Australian Government

Department of Health

Ms Susan Cardell
Committee Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Email: jcpaa@aph.gov.au

Dear Ms Cardell

On 14 February 2018, a public hearing was held on the inquiry into Commonwealth Procurement. Officers from the Department of Health attended as witnesses in relation to the Audit Report No. 61 (2016-17) *Procurement of the National Cancer Screening Register*.

I have attached the Department's response to three questions that were taken on notice in the course of the public hearing. Should you require any clarification, please contact the Assistant Secretary (A/g) of Corporate Assurance Branch, Mr Ben Sladic on or email

Yours sincerely

Daniel McCabe
A/g Chief Operating Officer

6 March 2018

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Department of Health

Response to Question on Notice

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

Auditor-General's reports Nos 61 (2016-17) and 9 and 12 (2017-18)
Wednesday 14 February 2018

Department of Health

GENERAL COMMENTS
Nil

SPECIFIC QUESTIONS ON NOTICE

Question 1
ACTING CHAIR: How many cervical cancers will have gone undetected, or women will have died, because of the delay from the 1 May start day?
Ms Konti: I'm not sure of the answer to the question. One of the things that might be worth while making sure we understand is the context. The screening program and the detection of cervical cancer is something that is fundamentally part of usual care arrangements in the health system. What the register does, and the cervical screening registers in the states and territories have done under the previous pap test regime, and what this National Cancer Screening Register is doing for the current cervical screening regime, is actually performing as a safety net function to ensure that women who have tests and who do have high-grade results on those tests are actually followed up and all of those functions are being performed.
ACTING CHAIR: I go to the explanatory memorandum to the bill which was introduced to support the register. The register in turn was seen to be an essential part of the new program. It said, 'Once implemented, the changes to the national cervical screening program are expected to prevent an additional 140 cervical cancers each year.' The announcement included a commitment to the register to meet the needs to support this new program. Mathematically, if that is the case, six to nine months delay would mean at least an additional 70, 90, 100 cancers.

Response

Advice was sought from the Chief Medical Officer and we can assure the Committee that there are no cervical screening participants whose cervical cancers would have gone undetected during the period 1 May to 1 December 2017.

The Pap test program was in place throughout this period and for women actively screening and due for the test, they would have had the Pap test, and any cervical abnormalities would have been identified and the appropriate next steps taken for further diagnosis and treatment.

The new cervical screening test detects HPV, which if persistent and unresolved over many years, is a risk indicator for cervical cancer. If a HPV test is positive, the sample is then taken to Liquid Based Cytology (LBC), which is a similar test for abnormal cells. The effectiveness

of the new cervical screening test regime is a combination of a more effective test, and risk based screening pathway approach, where recommendations for screening interval and recommendations are made based on a woman's history but also her HPV status (i.e. has it resolved? is it resolving? etc...).

The statistics referred to in the explanatory memorandum for the National Cancer Screening Register Act, is from a modelled evaluation. They do not represent actual predictions for the year 2017. They represent estimates of the cumulative protective effect from regular HPV tests over a lifetime compared to the cumulative protective effect from regular Pap tests over a lifetime.

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GENERAL COMMENTS
Nil
SPECIFIC QUESTIONS ON NOTICE

Question 2, Hansard page 11:
Mr HILL: Was there provision made in this year's budget for additional costs—
Ms Konti: No.
Mr HILL: to increase the level of the rebate?
Ms Konti: The new MBS items for the new cervical screening test came live on 1 December to support that regime.
Mr HILL: And the department provided extra resources in November 2016 for the implementation unit; is that right?
Ms Konti: I would have to take that on notice. That was before my time, sorry. Do you mean additional departmental resources?
Mr HILL: Yes. I am trying to get a sense of what the total additional costs would be from the delay and from the need to manage this seriously underperforming contract. If you can take it on notice, the components of interest would be the pathology industry, the additional MBS items and any additional resources deployed within the department to try to remediate this contract.
Ms Konti: Okay. I think we have answered the questions about the pathology industry. There was the $3 million assistance package. I think the remaining amount of what you quoted—the $13.5 million—was the introduction of the interim MBS items. I am happy to take on notice the departmental resourcing.

Response
Funding of $39.5 million over five years for interim arrangements to support the continuation of cervical screening under the Pap Test regime, and continuation of the National Bowel Cancer Screening Register in DHS was announced in the 2017-18 Budget. Of this, $33.3 million was for the continuation of the National Bowel Screening program and $6.2 million is attributed to the Medicare Benefits Schedule (MBS) cervical screening items. Additional funding of $3 million for the one-off assistance package was funded from existing health resources.

For the period November 2016 to January 2018, a further $3.7m was reprioritised from existing resources for the operation of the National Cancer Screening Register Taskforce.

To date, Telstra Health has received four milestone payments under the Services Agreement totalling $10,472,173 (GST exclusive).

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GENERAL COMMENTS
Nil

SPECIFIC QUESTIONS ON NOTICE

Question 3, Hansard page 11:

CHAIR: So you are now satisfied that the data and privacy concerns that the Auditor-General had identified are all—
Ms Konti: We are satisfied.
Mr HILL: Great.
Ms Konti: In fact, the independent reports of the system security elements of the NCSR were actually very positive.
CHAIR: Great. Could you provide us with some information on notice to elaborate on that evidence?

Response
The National Cancer Screening Register was assessed against the Australian Government Information Security Manual (ISM) by an independent Information Security Registered Assessors Program (IRAP) Assessor. IRAP assessors are endorsed by the Australian Signals Directorate to assess compliance of the system's security controls against the controls required by the ISM.

IRAP assessors consider a range of security controls in the built system, including:

- Alignment of the solution architecture with the ISM;
- Access to buildings and premises or access to computer or telephony equipment;
- Access to sensitive data;
- Adherence to processes for staff to obtain a security classification clearance at a minimum of Baseline;
- Results of penetration testing and remediation or mitigations of any issues or risks; and
- Adherence to the Australian Signal's Directorate 'Essential Eight' strategies to mitigate cyber security incidents.

The assessment by the IRAP assessor was that the National Cancer Screening Register had excellent levels of ISM compliance. The IRAP assessor reported having high confidence in the security of NCSR and recommended granting formal Certification/Accreditation.

The Authority to Operate the National Cancer Screening Register was granted prior to the 1 December go-live of the National Cervical Screening Program by the Senior Responsible Officer, Mr Paul Madden, Deputy Secretary and Special Advisor, Strategic Health and Information Management Systems.