

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

National e-Health Transition Authority (NeHTA)

Budget Estimates 2011-12, 30 May 2011

Question: 18

OUTCOME 10.2: e-Health

Topic: e-Health – Legal Action

Written Question on Notice

Senator Boyce asked:

In a series of previous Questions on Notice from the estimates of February, 2011, I have sought details of legal action NEHTA has instigated against a former employee, Peter West. I had specifically asked for (a) a detailed breakdown of all costs NEHTA has incurred by taking this action and (b) all the reasons why NEHTA decided to take this action. NEHTA responded by claiming 'legal professional privilege' and declined to supply the information sought. Senior legal advice is unanimous that NEHTA's claim of privilege is utterly incorrect and represents a completely false interpretation of privilege in these circumstances and cannot therefore be so claimed, accordingly I repeat my request for detailed answers to both questions listed above as (a) and (b)?

Answer:

- a) The breakdown of costs incurred by NEHTA are as follows:

Forensic Analysis Costs \$15,000

Counsel Fees \$9000

Legal Fees \$48,000

- b) It was brought to the attention of NEHTA by a number of concerned stakeholders that two ex-employees of NEHTA (Phil Johnston & Peter West) had approached a number of stakeholders offering a purported alternate healthcare identifier solution, (StarDiad), to the endorsed health identifier solution that was being developed by Medicare Australia.

On further enquiry of this purported solution, evidence was detected that indicated that these two ex-employees may have breached (1) their employment contracts, and (2) their contracted undertakings regarding confidentiality and intellectual property, and that they may be involved in the misappropriation of company property. Given the investment of public funds in the development of the healthcare identifier solution by Medicare Australia, NEHTA felt that it had a responsibility to fully investigate these suspicions and take appropriate action to protect the investment of public funds in the HI Service.