

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Additional Estimates 2015 - 2016, 10 February 2016**

**Ref No:** SQ16-000143

**OUTCOME:** 0 - Whole of Portfolio

**Topic:** Reviews

**Type of Question:** Written Question on Notice

**Senator:** Ludwig, Joe

**Question:**

Since the change of Prime Minister on 14 September, 2015:

1. How many new reviews (defined as review, inter-departmental group, inquiry, internal review or similar activity) have been commenced? Please list them including:

- a) the date they were ordered
- b) the date they commenced
- c) the minister responsible
- d) the department responsible
- e) the nature of the review
- f) their terms of reference
- g) the scope of the review
- h) Who is conducting the review
- i) the number of officers, and their classification level, involved in conducting the review
- j) the expected report date
- k) the budgeted, projected or expected costs
- l) If the report will be tabled in parliament or made public

2. For any review commenced or ordered, have any external people, companies or contractors being engaged to assist or conduct the review?

- a) If so, please list them, including their name and/or trading name/s and any known alias or other trading names
- b) If so, please list their managing director and the board of directors or equivalent
- c) If yes, for each is the cost associated with their involvement, including a break down for each cost item
- d) If yes, for each, what is the nature of their involvement
- e) If yes, for each, are they on the lobbyist register, provide details.
- f) If yes, for each, what contact has the Minister or their office had with them
- g) If yes, for each, who selected them
- h) If yes, for each, did the minister or their office have any involvement in selecting them,

- i. If yes, please detail what involvement it was
  - ii. If yes, did they see or provided input to a short list
  - iii. If yes, on what dates did this involvement occur
  - iv. If yes, did this involve any verbal discussions with the department
  - v. If yes, on what dates did this involvement occur
  3. Which reviews are on-going?
    - a) Please list them.
    - b) What is the current cost to date expended on the reviews?
  4. Have any reviews been stopped, paused or ceased? Please list them.
  5. Which reviews have concluded? Please list them.
  6. How many reviews have been provided to Government? Please list them and the date they were provided.
  7. When will the Government be responding to the respective reviews that have been completed?
  8. What reviews are planned?
    - a) When will each planned review be commenced?
    - b) When will each of these reviews be concluded?
    - c) When will government respond to each review?
    - d) Will the government release each review?
- If so, when? If not, why not?

**Answer:**

1. and 2.

Five (5) new reviews have commenced since the change of Prime Minister on 14 September 2015.

<b>Medicine Shortages Working Party</b>	
a) Date ordered.	6 November 2015
b) Date commenced.	15 December 2015
c) Minister responsible.	Council of Australian Government (COAG) Health Council – Federal, State and Territory Health Ministers
d) Department responsible	Department of Health
e) Nature of the review	Medicine, including vaccine, shortages
f) Terms of reference	<p>The Working Party, which will be time limited will:</p> <ul style="list-style-type: none"> <li>• confirm the roles and responsibilities of all major stakeholders in the management of medicines shortages;</li> <li>• review whether or not these roles and responsibilities have been effective in managing shortages;</li> <li>• provide more analysis from stakeholder perspectives on what the causes of shortages are in the Australian setting; and</li> <li>• identify what additional strategies could be considered to improve the management of medicine shortages (including vaccines).</li> <li>• provide an agreed report for to the COAG Health Council (CHC) through the Australian Health Ministers Advisory Committee (AHMAC) that will include a recommendation to CHC as to whether the WP should continue.</li> </ul>

g) Scope of the review	Look at additional strategies to improve the management of medicine, including vaccine, shortages (in addition to the Medicine Shortages Information Initiative)
h) Who is conducting the review	The working party has jurisdictional, professional and pharmaceutical industry representation
i) Number of officers involved etc.	Approximately 25 representatives on the working group. Departmental officer classification levels = 1 x Deputy Secretary, 3 x First Assistant Secretary. Classification levels for other jurisdictional, professional and pharmaceutical industry representation are unknown.
j) Expected report date	May 2016
k) Budgeted/projected /expected costs.	No budgeted or projected costs
l) Will it be tabled in Parliament or made public	No
2. Have any external people, companies or contractors being engaged to assist or conduct the review?	
a) Name and/or trading name/s and any known alias or other trading names	<ul style="list-style-type: none"> <li>• Pharmaceutical Society of Australia</li> <li>• The Pharmacy Guild of Australia</li> <li>• Royal Australasian College of Physicians</li> <li>• Australian Medical Association</li> <li>• Medicines Australia</li> </ul>
b) Managing director and the board of directors or equivalent	<p>Pharmaceutical Society of Australia</p> <ul style="list-style-type: none"> <li>• CEO = Lance Emerson</li> <li>• PSA National Board = Christopher Freeman, Grant Kardachi, Jeff Hughes, Joe Demarte, John Bronger, Michelle Lynch, Pat Reid, Rachel Denaar, Warwick Plunkett</li> </ul> <p>The Pharmacy Guild of Australia</p> <ul style="list-style-type: none"> <li>• Directors = Toni Riley, Joe O'Malley, Patrick Reid, Paul Sinclair</li> </ul> <p>Royal Australasian College of Physicians</p> <ul style="list-style-type: none"> <li>• CEO = Linda Smith</li> <li>• Board = Nicholas Talley, Catherine Yelland, David Beaumont, Nicholas Buckmaster, Jonathan Christiansen, Paul Colditz, Stephen de Graaff, Alexandra Greig, Evan Jolliffe, Mark Lane, Nicola Murdock, Grant Phelps, Helen Rhodes, Charles Steadman, Greg Stewart, John Wilson, Susan Tiffin, Peter Martin</li> </ul> <p>Australian Medical Association</p> <ul style="list-style-type: none"> <li>• CEO = Anne Trimmer</li> <li>• Board = Brian Oowler, Stephen Parnis, Peter Beaumont, Geoff Dobb, Elizabeth Feeney, Richard Kidd, Bavahuna Manoharan, Helen McArdle, Peter Sharley, Gary Speck</li> </ul> <p>Medicines Australia</p> <ul style="list-style-type: none"> <li>• Interim CEO = Mr Lee Hill</li> <li>• Board = Wes Cook, Brad Edwards, David Gallagher, Brian Gladsden, James Jones, Geoff McDonald, Kirsten O'Doherty, Svend Petersen, James Priour, Paul Spittle</li> </ul>

	<p>Generic &amp; Biosimilar Medicines Association</p> <ul style="list-style-type: none"> <li>• CEO = Belinda Wood</li> </ul> <p>Consumer Health Forum</p> <ul style="list-style-type: none"> <li>• Chair = Tony Lawson</li> <li>• Board = Tony Lawson, Jo Watson, Rowan Cocerell, Jan Donovan, Melissa Fox, Bel Harper, Robert Pask, Moya Sandow</li> </ul>
c) What is the cost associated with their involvement, including a break down for each cost item	No cost involved
d) Nature of their involvement	Provide industry perspectives/views/suggestions in considering strategies for improving the management of medicine shortages
e) Are they on the lobbyist register, provide details.	No
f) What contact has the Minister or their office had with them	Unknown
g) Who selected them	Department of Health invited representatives
h) Did the minister or their office have any involvement in selecting them?	No
i. Details of involvement	Not applicable
ii. Did they see or provide input to a short list	Not applicable
iii. On what dates did this involvement occur	Not applicable
iv. Did this involve any verbal discussions with the department	Not applicable
v. On what dates did this involvement occur	Not applicable

#### **Stage Two Review Of The National Cord Blood Collection Network (NCBCN)**

a) Date ordered.	Agreed at COAG Health Council on 17 April 2015
b) Date commenced.	5 January 2016
c) Minister responsible.	Assistant Minister Wyatt.
d) Department responsible	Department of Health
e) Nature of the review	This program review will explore a number of complex issues raised by an initial review in November 2014. It will analyze costs associated with the program, consider alternate structures, identify potential efficiencies and examine governance arrangements
f) Terms of reference	The review will:

	<p>a) Analyze the costs of the NCBCN, including managing the store of non-viable cord blood units</p> <p>b) Consider alternate structures/models of delivery that would deliver efficiencies</p> <p>c) Identify efficiencies in the processes of the NCBCN</p> <p>d) Examine governance arrangements of the network</p> <p>The review will provide findings and costed options to refine processes and/or structures of the NCBCN in order to achieve cost effectiveness in delivery access to haemopoietic progenitor cells (HPCs). This includes a risk assessment of each option.</p> <p>The review will have regard for the research and findings of previous reviews and reviewers will consult with relevant stakeholders.</p>
g) Scope of the review	See above.
h) Who is conducting the review	PricewaterhouseCoopers Australia
i) Number of officers involved etc.	0.02 (ASL) EL2 for high level for clearance; 0.1 (ASL) EL1 for clearance; and 0.4 (ASL) APS6 Project Manager.
j) Expected report date	30 June 2016
k) Budgeted/projected /expected costs.	The review is expected to cost \$220,318 (excl GST)
l) Will it be tabled in Parliament or made public	The report will form the basis of recommendations provided to the COAG Health Council. It is anticipated that the recommendations will be provided to the COAG Health Council before the end of 2016
2. Have any external people, companies or contractors being engaged to assist or conduct the review?	
a) Name and/or trading name/s and any known alias or other trading names	PricewaterhouseCoopers Australia, ABN: 52 780 433 757
b) Managing director and the board of directors or equivalent	<p>PricewaterhouseCoopers Australia has a Managing Director and Board of Directors. Please note, none of the people who hold these positions are directly involved in the delivery of the work.</p> <p>i. Managing Director – Luke Sayers, CEO PwC Australia and Vice Chairman PwC Asia</p> <p>ii. Executive Board -</p> <ul style="list-style-type: none"> <li>• Peter van Dongen;</li> <li>• Neil Phmridge;</li> <li>• Sean Gregory;</li> <li>• Sammy Kumar;</li> <li>• David Wills;</li> <li>• Tom Seymour;</li> <li>• Tony Peake;</li> <li>• Debra Eckersley;</li> <li>• Helen Fazzino;</li> <li>• Mike McGrath;</li> <li>• Mary Waldron; and</li> </ul>

	<ul style="list-style-type: none"> <li>• Marcus Laithwaite.</li> </ul>
c) What is the cost associated with their involvement, including a break down for each cost item	<p>The total cost of the review is expected to be \$220,318 (excl GST), which can be broken down to;</p> <ul style="list-style-type: none"> <li>i. PwC personnel – \$193,036</li> <li>ii. Subject Matter experts – \$17,326</li> <li>iii. Travel and ancillary expenses – \$9,956</li> </ul>
d) Nature of their involvement	PricewaterhouseCoopers will undertake the review as prescribed in the Terms of Reference
e) Are they on the lobbyist register, provide details.	Nil
f) What contact has the Minister or their office had with them	Nil
g) Who selected them	PricewaterhouseCoopers Australia was the successful candidate from the Health Economics Panel as a result of a procurement process through AusTender.
h) Did the minister or their office have any involvement in selecting them?	No
i. Details of involvement	Not applicable
ii. Did they see or provide input to a short list	Not applicable
iii. On what dates did this involvement occur	Not applicable
iv. Did this involve any verbal discussions with the department	Not applicable
v. On what dates did this involvement occur	Not applicable

<b>Mid-point Review of the National Tobacco Strategy 2012-2018</b>	
a) Date ordered.	15 December 2015
b) Date commenced.	18 February 2016
c) Minister responsible.	Minister Nash.
d) Department responsible	Department of Health
e) Nature of the review	The Strategy states a mid-point review will be undertaken
f) Terms of reference	Not applicable
g) Scope of the review	The mid-point review monitors progress towards implementing the Strategy
h) Who is conducting the review	The Australian Institute of Health and Welfare (AIHW)

i) Number of officers involved etc.	Four AIHW staff, at EL2, EL1, APS 6 and APS5 level
j) Expected report date	27 June 2016
k) Budgeted/projected /expected costs.	\$104,630 (GST exempt)
l) Will it be tabled in Parliament or made public	31 August 2016
2. Have any external people, companies or contractors being engaged to assist or conduct the review?	
a) Name and/or trading name/s and any known alias or other trading names	Australian Institute of Health and Welfare (AIHW)
b) Managing director and the board of directors or equivalent	<p>AIHW Board members</p> <ul style="list-style-type: none"> <li>• Dr Mukesh Haikerwal AO, Board Chairperson</li> <li>• Mr Andrew Kettle, Acting Director, AIHW</li> <li>• Mr David Kalisch, Australian Statistician</li> <li>• Mr Paul Madden, Deputy Secretary, Department of Health</li> <li>• Dr Lyn Roberts AM, Ministerial nominee (with expertise in research into public health issues)</li> <li>• Dr Erin Lalor, Ministerial nominee (consumers of health services)</li> <li>• Mr Michael Perusco, Ministerial nominee (consumers of housing assistance services)</li> <li>• Dr Siew-Ean Khoo, Ministerial nominee</li> <li>• Mr Andrew Goodsall, Ministerial nominee</li> <li>• Mr Philip Fagan-Schmidt, Ministerial nominee (with knowledge of the needs of consumers of welfare services)</li> <li>• Mr David Conry, Ministerial nominee (with knowledge of the needs of consumers of welfare services)</li> <li>• Ms Marilyn Chilvers, Member nominated by the Children and Families Secretariats Group</li> <li>• Mr Devin Bowles, Staff representative nominee</li> </ul>
c) What is the cost associated with their involvement, including a break down for each cost item	Board Members are not involved
d) Nature of their involvement	Not applicable
e) Are they on the lobbyist register, provide details.	Not known
f) What contact has the Minister or their office had with them	Not known
g) Who selected them	Not known

h) Did the minister or their office have any involvement in selecting them?	Not known
i. Details of involvement	Not applicable
ii. Did they see or provide input to a short list	Not applicable
iii. On what dates did this involvement occur	Not applicable
iv. Did this involve any verbal discussions with the department	Not applicable
v. On what dates did this involvement occur	Not applicable

<b>Datacom Independent review of IT Service delivery</b>	
a) Date ordered.	11 December 2015
b) Date commenced.	14 December 2015
c) Minister responsible.	Minister Ley
d) Department responsible	Department of Health
e) Nature of the review	Independent review of IT Service delivery
f) Terms of reference	<ul style="list-style-type: none"> <li>to review issues, circumstances and causes of service disruptions;</li> <li>to examine Datacom's operational performance; and</li> <li>to provide recommendations to the Department about the options and strategies for providing ongoing support for ICT Services</li> </ul>
g) Scope of the review	IT Services contract with Datacom Systems Pty Ltd
h) Who is conducting the review	Diskdome (Pty Ltd), trading as Tetra Integration Services
i) Number of officers involved etc.	Not applicable, the review was undertaken by an external organisation
j) Expected report date	25 January 2016
k) Budgeted/projected /expected costs.	\$78,097.80 (GST inclusive) actual cost
l) Will it be tabled in Parliament or made public	No
<b>2. Have any external people, companies or contractors being engaged to assist or conduct the review?</b>	
a) Name and/or trading name/s and any known alias or other trading names	Diskdome (Pty Ltd), trading as Tetra Integration Services
b) Managing director and the board of	Paul Hogie

directors or equivalent	
c) What is the cost associated with their involvement, including a break down for each cost item	Paul Hogie - \$78,097.80 (GST inclusive)
d) Nature of their involvement	Undertook the review
e) Are they on the lobbyist register, provide details.	No
f) What contact has the Minister or their office had with them	None
g) Who selected them	Department of Health, Information Technology Division
h) Did the minister or their office have any involvement in selecting them?	No
i. Details of involvement	Not applicable
ii. Did they see or provide input to a short list	Not applicable
iii. On what dates did this involvement occur	Not applicable
iv. Did this involve any verbal discussions with the department	Not applicable
v. On what dates did this involvement occur	Not applicable

<b>Review of Pharmacy Remuneration and Regulation</b>	
a) Date ordered.	The Review was committed to under the Sixth Community agreement (Agreement) signed on 24 May 2015
b) Date commenced.	Membership of the Review Panel was announced by Minister Ley along with the Terms of Reference for the Review on 24 November 2015
c) Minister responsible.	Minister Ley
d) Department responsible	Department of Health
e) Nature of the review	A panel of three independent reviewers will provide recommendations on future remuneration and regulation including arrangements that apply to pharmacy and wholesalers for the dispensing and supply of medicines and other services, including the preparation of infusions or injections for chemotherapy, provided under the Pharmaceutical Benefits Scheme (PBS). The focus is to ensure consumers have reliable and affordable access to medicines.
f) Terms of reference	<ul style="list-style-type: none"> <li><b><i>Pharmacy Remuneration for Dispensing</i></b></li> </ul>

	<p>The appropriate level and structure of remuneration for community pharmacy for the dispensing of medicines under the PBS consistent with the NMP and its role in delivering health outcomes for patients.</p> <ul style="list-style-type: none"> <li>• <b>Regulation</b> The appropriate regulation of pharmacy and pharmacy distribution, including the role of Pharmacy Location Rules in supporting access to medicines in Australia</li> <li>• <b>Wholesaling, Logistics and Distribution Arrangements</b> The appropriate level and structure of remuneration for wholesalers and pharmacies for wholesaling, logistics and distribution of medicines from manufacturer to community pharmacy.</li> <li>• <b>Accountability and Regulation</b> What regulatory arrangements are necessary to promote high standards of delivery and accountability amongst pharmacies, wholesalers, manufacturers and other entities receiving funding under the PBS, and the data required to monitor and assess these standards of delivery and community outcomes.</li> <li>• <b>Consumer Experience</b> Consumer attitudes/expectations and priorities regarding access to, affordability of and quality use of medicines.</li> </ul>
g) Scope of the review	See (f)
h) Who is conducting the review	<p>A panel of three independent imminent reviewers will conduct the Review:</p> <p>Professor Stephen King – Professor of Economics and former Dean at Monash University, chairs the Panel;</p> <p>Mr Bill Scott – respected community pharmacist; and</p> <p>Ms Jo Watson – current deputy chair of the Consumers Health Forum of Australia and consumer representative on the Pharmaceutical Benefits Advisory Committee (PBAC).</p>
i) Number of officers involved etc.	<p>The Review will be supported by a Secretariat drawn from the Department comprising:</p> <p>0.5 x EL2; 2.5 x EL1; 1 x APS6 and 1 x APS4.</p> <p>In addition limited support will be provided by senior executive officers.</p>
j) Expected report date	1 March 2017
k) Budgeted/projected /expected costs.	\$3 million over 2 years (2015 -2017).
l) Will it be tabled in Parliament or made public	This will be a decision for Government.
2. Have any external people, companies or contractors being engaged to assist or conduct the review?	
No	

3. There are two (2) ongoing reviews since the change of Prime Minister on 14 September 2015.

They are:

<b>Medicare Benefits Schedule (MBS) Review Taskforce</b>	
b) Current cost expended to date.	As at March 2016: <ul style="list-style-type: none"> <li>- 2014-15 Departmental Expenditure \$4,388</li> <li>- 2015-16 Departmental Expenditure \$1,616,011</li> <li>- 2014-15 Administered Expenditure \$316,228</li> <li>- 2015-15 Administered Expenditure \$591,494</li> </ul>
<b>Review of Pharmacy Remuneration and Regulation</b>	
b) Current cost expended to date.	As at 3 March 2016: <ul style="list-style-type: none"> <li>- \$31,620.38</li> </ul>

4. No reviews have been stopped, paused or ceased since the change of Prime Minister on 14 September 2015.
5. One (1) review has been concluded since the change of Prime Minister on 14 September 2015 –
  - Datacom Independent review of IT Service delivery
6. No reviews have been provided to government since the change of Prime Minister on 14 September 2015.
7. Not applicable
8. A further policy analysis is planned for the Mid-point review of the National Tobacco Strategy 2012-2018. Details are as follows.

<b>Mid-point Review of the National Tobacco Strategy 2012-2018</b>	
a) When will the review be commenced? <input type="checkbox"/>	March-April 2016
b) When will the review be concluded?	July-August 2016
c) When will government respond to the review?	Government is not required to respond to the review.
d) Will the government release each review? <input type="checkbox"/> If so, when? If not, why not?	It will be a decision for the then responsible Minister to determine if the policy component of the Mid-point Review is publicly released.