the recommendations. We have had the Hearing Services Consultative Committee also talk about some of these issues. They are looking at some work they might do over the next period to investigate some of the areas that did require further work.

Senator SIEWERT: It looks like you have a table there—and we just love tables! Is it possible to get that? I think it will save us all a lot of time. I thank you for your answer. It is obvious you are going through the recommendations, taking them pretty seriously and implementing them—even the ones the statement says are a state and territory responsibility.

Ms McDonald: How about we provide you with a table with an update? There are some bits for which we are still waiting on input from other portfolios, so we could get you on notice a table with an update of where things are up to from our perspective.

Senator SIEWERT: That would be fantastic. You are probably aware that I am going to be chasing these and going through the recommendations. We can then just go to the ones for which we need some more updates. That would be really appreciated. Thank you. I think that would probably save me going through these recommendations that I have written down and that I particularly want to follow up. I do want to keep going, though, on the voucher issue and the process that goes on the website on 2 November—is that correct?

Ms C Wilson: It went up on the website on 13 October, and people have until 2 November to put in comments.

Senator SIEWERT: And where do we go from there?

Ms C Wilson: Then the department will be looking at all the input we have received through the consultation process, taking that into account, making revisions to the document and seeking further advice where we need to. Once we have that set of documents we will put them on the website as well and alert service providers and practitioners that they are up there. We will give them a good period of time to look at those, provide further input and raise any concerns or issues. Then we would finalise them and send the contracts out for signature et cetera.

Senator SIEWERT: What is the time line for that?

Ms C Wilson: Their current contracts expire on 30 June 2012, so we have that sort of period in which to do it and allow adequate consultation.

Senator SIEWERT: And I suppose there would be an expectation that there would be a period of time before 30 June so that you can get the contracts done. Is that right?

Ms C Wilson: Yes, they would be done well before 30 June.

Senator SIEWERT: Since Senator Fierravanti-Wells has some questions as well, I will keep going for just another minute or two, if that is okay. I know I will have to go next door to ask about funding for disabilities in schools, but perhaps I can ask you whether you have any interaction with DEEWR over that.

Ms Ward: We have had conversations with DEEWR. We keep in touch with our contacts in DEEWR. We understand that they are developing the menu of items that educational authorities can make submissions for, depending on what their local needs are, and that they are doing some consultations with stakeholders as well. We have directed some of our stakeholders to those consultations.

Senator SIEWERT: We discussed last time that you thought that would include the ability to apply for funding for SoundFields. Have you raised that issue in your discussions?

Ms Ward: We have, and it remains my understanding that that will include SoundFields.

Senator SIEWERT: My final question before I hand over is about extending from 21 to 26. How is the process for that going?

Ms C Wilson: Australian Hearing is the only provider of community service obligations, so we are working closely with them around revising our funding agreement et cetera and also talking to them about the communication strategies and how we ensure that this group of people know they are going to become eligible for services. Most of them will have been Australian Hearing clients as children—

Senator SIEWERT: That is what I presumed.

Ms C Wilson: and so they will be doing a direct mail-out to people, letting them know and inviting them to make an appointment. We are also looking at some arrangements for that small number who may not fall into that category or who have moved. We have talked to the Australian Society of Head and Neck Surgeons about getting some information out through them to ear, nose and throat specialists and we are also looking at options to getting information out to general practitioners, perhaps through the divisions network.

Senator McKENZIE: Thank you for attending at this late hour. On page 220 of DoHA's annual report, one of your deliverables not met is around a number of clients accessing rehabilitation services. You instituted a review in May this year for policy consideration in early 2011. We are nearing the end of October so I am assuming you would want to meet those timelines and still have a swim at the beach over summer. There might be some preliminary findings from that review. Could you talk us through what they might be?

Ms Ward: The consultants that provided the review provided it at the end of June. We are in the process of working our way through the recommendations from those consultants and considering the options for taking some of those recommendations forward. While we were doing the consultations for the budget 2011 policy implementation we took the opportunity to raise that with practitioners and there was a lot of interest in rehabilitation. We undertook that

once we developed some potential options for going forward we would do a web based consultation with them on that matter, to get their feedback and ideas so that we could feed that into advice for government and consideration of ways forward on the review.

Senator McKENZIE: The number of regional Australians accessing your services and the number of sites registered to provide services under the hearing service program: how many of those are located outside of capital cities. The number of people receiving hearing services: the number of those that are located outside of capital cities. You may want to take these on notice.

Ms Ward: We will take those on notice.

Senator FIERRAVANTI-WELLS: In relation to page 219 of the annual report, when does the funding agreement with Australian Hearing come up?

Ms C Wilson: The current MOU with Australian Hearing for the CSO arrangements expires on 30 June 2012.

Senator FIERRAVANTI-WELLS: Of the number of sites registered to provide services under the hearing services program the target is 2,001—and it is 2,230. Are they all Australian Hearing sites or do they include some private providers?

Ms Ward: No, they would be private providers and Australian Hearing.

Senator FIERRAVANTI-WELLS: What is the breakdown of those 2,230 between private and Australian Hearing?

Ms Ward: I would have to take that on notice.

Senator FIERRAVANTI-WELLS: Of the people receiving hearing services, could you also tell me of that number—599,581—how many received services at Australian Hearing or at a private provider?

Ms Ward: We will take that on notice as well.

Senator FIERRAVANTI-WELLS: Could you tell me the number of providers?

Ms Ward: The number of providers is 220.

Senator FIERRAVANTI-WELLS: In terms of the percentage of the work, can you take on notice how much of the work is actually being done by private providers and how much of it is being done by Australian Hearing?

Ms Ward: Yes.

Senator FIERRAVANTI-WELLS: Are those private providers located around Australia?

Ms Ward: They are.

Senator FIERRAVANTI-WELLS: And on the Australian Hearing website there are all the locations of the offices. How many staff has a typical office of Australian Hearing?

Ms Ward: I do not know that.

Senator FIERRAVANTI-WELLS: Your total budget for 2011-12 is—

Ms Ward: The projected budget for 2011-12 is $410.66 million.

Senator FIERRAVANTI-WELLS: How much of that is paid over to Australian Hearing? Could you take that on notice?

Ms Ward: Yes, we could probably more easily do that for 2010-11, because it is driven by client numbers.

Senator FIERRAVANTI-WELLS: Of course. You probably have statistics in relation to 2009-10 and 2010-11, just to give a comparison. In the portfolio budget statement at page 239 it says, 'Support Access to Quality Hearing Services' and it sets out the quantity of deliverables for the program. Could you give me, roughly, a breakdown of those figures to be provided by Australian Hearing as opposed to private providers, thank you. Then on page 220, I notice the perennial problem of the percentage of fitted clients who use their devices for five or more hours a day. Is that increasing slowly or is it still the perennial problem? It is generally my father's description—

Ms Halton: We have had this conversation before.

Ms Ward: It is increasing.

Senator FIERRAVANTI-WELLS: I am very happy to hear that, Ms Ward. It has not increased in my household!

Ms Halton: Well, n=1 is not a good sample, Senator.

Senator FIERRAVANTI-WELLS: I try. It is not for the want of trying. Seriously, obviously it is increasing. If my memory serves me correctly, Ms McDonald, it is one the recommendations of the report. It looked at ways of increasing that—

Ms McDonald: That is correct, Senator. Over the next year or so we will be doing a bit of work to have a look at what can be done there.

Senator FIERRAVANTI-WELLS: If my recollection serves me correctly, there was also some research money going over to NHMRC to do some research on hearing. I think it was particularly targeted at young people.

Ms Ward: Young people, Indigenous people, and those in the workforce.

Senator FIERRAVANTI-WELLS: Okay. In answer to the question from Senator Siewert, I am most interested to hear about promotion of hearing services particularly amongst our young people. They seem to keep these things in their ears all the time. It must not be doing anything positive for them— and I think that we have had this conversation before. I am interested to know from your perspective: does the material that you are putting out include areas where young people gather, and those sorts of things? Just take that on notice, Ms Ward.

Ms Ward: Yes.

CHAIR: Thank you very much, officers from Hearing Services. We will now move to outcome 14 and the patient officers from Biosecurity and Emergency Response.

[22:49]

Senator FIERRAVANTI-WELLS: Are there any particular threats that have been targeted as part of the health emergency planning and the national stockpile?

Ms Bryant: Broadly, the stockpile exists to provide measures that may be needed in a health emergency, not only in respect of a pandemic but also across all categories of chemical, radiological, nuclear and biological events.

Senator FIERRAVANTI-WELLS: Earlier we talked about the CSL and the FDA warning letter. Can you tell me what CSL products are currently in the national stockpile, how many units there are, what their value is and when they were purchased?

Ms Bryant: We will take that on notice.

Senator FIERRAVANTI-WELLS: Thank you. I did ask earlier about whether there are any other products in the national medical stockpile or on the National Immunisation Program that are subject to any investigation, whether by the TGA, FDA or another regulator. I do not know if that overlaps, but if you could—

Ms Bryant: Was that a question only about the CSL products under investigation or any products?

Senator FIERRAVANTI-WELLS: No, it was about whether there are any other products in the national medical stockpile or on the National Immunisation Program that were the subject of any investigation by the TGA, FDA or any other regulator, and, if so, what the details are.

CHAIR: Thank you to the officers from outcome 14 for your patience. There have been significant questions put to all the programs, and we do appreciate your cooperation, Ms Halton, and that of your officers. That concludes today's hearing.

Committee adjourned at 22:57