

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Supplementary Budget Estimates 2011-2012, 19 October 2011

Question: E11-206

OUTCOME 10: Health System Capacity and Quality

Topic: HEALTH AND HOSPITALS FUND

Written Question on Notice

Senator Adams asked:

Question E10-381 from the Senate Estimates hearing on 20/10/2010 advised that the HHF Advisory board would determine which applications best meet the HHF criteria by drawing on “advice from the Department which employs a numerical scoring system and on the advice of experts”. Despite not all applicants being funded, it appears that there were many applicants who satisfied the criteria.

How were the successful 63 selected?

- a) Can you describe the actual process? E.g the applications were received (where?), and registered/acknowledged (by whom?), then sent to DoHA (where in DoHA?), and they applied the scoring system (who did this work? Timeframe?). When were ‘experts’ used (in all cases? How? What did they get to evaluate? E.g. the application and the score? Were these consultants? Cost?).
- b) What advice did DoHA give the Board at the end of this process? Did DoHA make a recommendation to the Board on each application? If so, on how many occasions did the Board’s determination differ to that recommended by DoHA?
- c) At her closing address to the 11th National Rural Health Alliance Conference on 16/3/2011 Minister Roxon said the independent board found about half of the applications met the eligibility criteria – which still leaves a lot of high-quality proposals for Government to consider. Port Macquarie Base Hospital was the first hospital to receive confirmation that its application, for \$96 million, was successful as provision was made for this in the Mid-year Fiscal and Economic Outlook following the election. Other applications will be considered and successful proposals announced in the Budget context.” <http://www.health.gov.au/internet/ministers/publishing.nsf/content/sp-yr11-nr-nrsp110316.htm>

What are the accountability frameworks of the HHF Board? What does DoHA do to ensure that the HHF Board upholds accountability and probity standards?

Answer:

a) Health and Hospitals Fund 2010 Regional Priority Round: Process	
Process step	Date/timeframe
Round opened	30 September 2010
Round closed	3 December 2010
239 Applications registered by the Department's tender box custodian	3 December 2010
Applications sent to the Portfolio Strategies Division of the Department	3 December 2010
Initial compliance checks completed by Portfolio Strategies Division	3-5 December 2010
Acknowledgements sent to all applicants	5-7 December 2010
Departmental officers in Portfolio Strategies Division analysed 237 compliant applications and a score was applied to each criterion depending on how well it was addressed by the applicant.	3 December 2010 - 4 March 2011
A group of experts identified by the Secretary, Chief Medical Officer and HHF Advisory Board members met to consider and provide advice on applications relating to their area of expertise. The experts' advice was incorporated into the Department's briefs which were provided to the HHF Advisory Board for consideration along with the applications. The experts were not engaged as consultants. They were remunerated for their time, travel, and accommodation to undertake this exercise at a total cost of approximately \$20,000.	18, 19 & 20 January 2011
The HHF Advisory Board met to consider the applications	9, 10 February 2011 24, 25 February 2011 5, 7 March 2011

- b) The Department provided the applications and briefs to the HHF Advisory Board for assessment. The Department did not make a recommendation to the HHF Advisory Board on each application.
- c) Under the [Nation-building Funds Act 2008](#), all health infrastructure spending applications are to be assessed by the independent, expert advisory board appointed by the Minister for Health and Ageing. The role of the HHF Advisory Board is to advise the Minister whether proposals for funding through the HHF satisfy the HHF Evaluation Criteria, having regard to guidelines issued by the Minister. All Advisory Board Members were required to sign a Deed of Undertaking in Relation to Confidential Information and Conflict of Interest (COI) on their appointment. In addition, at each meeting and teleconference of the Advisory Board, members are asked to sign a COI form and declare any conflict of interest. If an interest is declared, the member is excluded from discussion of the relevant issue. The Department maintains a register of all declared conflicts of interest by the Advisory Board.