



COMMONWEALTH OF AUSTRALIA

# Proof Committee Hansard

## SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

**Estimates**

(Public)

WEDNESDAY, 20 FEBRUARY 2019

CANBERRA

**CONDITIONS OF DISTRIBUTION**

This is an uncorrected proof of evidence taken before the committee.  
It is made available under the condition that it is recognised as such.

BY AUTHORITY OF THE SENATE

**[PROOF COPY]**

## **INTERNET**

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

To search the parliamentary database, go to:

**<http://parlinfo.aph.gov.au>**

**SENATE**

**COMMUNITY AFFAIRS LEGISLATION COMMITTEE**

**Wednesday, 20 February 2019**

**Members in attendance:** Senators Carol Brown, Di Natale, Dodson, Farrell, Gichuhi, Griff, Keneally, Leyonhjelm, Lines, Martin, O'Neill, Patrick, Polley, Siewert, Singh, Dean Smith, David Smith, Urquhart, Watt, Williams.



## HEALTH PORTFOLIO

### In Attendance

Senator Scullion, Minister for Indigenous Affairs

Senator McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation

### Department of Health

Ms Glenys Beauchamp PSM, Secretary

Professor Brendan Murphy, Chief Medical Officer

Mr Matt Yannopoulos PSM, Deputy Secretary, Corporate Operations Group

Ms Caroline Edwards, Deputy Secretary, Health Systems Policy and Primary Care Group

Adjunct Professor John Skerritt, Deputy Secretary, Health Products Regulation Group

Ms Penny Shakespeare, Deputy Secretary, Health Financing Group

Dr Lisa Studdert, Deputy Secretary, Aged Care and Population Health Group

Dr Margot McCarthy, Deputy Secretary, Ageing and Aged Care Group

Mr Charles Wann, First Assistant Secretary, Financial Management Division (FMD)

Mr Paul McCormack, Chief Budget Officer, Financial Management Division

Mr David Hicks, Acting Chief Financial Officer, Financial Management Division

Ms Rachel Balmanno, First Assistant Secretary, People, Communication and Parliamentary Division (PCPD)

Ms Stefanie Janiec, Assistant Secretary, Ministerial, Governance and Cabinet Branch, People, Communication and Parliamentary Division

Ms Jodie Grieve, Assistant Secretary, Communication and Change Branch, People, Communication and Parliamentary Division

Ms Donna Moody, First Assistant Secretary, Health Grants and Network (HGN)

Ms Jackie Davis, First Assistant Secretary, Legal and Assurance Division

Mr Daniel McCabe, First Assistant Secretary, Information Technology Division

Adjunct Professor Debra Thoms, Chief Nursing and Midwifery Officer

Mr Barry Sandison, Chief Executive Officer, Australian Institute of Health and Welfare

### Outcome 1

Ms Tania Rishniw, First Assistant Secretary, Portfolio Strategies Division (Portfolio Strategies Division)

Mr Brian Kelleher, Assistant Secretary, Portfolio Design Services Branch, Portfolio Strategies Division

Mr Paul McBride, First Assistant Secretary, Health Economics and Research Division (HERD)

Ms Erica Kneipp, Assistant Secretary, Office of Medical Research, Health Economics and Research Division

Dr Alison Morehead, First Assistant Secretary, Primary Care and Mental Health Division (PCMHD)

Mrs Louise Riley, Acting Assistant Secretary, Primary Care, Dental and Palliative Care Branch, Primary Care and Mental Health Division

Ms Adriana Platona, First Assistant Secretary, Technology Assessment and Access Division (TAAD)

Ms Thea Daniel, Assistant Secretary, Pricing and PBS Policy Branch, Technology Assessment and Access Division

Ms Louise Clarke, Assistant Secretary, Office of Health Technology Assessment – Policy Branch, Technology Assessment and Access Division

Ms Julianne Quaine, Assistant Secretary, Office of Health Technology Assessment – Assessment Branch, Technology Assessment and Access Division

Mr Ben Sladic, Assistant Secretary, Pharmacy Branch, Technology Assessment and Access Division

Dr Megan Keaney, Principal Medical Adviser, Technology Assessment and Access Division

Mr Tim Kelsey, Chief Executive Officer, Australian Digital Health Agency (ADHA)

Mr Ronan O'Connor, Executive General Manager, Core Services Systems Operations Division, Australian Digital Health Agency

Clinical Professor Meredith Makeham, Chief Medical Advisor, Australian Digital Health Agency

Ms Bettina McMahon, Chief Operating Officer, Government and Industry Collaboration and Adoption Division, Australian Digital Health Agency

Mr Steven Momcilovic, Chief Financial Officer, Financial Services, Australian Digital Health Agency

#### **Outcome 2**

Ms Lyndall Soper, First Assistant Secretary, Population Health and Sport Division (PHSD)

Mrs Tiali Goodchild, Assistant Secretary, Preventative Health Policy Branch, Population Health and Sport Division

Mr David Laffan, Assistant Secretary, Alcohol, Tobacco and Other Drugs Branch, Population Health and Sport Division

Mr Matthew Boyley, First Assistant Secretary, Cancer, Hearing and Program Support Division (CHPortfolio Strategies Division)

Mr David Hallinan, First Assistant Secretary, Health Workforce Division (HWD)

Ms Chris Jeacle, Assistant Secretary, Rural Access Branch, Health Workforce Division

Ms Fay Holden, Assistant Secretary, Health Training Branch, Health Workforce Division

Ms Lynne Gillam, Assistant Secretary, Health Workforce Reform Branch, Health Workforce Division

Associate Professor Susan Wearne, Medical Officer, Health Workforce Division

Associate Professor Andrew Singer, Medical Officer, Health Workforce Division

Dr Alison Morehead, First Assistant Secretary, Primary Care and Mental Health Division (PCMHD)

Mrs Valerie Spencer, Assistant Secretary, Mental Health Services Branch, Primary Care and Mental Health Division

Ms Emma Gleeson, Assistant Secretary, Mental Health for Children and Adolescents and Suicide Prevention Branch, Primary Care and Mental Health Division

Mrs Louise Riley, Acting Assistant Secretary, Primary Care, Dental and Palliative Care Branch, Primary Care and Mental Health Division

Mr Chris Bedford, Assistant Secretary, Primary Health Networks Branch, Primary Care and Mental Health Division

Mr Paul McBride, First Assistant Secretary, Health Economics and Research Division (HERD)

Mr Michael Culhane, Assistant Secretary, Modelling Branch, Primary Care and Mental Health Division

Ms Maureen Lewis, Interim Chief Executive Officer, National Mental Health Commission

Mr James Downie, Chief Executive Officer, Independent Hospital Pricing Authority

Mr Shannon White, Chief Executive Officer, National Health Funding Body

#### **Outcome 3**

Ms Lyndall Soper, First Assistant Secretary, Population Health and Sport Division (PHSD)

Mr Andrew Godkin, First Assistant Secretary, National Integrity of Sport Unit, Primary Care and Mental Health Division

Ms Lara Musgrave, Assistant Secretary, Office for Sport, Primary Care and Mental Health Division

Ms Kate Palmer, Chief Executive Officer, Sport Australia

Mr Peter Conde, Chief Executive Officer, Australian Institute of Sport

Mr Peter Dunlop, Acting General Manager, Corporate, Sport Australia

Mr Robin O'Neill, Executive Director, Sport Partnerships, Sport Australia

Mr David Sharpe, Chief Executive Officer, Australian Sports Anti-Doping Authority (ASADA)

Mr Darren Mullaly, Deputy Chief Executive Officer, Legal, Education and Corporate, Primary Care and Mental Health Division

Mr Brian McDonald, Deputy Chief Executive Officer, Operations, Primary Care and Mental Health Division

Ms Rebecca Tyler, Chief Financial Officer, Primary Care and Mental Health Division

#### **Outcome 4**

Ms Adriana Platona, First Assistant Secretary, Technology Assessment and Access Division (TAAD)

Ms Thea Daniel, Assistant Secretary, Pricing and PBS Policy Branch, Technology Assessment and Access Division

Ms Louise Clarke, Assistant Secretary, Office of Health Technology Assessment – Policy Branch, Technology Assessment and Access Division

Ms Julianne Quaine, Assistant Secretary, Office of Health Technology Assessment – Assessment Branch, Technology Assessment and Access Division

Mr Ben Sladic, Assistant Secretary, Pharmacy Branch, Technology Assessment and Access Division

Dr Megan Keaney, Principal Medical Adviser, Technology Assessment and Access Division

Mr David Weiss, First Assistant Secretary, Medical Benefits Division (MBD)

Mr Andrew Simpson, Assistant Secretary, Medicare Reviews Unit, Medical Benefits Division

Ms Celia Street, Assistant Secretary, Diagnostic Imaging and Pathology Branch, Medical Benefits Division

Ms Liz Dowd, Assistant Secretary, MBS Policy and Specialist Services Branch, Medical Benefits Division

Mr Nick Henderson, Assistant Secretary, Private Health Insurance Branch, Medical Benefits Division

Mr Simon Cotterell, First Assistant Secretary, Provider Benefits Integrity Division (PBID)

Mr Anthony Millgate, Assistant Secretary, Compliance Systems Branch, Provider Benefits Integrity Division

Ms Ann Smith, Assistant Secretary, Compliance Operations Branch, Provider Benefits Integrity Division

Mr Harry Rothenfluh, Assistant Secretary, Compliance Systems Branch, Provider Benefits Integrity Division

Mr Matthew Boyley, First Assistant Secretary, Cancer, Hearing and Program Support Division (CHPortfolio Strategies Division)

Dr Alison Morehead, First Assistant Secretary, Primary Care and Mental Health Division (PCMHD)

Mrs Louise Riley, Acting Assistant Secretary, Primary Care, Dental and Palliative Care Branch, Primary Care and Mental Health Division

#### **Outcome 5**

Ms Sharon Appleyard, First Assistant Secretary, Office of Health Protection (OHP)

Dr Gary Lum AM, Principal Medical Adviser, Office of Health Protection

Ms Rhonda Owen, Assistant Secretary, Health Emergency Management Branch, Office of Health Protection

Ms Sarah Norris, Assistant Secretary, Health Protection Policy Branch, Office of Health Protection

Dr Masha Somi, Assistant Secretary, Immunisation Branch, Office of Health Protection

Ms Gillian Shaw, Assistant Secretary, Regulatory Policy Branch, Office of Health Protection

Mr Chris Carlile, Assistant Secretary, STI Enhanced Response Unit, Office of Health Protection

Dr Lucas De Toca, Principal Advisor, STI Enhanced Response Unit, Office of Health Protection

Ms Jenny Francis, Principal Legal and Policy Adviser, Health Products Regulation Group (HPRG)

Dr Jane Cook, First Assistant Secretary, Medicines Regulation Division, Health Products Regulation Group

Ms Tracey Duffy, First Assistant Secretary, Medical Devices and Product Quality Division, Health Products Regulation Group

Ms Gillian Mitchell, First Assistant Secretary, Regulatory Practice and Support Division, Health Products Regulation Group

Mr George Masri, Assistant Secretary, Regulatory Services and Drug Control Branch, Health Products Regulation Group

Dr Raj Bhula, Gene Technology Regulator, Office of the Gene Technology Regulator (OGTR)

Mr Neil Ellis, Executive Director, Regulatory Practice and Compliance, Office of the Gene Technology Regulator

Dr Michael Dornbusch, Assistant Secretary, Evaluation Branch, Office of the Gene Technology Regulator

#### **Outcome 6**

Ms Maria Jolly, First Assistant Secretary, Aged Care Reform and Compliance Division (ACRCD)

Ms Amy Laffan, Assistant Secretary, Aged Care Quality and Regulatory Reform Branch, Aged Care Reform and Compliance Division

Ms Kate McCauley, Assistant Secretary, Aged Care Policy Reform Branch, Aged Care Reform and Compliance Division

Mr Anthony Speed, Acting Assistant Secretary, Aged Care Compliance Branch, Aged Care Reform and Compliance Division

Ms Emma Jobson, Assistant Secretary, Home Care Quality and Compliance Taskforce, Aged Care Reform and Compliance Division

Mr Jaye Smith, First Assistant Secretary, Residential and Flexible Aged Care Division (RFACD)

Mr Graeme Barden, Assistant Secretary, Residential and Flexible Care Branch, Residential and Flexible Aged Care Division

Ms Jo Mond, Assistant Secretary, Dementia and Supported Ageing Branch, Residential and Flexible Aged Care Division

Mr Nigel Murray, Assistant Secretary, Funding Policy and Prudential Branch, Residential and Flexible Aged Care Division

Ms Fiona Buffinton, First Assistant Secretary, In Home Aged Care Division (IHACD)

Ms Alison McCann, Assistant Secretary, Aged Care Access Branch, In Home Aged Care Division

Mr Travis Haslam, Assistant Secretary, Home Care Branch, In Home Aged Care Division

Mr Nick Morgan, Assistant Secretary, Home Support and Assessment Branch, In Home Aged Care Division

Ms Helen Grinbergs, First Assistant Secretary, Aged Care Royal Commission Taskforce (ACRCT)

Ms Ailsa Borwick, Assistant Secretary, Information Support Branch, Aged Care Royal Commission Taskforce

Ms Danae Paxinos, Assistant Secretary, Advice and Legislation Branch, Aged Care Royal Commission Taskforce

Mr Matthew Boyley, First Assistant Secretary, Cancer, Hearing and Program Support Division (CHPortfolio Strategies Division)

Ms Janet Anderson PSM, Commissioner, Aged Care Quality and Safety Commission (ACQSC)

Mrs Christina Bolger, Executive Director, Regulatory Policy and Performance, Aged Care Quality and Safety Commission

Ms Shona Reid, Executive Director, Aged Care Complaints Resolution Group, Aged Care Quality and Safety Commission

Ms Ann Wunsch, Executive Director, Quality Assessment and Monitoring Branch, Aged Care Quality and Safety Commission

**Committee met at 09:00**

**CHAIR (Senator Gichuhi):** I declare open this meeting of the Community Affairs Legislation Committee on 20 February 2019. The Senate has referred to the committee the particulars of proposed additional expenditure for 2018-19 for the portfolios of Health and Social Services, including the Department of Human Services. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has fixed 29 March 2019 as the date for the return of answers to questions taken on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by close of business on 1 March 2019.

The committee's proceedings today will begin with its examination of the Health portfolio, commencing with whole-of-portfolio and corporate matters. The committee will then continue with the Department of Health and other portfolio agencies as listed on the program. Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice.

I remind all witnesses that, in giving evidence to the committee, they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as contempt. It is also a contempt to give false or misleading evidence to the committee. The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: any questions going to the operations of the financial position of departments and agencies which are seeking funds in estimates are relevant to the questions for the purposes of estimates hearings. I remind officers that the Senate has resolved that there are no areas in connection with expenditure of public funds where any person has discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise.



The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from disclosure of the information or the document.

*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 (1) 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).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

*(13 May 2009 J.1941)*

(Extract, Senate Standing Orders)

I remind officers that opening statements should be brief, and officers may seek to incorporate longer opening statements into the committee Hansard.

**Department of Health**

[09:05]

**CHAIR:** I now welcome Senator the Hon. Nigel Scullion, representing the Minister for Health, and officers of the Department of Health. Minister, do you wish to make an opening statement?

**Senator Scullion:** Apart from to welcome the committee and to thank you all for your deliberations today, I have no opening statement.

**CHAIR:** The committee will now commence its examination.

**Senator SIEWERT:** Where should we be asking Lyme and mitochondria questions? I have some more specific Lyme questions but I specifically want to know when the government is going to be responding to the recommendations of the mitochondrial committee inquiry. Can I ask that here?

**Ms Beauchamp:** You can ask it here, and I am sure the Chief Medical Officer would help.

**Senator SIEWERT:** When can we expect the government response to the mitochondrial Senate inquiry?

**Ms Edwards:** The response to the inquiry is well advanced. We are expecting it to be released soon. It is a matter for government exactly when.

**Senator SIEWERT:** Has the department prepared their response?

**Ms Edwards:** We've provided advice to the minister.

**Senator SIEWERT:** And we are now just waiting for the minister's response—is that a correct interpretation?

**Ms Edwards:** We are waiting for the process required to approve it, or to consider the issues we've raised in our advice.

**Senator SIEWERT:** In other words, it's with the minister. Is that a fair interpretation of what you've just said?

**Ms Edwards:** I think the issues raised in that particular report spread across a number of portfolios, so there's a process of coordination among agencies and ministers.

**Senator SIEWERT:** Can I take from that that the health department has prepared your response but you haven't coordinated with the other agencies?

**Ms Edwards:** We've provided some advice as to what might be considered in a response. That's being considered by various arms of government.

**Senator SIEWERT:** You'd think I'd be used to interpreting responses now. I want to be really clear. In considering your advice, did you talk to other agencies?

**Ms Edwards:** Yes.

**Senator SIEWERT:** So the minister has got that across the board. He could go through the consultation, but you have provided advice from other agencies, or spoken to them in your advice.

**Ms Edwards:** That's right. Responding to the issues raised is well advanced.

**Ms Beauchamp:** Senator, we would expect the minister to consult with his colleagues as well.

**Senator SIEWERT:** I am taking that on board. But in terms of the agencies or the departments, that has been undertaken?

**Ms Beauchamp:** Yes.

**Senator SIEWERT:** Has there been any indication of how much longer the minister will be considering it before the response is—

**Ms Edwards:** I don't think I can comment on how long that piece of string is, but I don't expect it to be a long wait. I think we're close.

**Senator SIEWERT:** Within the next months?

**Ms Edwards:** I couldn't possibly comment.

**Senator SIEWERT:** To name the elephant in the room, we can't say whether it's going to be before the election?

**Ms Edwards:** I couldn't say definitively one way or another. I think it is close.

**Senator SIEWERT:** Minister, is it possible for you to check with the minister's office to see the timeline for the tabling of the government's response? It is possible to check whether that is in fact—

**Senator Scullion:** It is possible—

**Ms Edwards:** Could you?

**Senator Scullion:** and I will.

**Senator SIEWERT:** Today?

**Senator Scullion:** I'll speak with the department and if I have an opportunity to speak to the minister I'll do that as well. I think Ms Edwards's characterisation was accurate. I'll have to see where they're up to. I know you're not making a suggestion that there's a bit of handbrake; and there isn't. This is something that comes across a lot of portfolios. I will take on notice about where that process is up to and in what anticipated time the government can make that report available. I assume that is your question.

**Senator SIEWERT:** Yes.

**Senator Scullion:** I will try to get that expedited as soon as I can.

**Senator SIEWERT:** I'm sure that you're all aware that there's a very committed community that's deeply interested in the government's response. No, I wasn't making any accusations that it's being held up. We simply want to see the government's response.

**Ms Edwards:** We're aware of the interest in the issue. As you would know, it's a very complex and sensitive issue of very great interest to lots of people. We've gone about it speedily but with due care.

**Senator SIEWERT:** I'm pleased to hear that the department has undertaken all the consultation processes and provided advice. We merely now want to know what the timeline is for the release of the government's response.

**Senator Scullion:** I'll do my best to get that quickly if I can.

**Senator SIEWERT:** I have a number of questions on Lyme. As usual, I will put some on notice. Where should I ask those detailed questions?

**Senator Scullion:** I think it would normally be in outcome 5.

**Senator SIEWERT:** Thank you.

**Senator WATT:** I want to raise some concerns that have been raised by about 14 of Australia's peak health bodies in a letter to Minister Hunt dated 11 December. I see that issue has had some media attention in the Australian this morning as well. Are you familiar with the letter that I'm talking about?

**Senator Scullion:** I am—only from the media this morning and a brief I had as—

**Senator WATT:** You are well prepped. I don't know if you've seen the letter yourself, but Ms Beauchamp or one of her officials may have seen it.

**Ms Beauchamp:** I'm familiar with the letter, yes.

**Senator WATT:** The peak bodies we are talking about are groups like Consumers Health Forum of Australia, Public Health Association of Australia, Australian Federation of AIDS Organisations, National Rural Health Alliance and a number of others. In that letter, those peak bodies welcomed funding certainty under the government's health peak and advisory bodies funding program. But they also raised significant concerns with the minister that this funding does not increase with CPI. Is it correct that the new funding is not tied to CPI?

**Ms Beauchamp:** I will ask Ms Edwards to answer in detail. Have we finished the whole-of-portfolio corporate matters?

**Senator WATT:** No. The reason we are raising it here is that these bodies are acting across the whole portfolio.

**Ms Edwards:** The program you're referring to—

**Senator Scullion:** It's normally dealt with under 1.4 but we'll just deal with it now.

**Ms Edwards:** It's a program in outcome 1.4, and obviously those are the officers with the full detail. I can give you a preliminary indication.

**Senator WATT:** We just noticed that the palliative care association are across the whole portfolio, so we thought—

**Ms Edwards:** Yes, they are, and that's one of the important points here. The Health Peak and Advisory Bodies Programme is in 1.4. It's about providing some of that fundamental funding for various organisations. But that's not the only source of funding for those organisations. Something like palliative care is a good example, as is the Consumer Health Forum. They receive money under that program or under that outcome but are also funded from time to time to do various projects with additional funding. When my officers are here later in the morning might be able to talk to you about the various streams of funding to, for example, the Consumer Health Forum, so you might want to leave it to 1.4.

**Senator WATT:** Why don't we see what we can establish now. We can go back to it if there's more detail required. You'd be aware that in their letter and this media coverage today these groups have warned that not

increasing their funding by CPI will hit their capacity to attract and retain staff, to deliver services, to conduct quality policy development and to advise government. Is that of concern to government?

**Senator Scullion:** First of all, the notion, as I understood in the media process, was that there's some \$23.6 million or something around that for about 23 organisations. The thrust of it was, 'We're not able to provide policy advice when it's coming up to an election'. That's what the article said. What I'm advised is that all of these organisations actually get particular funding for those matters, independent of that. Because it's a piece of funding for a particular piece of work, indexation isn't an issue. My assumption—and I'll stand to be corrected—is that those funds are for running the organisation, for the administration of the organisation and for the accommodation of the organisation and those sorts of matters, and many of the organisations receive particular block funding for a piece of work in policy development that they get. We considered this, and I know the minister considered this matter, when they got the letter. They responded to say that we weren't able to make any changes at the time. I'm sure that's a reflection that the minister isn't concerned that the very valuable and ongoing information and assistance we get from those peak bodies won't be able to be sustained.

**Senator WATT:** I saw in this clip today that Minister Hunt himself has described these groups as being integral to building a better healthcare system for the nation, so they do play an important role.

**Senator Scullion:** They do indeed. This funding, of course, is not necessarily linked to that particular role and the policy development he's talking about. This is linked to administration, buildings, staff, and the normal running of an operational organisation. On top of those funds, which are not subject to any indexation or this discussion, are payments to them to develop policy in these particular areas. While I'm not sure, I suspect that that's why the minister is confident it won't have an impact on the delivery of policy assistance.

**Ms Edwards:** Funding for each organisation is assessed in relation to what that organisation needs to do and so on. As the minister says, they have various streams of funding. This is a contribution to those on-costs to allow the organisations to do their functions. But there has also been over various periods supplementary funding provided in particular instances. The funding levels for various organisations are different and also have been changed in different ways over the time. The good news is that the funding has been extended for two years for all of those organisations. That should be welcome news, we hope, to those organisations, to have the certainty. We're always interested to see what they're doing and whether they need assistance to provide particular functions and particular projects. I unfortunately don't have the letter in front of me that the minister wrote and so on, so I suggest we leave it to outcome 1.4 if you require any further detail.

**Senator WATT:** Is the argument essentially that it doesn't matter that the government has ceased providing indexation of the funding to these groups because they get other funding?

**Ms Edwards:** I'm not sure if 'ceased providing indexation' is correct characterisation. The program has existed since, I think, 2016, so it's not—

**Senator Scullion:** It was never indexed, and now they're asking for indexation. There has been no cut in indexation.

**Senator WATT:** You're saying this funding has never been indexed?

**Ms Edwards:** The funding has changed slightly over time for some organisations, depending on what they do and what they need.

**Senator Scullion:** But the notion specifically of indexation—I'm advised that it has not been subject to indexation.

**Ms Edwards:** Exactly. The Consumer Health Forum received supplementation of \$150,000 one year in order to do a particular function. They had a colloquium—a big forum. Those things are considered on a case-by-case basis out of this outcome but also out of the particular outcome, as you mentioned, Senator, across the department.

**Senator WATT:** Minister, these groups have warned about the effects of this failure to index. They say it will hit their capacity to attract and retain staff and to deliver services. It doesn't concern the government that they've warned you?

**Senator Scullion:** I understand that it has been the case since 2016, when this funding arrangement started, that it wasn't to be indexed. It wasn't indexed in 2017 and it wasn't indexed in 2018, and we got a letter in December 2018 saying, 'We'd like this indexed, please'. It's not reasonable to characterise this as suddenly fundamentally a problem. It's not that we've ceased indexation.

**Senator DEAN SMITH:** I think if we could see this in context it might be quite revealing.

**Senator Scullion:** That's probably as good as we can do at the moment. I understand you'd like to come back to it in 1.4, Senator.

**Senator WATT:** Those groups claim that the decision to not index their funding translates to a real funding cut of 16 per cent. Is that accurate?

**Ms Edwards:** Which groups, Senator?

**Senator WATT:** The 14 peak bodies. When was that decision made to not index their funding?

**Senator Scullion:** Obviously when the funding agreement was first accepted—there's a funding agreement. They've asked for indexation to start in December, and the minister indicated to the group that, no, we weren't going to index. But it can't be characterised as something we're taking; it is something that was never there. This is something that is about administration, as I've indicated, and infrastructure and those sorts of things.

**Senator WATT:** Those costs do increase.

**Senator Scullion:** As they do for everyone. But the notion that somehow that would prevent people from providing the very valuable policy that they do wasn't accepted by government.

**Senator WATT:** So you reject the claim from these groups that this decision translates to a real funding cut of 16 per cent?

**Ms Beauchamp:** Senator, it's probably looking at the funding they have received on an ad hoc project basis over the last few years. As Ms Edwards said, there's two years of funding that's been provided for the peaks, and that provides a level of certainty. We would take on notice the funding arrangements and the amount of funding that's been applied over the last few years, because it has been on a project basis as well.

**Ms Edwards:** To use the Consumer Health Forum as an example, we have a close relationship with the forum. They're very important stakeholders for the department. I don't have that stuff with me just yet, but they get funding streams from various parts of the department in addition to this and in addition to the supplementary funding they've got under this program. I do not have the letter in front of me, Senator, and which 14 groups you're talking about, but there's a complex story in relation to the organisations. Of course we're interested in these stakeholders and we want to talk to them about they need and how they can achieve things, which is why we look at specific funding for specific projects. But I probably can't answer any of those general questions at the moment.

**Senator WATT:** My understanding is that this funding has traditionally been indexed and that that ceased to occur since this government cut \$1 billion from the health department's flexible funds. Is that correct?

**Ms Edwards:** This program was established in 2016.

**Senator WATT:** Right, and you're saying that from the outset it's never been indexed.

**Ms Edwards:** That's my understanding. I really feel a bit disadvantaged here because I haven't got the full program—

**Senator WATT:** Okay. We might return to this a bit later once you've got the relevant officials here.

**Ms Edwards:** Yes. But there is no long history of it going one way and then, only for particular organisations, changing.

**Ms Beauchamp:** I still think it's probably worth looking at the funding they have received over the last few years so we can have an informed discussion about it.

**Ms Edwards:** No worries. We'll come back to this a bit later then.

**Senator DEAN SMITH:** On the same point, now that the letter has been distributed, it is worth drawing to everyone's attention that the opening paragraph says, 'We write to express our appreciation for the recent announcement with respect to the Health Peak and Advisory Bodies Funding Programme'. That's not to take away from Senator Watt's specific point about the CPI indexation. But then, Ms Edwards, you mentioned to get a proper understanding of the funding that is available to these particular peaks it's necessary to understand not only this program but also the other sorts of programs that they have access to or are being funded to deliver a variety of services for. In their statement, the third paragraph is about the challenge of attracting and retaining high-quality staff, which is not a challenge unique to these peaks but is across the community. They go on to say, 'and meeting ongoing increasing costs of providing programs and services'. That's not completely accurate, because they may in fact be eligible for or in receipt of other moneys to be running programs and services.

**Ms Edwards:** They may. It will depend on each individual organisation.

**Senator DEAN SMITH:** Of course. So, when we come back to this particular point later in the day, you'll be able to provide me with, for example, AFAO or others in terms of the sorts of funding that they might already be accessing?

**Ms Edwards:** I would think that by this afternoon we could provide some examples. If senators wanted a full breakdown of all of the organisations, we'd have to take that on notice.

**Senator SIEWERT:** In relation to those programs, could you also tell us whether they have had access to indexation? I'm very aware that these organisations have not had CPI added to many of the other grants as well. Perhaps we can get that so we've got a full picture of what's had indexation and what hasn't in those additional grants.

**Ms Edwards:** Indexation in relation to particular grants—

**Senator SIEWERT:** Yes.

**Ms Edwards:** or indexation in relation to programs—

**Senator SIEWERT:** Or to programs. Senator Smith has just asked for those additional programs. Fair enough. But my understanding is that for many programs they have not had indexation either and that that is causing significant issues.

**Senator Scullion:** In many circumstances, and I only speak from the knowledge of my own personal portfolio, where some programs aren't indexed, that's taken into consideration when you cost a program: 'This won't be indexed, so how much are you going to need to do the job over a three-year period?' I'm just saying it's not that if there's no indexing it all goes down; that isn't the case. Often we take that into consideration if the program isn't to be indexed in the initial arrangements, because it is an arrangement, a partnership arrangement, about 'This is the service that you'll need to deliver over this period of time'. They'll know it's not indexed or it is indexed. If it's indexed, it'll be this; if it's not indexed, it'll be that.

**Senator SIEWERT:** Minister, a number of programs have been rolled over—I heard what you said about three-year programs, but a number have not received CPI in the following round either. These organisations—I talk to them very regularly—are having to cut back their services because they can't deliver the same services, because they can't make the money stretch that far, because it's not indexed. It's fairly well known in the sector.

**Ms Edwards:** There's one issue to mention about this. Some programs are indexed at various rates and so on. I haven't got the material on this one here. But then how you actually allocate within that program is a slightly different question. If you're allocating a program among various organisations, you have regard to what it is they need and what it is they need to do. It may not be that it's simply rolling over and CPI-ing; it's a more complex issue than that. If you have CPI in a program, as the minister says, you look at what you need to make the program apply to and apply it. So the issue of whether a program is indexed is very separate to whether a grant is indexed, because every time we extend a grant we should look at what it is we're trying to fund and trying to enable the organisation to do. I'm just mentioning that because it's a much more complex situation.

**Senator SIEWERT:** I know. For these particular organisations, could you tell us whether the program is and then take on notice whether the specific organisations are getting indexation for a particular grant.

**Ms Edwards:** Whether their funding level is altered, yes.

**Senator O'NEILL:** I want to confirm that you're aware of the Productivity Commission report that was released on 30 January this year—the report on government services 2019.

**Ms Beauchamp:** The review of government services report?

**Senator O'NEILL:** Yes. The problem that I have is that there's quite a gap between the reality of the figures in the Productivity Commission report and in claims that the minister makes about funding with respect to mental health. The reality is we have a government and minister who frequently claim that record spending is being distributed on mental health. We have a very different perspective in the community. Can the department please explain why the Productivity Commission, based on the most recent and reliable data, has said that mental health spending has dropped in both real terms and per person?

**Ms Beauchamp:** I haven't got the specific details in front of me, but mental health services are a combination of funding from both the Commonwealth and the states and territories. So I'd need to look at the exact detail in terms of the Commonwealth's contribution to mental health spending and the states and territories to confirm or not what you were saying.

**Senator O'NEILL:** Is the Productivity Commission wrong?

**Ms Beauchamp:** I'm saying that mental health—

**Senator Scullion:** Could you provide some particular reference in the Productivity Commission report?

**Senator O'NEILL:** Table 13A.1. People think when you say that you're spending record funding on mental health that you're spending record funding on mental health. They don't want it to be collared in with other bits and pieces and confused in a sort of deceptive message.

**Senator Scullion:** We would stand by a claim that we are spending record funding on mental health. If you have some information that indicates—

**Senator O'NEILL:** I'm not surprised.

**Senator Scullion:** Because it's a fact, Senator. But if you have some information that would indicate that that is not the case, if you can provide that particular piece of information, I'd be delighted to assist. It's very difficult for my officers without that particular information.

**Ms Edwards:** Senator, I can tell you we have looked at the report, and the fundamental reason is that they're counting different things to what we're counting. They're leaving out some major areas of expenditure. If you could just give us half an hour or so, I'm sure I can pull up that explanation.

**Senator O'NEILL:** The Productivity Commission calls it mental health. They talk about real expenditure, which is quite different to pretend expenditure. We can see in the figures in table 13A that from 2015-16 a figure of \$3.1 billion goes down to \$3.07. Real expenditure per person, according to the Productivity Commission, goes down from \$133 million to \$123 million.

**Ms Edwards:** Again, I don't have that in front of me. But I do have the figures in relation to the total Commonwealth expenditure in 2018-19 on mental health. It's \$4.7 billion. I've got the table behind me, if you can give me one moment to explain—

**Senator O'NEILL:** The reason I'm asking these questions is that there is a practical gap between the Productivity Commission and the Department of Health, there is concern in the community about access to mental health services, and we have, sadly, the fruit of that failure to invest properly in mental health in the reality of people's lived experience.

**Ms Beauchamp:** I'd like to see the details of the table, and I haven't got it here in front of me. But I think the Productivity Commission looks at the overall contribution from the Commonwealth and the states and territories. From the Commonwealth's point of view, certainly since I've been in the position, there is indeed record funding for mental health on a number of fronts. I think we need to look at those details to see whether it's a reduction in the states' and territories' spending on mental health. Indeed, the Commonwealth is stepping into what was traditionally a state and territory expenditure.

**Senator O'NEILL:** Are you saying, then, that the Productivity Commission is not correct?

**Ms Beauchamp:** I'm not saying—

**Senator Scullion:** We're saying very clearly that the Productivity Commission report also includes data that is not from the Commonwealth. If the Commonwealth are making the claim that this is our largest spend—I think it's \$4.7 billion—and the table has gone down, it could be due to the states and territories not making the same investment. There's no unique solution to that formula; that is what the secretary has indicated.

**Senator O'NEILL:** Thank you, Minister. The Productivity Commission's highlighting with regard to research indicates that spending on mental health research has also declined.

**Ms Beauchamp:** Again, that's looking at the contribution of all governments. Indeed, the spending on research for mental health has substantially increased over the last couple of years, particularly with disbursements from the Medical Research Future Fund and NHMRC. I think we've got record expenditure on research overall. I think it would be—

**Senator O'NEILL:** The table that I'm reading from, table 13A.2 in the Productivity Commission's report, is entitled 'Real estimated Australian Government expenditure on mental health services 2016-17'. It shows a decline in research—and we have seen an attack on research under this government—from \$94.9 million in 2014-15 to \$76.7 million in 2015-16 and a continuing decline in 2016-17 to \$70.2 million.

**Ms Beauchamp:** I'd need to see the details of the table. But when you look at a number of announcements that have been made over the last year or so—for example, the \$125 million out of the Medical Research Future Fund is for mental health research. So I think we need to be looking at—

**Senator Scullion:** We'd have to ensure that that was taken into consideration in the report. Senator, there are a number of issues under which we'd perhaps normally be dealing, or would anticipate dealing, with this in outcome 2. If you would like to leave us some details, we'll do our very best to try to find some answers to those

specific ones you've already indicated. And, if there are others, if it expedites the process we can have those ready for you when you return.

**Senator O'NEILL:** It would be good to get to the truth rather than this very significant difference in public rhetoric from the government and what the PC, which I tend to believe—

**Senator Scullion:** I think we've indicated quite clearly why that may not be the case. Any indication that you have some trouble getting to the truth is simply not the case.

**Senator O'NEILL:** I think it's been proven day after day here in this place—

**Senator Scullion:** You need to indicate what untruths you've got out of us, Senator. It's a very serious allegation when you talk about the truth and the lack of it.

**Senator O'NEILL:** Indeed it is, and I think we've seen incredible obfuscation from this government on every front.

**Senator Scullion:** Senator, you can indicate your cynicism or anxiety about which fact we've provided you. Which of those we have provided you this morning do you think lacks truth?

**Senator O'NEILL:** The gap that exists and remains unexplained—why the Productivity Commission is stating in black and white that there's a decline in funding for mental health and the government continues to say that that's not the case.

**Senator Scullion:** We've indicated that that simply isn't the case. You've asked us if we think the commissioner is wrong and we've simply said that often the commission deals with a number of jurisdictions, and that may well be the case. We have simply said we'll make sure that we find more detailed answers to those questions. I'm sure the officers will do that by the time you return.

**Senator O'NEILL:** I appreciate that, Minister. I have another question about the research funding to the NHMRC for mental health. Has that also fallen under this government?

**Senator Scullion:** First of all, to say 'also' means that we accept the premise of your previous question, which I've indicated we haven't.

**Ms Edwards:** What's the question?

**Senator Scullion:** The question is: has the funding to NHMRC fallen—

**Ms Edwards:** For mental health?

**Senator Scullion:** Yes.

**Ms Edwards:** For NHMRC research it was \$16.9 million in 2017-18 and \$72.6 million expected this year.

**Senator O'NEILL:** What table are you reading from?

**Ms Edwards:** I'm looking at the table I've got, which we've previously provided, which adds up to the total of \$4.7 billion Commonwealth expenditure.

**Senator O'NEILL:** If I could have a copy of that, that would be good. I'll have a look at that one.

**Ms Edwards:** I can table it.

**Senator O'NEILL:** Thank you. Going back to table 13A.2, I'm getting information that that is in fact the total of the Commonwealth expenditure on mental health services.

**Ms Edwards:** My understanding, from what I have managed to cobble together here, is that they're not including all the things we would include in relation to mental health expenditure, like all the MBS items for when people go to the doctor and have a mental health consultation, like pharmaceuticals which are subsidised, and like the research and the coordination work put through the Mental Health Commission, and also our share of public hospital funding when people are admitted for mental health services. So our number takes into account across the whole of the health system, whereas my understanding—and I caveat that by saying I'm just looking at it now—is that this relates to mental health services in the more narrow sense. That is an important part of what we do. Our mental health program specifically Commonwealth funded through the PHNs and otherwise is \$885.8 million in 2018-19, which is up from \$759.7 million in 2017-18.

**Senator O'NEILL:** We will return to this, but I am concerned, and I continue to get information, that this is the total of Australian government spending, Commonwealth spending, and that commentary that has been there about the states being embedded in it is not accurate. You can talk about all the other programs that might draw some dollars from the mental health point of view but the mental health spend clearly, according to the PC, is going down.



**Senator Scullion:** That just isn't accurate. We've just had the officer indicate the much narrower perspective of the Productivity Commission's data that they are providing. We have a much wider not only perspective but also investment in mental health. The start of the Productivity Commissioner's report, and each of those tables, looks quite narrowly at exactly what they are. What we are saying is that—

**Senator O'NEILL:** But they're measuring the same thing every single year. You don't have to compare the two of those separately. Every single year the Productivity Commission records that there is decline in funding. They're measuring the same thing every year and their funding record is going down.

**Senator Scullion:** You've indicated why it is the case that we have different information. We are saying that we are using a different and broader dataset. That has been the case. This is specifically from the commission report.

**Ms Edwards:** Perhaps we could take on notice, Senator, a table which compares—if we can talk to the Productivity Commission about what they've included and what numbers they have, compared to our understanding, which would give you a clear picture of what's comparable and what isn't.

**Ms Beauchamp:** Also it's probably almost 18 months out of date, as it related to the end of June 2017.

**Senator O'NEILL:** Some of the programs you've indicated that you've added into your numbers to make it look the way you want it to look include funding for promotion, prevention and early intervention in mental health, which is another thing that's fallen under this government.

**Ms Beauchamp:** Senator, we don't include numbers to make up a story. They are based on fact and budgets. So if we can get that information to you and update those Productivity Commission figures—we absolutely, I can reassure you, base the evidence on the facts.

**Senator O'NEILL:** The difficulty I have in accepting that, with respect, is that the government and the department appear to trust the Productivity Commission when it comes to the investigation of mental health but don't trust the accuracy of the data that they produce about the funding of the government. That is not a tenable position.

**Ms Beauchamp:** I would have to look at the methodology and get underneath exactly what they have and have not included. But, as I said, that's almost 18 months out of date. We've had budgets and MYEFO since then, where there have been substantial investments in mental health and, indeed, mental health research. The NHMRC is not the only source of mental health research. I mentioned the Million Minds, the \$125 million. That's quite significant in terms of overall research into mental health.

**Senator O'NEILL:** There are concerns about the access to and expenditure of that as well. But we will come to more detailed questions about that later. Certainly at this point in time I express considerable concern that the Productivity Commission's data seems to be questioned by the government and this department.

**Senator Scullion:** We're not questioning the data in the report. It's the context in which you're putting the report that you say disagrees with our data. We're simply saying that we're using another dataset. Rather than just making assertions, asking questions in this place can be really useful, because we're able to provide accurate answers.

**Ms Beauchamp:** And we can provide more up-to-date data. Last financial year, which the Productivity Commission hasn't got, there was an investment by the Commonwealth government of \$4.7 billion in mental health.

**Senator Scullion:** A record.

**Senator O'NEILL:** Not according to the Productivity Commission, Minister.

**Senator GRIFF:** I'd like some clarification as to where hospital safety goes in the program.

**Ms Beauchamp:** In terms of outcomes?

**Senator GRIFF:** Yes. In the past we've had it in two different spots. It sort of falls into AIHW as well.

**Ms Beauchamp:** It's normally outcome 2.7, but we seem to have been jumping.

**Senator GRIFF:** I'll hold that until 2.7. Ms Beauchamp, your department obviously understands that the estimates process is an important function of the Senate. Could you explain to me the internal processes you go through when you deal with questions on notice?

**Ms Beauchamp:** As you would appreciate, the portfolio is an extremely busy portfolio. I think last estimates we had over 300 questions on notice. The process we go through is that we have our responsible line areas and portfolio agencies develop proposed answers to questions on notice.

**Senator GRIFF:** Do you prioritise the timing of the responses?

**Ms Beauchamp:** They're allocated out to each area across the department. So they're not prioritised as such at the central level. We put them out there and then centralise it all back into a parliamentary area and for me and the other deputies to have a look at.

**Senator GRIFF:** So the division heads personally review all the responses before they come back to us?

**Ms Beauchamp:** Yes.

**Senator GRIFF:** Do you have sufficient numbers of staff to process them, in your view?

**Ms Beauchamp:** I think this is part of our core business, as indeed is appearing before Senate estimates. Yes, we do have enough staff to do our core business.

**Senator GRIFF:** So why is it that, out of every department, yours takes the longest to respond to questions on notice?

**Ms Beauchamp:** I haven't done the analysis on taking the longest to respond. My apologies for the lateness of our questions on notice this time. As I said, we're an extremely busy portfolio. The Prime Minister announced bringing forward the budget process, so we've been involved in not just—

**Senator GRIFF:** So the PM's announcement has slowed this down, effectively?

**Ms Beauchamp:** No, I'm just saying that that's an example of the work that we've had to do over the Christmas / New Year period. It has been quite substantial.

**Senator GRIFF:** I would estimate that by the deadline perhaps 10 or 15 per cent were responded to by your department. Even in the stats that I've got as at 31 January 2019, out of your 300 there were still 210 outstanding, or 70 per cent. But the majority of other departments, even with massive amounts of questions, were sitting somewhere between one and five or six per cent. I appreciate that if you've had other things that have come up it makes it difficult. But I'm just trying to sort it out. Again, do you need additional staff? What steps can be taken to ensure that estimates deadlines are met in the future?

**Ms Beauchamp:** As I indicated, my apologies for the lateness. It has been an extraordinarily busy time over the Christmas / New Year period. In future we'll make sure we do better.

**Senator DI NATALE:** I have some standard questions on total health expenditure.

**Mr Yannopoulos:** Do you just want the forward estimates period?

**Senator DI NATALE:** Yes.

**Mr Yannopoulos:** This year, \$80.1 billion; 2019-20, \$81.2 billion; 2020-21, \$82.2 billion; and 2021-22, \$85.2 billion.

**Senator DI NATALE:** What does the \$80.1 billion reflect as a percentage increase from the previous year? Is it on trend with where the forward estimates are?

**Mr Yannopoulos:** Yes, it's on trend. It's a 5.4 per cent increase on 2017-18.

**Senator DI NATALE:** That's a significant increase when you consider that over the forwards you're looking at what looks like just over a one per cent increase.

**Mr Yannopoulos:** That's right.

**Senator DI NATALE:** What does that 5.4 per cent increase reflect? What elements have increased?

**Mr Yannopoulos:** A range of elements. Primary care went up 18.2 per cent and hospitals 7.5 per cent.

**Senator DI NATALE:** Why the significant primary care increase?

**Mr Yannopoulos:** I might have to take that on notice, just to unpack it. It was a \$273 million increase. It will be as a result of some measures that were in effect for 2018-19.

**Senator DI NATALE:** You don't have those on hand? Is it additional MBS item numbers? Does it relate to—

**Mr Yannopoulos:** In 2018-19 there were new and amended listings in pharmaceutical benefits, PBS—

**Senator DI NATALE:** I'm just interested in the breakdown of that increase, perhaps just in terms of percentage increases within those other areas. Do you have those?

**Mr Yannopoulos:** I don't have them cut into percentages.

**Senator DI NATALE:** I want to unpack the 18.2 per cent increase in primary care and find out what the biggest component of that was.

**Mr Yannopoulos:** There are officers here who will be able to help me give that breakdown, but I don't have it in that way.

**Senator DI NATALE:** Great. If you could spend a bit of time doing that, that would be good. I'm just interested in finding that out. You said 18.2 per cent was primary care. What was the 7.5?

**Mr Yannopoulos:** That was in hospitals. Those are the material increases. The MBS was up 3.4 per cent.

**Senator DI NATALE:** The primary care components are PBS. What were the other elements?

**Mr Yannopoulos:** There was an initiative to strengthen primary care. There was—let me create a table that can answer your question.

**Senator DI NATALE:** That would be great, thank you. What's the PHI rebate costing us at the moment?

**Mr Yannopoulos:** In this year, \$6.393 billion.

**Senator DI NATALE:** And over the forwards?

**Mr Yannopoulos:** In 2019-20, \$6.57 billion; in 2020-21, \$6.69 billion; in 2021-22, \$6.88 billion.

**Senator DI NATALE:** I want to talk to you about the government's plans to spend \$1.25 billion on the Community Health and Hospitals Program. You're aware that the government made that commitment in December?

**Mr Yannopoulos:** I am.

**Senator DI NATALE:** I want to talk about that commitment. Are there any details about where that money will be spent?

**Ms Edwards:** As you know, the Community Health And Hospitals Fund was announced, an extra \$2.3 billion to be expended, provided for in the most recent financial statements.

**Senator DI NATALE:** I'm looking at the media release dated 12 December 2018.

**Ms Edwards:** I am also.

**Senator DI NATALE:** It says 'a guaranteed \$1.25 billion boost to health services'.

**Ms Edwards:** I'm rounding using the numbers that are used in the financial statements; \$1.25 billion is correct.

**Senator DI NATALE:** I thought you said two point something.

**Ms Edwards:** I meant to say 1.3.

**Senator DI NATALE:** I think you said two, but that's all right.

**Ms Edwards:** My apologies. It's \$1.25 billion.

**Senator DI NATALE:** Can you talk to that?

**Ms Edwards:** The announcement of the program has happened. To date there's only been a very limited number of announcements in relation to specific projects to come out of that. There have been a couple mentioned that have come up, one in relation to a hospital in Western Australia and one in relation to James Cook University.

**Senator DI NATALE:** A hospital in WA?

**Ms Edwards:** There are two announcements. One is about the Peel Health Campus. There's a media release from Minister Hunt of 6 February. And there's a media release of 19 January from the Prime Minister and the Minister for Health in relation to some investments into James Cook University which will alleviate pressure on the Cairns Hospital by moving research people, equipment and so on. Those are the only two announcements specifically attributed to the fund at the moment. In relation to how the rest of the fund is to be allocated, we recently wrote to all states and territories and all PHNs asking for proposals for what might be spent in relation to the outcomes of the fund. We received a large number of proposals. Those are currently being assessed.

**Senator DI NATALE:** PHNs—so this is open also to general practices and other primary healthcare services?

**Ms Edwards:** At this stage the proposals have been invited from the states and territories and PHNs. We're always open to good ideas, wherever they come from, but that's the formal process at this stage.

**Senator DI NATALE:** Are you looking at rolling this funding out through MBS item numbers or increasing MBS payments? What are the parameters that you're working to?

**Ms Edwards:** The parameters you can see from the Prime Minister's press release. Four key areas—

**Senator DI NATALE:** That's it?

**Ms Edwards:** Those are the key parameters at the moment. Our invitations to the states and territories and the PHNs were to focus on those four areas, but we are really open to what it is that people working closer to the

ground think is needed in order to supplement our primary care spend and our hospital funding. There's a big area there that we can collaborate with states and PHNs on. We received a large number of applications. I think it was well over 200.

**Senator DI NATALE:** But is the extent of the framework for rolling this money out effectively those four dot points?

**Ms Edwards:** That's what has been publicly released in a media release at this point.

**Senator DI NATALE:** I'm asking about what else—what are the outcome measures that you're specifically looking at so that you get value for money out of this \$1.25 billion boost? Let's look at drug and alcohol treatment, No. 2. What are you aiming to achieve?

**Ms Edwards:** Some of the more detailed material in relation to the outcomes and so on is still subject to confidential processes.

**Senator DI NATALE:** Is there more detail?

**Ms Edwards:** There's a lot of work being done on delivering the parameters. Obviously all the guidelines and all that sort of stuff—

**Senator DI NATALE:** Was the announcement made and the detail formulated afterwards?

**Ms Edwards:** As often happens, there's a lot of work to be done between making an announcement and deciding to allocate some money and actually giving grants to individuals or organisations on the ground.

**Senator DI NATALE:** But \$1.25 billion is a significant spend. Obviously it's a recognition of the under-investment in each of these areas over a number of years. Surely at the time of the announcement there were some clear parameters outlined for how that money would be spent. It's very hard to escape the conclusion that this is a bit of pork-barrelling in the lead-up to an election campaign.

**Senator Scullion:** Senator, perhaps you could indicate which electorates we're investing in that you think are somewhat—and what program particularly.

**Senator DI NATALE:** What are you trying to achieve with the drug and alcohol funding, Minister?

**Senator Scullion:** I was just wondering, in relation to your previous assertion, whether you could perhaps put a bit more meat on that.

**Senator DI NATALE:** I'm asking you to tell me what outcomes you're trying to achieve with the drug and alcohol funding. You've allocated a lot of money, \$1.25 billion. It's a very welcome investment, obviously an acknowledgment that it's sorely needed. One would assume that if you're going to outline that sort of spend there would be some detail about what you're trying to achieve with that money. Specifically, as of 12 December, when this announcement was made, apart from the dot point around drug and alcohol spending, what are the outcome measures that the government was looking at?

**Ms Edwards:** One of the key things about this, and the reason we've asked states and territories and PHNs, is that we're actually going out to find out where the need is and what people think are the good ideas out there. So we haven't gone out saying, 'This is exactly what you need to do'; we've given indications. We're looking at what the PHNs and the states and territories, who are much closer to the ground in delivering these services, think is needed in their communities and working with them. We stand by going out and asking people what's needed.

**Senator DI NATALE:** One would think you would have done that before you decided to put \$1.25 billion in flashing lights. One would assume that before you actually make a commitment to spend \$1.25 billion you would assess the need and then determine what needs to be spent on each area.

**Senator Scullion:** Senator, it is actually usually the case that we don't say, 'You go out and get a whole bunch of ideas and then we'll work out where we get the money later'. That's for—

**Senator DI NATALE:** How did you arrive at \$2.5 billion? Where did that number come from?

**Senator Scullion:** I'm not personally aware of exactly how we arrived at that figure. But there will be a methodology about how we generally arrived at that figure.

**Senator DI NATALE:** Can I ask it on notice?

**Senator Scullion:** We'll put that to the officers.

**Senator DI NATALE:** How did you arrive at the \$1.25 billion figure if you hadn't done a needs assessment beforehand?

**Ms Beauchamp:** Senator, they've been subject to budget processes and cabinet processes, so we won't go into the details here. But part of that process, as Ms Edwards said, was seeking further input from the states and territories and from the PHNs. So the—

**Senator DI NATALE:** Why not \$2 billion? Why not \$3 billion? Why \$1.25 billion?

**Ms Beauchamp:** That is a government decision.

**Senator DI NATALE:** So, Minister, why \$1.25 billion? There was no needs assessment done beforehand. How did you arrive at that figure? You said there's a methodology to it. What is it?

**Senator Scullion:** As the secretary has just indicated, there is a process. There's a budget process and there's a cabinet process about coming up with that number. We don't usually discuss cabinet processes in this place. But it's the same with almost every undertaking of government. You have to have a broad 'How much is there? What can we pull together?'. This is a need, as you've indicated. Then we'll go out and consult on exactly how we need to invest in that. It's part of a budget process.

**Senator DI NATALE:** Why were those four areas chosen?

**Ms Edwards:** Again, we are going well into budget development areas that we can't discuss with you. But they clearly are—

**Senator DI NATALE:** Was that a decision of the department or the government?

**Ms Edwards:** It was a decision of the government.

**Senator DI NATALE:** Okay. Minister, why were those four areas chosen?

**Senator Scullion:** Can you just run me past those four areas again?

**Senator DI NATALE:** The four areas are specialist hospital services, drug and alcohol treatment, preventative primary and chronic disease management, and mental health.

**Senator Scullion:** Thank you. I'm not so sure what other areas of investment you can take out of those four areas. I think it pretty well covers the entire spectrum of drug and alcohol treatment, rehabilitation, preventative care and primary care. I would have thought that—

**Ms Edwards:** Senator, this is a decision of government, but we have clearly provided advice about the sorts of things that are important in the community, particularly where we know that primary care and hospitals need to work together, we need to avoid hospitalisation where we can and we need to have community-delivered health services. Certainly it's the department's view that those cover very much those things that often have not been fully invested in in our community and we think they're extremely useful ways to have that bridge between community care, keeping people out of hospitals and supplementing primary care.

**Senator DI NATALE:** On the drug and alcohol treatment, is that going to be distributed through the Ice Taskforce funding—the funding that was developed through that model—or is there another way of distributing that funding?

**Ms Edwards:** I haven't heard any reference to Ice funding in relation to this program, but it's not my area. Certainly—

**Senator DI NATALE:** Is there any proposal to look at harm reduction and spending on harm reduction services?

**Ms Edwards:** There are a lot of proposals that have come in from PHNs and states and territories that we are looking at now.

**Senator DI NATALE:** Has the department made a decision about restricting the funding for drug and alcohol services to specific areas?

**Ms Edwards:** No.

**Senator DI NATALE:** So there's the possibility that some harm reduction services will be funded—receive additional funding?

**Ms Beauchamp:** I think primarily this element of the drug and alcohol funding is focused on treatment services.

**Senator DI NATALE:** So it won't apply to harm reduction?

**Ms Beauchamp:** There are other areas of the department that are focused more broadly on harm reduction and prevention.

**Senator DI NATALE:** But I'm asking specifically—this \$1.25 billion won't cover harm reduction services?

**Ms Beauchamp:** It will cover treatment services for drug and alcohol as one of the priorities—

**Senator DI NATALE:** And not harm reduction services?

**Ms Beauchamp:** No.

**Senator DI NATALE:** Thank you.

**Senator WATT:** Minister, you would be familiar with media reports that have been coming through for some time, including yesterday, about an investigation into bullying allegations within Minister Wyatt's office. Are you aware of those reports?

**Senator Scullion:** Only to the extent where I watched, out of the corner of my eye, estimates and I did catch something—a question around that—yesterday.

**Senator WATT:** This was in finance estimates, I think, wasn't it?

**Senator Scullion:** I think so. I'm sorry—I was just in my office. I don't personally have any great knowledge of those matters, no.

**Senator WATT:** Sure. Are you aware—

**Senator Scullion:** I'm sure the officers do though.

**Senator WATT:** But you're aware there has been an investigation into those allegations?

**Senator Scullion:** Yes, broadly.

**Senator WATT:** You mentioned that this came up in finance and public admin estimates last night. Are you aware that there was evidence given by the Department of Finance last night that the investigation into these bullying allegations is now complete?

**Senator Scullion:** No, I'm unaware of that. I just—as I said, it happened to be on while I was in the office there yesterday and I looked up. That was my only knowledge of that. But I'm sure the officers may be able to assist.

**Senator WATT:** So you're not aware of whether the investigation is complete yourself?

**Senator Scullion:** No, I'm not.

**Senator WATT:** Ms Beauchamp, are you aware of that?

**Ms Beauchamp:** I'm aware that there was an investigation being undertaken—nothing to do with the department. I don't know any of the details of either the timing or the content of the investigation.

**Senator Scullion:** We'll take that on notice, Senator.

**Senator WATT:** It's a straight question: are you aware or is anyone from the Department of Health aware that that investigation is now complete?

**Ms Beauchamp:** No, and I think that the Department of Finance has responsibility for such investigations.

**Senator WATT:** For sure. That's why we got confirmation of this last night. According to the evidence of the Department of Finance, that investigation is now complete. Is there anyone—I have a few questions about this, so is there anyone from your department who we should get to the table who sort of knows anything about this investigation?

**Ms Beauchamp:** Officers from the department would not know any of the details about the investigation.

**Senator WATT:** Some of the other evidence given to estimates last night—finance estimates—was that the cost of the investigation into these allegations of bullying within Minister Wyatt's office was over \$36,000. Did the Department of Health have to contribute to that cost?

**Ms Beauchamp:** The department has not had anything to do with the investigation. It's primarily—well, it is indeed the responsibility of the Department of Finance.

**Senator WATT:** So you didn't have to contribute to the cost of it—your department?

**Ms Beauchamp:** No.

**Senator WATT:** Did your department incur any of its own costs due to this investigation?

**Ms Beauchamp:** No.

**Senator WATT:** So all costs were borne by the Department of Finance?

**Ms Beauchamp:** As I said, the department did not have any input into the investigation.

**Senator Scullion:** It had nothing to do with it at all, Senator. The answer to all the questions about whether it had anything to do with it is no.

**Senator WATT:** Sure. Did the Department of Health incur any costs due to the treatment of departmental staff by the ministerial office—for example, mediation, counselling or required leave?

**Ms Beauchamp:** Not that I'm aware of, but I'm happy to take that on notice.

**Senator WATT:** Is there anyone here who might know that? Someone from HR or—

**Mr Yannopoulos:** Senator, I don't believe there are any costs or any of those sorts of issues for the Department of Health.

**Senator WATT:** So the Department of Health hasn't had to pay for any counselling, mediation or anything like that involving staff?

**Mr Yannopoulos:** No.

**Senator WATT:** There was further evidence given at the finance estimates last night that there were a number of complainants of bullying—about bullying—within the office of Minister Wyatt who provided transcript and evidence to the bullying investigation. Ms Beauchamp, were any of these staff who provided transcripts and evidence employees of the health department—for instance, departmental liaison officers or public servants?

**Ms Beauchamp:** I'd have to take that on notice in terms of being complainants. But I would imagine our departmental liaison officers would have been interviewed for an investigation process.

**Senator WATT:** So you think that departmental liaison officers were interviewed?

**Ms Beauchamp:** I'm just making that assumption, but I will take that on notice.

**Senator WATT:** Okay. Again, is there anyone—I'm thinking an HR person might know a bit more about the detail of this.

**Mr Yannopoulos:** We have had no involvement in the investigation. I'm just turning to my head of HR. We have no knowledge of anybody.

**Senator WATT:** So any departmental liaison officers or other public servants of your department wouldn't have needed to mention to anyone higher up that they were interviewed as part of an investigation even if that investigation was being conducted by someone else?

**Senator Scullion:** I guess that question would come after when we find out if they were interviewed.

**Mr Yannopoulos:** They have not—they haven't given us any indication that they were interviewed. I think the secretary said that our assumption would be that they would have been as part of the investigation but there is no obligation for them to tell us.

**Senator Scullion:** When you get that answer to that question on notice, Senator, that'll be—

**Senator WATT:** Sure.

**Ms Balmanno:** It would be a matter for the Department of Finance, including whether any information was provided by our staff. If we were conducting such an investigation in relation to a matter within our department, the relevant staff would be instructed to maintain confidentiality about their involvement in that, so it wouldn't be appropriate for them to be raising that with other people within the organisation.

**Senator WATT:** So you don't know, then, how many employees of the Department of Health were involved in this investigation at all?

**Ms Balmanno:** No, Senator.

**Senator WATT:** Okay. Are there still employees of the Department of Health stationed within Minister Wyatt's office?

**Ms Balmanno:** Yes, Senator—we still have a departmental liaison officer there.

**Senator WATT:** One?

**Mr Yannopoulos:** Two.

**Ms Balmanno:** Two.

**Senator WATT:** So there are two employees of the Department of Health who are still stationed in Minister Wyatt's office and they are departmental liaison officers?

**Ms Balmanno:** Yes.

**Senator WATT:** And no one else?

**Ms Balmanno:** No one else deployed by the department currently, no.

**Senator WATT:** What action has the Department of Health taken on hearing of these reports of bullying to ensure that your employees stationed within that office are getting the support that they require?

**Ms Balmanno:** We certainly—not in response specifically to these allegations, but we are very active in staying in contact and considering the pastoral care needs of departmental liaison officers or other staff who are placed for a short term—for example, into a ministerial office. For example, their supervisor, who is an SES officer, meets with them on a weekly basis. They have multiple avenues back into the department to raise concerns. We're very conscious that it is a role that is in a high-pressure environment. We are careful about our selection of staff and also about the monitoring of their wellbeing.

**Senator WATT:** So that's the general situation, but there's been no specific action taken by the department following these allegations to ensure—

**Ms Balmanno:** No.

**Senator WATT:** that people are getting the support that they need?

**Ms Balmanno:** Nothing additional, nor have the staff who we liaise with on a daily basis—but certainly from a broader pastoral care and wellbeing point of view on at least a weekly basis, nor have they raised the need for anything further.

**Senator WATT:** Right.

**Ms Beauchamp:** Senator, can I just confirm there has been no complaint from any of our departmental liaison officers.

**Senator WATT:** Current or former?

**Ms Beauchamp:** Correct.

**Senator WATT:** No complaint of bullying?

**Ms Beauchamp:** There has been no complaint brought to our attention.

**Senator WATT:** On anything?

**Ms Beauchamp:** There has been no complaint raised.

**Senator WATT:** From your departmental staff?

**Ms Beauchamp:** From our departmental staff.

**Senator Scullion:** To this department.

**Senator WATT:** Right. But you wouldn't know if complaints from—you wouldn't know if departmental employees stationed in the minister's office have made complaints of bullying to another department such as Finance?

**Ms Beauchamp:** I would assume that we're the employing department and any complaints would have been brought to our attention.

**Senator WATT:** But you said earlier that you haven't had any involvement in this investigation and I notice the minister just made the point that what we're talking about here is that you're not aware of any complaints of bullying made to your department, but that doesn't rule out complaints to another department?

**Senator Scullion:** I've just said—we've just given some evidence that there would be an obligation when you're under an investigation from the Department of Finance that you shouldn't assume, because often it's a matter of confidentiality—and the evidence was that that's how we'd run it in this department—there shouldn't be an assumption that a DLO would when interviewed have an obligation. In fact, it might quite be the contrary. But the only way you'd find that out is to ask the Department of Finance about that.

**Senator WATT:** The current DLOs who are in the office—how long have they each been there?

**Mr Yannopoulos:** The two DLOs—one has been there since the middle of August last year and the other one since 29 January this year.

**Senator WATT:** How many DLOs have been employed in Minister Wyatt's office since he became the Minister for Aged Care?

**Ms Balmanno:** We'd have to take that on notice, but generally our approach is for DLOs to remain in office around 12 months. We think that's a reasonable length of time to work in that role and people often need a break after that. But we would have to take on notice the exact number and the times.

**Senator WATT:** Has that been the practice with Minister Wyatt's office—that people have tended to stay about 12 months?



**Ms Balmanno:** Yes.

**Senator WATT:** Okay.

**Ms Balmanno:** Can I just clarify one point I made earlier. I said there were no other employees of the department. There are a number of public servants who are on MoPS arrangements, so they are technically employees of the department, but they are on long-term leave without pay as—

**Senator WATT:** So they are essentially seconded?

**Ms Balmanno:** No—

**Senator WATT:** They take leave without pay from your department.

**Ms Balmanno:** Yes.

**Senator WATT:** So they might be government employees, they take leave without pay and they become employees of—

**Ms Balmanno:** Yes.

**Senator WATT:** Okay. Do you have the number of those people?

**Mr Yannopoulos:** Two.

**Senator WATT:** In addition to the two DLOs there are two employees of the Department of Health who have taken leave from your department to go and work as advisers in Minister Wyatt's office?

**Mr Yannopoulos:** That's correct.

**Senator WATT:** How long have each of them been there?

**Mr Yannopoulos:** I'm just having a look at my dates. That one can't be right. I think one officer for the majority of the time—

**Ms Balmanno:** Yes, for the period that Mr Wyatt has been Minister for Aged Care.

**Mr Yannopoulos:** that Minister Wyatt has been minister and the other one since—this one's right—17 September last year.

**Senator WATT:** Are you certain that no employees of the Department of Health, whether it be the DLOs, current or former, or the people you're just talking about there who have taken leave or anyone else who has done that in the same way with Minister Wyatt, have been subject to bullying within the office of Minister Wyatt?

**Ms Balmanno:** None of them have raised complaints with us.

**Senator WATT:** You've never had a complaint from an employee of the Department of Health around bullying in Minister Wyatt's office?

**Ms Balmanno:** That's correct.

**Senator WATT:** Okay. But, as Minister Scullion pointed out, it's possible that complaints may have been made to another agency such as the Department of Finance?

**Ms Balmanno:** I think that would be very unlikely for a DLO to first raise a complaint with the Department of Finance. I think the point Minister Scullion made was that, if they were interviewed as part of an investigation, they may have provided information to the Department of Finance as part of that investigation.

**Senator WATT:** Okay. What action have you taken to satisfy yourself that all employees of the Department of Health and all public servants that deal directly with Minister Wyatt's office have not experienced bullying or inappropriate treatment?

**CHAIR:** Excuse me, Senator. As you may notice, we have the media in the room. Does anyone have an objection to having the media?

**Senator POLLEY:** No. Can I just ask that the microphones be turned up? I'm having trouble hearing.

**Senator WATT:** Again, what action have you—I understand you haven't received a complaint. What proactive action have you taken to ensure that no Department of Health employees that deal directly in or with Minister Wyatt's office have experienced bullying?

**Ms Beauchamp:** We've got a duty of care to all employees—

**Senator WATT:** That's why I'm asking, yes.

**Ms Beauchamp:** and, of course, there is regular engagement with our departmental liaison officers in all three ministerial offices to make sure that they do feel well supported in a sense because they are separated from the

department. As I indicated, no complaints have come forward and, of course, our staff have regular engagement, particularly at the senior level, with our departmental liaison officers on a regular basis.

**Senator WATT:** I understand that some or all of the departmental staff in the minister's office—and that could include either the DLOs or the people who have taken leave to work as advisers—have had to undertake exit interviews on leaving the minister's office. Is that correct?

**Ms Balmanno:** There's not sort of a formal exit interview process in that sense, but we routinely have a debriefing period when staff leave ministers' offices—not for these purposes, but partly because re-entry into the department and how we do that effectively for these officers is something we are very focused on.

**Senator WATT:** Yes, so it's standard practice to have some form of exit interview with a departmental staff member who is leaving a minister's office?

**Ms Balmanno:** It's not so much an exit interview—

**Ms Beauchamp:** It's a handover interview.

**Ms Balmanno:** It goes usually over several weeks.

**Mr Yannopoulos:** It is to integrate them back into the department.

**Ms Balmanno:** And usually making sure they have some leave.

**Senator WATT:** Sure. Having been a ministerial staffer, I understand. Who undertakes these handover interviews?

**Ms Balmanno:** Generally they'd be undertaken by the assistant secretary—under the guidance of and sometimes directly by the assistant secretary responsible for the ministerial, government and cabinet branch.

**Senator WATT:** Are you talking here about DLOs only?

**Ms Balmanno:** That's for DLOs, yes.

**Senator WATT:** What about the departmental staff who take leave and then go across as ministerial staff members?

**Ms Balmanno:** That largely depends on the period of time that the officer is there and their level in terms of who it's appropriate that they work with.

**Senator WATT:** Okay, so those interviews are undertaken by departmental staff?

**Ms Balmanno:** Yes.

**Senator WATT:** Rather than ministerial staff?

**Ms Balmanno:** If they're re-entering the department, yes, we manage that transition.

**Senator WATT:** Have any incidents or concerns around bullying or inappropriate behaviour by staff members within Minister Wyatt's office been reported to the department as part of these handover interviews?

**Ms Balmanno:** No, Senator.

**Senator WATT:** And no action has been requested to change anything within the minister's office as part of those handover interviews?

**Ms Balmanno:** Sometimes for procedural issues so that the DLOs may do a process differently into the future, but nothing of the nature we're talking about.

**Senator WATT:** So the department doesn't have any concerns about the treatment of departmental employees and public servants within Minister Wyatt's office?

**Ms Balmanno:** No, Senator.

**Senator WATT:** And you don't either, Ms Beauchamp?

**Ms Beauchamp:** No, as I said, no complaints have been raised with the department.

**Senator WATT:** So there have been no complaints made. Separate to that, you don't have any concerns?

**Ms Beauchamp:** We've not had any visibility over any of the investigations that have been undertaken by the Department of Finance. My duty of care is to look after our departmental officers.

**Senator WATT:** So, despite all of these media reports for a number of months now about allegations of bullying of staff within Minister Wyatt's office, you don't have any concerns because no one has made a complaint?

**Ms Beauchamp:** Nothing has been raised with me personally.

**Senator WATT:** You're not just covering your eyes and ignoring this?

**Senator Scullion:** There is an investigation being conducted by the Department of Finance. That investigation will run its course and properly, while there is some speculation and allegations around these matters as they are around other matters, the department has gone through I think in great detail their knowledge and their level of comfort around the DLOs and opportunities that DLOs and department staff who are taking leave within the minister's office can return. They've also indicated that there was nothing that gives them concern after those interviews and the contact with the department as well as, certainly with the DLOs, their capacity to speak to HR and the department. So we've been able to ascertain that there has been no contact of that sort whilst it is available from that office. So on that basis I can understand why they would be confident that it is a safe environment.

**Senator WATT:** Okay. Ms Balmanno, you are certain that no DLO has ever raised concerns about any staff member in Minister Wyatt's office or their conduct?

**Ms Balmanno:** Certainly nothing has ever been raised with HR. I don't believe anything has ever been raised with the executive—I think I would know that. If there are any concerns—if anyone has had any issues and raised them with a colleague in a mentoring conversation about how to manage a situation, we wouldn't have visibility of that. But there's been nothing significant enough that they've raised it with us.

**Senator WATT:** The report in the *West Australian* yesterday says that former staff of Minister Wyatt say that he has refused to give them a copy of this investigation report into bullying in his office and they've described this investigation as a cover-up. Are you aware of that?

**Ms Beauchamp:** This investigation and report—

**Senator Scullion:** I can just say that this is entirely by the Department of Finance. All I'm saying—and I don't want to get in the way; I really don't. But they have been really clear that they know nothing about the investigation and we've been clear about everything else. But, as to any aspect of the investigation or commentary around that, you can understand why this really should be directed to the Department of Finance.

**Senator WATT:** I understand that you haven't been involved in the investigation. The reason I'm continuing to ask questions is that there are departmental employees who are in that office, so, again, this report states that Minister Wyatt received the investigation report last month and the staff member at the centre of the allegations remains employed in his office. So no departmental employee has raised concerns about Minister Wyatt sitting on this report and not releasing it?

**Ms Beauchamp:** I think we've already answered your questions, Senator, and—

**Senator WATT:** I know you haven't been involved in the investigation—

**Ms Beauchamp:** we know nothing of the details and the process of the investigation.

**Senator WATT:** Sure—I understand that. But no departmental staff member has raised a concern that the report has been provided to the minister and he has sat on it and not released it?

**Ms Balmanno:** No, Senator.

**Senator WATT:** Right. Minister, I understand that one of Minister Wyatt's staff moved into your office at the end of last year. Is that right?

**Senator Scullion:** That's correct.

**Senator WATT:** Was there any reason that that staff member made the move over to your office and left Minister Wyatt's office?

**Senator Scullion:** Not that I'm aware. I was very lucky to get a great staff member as an addition to my office. I was very grateful for that. I take any opportunity I can to get the very best staff in a very important portfolio.

**Senator WATT:** Was it an additional position to the staffing you already had?

**Senator Scullion:** No.

**Senator WATT:** It was a straight replacement?

**Senator Scullion:** It was just—I only have a certain amount. If staff move out I find a place for that staff member.

**Senator WATT:** Did they raise any—did they mention anything about bullying or inappropriate conduct in Minister Wyatt's office?

**Senator Scullion:** I'm not at a level where I have those sorts of conversations with my staff.

**Senator WATT:** You don't ask—your staff don't mention anything about bullying?

**Senator Scullion:** I wasn't involved in the interview process or any of those matters.

**Senator WATT:** So you haven't heard from them either directly or indirectly that there was any bullying going on in Minister Wyatt's office?

**Senator Scullion:** I'm unaware of those matters, Senator.

**Senator WATT:** Minister, do you think it's important for a fellow minister to release a report into bullying in their office?

**Senator Scullion:** I'm not aware of the process. When I say 'the process', I understood from you that the investigation was from the Department of Finance. I do know that the minister that you're talking about is not the Minister for Finance, so I don't understand why it's his responsibility, quite honestly. I thought that if the Department of Finance are conducting an investigation then the Department of Finance would release a report and it would be released in a proper process by the Department of Finance. So the notion of why the minister isn't sharing this with staff—I'm really not sure about the process and I'm not—

**Senator WATT:** So you think it's really for the Department of Finance to release that report?

**Senator Scullion:** Basically, what I'm saying is that I'm really not across the process, but I would have assumed that, if it's being conducted by the Department of Finance, the report is the property—the distribution decisions would be with the Department of Finance, I would have assumed, Senator. But I really don't have a great deal of knowledge about those things.

**Senator WATT:** I think part of the problem is that the various staff who've participated in this investigation were signed up to confidentiality agreements, so they have very little control over where this information goes and how it's handled. It's gone to the minister and—

**Senator Scullion:** I'm just not aware of the process.

**Senator WATT:** Okay. I might leave it at that. Thank you.

**Senator SIEWERT:** Can I ask the AIHW questions around one of the particular projects that I understand they're undertaking. You'll be aware that we've got a Senate inquiry at the moment into health aspects in aged care. On Friday you were dobbed in for one of the projects that you're doing. I was asking questions around what I was calling 'death reviews' but looking at the data from—

**CHAIR:** Just a moment, Senator. I may need to make the comment that. In relation to the aged care royal commission, senators, it is not appropriate that the department be asked questions of opinions or matters of ongoing—

**Senator SIEWERT:** It's not about—it's nothing to do with the royal commission. It's got to do with what came out of our inquiry into health care and aged care last week.

**CHAIR:** All right.

**Senator SIEWERT:** So it's got nothing to do with that. I would have thought that we can ask questions about aged care anyway. Just because it might come up in the royal commission, quite frankly, is immaterial to our ability to ask questions of the department on the provision of aged care in this country. So, sorry, I think we may be pushing the boundary there a little bit with you on what questions we can and can't ask, if that's going to be the approach. However, this has nothing to do with it—it's got to do with looking at people passing away in aged care and in particular looking at reviews to see if there's anything we can learn. The point I was making there was the relationship between falls and people's worsening health condition potentially leading to premature deaths. That was the example I was using. However, at the time, what was pointed out was that you are doing a study that seems to relate to this. So I wanted to ask you about what that study is—what is the study, how long is it going to take and what is the aim of it. Does that make sense?

**Mr Sandison:** Sure. It does.

**Senator SIEWERT:** And it's related to deaths in aged care.

**Mr Sandison:** Senator, the work that we're doing is in relation to a couple of elements looking at the aged care data that we access and looking also into state data around hospitalisations, and we can look at the transfer of people from aged care facilities into hospitals and reasons for those hospitalisations. Obviously, if there is a death related to that then that would show up in the data. We can use the National Death Index—the register—so that we can actually look at deaths and associate that with people who've been in aged care. So there is a range of other things we're looking at aligning with aged care, but primarily the focus around death of people will be some of the elements that would be picked up. It's not necessarily specific to that, but that will come up in the data. As to the timing of the work, we're aiming for by the end of 2019 to do our first preliminary report and then, depending on what we find and the depth of the information that we need to use, there might be a follow-up report needed towards the middle of next year.

**Senator SIEWERT:** Thank you. When was it started?

**Mr Sandison:** We're just in the early stages now of bringing together the datasets. So it's really—we've been discussing it and the approach that we'd take over the next couple of months. We've got some preliminary work that we've done in the nature of the attributes and the datasets that we'd use and then the teams will start working through that in the coming months.

**Senator SIEWERT:** What's the specific name of the study?

**Mr Sandison:** I don't think we have a specific name to it. It's just dealing with aged care, because it's not targeting death. If you add follow-up questions at future estimates, it would be around the aged care datasets and any interrogation of the data that we might be doing.

**Senator SIEWERT:** Is it interrogation of the datasets generally to pick up trends and looking at deaths is part of that or is it focused on deaths?

**Mr Sandison:** No, it's not focused on deaths. Primarily it's focused on the relationships between people who are in the aged care system and other elements of the health system. Obviously, if there's an instance of death then, to the degree which the data might show some information on that, we would pick that up as well.

**Senator SIEWERT:** Okay. Is it then related to transfers to hospitals?

**Mr Sandison:** That's one of the things that we can look at with the access to the data, but, obviously, we talk to all the state owners of the data, because whenever we do any work in datasets we have to go back to the owners for access and then we have to describe the relationship and what we're intending to use that data for to get their agreement.

**Senator SIEWERT:** What are the specific health elements that you're looking at?

**Mr Sandison:** The sorts of things we can look at would be the timing of when somebody might be transferred to hospital, the reasons for hospitalisation—so that would just give us information about the nature of the illness or the injury or whatever it might be for somebody who's in aged care. But we can also look into the MBS and look at some of the issues around the nature of GP visits. Again, it is not the detail—it's administrative data in the MBS. So we would be looking at that sort of information.

**Senator SIEWERT:** What I'm particularly interested in is looking at death reviews, which is what the health care commission were calling it when I was asking them about it the other day. But I'm particularly interested in whether you are also then able to access datasets around deaths in aged care or are you just looking at the hospital records?

**Mr Sandison:** It would depend on the detail that we have. Most of the information that we have in aged care is the broader service statement of activity. So, as to whether it described the deaths, I'm uncertain of that from the aged care data that we actually access, so I'd have to take that on notice.

**Senator SIEWERT:** So the picture that would come from your study looks like it'll give us some glimpses on deaths and the association with hospital visits and the so-called shuffle between aged care and—

**Mr Sandison:** Potentially.

**Senator SIEWERT:** Potentially. But it may not give us the full picture because you may not be able to access some of the information around deaths in—

**Mr Sandison:** I'd have to ask the team about the full details and the data attributes that we have on aged care, because there is a lot there that we look after in relation with the department. We can take that on notice.

**Senator SIEWERT:** Could you take that on notice—that would be appreciated—in terms of what are the datasets, whether you are able to—what type of picture you are going to be able to give us on the deaths?

**Mr Sandison:** The issues of deaths—certainly.

**Senator SIEWERT:** My next question goes to a point that we were discussing on Friday as well, which is around access to—the effectiveness of data from coroners. There was a point made that Victoria, apparently, is a bit ahead of some of the other states in terms of the timeliness and accuracy, if I interpret what was said properly. Will you be accessing information from the coroners around the country as well? Is that one of the datasets?

**Mr Sandison:** I think primarily it's the death register. Again, I can confirm whether we actually go through into the coronial findings. But normally I think it's just the registers, so we go to the registrars of births, deaths and marriages and we use that information rather than going back one step further into the detail. That takes a lot of extra work and normally, as you say, the timing of the data in coronial findings—

**Senator SIEWERT:** There's a lag.

**Mr Sandison:** There's quite a lag. In final confirmation I think it is up to two years for most coronial findings before it's actually declared that the case is closed and the decision is then set.

**Senator SIEWERT:** Okay. If you could provide that additional information on notice it'd be very much appreciated.

**CHAIR:** We will move to outcome 6. Before we go to that, I will once again remind senators about the ongoing Royal Commission into Aged Care and restate the fact that the Senate has resolved that any officer of any department of the Commonwealth shall not be asked to give opinions on matters of policy. I'm simply restating that with respect to aged care royal commission.

**Senator POLLEY:** I am still having trouble hearing you and the secretary as well, so if we could have the microphones turned up that would be great. I'd like to move on. I have some questions around an article in the *Australian* on 7 February of this year. The article was entitled 'Saving cuts create aged care "losers"'. This article was about Minister Wyatt being handed a departmental briefing report showing the 'winners and losers' from Scott Morrison's \$2 billion cut to ACFI and to the dementia supplement across the residential aged care sector. Firstly, does the department truly believe that older Australians receiving care in residential aged care homes should be categorised into winners and losers?

**Ms Beauchamp:** Senator, can I just make a couple of contextual issues. That was the subject of an FOI request from a journalist. It wasn't advice to the minister. It did include the use of terms 'winners' and 'losers', which probably is absolutely inappropriate.

**Senator POLLEY:** This I think has been very disrespectful given the reports of horrendous abuse and neglect within the aged care system. What you're saying is that the department never has provided a brief to the minister using that terminology in relation to the care of older Australians—winners and losers?

**Ms Beauchamp:** That's correct, Senator. It was an internal working document of the department.

**Senator POLLEY:** Can you table that document for us?

**Ms Beauchamp:** I think on our disclosure log on the department's website that information would be available under FOI provisions. But I will just check with my colleagues.

**Senator POLLEY:** But even if it's an internal working document of the department, surely that's totally inappropriate to use that sort of terminology?

**Ms Beauchamp:** I agree with you.

**Senator POLLEY:** So is that the culture within the department? Is that how the department responsible for aged care refers to older people—as being winning and losers within the sector that you have responsibility for? It's pretty terrible.

**Ms Beauchamp:** I think I said it was an inappropriate use of terms, Senator, and it was not referring to recipients of aged care.

**Senator POLLEY:** So what was it referring to?

**Ms Beauchamp:** It was referring to the amount of subsidy we provide to providers.

**Senator POLLEY:** So the subsidies that are provided by the federal government are categorised, when it comes to older Australians, as being winners and losers? That's—it's a play on words. If that that's the sort of—

**Senator Scullion:** Hang on, that's—Senator Polley, if I could, through the—

**Senator POLLEY:** I'm sorry, Minister, I haven't finished.

**Senator Scullion:** If I could through the chair, I would just wish to appeal—

**Senator POLLEY:** I haven't finished my comment.

**Senator Scullion:** I know you haven't finished. I am intervening because I'm making a protest.

**Senator POLLEY:** I would be really embarrassed too if I were you, Minister, sitting here at the table—

**Senator Scullion:** Chair, I would like to just indicate that—I wonder if you could—

**Senator POLLEY:** when your own department uses terminology in relation to winners and losers within the aged care sector. No wonder you had to call a royal commission into your own failings. It's totally inappropriate.

**CHAIR:** Senator—

**Senator Scullion:** Senator Polley, you have just made a statement—

**Senator POLLEY:** I have the call.

**Senator Scullion:** that the government have a particular policy around winners and losers—

**Senator POLLEY:** I have the call. Chair, I would ask that you call the minister to order—

**Senator Scullion:** and you would know that that is absolutely inappropriate—

**Senator POLLEY:** because it is totally inappropriate behaviour.

**Senator Scullion:** and it was not the evidence provided by the department a few seconds earlier.

**Senator POLLEY:** I'd be embarrassed too if I were the government. I would be ashamed to sit at the table—

**Senator Scullion:** And the fact that you have absolutely no respect for the chair is absolutely disgraceful, Senator Polley.

**Senator POLLEY:** I have the call, Minister—

**Senator Scullion:** It is absolutely disgraceful.

**Senator POLLEY:** I am raising a point of order with the chair. If we're going to progress with the limited time we have available, can you stop the minister from speaking over the top of me when I have the call. I have only responded to—

**CHAIR:** Senator—

**Senator POLLEY:** Chair, I have only responded to the answers from the department. I believe, as I'm sure all Australians believe, that referring to older Australians in residential care in this country as winners and losers, whether it's to do with funding or whether it's to do with programs, is absolutely unacceptable.

**Senator Scullion:** On the point of order: clearly the department has just said it was not a reference to older people, as Senator Polley has just repeated. It was a reference by one person in the department at one stage and it was a reference—I'm just trying to make sure that we are not being verbally in terms of accuracy—to providers. It was a one-off situation. So allegations that we are referring to older people in that way or in any way by the department—and I just think this sort of verballing and changing of the evidence is inappropriate, Chair.

**CHAIR:** On the point of order: Senator, you asked a question and then I believe the department and the minister were in the process of responding to your question. They needed a bit of time to get to respond. Yes, the department got your answer and they needed to respond and that is why I thought there was a bit of overlap in that. May we try and maintain a respectable debate in this place. Thank you.

**Senator POLLEY:** Thank you, Chair. I hadn't even finished my question. But whether it's one person in the department or whether there are 20 or 500 is irrelevant. How many people use that terminology is inappropriate. If we move on to—

**Ms Beauchamp:** Can I just respond and confirm that, indeed, there is no reference to aged care recipients or people in that document. That document refers to the arrangements that were occurring at the time about subsidy arrangements to providers. Of course, we would never be disrespectful to people and particularly vulnerable people and older Australians, so—

**Senator Scullion:** We've also acknowledged that that is a completely inappropriate characterisation even of the provider, Senator.

**Senator POLLEY:** So a briefing paper to the minister—

**Ms Beauchamp:** Senator, I'm sorry—I didn't mean to talk over the top of you, but I thought I did say earlier that it was not a briefing paper to the minister. It was an internal working document not provided to the minister.

**Senator Scullion:** It was FOI-d to the media.

**Senator POLLEY:** Do you now agree that the \$1.2 billion cut from ACFI has put pressure on the sector?

**Ms Beauchamp:** Senator, can I just confirm two facts. First, the amount of aged care funding has gone up every year, certainly since I've been in the portfolio and previous years. Secondly, the amount of funding through the Aged Care Funding Instrument has also gone up each year. So I think the premise of the question is incorrect.

**Senator POLLEY:** I still believe that there has been, because it's not just my point of view. There is a strong view that the \$1.2 billion cut out of ACFI has actually had a devastating effect on the sector. That's coming from providers—

**Senator Scullion:** If I can—

**Senator POLLEY:** If I could just finish my question, Minister—

**Senator Scullion:** Okay.

**Senator POLLEY:** Can you explain to the committee as to where that \$1.2 billion that was taken away from ACFI was used?

**Senator Scullion:** I can assist there. The assertion you make—did the government cut \$1.2 billion for aged care funding—has actually been looked at by an independent body and that's the ABC. The ABC looked at the question put forward by Bill Shorten—the statement that Scott Morrison—

**Senator POLLEY:** I'm not sure that—

**Senator Scullion:** Excuse me—would you just allow me to finish the answer. The \$1.2 billion for aged care in the first budget was the question. So the ABC found, through their ABC fact check, that that statement was in fact misleading. If you go back to 2012, where, in similar circumstances, your government, Senator Polley, removed \$1.6 billion from aged care, which was from the ACFI—

**Senator POLLEY:** We never took any of that money out of aged care.

**Senator Scullion:** We would agree that your treatment of the ACFI was exactly the same as ours and we would agree to ensure that there wasn't inappropriate claiming by hospitals in the system and that's where the reduction occurred. It was no different under ours and the characterisation that there was a cut—as I said, an independent body of the ABC had a fact check and they found that the Leader of the Opposition, Bill Shorten, was misleading. So, given that, I don't think it's appropriate that you characterise the funding instrument ACFI in the way that you have.

**Senator POLLEY:** The minister has said in question time that 'our senior Australians and those in the aged care deserve better than what we've seen in the last 20 years', Minister. That's what he said. I think you'll find that, if you look back over the last 20 years, 14½ of those years were when you guys were in government. So I totally disagree with you on your facts that you're now trying to refer to. The Labor government—when we were in government we never took any money out of aged care—end of subject.

**Senator Scullion:** In 2012 there was a cut of \$1.6 million.

**Senator POLLEY:** We did not remove any money. That money was used within the aged care sector. We may have moved it—

**Senator Scullion:** \$1.6 billion—it's a fact.

**Senator POLLEY:** and I think the department can verify that. But, if we can move on, can the department provide details of what the almost \$500 million cut from MYEFO was used for?

**Ms Beauchamp:** Can I just reiterate. You've been talking about the Aged Care Funding Instrument over each of the years of the forward estimates and, indeed, over the past few years there has actually been an increase in funding to aged care and funding to residential aged care, which is the biggest proportion of the funding overall.

**Senator POLLEY:** The sector doesn't feel that way.

**Senator Scullion:** It's just a fact, Senator.

**Senator POLLEY:** Can the department provide details about what happened to the \$110 million cut to the dementia supplement in residential aged care? Where was that used? Where did the savings go?

**Ms Beauchamp:** I'll turn to my colleagues for the detail in terms of the increase that I've referred to in funding for aged care over the years and where that has been targeted. As I said, the bottom line is there has been substantial growth in funding for aged care services.

**Dr McCarthy:** As I think we've discussed before in this committee, the supplement that you referred to blew out I think about tenfold over expenditure. At the time that funding was reallocated to the Severe Behaviour Response Team program. That funding was directed into the SBRT program, which is working very successfully to assist residents and providers in relation to people suffering from the most severe behavioural and psychological symptoms of dementia.

**Senator POLLEY:** The Department of Health secretary, Ms Beauchamp, revealed at the royal commission hearing only two days ago that there was 'no direct assessment of the impact of the ACFI funding changes on quality and safety'. With such a big funding cut, why hasn't any work been done?

**Ms Beauchamp:** I'm not going to comment on my statement, as the chair said, to the royal commission. But we look at the impacts of funding overall to the sector. You've only raised one element. As I've said, the increase in funding to the residential aged care sector has gone up. Of course, we'd be looking at the impact of any changes within the funding arrangements afforded to aged care.

**Senator POLLEY:** So you won't comment on evidence you gave to the royal commission? Is that how I understand it?

**Ms Beauchamp:** I think I have nothing further to add than the evidence I gave and also the witness statement that I provided, which is now public.



**Senator POLLEY:** Well, again, I ask why there hasn't been any work done on the impact of ACFI. We've talked about this on many occasions here. If we just pretend that we haven't talked about the royal commission, because you aren't answering questions about your comments there, can you then explain to us so that we can understand, with the concerns raised by the sector relating to what they believe have been cuts to ACFI, whether any work has been undertaken and if not why not?

**Senator Scullion:** I'm not sure about the sector saying they have. I certainly haven't read reports where the sector's saying these are cuts to ACFI. The sector are the ones—

**Senator POLLEY:** With all due respect, Minister, you're not the relevant minister.

**Senator Scullion:** that have been held to account about the Aged Care Funding Instrument. They are actually held to account for that process. It's just simply because there is overcharging in that process that we have, in exactly the same way as you did, reduced the ACFI funding instrument by \$1.2 billion and you reduced it by \$1.6 billion. It shouldn't be characterised as a cut. As I've indicated, that statement before has been looked at very seriously when it was made by the Leader of the Opposition and that statement was found to be misleading. So I don't think it's reasonable to ask the officers on the premise of a misleading statement—

**Senator POLLEY:** It happens to be a fact, Minister. I have a question on another area of 6.1. It relates to the \$70 million announcement around dementia care units. Do we have the right people here for that? The more the merrier. Thank you. How many specialist care units will be part of the Specialist Dementia Care Program? The minister's media release states more than 30, whereas the *Advertiser* article states there are going to be 35. Can you put on record please how many units are actually there and is there any reason why the minister's media release wasn't more concise?

**Dr McCarthy:** The initiative is being implemented in three phases: an early prototype unit, and there's been an announcement about that; a first tranche of 14 units; and a second tranche of 20.

**Senator POLLEY:** So there's going to be 34 in total?

**Dr McCarthy:** There will be 35 including the early prototype.

**Senator POLLEY:** Since the media release there was an announcement on Twitter that one of the specialist care units would be located in Inglewood. What were the criteria and rationale used to select the first site?

**Dr McCarthy:** Ms Mond can speak in more detail, but that refers to the Brightwater Care Group. We had extensive discussions with that organisation in the lead-up to the announcement. These are very complex services and through our discussions we determined that Brightwater was the best organisation to provide this very complex care. As I said, it's an early prototype unit from which we hope to learn more to inform the full rollout of the program.

**Senator POLLEY:** It still doesn't really resolve in my mind why that site was chosen. What I understood from the media release was that a tender process will happen in early 2019 to set up 15 units.

**Ms Mond:** The department has been in discussion with Brightwater Care Group. It was selected on the basis of its strong reputation as a quality provider of specialist dementia care and strong support of the WA government. As Ms McCarthy said, the prototype is seen as a very important step to test the model of the Specialist Dementia Care Program so that, as we refine the program and go to an open market selection in the coming months, we can shape some of how we approach the market with the learnings of the early prototype.

**Senator POLLEY:** Thank you for that response. Can you provide to us the 14 locations in the first group, what the criteria are for selecting those locations and also whether you already have a list of the additional rollout of those units?

**Ms Mond:** We are currently engaging with each of the state and territory governments to determine the best locations—the best PHNs or Primary Health Networks—in which to release that first tender to the first 14. A very important part of this program is to ensure that the state governments are on board to provide the clinical psychogeriatrician and geriatrician support to the establishment of the units. So we are working very closely with them to determine that the first 14 sites are done in PHNs that have a good readiness around the clinical support model for these units.

**Senator POLLEY:** Is there any criterion that every state and territory will get one of these units or will it be based purely on whether or not they have that support around geriatric care and their current expertise in this area?

**Ms Mond:** We will be establishing agreements with the state and territory governments to ensure that the clinical care is in place for the units. The criteria for selection are currently being finalised as part of the grant opportunity guidelines for this first round. They include things like the expertise that the provider has in the areas

of providing specialist dementia support care for those with the most severe behavioural and psychological symptoms of dementia as well as things like the environment and ensuring that it has the dementia-friendly components that a unit of this type would require to be successful.

**Senator POLLEY:** You would have a list of locations that you are currently considering. Can you tell us where they are?

**Ms Mond:** We are currently working with the states on considering all of the Primary Health Networks and the extent to which they're ready for either the first or the second tranche, and we're yet to finalise which will be included in the first tranche.

**Senator POLLEY:** So you can't provide the details of that list of locations itself? Are there going to be two in Tasmania; two in WA; two in South Australia and Victoria?

**Ms Mond:** There will be at least one unit established in each Primary Health Network.

**Senator POLLEY:** When will those units be announced?

**Ms Mond:** For the first tranche we are hoping to be going to the open market in the coming months—for the first 14. So the first 14 that we will be including will be made public as part of that process.

**Senator POLLEY:** Will those announcements be before the federal election in May?

**Ms Beauchamp:** We don't know when the federal election will be, but we expect those announcements to be made in March or April.

**Senator POLLEY:** I think we're all sort of counting on sometime in May, so they're likely then to be announced before May?

**Ms Beauchamp:** In March or April, yes.

**Senator POLLEY:** Excellent. Of the \$70 million that has been allocated on a yearly basis, how much money is going to be allocated to each unit? Will they be set a certain—

**CHAIR:** Senator Polley, we have a few minutes before the break.

**Senator POLLEY:** If I can just finish this, we can then deal with that area and move on. Thank you, Chair.

**Ms Mond:** First I'd like to clarify that the \$70 million annually will be the cost of the program once we've achieved full rollout of the 35 units. That will be the annual cost of delivering those 35 units. In terms of what each unit would receive on an annual basis, funding directly to providers will be around \$1.1 million per annum.

**Senator POLLEY:** If that allocation is going to be on a running cost basis, how much is this pilot costing us for the initial set-up?

**Ms Mond:** There are a few elements of the costing. Firstly, the provider of the prototype will receive \$1.1 million annually to run the unit. There is also funding for the states and territories to employ specialist clinicians—as I have discussed, the psychogeriatrician and geriatrician support. They will have approximately \$260,000 per year per unit to provide that support. In addition, client assessment to determine the eligibility for a place in the specialist dementia care unit will be assessed by the severe behaviour response teams and they will receive \$1.94 million over three years as part of a grant to undertake these assessments to ensure that the right people are being selected to move into the units.

**Senator POLLEY:** Will there be any advice to the general public? Is there going to be an advertising campaign? How will the practical services that are going to be provided be communicated to the general community?

**Ms Mond:** That is still being determined. What I will say is that these units are to be the third tier of dementia servicing on top of the Severe Behaviour Response Teams that are already in place as that tier 2 servicing in dementia. In many cases the Severe Behaviour Response Teams already have contact with people within the residential aged care environment that would be suitable for assessment to a specialist dementia care unit. There are also very established networks with the state governments around the older people and mental health units and there may be people who would come via that mechanism to be referred to the Severe Behaviour Response Teams. So we've determined that would be the most likely referral mechanism into the unit.

**Senator POLLEY:** How many residents will these units be able to care for?

**Ms Mond:** We undertook extensive consultation around the questioning of the most optimal, and looked at research of people from current care that's provided to this cohort. We determined that eight beds would be the most optimal. There will be a ninth bed, which we're calling a bounce-back bed. What that will allow for is that, when a care recipient is stepped down into the residential environment, there's the ability for them to come back into the unit if that transition needed a little bit more time or a little bit more support.

**Senator POLLEY:** Thank you. I'll put further questions on notice for you. If I can just go back—I should have asked for this through you, Secretary. Would you be able to table a copy of the brief that was referred to in the *Australian* article for us?

**Ms Beauchamp:** I can confirm that it is public on our disclosure log under FOI provisions. It's on our website.

**Senator POLLEY:** Okay. Thank you. I'll be happy to go to 6.2 when we come back.

**CHAIR:** Yes, that's all right.

#### **Proceedings suspended from 11:02 to 11:17**

**CHAIR:** I now call Senator Leyonhjelm to continue with questions in 6.1.

**Senator LEYONHJELM:** I won't be very long. My impression is that, in aged care, accommodation is a substantial component of the cost to the budget of aged-care support. Would that be right?

**Dr McCarthy:** The government does subsidise accommodation for certain residents in relation to residential care. I think it's fair to say that the government subsidy to the care component of residential care is the bulk of the subsidy, but we have officers who can go into more detail.

**Senator LEYONHJELM:** Where I'm going with this is: what should be the weight to accommodation, relative to other elements of aged care? Is there an argument for aged care being universally provided, or is there a better argument that aged-care subsidies should be provided by exception?

**Ms Beauchamp:** That's a complicated question, because, with accommodation and accommodation support, what the government subsidises does depend on both income and assets of the aged-care recipient. And of course there's a safety net for what we call fully supported aged-care recipients where the government pays the accommodation assistance, other than what they're required to pay as part of the pension.

**Senator LEYONHJELM:** Yes, I understand how the system works. What I'm asking you is first of all: is my assumption correct that accommodation is a substantial component of the aged-care assistance budget? I think it's significant, but you're saying it's not the majority. Is that right?

**Dr McCarthy:** No, it's not the majority. Mr Murray can talk about the break-up of the government subsidies.

**Mr Murray:** Total subsidy paid by government for residential care in 2017-18 was \$12.2 billion. The main component of that was the basic care subsidy, which was about \$11.2 billion, and accommodation supplement was \$1 billion of that \$12 billion. That's paid to support those with lower means. As Ms Beauchamp said, there's a means test that determines whether you get assistance with your accommodation and how much, and we paid \$1 billion in support for that.

**Senator LEYONHJELM:** That accommodation assistance is means tested, isn't it.

**Mr Murray:** It is means tested, yes.

**Senator LEYONHJELM:** In terms of outcomes, does the department have a view as to how assistance with accommodation, in particular, compares to other kinds of assistance such as in-home care or any of the other elements in the aged-care package. Do you have a view as to how it stacks up?

**Senator Scullion:** We don't normally provide views, Senator, but I understand where you're coming from.

**Senator LEYONHJELM:** You don't what?

**Senator Scullion:** We don't provide views or opinions, under standing orders. I'm sure they can answer the question, Senator.

**Senator LEYONHJELM:** There has to be a view as to whether or not more money invested in accommodation would produce better outcomes in aged care than in-home care or any of the other components. I'm just interested in what the department's thinking is on this.

**Dr McCarthy:** Mr Murray can explain in more detail the break-up of government funding. But, as the minister has indicated, our role here is to explain government policy.

**Senator Scullion:** Indeed. Before Mr Murray goes to that, just briefly—I don't think the breakdown for accommodation should make you assume that we see the other areas as more important, and I don't think anyone should assume that there's a bucket of money which we've just allocated. This has been allocated over a long period of time over each of these sectors. But perhaps Mr Murray may help with the detail.

**Mr Murray:** It's certainly correct that these arrangements have been in place for some time. They've been adjusted from time to time, but it has always been the case that consumers have been asked to make some contribution towards their accommodation, based on a means test. Those with no means, for example, are fully supported by government and pay nothing towards their accommodation, and then it phases up, depending on

your means, as to whether you get further support or whether you pay the price, which is agreed with the aged-care home and which they must publish.

**Senator LEYONHJELM:** This is Senate estimates, where we look at how the government is spending the money allocated to it in the budget. I think you said there is \$12 billion or \$13 billion allocated to aged care.

**Mr Murray:** To residential care.

**Dr McCarthy:** It's \$18 billion overall.

**Senator LEYONHJELM:** That's a large amount of money. Obviously there is a need to ensure that outcomes in terms of aged-care benefits reflect that large amount of money. It would be inconceivable that you don't have a view as to how much of a contribution accommodation assistance makes to the care of the elderly, and probably the other components of aged care as well. That's where my question is coming from. What is the contribution to the overall care of the elderly that comes from providing assistance with accommodation?

**Ms Beauchamp:** Overall the Commonwealth contributes about 70 per cent towards the aged-care system, and the private sector is 30 per cent. But we like to look at the continuum of care, because every client and every aged-care recipient is different, from low level in their own home to those requiring 24/7 care, and you do have to have some sort of residential support to do that.

**Senator LEYONHJELM:** I'm not making an argument. I'm looking for explanations.

**Ms Beauchamp:** As I think Mr Murray has already indicated in terms of people seeking residential aged care, of course there's a very large infrastructure component to that. If people can no longer live in their own home then arrangements are put in place to make sure we get the investment into residential care facilities, both capital and ongoing. Most of the contribution by the Commonwealth is to the care of the recipient, either in the home or in a residential facility. In terms of accommodation support, there are arrangements in place where the people want to contribute a daily accommodation fee or a refundable deposit. There's a lot of flexibility for consumers in terms of how they'd like to fund the accommodation component of their care. But it's a system that's grown up over many, many years. In terms of going forward, there are a number of surveys which say that people would like to stay in their home for as long as they possibly can, hence the overall increase in home care packages and the focus on Commonwealth home support.

**Senator LEYONHJELM:** Yes, I think I would agree with all of that. I'm still interested in your views as to the outcomes. More money could be put into accommodation than is currently being given—by adjusting the means test, for example—or less could be put into accommodation by adjusting the means test, and there have been other hurdles as well that might be applied. Do you have a view as to whether the bar is right in terms of where it's set? Do you have a view as to whether or not some of the money that's currently being used for subsidising aged care would be better applied anywhere, or is it insufficient in terms of the sorts of outcomes that you've set yourself?

**Ms Beauchamp:** As the minister has indicated, our personal views probably aren't relevant to Senate estimates.

**Senator Scullion:** Perhaps it might be useful to provide some information around how, and how often, we review the means testing process and what weighting we might put on that means testing. That may assist the senator.

**Senator LEYONHJELM:** Yes.

**Ms Beauchamp:** There have been a number of reviews in the past, particularly by Mr Tune, in terms of the means test, which looks at both assets and income. From time to time government does make decisions around changes to assets and income.

**Senator LEYONHJELM:** Does the means test only apply to the accommodation component or to other care as well?

**Ms Beauchamp:** There are income support tests around the contribution to home care packages.

**Senator LEYONHJELM:** Are there any elements of the aged-care spending, the \$18 billion, which are not means tested?

**Dr McCarthy:** Yes. Commonwealth home support is not means tested. The Commonwealth Home Support Program is the entry-level, grant funded program providing in-home support for people—it's usually people's first entry to the aged-care system.

**Ms Beauchamp:** It provides meals and assistance with domestic help and it can range up to nursing care.

**Senator Scullion:** It's usually provided to those people who don't have an allocation of a package, from level 1 to level 4. Generally, it's an additional layer of support that's available to people and it's not means tested.

**Senator LEYONHJELM:** What's the expenditure on that non-means-tested component?

**Mr Murray:** Commonwealth home-support service delivery is about \$2.2 billion.

**Dr McCarthy:** I think that \$2.2 billion might have excluded some WA—

**Mr Murray:** That's the service program, and then there's a line for the overall program, including support facilities around it. It's around \$2.8 billion.

**Dr McCarthy:** Yes.

**Senator LEYONHJELM:** Is there an argument for means testing that as well?

**Dr McCarthy:** While that program is not means tested, there is a fees framework that the government made available to Commonwealth home-support providers two or three years ago, and it is the case that some Commonwealth home-support providers do charge fees. That's a matter between the provider and the recipient of the service. To give you a good example, it has almost always been the case that in relation to Meals on Wheels—you'd be aware of that program, Senator—recipients would make a contribution.

**Senator LEYONHJELM:** All right. I might leave it there.

**Senator POLLEY:** I want to move on to 6.2. When will the December 2018 home care data report be released, please? And have you done any analysis of that data?

**Ms Beauchamp:** Yes, we have, and we hope shortly.

**Senator POLLEY:** So has it been provided to the minister? Is it, in fact, sitting on the minister's desk at the moment?

**Ms Buffinton:** On this, we are on track, as we often discuss, to have the report ready at about the, sort of, eight-week mark. I haven't yet received that report. My staff are working on it at the moment.

**Senator POLLEY:** You haven't seen it so it obviously hasn't gone to the minister as yet?

**Ms Buffinton:** That's correct.

**Senator POLLEY:** We had some issues around timing and delays. Is it anticipated there's going to be a delay again this time?

**Ms Buffinton:** No.

**Senator POLLEY:** Given the announcement on 10 February this year in relation to MYEFO last year, I'm very keen to establish the exact number of home care packages that there are and that there will be in the system. Can you provide to us an update in relation to the exact number home care packages across the forward estimates—that is, the exact total of home care packages that are or will be in the system available on the market over the forward estimates?

**Dr McCarthy:** Certainly, and Ms Buffinton can drill down into the detail. But as you probably are aware, since MYEFO 2017, there has been a series of government announcements in relation to 40,000 home care packages. There were 14,000 in the budget, and the government's announced an additional 20,000 since then. In the MYEFO context, there were 10,000 announced just before Christmas and 10,000 in the February announcement you referred to.

**Senator POLLEY:** Yes. Can you give us the exact amount of home care packages that are going to be available for the each year of the forward estimates?

**Dr McCarthy:** We can, and Ms Buffinton can give you those year-on-year details.

**Ms Buffinton:** Starting with 2018-19, I'll be going through levels 1 to 4 and then totals. Is that helpful?

**Senator POLLEY:** Thank you.

**Ms Buffinton:** They are: level 1—6,038; level 2—53,452; level 3—28,189; level 4—36,353 and a total of 124,032. For 2019-20:—level 1—1,240; level 2—64,630; level 3—30,689; level 4—38,353 for a total of 144,912. for 2020-21: level 1—11,915; level 2—65,192; level 3—31,559; level 4—39,501 for a total of 148,166. And then for the year 2021-22: level 1—13,119; level 2—66,133; level 3—33,578; level 4—40,607 for a total of 153,438.

**Ms Beauchamp:** Of course, that doesn't take into account any other packages that may be released between now and the end of the forward estimates through any budget processes and the like.

**Senator POLLEY:** Are you expecting some to be allocated in the coming budget?

**Ms Beauchamp:** That's a decision for government.

**Senator POLLEY:** I thought I'd ask. On the department's website and in their data reports it states that time for approved packages for higher level care is 12 months plus. At the end of this four years, what will be the wait time for older Australians to receive their approved packages?

**Dr McCarthy:** We can't predict that with any certainty, but we know that, as more packages are released, we expect wait times to come down.

**Ms Beauchamp:** I think by the end of June 2019 they will be reduced by some months.

**Senator POLLEY:** That's what you're anticipating?

**Ms Beauchamp:** Yes.

**Senator POLLEY:** Some months? Is that three months?

**Ms Beauchamp:** Yes, particularly after the last announcement on 10 February.

**Senator POLLEY:** Of the 14,000 home care packages that were released in the budget of 2018-19, have they now all been released?

**Ms Buffinton:** They've been released particularly across the last financial year and this financial year. Then the ones that were announced in MYEFO started to flow at the beginning of this year. It's a continuous addition to our forward release program.

**Senator POLLEY:** How many of that 14,000 home care packages have been allocated to level 3 and 4 residents?

**Ms Buffinton:** Mr Haslam will have that detail.

**Mr Haslam:** Eight thousand, seven hundred of those 14,000 high-level packages are available for release this financial year. They're released throughout the year, and they're added to the total packages available and the existing growth in funding. I think, on a question on notice, we might have provide advice that that worked out to be around 175 a week that had been released and added to the total existing allocation.

**Senator POLLEY:** Can you explain how the \$1.6 billion was calculated for those 14,000 home care packages?

**Dr McCarthy:** That's the cost of the additional packages at the levels. It's a calculation.

**Senator POLLEY:** So it's a calculation based on whether it was level 3 or 4?

**Dr McCarthy:** Yes, that's right. Because there are different levels of government subsidy for the different levels of package.

**Senator WATT:** Can I just clarify one of the previous answers. This might be one for Mr Haslam again. You said that, of the 14,000 new home care packages that were announced in the 2018-19 budget, 8,700 were to be released in 2018-19. Can we get the breakdown of the remainder?

**Mr Haslam:** I believe it's 8,700 in the current financial year. It's approximately 5,500 in the following financial year. The remaining packages are over the forward estimates.

**Senator WATT:** The remaining—actually, that's more than 14,000, isn't it?

**Senator POLLEY:** Yes.

**Mr Haslam:** It's about 14,278 in total. Most of those packages have been released up-front, so you get the value of those packages over the future forward period.

**Senator WATT:** I'm not sure if Senator Polley got an answer to her question about how many of the 14,000 are level 3 and level 4.

**Mr Haslam:** They're all level 3 and level 4. The 14,000 announced in the budget are all high-level packages.

**Senator POLLEY:** When you said that you expect the wait times to be reduced, what work has the department done in reducing the wait time for home care packages?

**Dr McCarthy:** When you say what work has the department done—

**Senator POLLEY:** In reducing the wait times. Although on your website it says that the wait time is 12 months, we know from the contact we've had in our offices the wait time is sometimes considerably greater than 12 months. What work has been done by the department, if any, on reducing that wait time?

**Dr McCarthy:** Our website indicates that the wait might be 12-plus months. As you've said, it depends on the individual. And, in terms of the work done to reduce wait times, we expect the government's additional investment in packages will result, as the secretary said, in relation to the 20,000 just released, in reductions of

several months. For every individual, though, it's different. It depends on two things and two things only, including the date of approval for the relevant level of home-care package, noting that some people opt to receive an interim package level and maintain their place in the queue in that case. The date of approval and the priority allocated to you are the two things that determine where you sit in the national prioritisation system.

**Senator POLLEY:** But we do know that there are people who have been approved for a level 4 package—the highest package—and are waiting considerably longer than 12 months. It would be reassuring to know that the department is doing some work to ensure that is reduced, so that people don't have to wait 18 months. Even 12 months is a long time. I was just interested in the work that the department is doing.

**Dr McCarthy:** I think that we and the secretary have discussed this with you before. I mentioned that some people opt to accept an interim-level package while they're waiting for their approved level, and, in addition, while people are waiting for their approved level of package, they can be approved for, and receive, Commonwealth home support services. Our focus is on connecting people to care as soon as we possibly can.

**Senator POLLEY:** Can we get a breakdown of those 14,000 home-care packages? Can they be broken down into how many of the final figure of 14,278 are level 3 and how many are level 4?

**Dr McCarthy:** Mr Haslam can provide that information.

**Mr Haslam:** There are 7,139, of which half are level 3 and half are level 4.

**Senator POLLEY:** Can you explain how the \$287.3 million was calculated for the 10,000 home-care packages?

**Dr McCarthy:** I'll give the same answer that I gave before: the dollar value of the packages released in any announcement depends on the number and the level of the package.

**Senator POLLEY:** I'm interested. There was an announcement that there was an additional 10,000 and an additional 4,000, and then we had, I think, two other lots of 10,000. Is that number just rounded up because it's easier to put in a media release or is there some other method? We've just been advised that, in fact, there are more than 14,000 home-care packages in MYEFO. So, is it exactly 10,000?

**Ms Beauchamp:** Going back to your previous questions about the amount of work that's been done and the advice provided to government, while I won't get into the details, we're confident there will be reductions in the waiting list. Just looking at 2017-18 and 2018-19, there's been a 28.6 per cent increase in the number of packages. On the figures that have just been gone through around the forward estimates, we're talking about going from 87,590 packages in 2017-18 to a total of 153, as you heard, in the last year of the forward estimates. And, of course, it's up to government as to how and when they want to release the numbers over the forward estimates.

**Senator WATT:** There are a lot more people looking for them too, though, aren't there? Sure, they might be putting more in the system, but—

**Senator Scullion:** There's a little bit more sophistication in that now. I know they'll correct me if I'm wrong, but I can recall that those that were released in December were all for levels 3 and 4 because that was the need. Those that were released in the latest tranche, in January and February were, in fact, the wider range, just based on need—'This is how many are needed in each one.' It's a bit more sophisticated than just a number. It's also down to, as you'd expect, where the actual need is.

**Ms Beauchamp:** Can I just respond to the senator's question. I think you said there are more people waiting. I think that since February 2017 we've had a national view of how many people are actually waiting. Prior to that, we only got applications from potential providers around the number of people needing home care packages, and they were certainly in the ballpark before we changed the arrangements around what's in the ballpark now in terms of the national queue. So we have got a better idea of the number of people waiting now and, as I mentioned, the number will reduce as more packages are rolled out.

**Senator POLLEY:** I want to go back to the issue around waiting times for level 4 packages. You advised that people opt for a lower level. I don't actually think that's an accurate statement to make. People who have been assessed for level 4 want a level 4 package, because they've been assessed as needing to have a level 4. You use the words, 'They've opted for a lower level,' but it's more the case that they can't afford to have no services, so they're forced to take a lower level rather than get the level 4 package that they've actually been assessed to receive. Their health needs are very different to be assessed for a level 4 package as opposed to a level 2 package. Would that not a more accurate description of what happens?

**Ms Beauchamp:** It's not a matter of opting out. It's an assignment of an interim package plus access to the Commonwealth Home Support Program while they still have been assessed at the higher level. What we want to

see is aged-care recipients not going without support, and that is achieved through a lower level package in combination with Commonwealth home support while they're waiting to be assigned that higher level package.

**Senator POLLEY:** You're not saying, I hope, that a level 2 or level 1 package is adequate care for somebody who's actually been assessed at a level 4 and is having to wait 18 months or more.

**Ms Beauchamp:** What I am saying is that a person is assigned a higher level package but as an interim arrangement, so they don't miss out on any care and support, there's a combination of an interim lower level package and access to other services and support.

**Senator POLLEY:** But there's still a significant difference between the support of a level 4 package that they've been assessed for and receiving a level 1 or level 2. So there's still a huge gap in the support that they're getting to be able to stay at home.

**Ms Beauchamp:** In terms of the contribution to the level of support, yes, there is a gap between the high-level packages and the lower level.

**Senator POLLEY:** Thank you. Was any work done on the future demand prior to the 10,000 home care packages being announced in MYEFO?

**Ms Beauchamp:** Of course there's medium- to long-term analysis. Primarily through the *Intergenerational report* of Treasury and the like, we'd also look at the ratio that we're targeting: around 125 places per 1,000 population for people 70 and over. So that's used as a guide and a planning tool for both the allocation of residential places and the allocation of home-care packages. So that gives us some guidance on the funding required in the short term over the forward estimates.

**Senator POLLEY:** In terms of the 10,000 home care packages that were announced, was that determined by the urgent need of older Australians, or was that figure determined by Treasury or the Treasurer's office?

**Ms Beauchamp:** No, that is actually determined by need. We probably shouldn't single out just the 10,000. It's probably worth looking over the past 18 months or two years at the substantial increase in home care packages that has been provided. So of course we look at need, we look at the waiting list and we look at the planning tool through the ratio.

**Senator POLLEY:** Were the industry and the experts within this sector consulted around the MYEFO decision?

**Ms Beauchamp:** We don't normally consult on budget deliberations, but there's certainly a lot of liaison and consultation with the minister's advisory group on the Aged Care Sector Committee. Indeed, the Aged Care Alliance has made comment in their road map that they've presented to the government around this issue. So there are always discussions with providers and, of course, potential aged-care recipients about the level of need.

**Senator POLLEY:** With regard to this month's announcement, exactly how many home-care packages are part of that funding? What levels are these home-care packages at?

**Ms Buffinton:** There were 10,000 home-care packages announced: that's 3,000, level 1; 2,500, level 2; 2,500, level 3; and 2,000, level 4. They started to be released from 12 February.

**Senator POLLEY:** Can you explain to us how the \$282.4 million was calculated for these 10,000 home-care packages? How was the 10,000 home-care package figure determined? Why wasn't the amount, for example—as I said, why is it always 10,000 as a rounded off figure?

**Dr McCarthy:** It's not always 10,000 per announcement, Senator. The government released 14,000 additional packages in the 2018-19 budget. But as the secretary's indicated, as the minister's indicated, some of those announcements have related to all high-level home-care packages. In some of them—the most recent one, for example, as Ms Buffinton outlined—there's a mix of packages at all levels, and the amount of funding that is allocated flows from a combination of the number of packages and the subsidy per level of package.

**Senator POLLEY:** So the \$282.4 million, how did you arrive at that figure?

**Dr McCarthy:** We know what the average level of government subsidy is per level of package, we know how many packages are being released at what level, so that's a mathematical calculation, Senator.

**Senator POLLEY:** We had 282.4 for 10,000 home-care packages, but then we had \$1.6 billion for 14,000 home-care packages.

**Dr McCarthy:** It relates to the levels. There's a much higher level of subsidy, obviously, for the highest level package than there is for the lowest level package. The amounts range from around \$8,000 up to a \$50,000 package, so you can see the difference that would make at that aggregate level.



**Senator POLLEY:** Thank you. Can you please confirm for us today how many older Australians are waiting for their approved home-care packages?

**Ms Beauchamp:** Today?

**Senator POLLEY:** Today.

**Ms Beauchamp:** I probably haven't got that information as at today, but the report that you referred to earlier on will be coming out shortly, and that will indicate the number of people waiting as at the end of December.

**Senator POLLEY:** But you know what that figure is already because—

**Dr McCarthy:** As Ms Buffinton indicated, in relation to the next report that will be released, we're still validating that data. As you know, Senator, it's a very dense report. We don't have that figure as at today.

**Senator POLLEY:** Would you estimate that the figure has increased? I think the last figure that we had was 127,000 older Australians were waiting. From what you've seen, you can indicate whether that's increased or not.

**Dr McCarthy:** As I said, we're validating the data relating to the next report as we speak.

**Senator POLLEY:** And so if you can't give me the total figure, can you give me a figure that relates to how many older Australians are waiting for their package without any other home-care package being available to them? In other words, they're not getting any support.

**Dr McCarthy:** We can provide the most recent published figures, Senator, and Ms Buffinton will have those.

**Senator POLLEY:** But that goes back, doesn't it, to the final quarter, and we've already got that. Those figures are already there; you've got that information. I know they've got to go through a process where you have to check them off, and then they have to go to the minister's office, but for efficiency, the fact that there's going to be little time between this estimates and the next estimates we're going to be doing, can't you give us a figure?

**Dr McCarthy:** We'd only ever want to give you the most accurate figures, Senator.

**Ms Beauchamp:** And it's not a simple calculation. As you have heard, the rollout of the announcements of the home-care packages takes time—175 a week I think I heard—with the expectation of all the announcements that have been made so far, of getting those all out in the field by 30 June 2019. So there will be a bit of a lag between the data that we have collected and what's actually happening as at a particular date.

**Senator POLLEY:** Okay, so if we could have, for the committee's benefit, the waiting times as of December 2018 please.

**Ms Beauchamp:** I'd like to take that on notice, because, as we've heard, we're still in the process of pulling together that information for the next home-care report, and that will be for the end of December.

**Senator POLLEY:** Right. Can you just remind us—am I accurate that there were 127,000 people waiting at the end of the last quarter that you reported on?

**Ms Beauchamp:** I think there were a number of figures mentioned in the last report about the people who were waiting for their assigned package, how many people were receiving an interim package and, indeed, access to the Commonwealth Home Support Program. I think that's all in the public domain.

**Ms Buffinton:** Yes. What's on the public record is, at 30 September, there were 69,086 people waiting for their approved level package who had not yet been offered a lower level package, and then, as you're aware, at that same date there were 57,646 who were waiting for a higher level package who had already been offered a lower level package, whether they took it up or not.

**Senator WATT:** So a total of 127,000.

**Senator POLLEY:** Okay.

**Senator WATT:** Do you mind if I clarify one thing from earlier? I don't think we got a year-by-year breakdown of the 10,000 additional packages announced in MYEFO. You've given us the year-by-year breakdown of the 14,000 announced in the budget, but could we just get a year-by-year breakdown of when those packages that were announced in the MYEFO will be released?

**Dr McCarthy:** I'll just check if Mr Haslam has that information with him. If we don't have it with us, we can get it for you, Senator.

**Senator WATT:** Okay. I'll just give him a moment, as I'm quite keen to know that.

**Mr Haslam:** With the announcement of 10,000 packages on 17 December, all of those packages are being released in 2018-19. They were level 3 and level 4 packages, and they have commenced rolling out. In terms of the second 10,000, packages are being released over 2018-19 and 2019-20. Those packages have also commenced being released, and that started on 12 February.

**Senator WATT:** Okay, but do you know—

**Senator POLLEY:** How many of each level?

**Senator WATT:** Yes. I think we got how many were in each level—I think it was 3,000, level 1; 2,500, level 2; 2,500, level 3; 2,000, level 4. Is that right?

**Unidentified speaker:** That's correct.

**Senator WATT:** That's the February announcement. But you say that those 10,000 are being allocated across 2018-19 and 2019-20. Can you give me the breakdown of each year?

**Mr Haslam:** I don't have that breakdown in front of me, Senator.

**Senator POLLEY:** Can you just take that on notice and come back to us before we finish today.

**Senator WATT:** So we know that, as at September last year, there were 127,000 people waiting for a home-care package, or the right home-care package. We know that the waiting list grew by 20,000 over the last six months. The number of packages that have been announced by the government, back to the budget—that number doesn't even reach that 20,000 figure. How are you possibly going to be able to eat into the waiting list with those numbers? It's not as if the waiting list isn't going to keep growing, is it?

**Mr Haslam:** If I may, those additional amounts were on top of existing planned growth as well. In the forward estimates, as Ms Buffinton outlined earlier, there is continued growth in terms of both investment and packages allocated.

**Senator WATT:** But it's just being swamped by the demand, isn't it? It's not keeping pace. There are 127,000 people waiting. There are 20,000 more over the last six months. There's no reason to believe that would decrease—ageing population et cetera.

**Senator Scullion:** But I think in your question, it was absolutely accurate—waiting for their approved package, which is right. Just for clarity, there are only 69,000 people waiting in September.

**Senator WATT:** Who are getting nothing.

**Senator Scullion:** No—that don't have access to a package. Of those, 92 per cent are receiving a Commonwealth Home Support Program, meaning that most of those people have an access. I'm just ensuring we're not characterising the 127,000 as not—if you come down to a level, it's only the 69,000, of whom 92 per cent are receiving a Commonwealth home care package.

**Senator POLLEY:** 69,000 people waiting, though, without a proper home care package is a significant number. I think what my colleague has said is that the release, as we've seen, is trying to put a bandaid on a haemorrhage in relation to people's waiting times. We're talking about people that are in their 80s and 90s who are waiting for level 3 and 4, particularly level 4 packages. These are people that are living with dementia, which puts strain on their carers, who are not getting the care that they need. So although the steps have always been welcome, it's a long way from closing the gates. I think the horse has bolted and it just hasn't been enough.

**Ms Beauchamp:** I think we probably need to look at the next couple of reports that come out and assess the real impact of the tranches of announcements that have already been made. As I mentioned, we expect those waiting lists to come down several months. But if we're looking at the tranche just released, we'll continue, not just to the end of this year. The December announcements, the packages, are to be rolled out by the end of this financial year. That's what I was referring to earlier. But the announcement that has just been made will roll out until 30 June 2020. So the additional places, plus the growth that Mr Haslam has spoken about, should have and is expected to have an impact on the waiting list numbers. But because of the lag time between the report that comes out and the number of packages in the field, I think we'd need to look at the next couple.

**Senator Scullion:** At the budget we said there were 14,000. We expected that for the budget. But because we've managed the economy so well there have been some dividends, including to the aged care sector, under which we have been able to invest two tranches of 10,000. That's 20,000 that weren't anticipated at the budget. So I don't think it's reasonable—if we were considering at the budget time, that's only 14,000 extra places, but it's actually 28,000 extra places as it turned out to be. The government is working to provide good management of the economy, and dividends in the aged care sector are likely to be making, as we have just made, an additional capacity for aged care packages. This is very much a focus of government. But we'll be looking forward to the outcome of this report so we ensure that those investments can be made in the right way.

**Senator POLLEY:** I'm sorry to disagree with you, Minister, but if you're an older Australian in your 90s waiting for a level 4 package, that's very little comfort for you to try and spin how well you've managed the economy or managed this sector, when you had to call a royal commission into your own failings. But if we can move on to the Productivity Commission—

**Senator Scullion:** If I can just respond, Senator. From a political perspective, your measly 63,000 places against our 157,000 places, I'll up it any day.

**Senator POLLEY:** We will see, Minister. Can we move on to something with some accuracy around it. The data reports contained the median waiting times for each level of home care package. In the Productivity Commission's report there are more specific waiting times. Did the department provide this information to the Productivity Commission?

**Dr McCarthy:** I think you're referring to the *Report on government services*. In the *Report on government services* there's a different basis on which that data is calculated compared to the much more comprehensive data report that we provide.

**Senator POLLEY:** But you provided that information to the PC? Yes or no?

**Dr McCarthy:** For what it is that that report details, they will have used aged care data, yes.

**Senator POLLEY:** So why isn't the information included in the quarterly data report?

**Dr McCarthy:** Our data is about the national prioritisation system and wait times. The Productivity Commission report data relates to median wait times, I think relating to the assessment process. Ms Buffinton may be able to talk in more detail. But we're talking slightly apples and oranges.

**Ms Buffinton:** Also, it's some work that we actually do need to do with the Productivity Commission, because they've had a method that they've used for many years in terms of home care. Now we're getting data that we extract through, amongst other things, My Aged Care and a range of areas where we're looking at that data and correlating the data. We acknowledge that now our data is actually probably more up to date. Over the next 12 months we'll be working with the Productivity Commission to make sure that the reports on government services reflect all the contemporary data that the government now collects.

**Senator POLLEY:** If I can turn to their September data, when that was released last year why was the information around the wait lists omitted, having been included in previous reports? For example, the state and territory breakdowns were deleted, and the total number of older Australians waiting for care was non-existent. Why? Who made that decision to omit that information? Was that the department or the minister?

**Dr McCarthy:** We haven't omitted any information. Ms Buffinton can explain the way in which we've tried to present that data to give a much fuller picture of what's happening and who's receiving access to care.

**Ms Buffinton:** As we've discussed before, over time, since we began the increasing choice changes from 27 February 2017, we've also been learning about what data is there and what it means. When we were talking about a total figure—just under 127,000—that actually wasn't reflective of who is going to choose to go into home care versus residential care. Just as a reminder, when ACATs go out and do an assessment, often people, particularly those getting level 3 and level 4, get an assessment that would enable them to go into residential care or home care or a range of other services. So in saying that there are 127,000 people waiting for home care, it's actually not necessarily the case. As our data has improved and we have been able to also correlate those consumers with what is happening in Commonwealth home support, that's why we've started to render the information in two ways. That is, significantly, the one figure, the 69,086, are those waiting for their approved-level package and have not yet been offered access to a lower-level package. They're in a different situation, but noting that when we also ran the figures of who's accessing Commonwealth home support, we knew that 92 per cent of that 69,000 have also been approved for Commonwealth home support, so they can access some interim care but just not interim home care; versus the 57,646 where, although they haven't yet been offered their final package, a significant number of those have been offered and taken up interim-level packages or been offered and chosen not to take up care at an interim level because they're happy with their current care arrangements, including Commonwealth home support, and a certain number—I think it's usually about 1.5 per cent at any one time—who are in the process; they've been offered and are making a choice of provider, so they've been offered but haven't taken up a package.

**Senator POLLEY:** Have you got the figures of those people who have waited for their package and haven't received it and have gone into residential care?

**Dr McCarthy:** That would require us to make assumptions about why they made the particular choice they did. That will be different for every individual.

**Senator POLLEY:** But surely, if somebody has been waiting for 16 or 18 months and they've gone into residential care, surely there would be some criteria that could measure that which would give you the answer that they've gone into care because they can no longer stay at home without that level 4 package and they really didn't have any other option. You don't have any figures?

**Ms Beauchamp:** I don't recall any. I think I might take that on notice.

**Senator POLLEY:** That would be good. Because that's what we have been hearing. Can I move on to whether any work has been done by the department around home care package wait lists by electorate. Is this information available as yet?

**Ms Buffinton:** We haven't been doing work by electorate, as you know. We've mentioned this in a number of questions on notice. We do our data by aged care planning regions.

**Dr McCarthy:** We don't present the data by electorate. We do by aged care planning region.

**Senator POLLEY:** And therefore there is no intention to do any around electorates at all? You've got your planning regions, and you haven't been asked, other than the questions we've been putting on notice, in relation to the breakdown electorate by electorate?

**Dr McCarthy:** We don't present the data in that way. The focus of our efforts—and it's a very considerable and intense effort—is on presenting the data by planning region.

**Senator Scullion:** The only interest that's been shown in any data by electorate has been from the Labor Party putting in questions on notice.

**Senator POLLEY:** Can you then please provide any further detail on the length of time older Australians are now waiting for their home care packages?

**Dr McCarthy:** As we've indicated, and as we make public in the data report, we indicate the bandwidth of time, whether it's one to three months, three to six, or 12-plus months that people might expect to wait for their home care package.

**Senator POLLEY:** Can we have a figure on the average wait time on each level of package that is available? How long are people waiting for a level 1 package as opposed to level 2, 3 and 4?

**Dr McCarthy:** We'll take that on notice. That's not information we have with us.

**Senator POLLEY:** You weren't expecting any questions on this? Can we get it before we finish with aged care today?

**Dr McCarthy:** I'd be very surprised if we could do that before we finish today. We'll take it on notice.

**Senator POLLEY:** If you don't have any detail about those residents going into residential care that have been waiting for level 4 packages for a considerable amount of time, well in excess of 12 months, do you have any figures on people who have been waiting for a level 4 package for in excess of 12 months who have died?

**Dr McCarthy:** I think we may have been asked this question before. No, we don't have that information.

**Ms Buffinton:** Could I also remind that if circumstances change—this is something that is undertaken regularly; it isn't for somebody just to go up the queue, but when people's circumstances have changed—they can contact My Aged Care. As appropriate we can get the ACAT to undertake a review or reassessment, depending on the circumstances, and we can change the priority if that's appropriate. Sometimes they're asked to do that and it's not appropriate; it's not rubber-stamped. It is taking into account circumstances. There is a high priority mechanism, and therefore we can get people into care more quickly where that's appropriate.

**Senator POLLEY:** Okay. I'll put some more questions on notice.

**Senator WATT:** There's one thing we needed, and I don't think it's come through—that is, the breakdown by level of the 10,000 packages announced in MYEFO. You haven't provided that yet, have you?

**Dr McCarthy:** I thought Mr Haslam did.

**Senator WATT:** Can I just get that again, sorry?

**Dr McCarthy:** We can provide it again. I think we have already, but—

**Mr Haslam:** Happy to, Senator.

**Senator WATT:** I think what you said was that they were all three or four, but I didn't catch the split?

**Ms Buffinton:** They were half-half; 5,000 in each.

**Mr Haslam:** It was 5,000 in level 3 and 5,000 in level 4 in the December announcement.

**Senator WATT:** And they are all being delivered in the 2018-19?

**Mr Haslam:** We have commenced rolling out.

**Senator WATT:** Thanks.

**Senator POLLEY:** I want to turn to the issue around the letter that went out from the minister in relation to home care packages. Can you confirm that it provided advice to the minister's office that a letter to older

Australians outlining updates to the government's home care package policy was necessary? When was this advice given? Can you give us the dates on that, please?

**Dr McCarthy:** Senator, as you know, we don't comment on the content of advice provided. But I think, on notice, we could provide the dates on which we were in contact with the minister and his office on the matter of the letters. We'd need to take it on notice.

**Senator WATT:** Did the department actually recommend that this letter be sent?

**Dr McCarthy:** As I think I've indicated, Senator, we don't talk about the content of advice. We can tell you, though, on notice, the dates of advice that was provided in relation to the release of the letter.

**Senator WATT:** Previously when we've asked these types of questions, and the same issue has been raised about advice, we have been told that something was a decision of government. Was the decision to send this letter a decision of government, as opposed to the department?

**Senator Scullion:** Writing a letter to everybody who's a recipient to give them information would have no doubt been a final decision of the minister, because he would be signing the letter.

**Senator WATT:** So it was the decision of the minister to send the letter?

**Senator Scullion:** Yes, I think so. I think that would be a reasonable characterisation.

**Senator POLLEY:** What was the rationale then for Minister Wyatt to send out a letter like this on Christmas Eve, virtually—five days before Christmas?

**Senator Scullion:** The fact that it was sent on 18 December was probably more around the fact that an announcement had been made on 18 December and potentially affected all home care recipients and simply was an update on the recent Home Care Package Program. So it wasn't really oriented around Santa Claus; it was actually around aged-care packages and those changes. We needed to inform people about those changes. I think we'd all commend this sort of communication with people receiving government services.

**Senator POLLEY:** How many letters in total were sent out?

**Senator Scullion:** I don't have that number.

**Ms Buffinton:** We have that number—93,000.

**Senator POLLEY:** What was the cost to distribute these letters?

**Ms Buffinton:** I'd have to take that on notice.

**Senator POLLEY:** Sorry?

**Dr McCarthy:** We will take that on notice.

**Senator POLLEY:** Would it have been considerable? Would it have been excess of \$93,000?

**Dr McCarthy:** We don't like to speculate. We'll take that on notice.

**Senator Scullion:** Well, you could probably work it. If there's a 30c stamp—

**Senator POLLEY:** I think it's \$1.

**Senator Scullion:** I'm not sure if it was sent out that way. We'll try to provide some information on notice on the breakdown of that.

**Senator POLLEY:** If it was \$1 per letter, that would have been in excess of \$93,000. Where did that money come from?

**Senator Scullion:** What cost do you put on communicating with people who are anxious about these things?

**Senator POLLEY:** Well, doing a spin letter on promoting the government, who can't provide for the home care packages of people who have been waiting months and months and in some cases years for it.

**Senator Scullion:** They know that, in the budget, there were 14,000. This is in addition to that. It is very important information for people.

**Senator POLLEY:** Where did that money come from? Was it an administrative or a departmental fund? It's a reasonable question to ask. Where did this money come from? We're talking about at least \$93,000. Where did it come from—out of the department's administrative fund?

**Senator Scullion:** We're just finding that out, Senator.

**Dr McCarthy:** Over the course of a year, we would send, I think, around 350,000 letters to the recipients of home care packages, informing them of information relating to them. So it's part of that cost.

**Senator POLLEY:** We do note that, but this was in addition. This was something that, as the minister has just said, was the decision of the minister—to send out those letters five days before Christmas. Wouldn't that money have been better spent on actually servicing those people who are currently waiting for home care packages?

**Senator Scullion:** That's seeking an opinion of officers.

**Senator POLLEY:** I'm asking you, Minister. Wouldn't that money have been better spent on older Australians, delivering home care packages to them, rather than disseminating a spin letter promoting something you can't deliver on?

**Senator Scullion:** If I can just have an opportunity to answer the question, thank you, Senator. As the department has just indicated, there are 350,000 pieces of communications, and the question about every communication with government is: would it be better spent on services rather than allowing people to know? There was a position at budget where people would have familiarised themselves with how many packages there were and what was going on in the home care sector, and I know that people will want to know about that. So, at the time when that changed, they communicated to each of the recipients. It was the best way to do so, because you can't get everyone by media release. As the department has indicated, this isn't the only occasion. Some 350,000 letters go out, and I imagine that would be, over time, a regular event to communicate any changes about these matters to the broader constituency.

**Senator POLLEY:** This letter came from the minister, not from the department. So can you give us, please, a breakdown—

**Senator Scullion:** Perhaps we can find out from the department how many of the 350,000 also came from the minister.

**Senator POLLEY:** Can I just finish my question? If you'd let me ask my question, I think that would help the department ascertain what information is required to answer. Can the department provide a breakdown of who the letters were sent to?

**Senator Scullion:** By level or area or—

**Senator POLLEY:** We want to know who the letters were sent to.

**Senator Scullion:** They were recipients, as I've indicated, of a home care package.

**Dr McCarthy:** Yes. People currently in receipt of a package—currently in home care.

**Senator Scullion:** Currently in receipt of a home care package. We didn't just write one to everybody. We wrote one to those people whose home care package it may affect.

**Senator WATT:** So you sent a letter to people getting home care packages to tell them, 'Hooray! There's going to be more home care packages.' Why does that need to go to people who are already getting a home care package?

**Senator Scullion:** Because they may not be receiving one at the level they require, which is what we've been discussing all morning.

**Senator POLLEY:** But you can't provide now to those people who need a level 3 and 4. They're waiting in excess of 12 to 18 months, and now you're writing to everyone, saying, 'Yay, we've got bigger and better packages. But, sorry, it's in the fine print that we can't actually provide them.'

**Senator Scullion:** It's a letter that provides information to the sector that can be affected by the provision of those packages.

**Senator WATT:** Have you been able to come up with the amount that was spent on this letter?

**Dr McCarthy:** We've taken the question on notice and we'll endeavour to find out the answer to your question.

**Senator WATT:** We might be able to get that over the lunchbreak or something.

**Senator Scullion:** Well, it's been taken on notice, Senator.

**Senator POLLEY:** No, we've asked for it.

**Senator Scullion:** I know you have.

**Senator WATT:** The other thing is that Senator Polley is right that this is a ministerial letter. You've tried to pass this off, saying that the department regularly communicates with—

**Senator Scullion:** The evidence provided that.

**Senator WATT:** Yes. So the department regularly communicates with older Australians.

**Senator Scullion:** They've said 350,000 letters. Whether that's regularly or not, we haven't provided—

**Dr McCarthy:** We update people on whether they've received their allocated level, or whether they've received an interim level.

**Senator WATT:** Sure.

**Senator POLLEY:** Which is fine.

**Senator WATT:** Do the letters the department sends on a regular basis refer to things that the Liberal-National government is doing?

**Dr McCarthy:** Obviously, a letter from the minister would make that reference.

**Senator WATT:** Would it?

**Dr McCarthy:** A letter from the department would be phrased differently.

**Senator Scullion:** Let's have a look at the letter.

**Senator WATT:** Why would a letter from a minister refer to a political party?

**Senator Scullion:** I suspect it doesn't.

**Senator WATT:** A taxpayer-funded—

**Senator Scullion:** I suspect it doesn't.

**Senator WATT:** I can give you a copy. Do you want a copy?

**Senator Scullion:** Does it, Senator? You've got the letter.

**Senator POLLEY:** Yes, it does.

**Senator WATT:** The opening line, from Minister Wyatt, of a taxpayer funded letter says:

An open letter to all senior Australians

Dear so-and-so

I am writing to update you on progress with the Liberal National Government's commitment to providing you with access to affordable aged care at home.

Why does a letter that you're describing as an information letter need to include a plug for the Liberal-National government?

**Senator Scullion:** I think it's self-evident that it is a Liberal-National government.

**Senator WATT:** Why wouldn't you just say 'federal government'? Why wouldn't you say 'Commonwealth government'?

**Senator Scullion:** Why wouldn't you say 'Liberal-National government'?

**Senator WATT:** Why have you got to give yourselves a political plug?

**Senator Scullion:** Why wouldn't you say 'Liberal-National government', Senator?

**Senator WATT:** Because it becomes political advertising that the taxpayers are paying for.

**Senator POLLEY:** That's right.

**Senator Scullion:** It's a descriptor of the current government rather than the parliament: it is a government consisting of the Liberal Party and the National Party by coalition, which is well known. The point was just simply being made that this is the Commonwealth government. Now, that's one way—

**Senator WATT:** No; it's not saying that it's the Commonwealth government. It's saying, 'the Liberal-National government'. And taxpayers have paid for this. Did the department provide a draft letter to the minister's office?

**Senator Scullion:** That's something that perhaps we could take on notice, or that the department might be able to help with.

**Senator POLLEY:** They may well be able to answer it.

**Senator WATT:** Did the department provide a draft letter?

**Ms Beauchamp:** These issues are not abnormal. When the government itself makes big changes to policy and announces new budget and funding announcements, it's not unusual for ministers to announce that, and provide that information.

**Senator WATT:** Sure, but do they take the opportunity to give their own political parties a pat on the back in the process and have taxpayers foot the bill?

**Ms Beauchamp:** I've been a public servant for quite a number of years, and over the course of those years I think there have been references by various governments to who might be the Prime Minister, as reference to a government, or not. So, it's not—

**Senator WATT:** But this is not referring to the Morrison government or the Abbott government or the Turnbull government, or whoever is the Prime Minister today. It's talking about the Liberal-National government. That's clearly political advertising that taxpayers are paying for.

**Senator Scullion:** I don't accept that at all, that characterisation, Senator.

**Senator WATT:** Did the department provide a draft letter to the minister's office?

**Senator Scullion:** We've taken that on notice and someone will try and find the answer—

**Senator WATT:** No; did the department provide a draft letter? There must be someone here who knows that.

**Ms Beauchamp:** I'm sorry, I don't know personally.

**Senator WATT:** Okay, do any of the other officials?

**Ms Beauchamp:** I'm sure we would—

**Senator WATT:** Or was it drafted in the minister's office?

**Senator Scullion:** We'll take that on notice, Senator.

**Senator WATT:** No. With respect, Minister, I'm asking the question of the officials.

**Dr McCarthy:** I understand we did provide some draft content for the letter. The letter, obviously, is finalised within the minister's office.

**Senator WATT:** Could you please table the drafts that were provided to the minister's office?

**Dr McCarthy:** I'll need to take that on notice.

**Senator WATT:** Okay. And did the draft letters that were provided to the minister's office contain the words 'Liberal-National government'? Or were they added by the minister's office?

**Dr McCarthy:** I'll need to take that on notice, Senator.

**Senator WATT:** Ms Buffinton, you don't know?

**Ms Buffinton:** No, I will need to take that on notice.

**Senator WATT:** Do you think it's acceptable for taxpayers to pay for a letter from your minister praising the Liberal-National government?

**Senator Scullion:** I don't think the term 'praising' is accurate.

**Senator WATT:** Are you criticising yourself in this letter?

**Senator Scullion:** No, I'm just saying 'praising' is not accurate. It's reflecting—it's just simply saying, 'The Liberal-National government have done this.'

**Senator WATT:** Isn't the truth that you know you've got an enormous political problem around the waiting lists for home care packages, the delays people are suffering, the underfunding and the cuts, and you're now using taxpayers' money to bail yourself out of this by praising the Liberal-National government?

**Senator Scullion:** As I've indicated, Senator, I don't agree with the characterisation that we've got a real problem. We have done so much—

**Senator WATT:** Have you spoken with an older person lately?

**Senator Scullion:** Yes, I have, of my—

**Senator WATT:** One of the 127,000 who are waiting?

**Senator Scullion:** Well, there are not 127,000; again, there are only 69,000—

**Senator WATT:** There are only 69,000 and there are a few others who get something that they don't need.

**Senator Scullion:** of whom 92 per cent are on a package. We've gone through this time and time again, and I don't accept your characterisation that we're not doing very well. We have spent—in a comparative sense, if you want to get into politics—as I've just indicated, a billion dollars a year, year on year for the last five years—

**Senator POLLEY:** And the \$3 billion you ripped out.

**Senator Scullion:** and we've budgeted a billion dollars year on year for the next 10 years. You had, whilst in government, 63,000 packages. We're now at 157,000. That's hardly characterised it as a government that's got a problem.



**Senator POLLEY:** Can I ask then: was a similar letter sent out on each occasion when the additional packages were announced—say, the 10,000 in February? Did you do the same thing? Did the minister write a letter after the MYEFO announcement of the 10,000 packages? Was there a letter sent out to all and sundry then?

**Dr McCarthy:** Not after the most recent announcement, Senator. The letter you're referring to was sent out after the MYEFO December announcement.

**Senator POLLEY:** So was this letter sent to all older Australians who have been assessed?

**Dr McCarthy:** No, Senator. It was sent to the recipients.

**Senator POLLEY:** So not those on the waiting list?

**Dr McCarthy:** No.

**Senator Scullion:** Unless they were waiting for a higher package.

**Dr McCarthy:** Thank you, Minister, yes.

**Senator Scullion:** If they were on a level 3 and they have a level 4—if they were currently in receipt of a home care package then they would have got a letter, is my understanding.

**Senator POLLEY:** Would those on the wait list with no home care package at all have got a letter?

**Dr McCarthy:** They would not.

**Senator POLLEY:** Why not?

**Dr McCarthy:** I think we've indicated it's the minister's letter, Senator.

**Senator POLLEY:** Like the \$8 million advertising campaign that was rolled out last year, does this letter build up hope for people that they'll be able to get their already-approved home care packages sooner?

**Senator Scullion:** I think what it does is provide them with information that they might not otherwise have got from a media release or the like. It just provides them with direct information that these new packages are available and at what levels they're available.

**Ms Buffinton:** Could I also mention that what was also in the letter was an announcement at MYEFO about reduced home care fees. This is relevant to those who are currently in a package. At MYEFO and in line with some recommendations of David Tune, the maximum contribution that people are being asked to pay through their basic daily fee for home care did change. It reduced by \$400 a year for level 1 packages, \$200 a year for level 2 packages, and \$100 a year for level 3 packages, and that was relevant to the 93,000 who are currently in home care.

**Senator Scullion:** The other element of it is that we needed to assure them, which is also, I understand, a part of the letter, that the government were not lowering it by that amount—that we would pay that same amount, and so their package would stay at the same level: just because their contribution dropped by 400 wouldn't mean that the actual service dropped by \$400. So that was made clear in the information provided in the letter.

**Dr McCarthy:** If I can add to the minister's remarks, Ms Buffinton has just reminded me there's a third element to the letter which relates to efforts underway to increase the transparency of home care pricing. That is also relevant to everyone currently receiving a home care package.

**Senator WATT:** Ms Beauchamp, are you familiar with the government's guidelines on information and advertising campaigns?

**Ms Beauchamp:** Broadly, yes.

**Senator WATT:** Are you familiar with the fact that clause 8 of those guidelines states that 'government campaigns must not be conducted for party political purposes'?

**Ms Beauchamp:** Yes, I am.

**Senator WATT:** Are you confident this letter doesn't breach those guidelines?

**Ms Beauchamp:** I am.

**Senator WATT:** Are you aware that these guidelines issued by the government also state that advertising campaigns 'must not mention the party in government by name'?

**Ms Beauchamp:** In relation to campaigns, yes, I am. This is a letter informing home care recipients, as we've just heard, about the government's announcement around the additional places and also changes and reductions in fees.

**Senator Scullion:** Those are their fees they have to pay. So it's really important information.

**Senator WATT:** So the tens of millions of dollars that we know this government is spending on TV ads on everything under the sun can't give the Liberal-National Party a pat on the back, but you can send a letter a week if you want to which praises the Liberal-National government, because it's not a campaign?

**Ms Beauchamp:** I think we've just confirmed that it was a letter sent by the minister, and it wasn't considered a campaign.

**Senator WATT:** Was that a decision of the minister's office? Did the minister's office consider these guidelines?

**Ms Beauchamp:** I think when you look at the guidelines there are certainly a number of elements that need to be satisfied to determine whether it is a campaign or not.

**Senator WATT:** So there's a loophole in the guidelines that the minister has exploited: because this doesn't constitute a campaign in their minds, they could have put Liberal-National logos all over the letter, they could have mentioned Liberal-National in every paragraph—that would be entirely okay?

**Ms Beauchamp:** I think, in ministerial correspondence to a range of constituents, it's up to ministers to determine how they'd like the government described.

**Senator WATT:** Ms Beauchamp is putting it towards the minister. What do you think, Minister? Does it comply with your own government's guidelines?

**Senator Scullion:** I understand that the minister's office believes that it complies with the guidelines, and they would have no doubt taken some advice on that. As I've indicated, you're characterising these things as a pat on the back. But the only reference to this is it's this government, and this government is made up of the Liberal Party and the National Party. Beyond that, no-one is making appraisals. This was a factual letter that talked about how many packages, and it talked about the reduction in the fees to be paid and gave assurances that that wouldn't reduce the package. This is, pretty much, a factual letter. I have a high level of confidence that this would be within the guidelines. If you don't think it's within the guidelines, of course, there are actions that you can take.

**Senator WATT:** And we may well do that. I don't have an issue with you informing older Australians, but I do have an issue you spending taxpayers' money to promote the Liberal-National government, which is what's occurred here. You think that's okay because it's only a letter, it's not a campaign?

**Senator Scullion:** I think it's something that is informative and it is really important that they do that. I note you take issue with the fact we're describing ourselves not as the coalition government, for example.

**Senator POLLEY:** Normally you would use 'Commonwealth government'.

**Senator WATT:** Maybe the 'Commonwealth government' or the 'Australian government' or even the 'Morrison government' or whoever is—tomorrow.

**Senator Scullion:** Whatever it is, it's the Morrison government. I mean, that's just a reflection of a Prime Minister. He is our Prime Minister; he is a Liberal Party member.

**Senator POLLEY:** But that wasn't used.

**Senator Scullion:** So any characterisation of a government can be somehow politicising it. But it is a fact that it is a Liberal-National government that has gone on to factually provide things rather than pat itself on the back.

**Senator WATT:** The guidelines specifically say that campaigns must not mention the party in government by name. It can't be a lot more clear than that.

**Senator Scullion:** These letters would have gone out and consideration of those statutes would be the case. Nobody gets through loopholes. What they do is it's either in or it's out. And I'm quite sure the ministerial standards have been applied here.

**Senator POLLEY:** So are you confident from the government's perspective that all the letters went to older Australians with an aged care identification number?

**Dr McCarthy:** I think you would be talking about a much larger number of older Australians. If you're referring to any older Australian who is registered on My Aged Care, that would be a much larger number. There are people registered on My Aged Care, for example, who have called the contact centre, found out some information and agreed to be registered but aren't in receipt of services because they have chosen not to be.

**Senator POLLEY:** So it wouldn't have gone to people under the age of 65, for instance, who have MS and who are trying to access home care. Would it have gone to those people?

**Ms Buffinton:** If it was a person who is currently in receipt of a home care package, and there are examples where home care packages are provided to people under the age of 65 in exceptional circumstances, then they would have received a letter.

**Senator POLLEY:** So why was the terminology of addressing the letter to 'older Australians'?

**Senator Scullion:** That terminology is quite specific. We were directing this to the current recipients of home care packages. It's quite narrow in the description.

**Senator POLLEY:** Has the department been monitoring the number of contacts older Australians who have received this letter have been making with My Aged Care in relation to the home care package waiting times?

**Dr McCarthy:** The contact centre knows the number of people who make contact with the centre and, broadly, we know the sorts of subjects people are asking about. Whether we have done an exact match to the recipients of these letters—

**Ms Buffinton:** Did we have a major search in the My Aged Care contact centre? No, we didn't.

**Senator POLLEY:** No, you didn't. So you're confident, then, that this letter has not triggered more older Australians to contact My Aged Care?

**Dr McCarthy:** I think Ms Buffinton has indicated there's no evidence to suggest that.

**Senator POLLEY:** Just going back, obviously, the minister at the table doesn't see that there's been a breach of the guidelines. Wouldn't it be fair to say from the department's knowledge and long experience that letters such as this they would normally refer to the 'Commonwealth government'? If you go back, from your experience, the government of the day, the federal government of whatever persuasion, would refer to itself as the Commonwealth government.

**Dr McCarthy:** The secretary has already given evidence that in her experience—we're both experienced public servants; Ms Beauchamp is more experienced than I—she has seen a range of ministerial letters use a range of different nomenclature.

**Senator POLLEY:** Perhaps you can table for us the letters that have gone out from Minister Wyatt in relation to home care packages, so we can compare this one that was blatantly political to the other ones he sent out last months. Can you take that on notice?

**Dr McCarthy:** We'll take that on notice.

**Senator SIEWERT:** I'm obviously going to put a whole heap of questions on notice, but I want to go to the issue you touched on in one of your answers to Senator Polley, and that is the dropping of—

**Dr McCarthy:** The basic daily fee in home care?

**Senator SIEWERT:** Yes. It goes back to an issue that we were traversing last time around: admin fees. I want to talk about not just home care but also additional fees in residential care. In terms of the discussions that we had at the last estimates, we were talking about the process that you were going through. I raised the issue of quite substantial admin fees. I've subsequently had more correspondence about that. It's all right to drop the daily fee, but, if the admin fees are continuing to go up, less money is available for actual care.

**Dr McCarthy:** You're right, Senator, and this is a matter of particular interest to the minister. We can talk about steps being taken firstly. Home-care providers right now are required to publish their fees on My Aged Care. By the middle of this year, providers will need to fill out a pricing schedule that will enable comparability across like-service types. First of all, it's about transparency around the fees currently being charged and, coming soon, making it much easier for older Australians in receipt of home care to compare like with like across different providers.

**Ms Beauchamp:** That's particularly important when it comes to the term 'administrative fees'. My observation of the providers who have put up all their fees is that they can have an administrative overhead type fee, but some of the providers refer to 'case management and coordination'.

**Senator SIEWERT:** Yes. I was coming to that, so thank you for going there.

**Ms Beauchamp:** I don't know if that's a good thing! There have been different interpretations. As Dr McCarthy has pointed out, that's why the government is making mandatory a common schedule of fees to apply from 1 July 2019.

**Ms Buffinton:** If I could add to that, Secretary: it's not just about a common schedule; it's also about common definitions. This work has been in place since about March last year, and it's fair to say that, rather than the department imposing, this really has come about with consumers and provider peaks coming together. It's taken many months because everybody had a very diverse range of opinion. We designed the common schedule that will become available in April, and it's mandatory to have it filled in from 1 July this year. It gives common definitions of what actually is in a fee. Largely, it gives a unit cost for, say, personal care or whatever. And then there is a definition of what case management actually is and why it's important. There was diverse opinion

because there's now a diverse range of providers. Consumers wanted a consumer-directed care environment. With that come upsides and downsides. I think people have come to understand because they have to do a little bit of work to understand what's in the fee, but they have to be able to compare clearly and simply. The concept of the home-care package is exactly that. Some people require a package of services with appropriate levels of case management, either because they're living on their own or because somebody's not there to assist in packaging that. Others have family support and want very low levels of case management because their family is happy to take on that role, and they want to make sure that all of the fees are going towards the care. So case management is an appropriate service if that's what you want, but you then need to understand what is the fee, what the definition of that is, what you are getting for that, and whether you think that that's reasonable or you want to get a quote from another provider or the family wants to take on, for example, some of that case management. So it's not that case management is inappropriate, but we've got to make sure that it's transparent.

**Senator SIEWERT:** I wasn't arguing that it is, necessarily. It's just that people are paying a substantial admin fee and then case management on top of that.

**Ms Buffinton:** Absolutely. If we take the exit fee, where we didn't impose an exit fee, it's quite fascinating how over time that exit fee has become transparent and will be rendered on that agreement. What we will see on the website on 1 July then has to be also mirrored and attached to the individual's pricing schedule. But exit fees have been fascinating. Every quarter that we look at this, fewer providers are charging an exit fee at all, and those who are charging the fees are reducing them.

**Senator SIEWERT:** Thank you. There are a couple of things that come out of that. I'll just go directly to the exit fees. So, when somebody's ringing up a provider and getting quotes, the exit fee will have to be articulated at that stage?

**Ms Buffinton:** Yes, that will be part of the schedule. Also, you cannot charge anybody an exit fee without divulging it. When you sign up to the agreement, even now, it has to be divulged. If you don't divulge it, you can't charge an exit fee. If you don't have it publicly available, you can't charge an exit fee.

**Senator SIEWERT:** In terms of the admin, I provided that example to you last time of 48 per cent. Will that be included in the schedule? It's not really a definition. Would it be in the definition of what admin is?

**Ms Buffinton:** It is, because I think that at the moment where people are struggling is that somebody may have fees that look low but have a very high administrative overhead.

**Senator SIEWERT:** Yes.

**Ms Buffinton:** Others will have almost no administrative overhead and have what looks like a high price. Unless you're great at algorithms, which the average person is not—and I'm not—it's just putting too much pressure on the individual. That's where, to be fair to both the provider community and the consumer community coming in, we facilitated that rather than caused them to make the design of that. It was when seniors, the Council of the Ageing, Dementia Australia and so forth were happy with what this schedule is going to be showing their consumers, and providers were supporting that level of transparency as appropriate.

**Senator SIEWERT:** Thank you. Can we go to issues around additional fees in resi care?

**Dr McCarthy:** Yes, we can. Mr Smith and Mr Murray will come to the table for that.

**Senator SIEWERT:** Thank you. I'm starting to get a few complaints around the fees for additional services and what the definition of 'additional services' is. My understanding is that there are some rules.

**Dr McCarthy:** There certainly are. Just to give you the background, legislation allows providers and residents to agree to the provision of additional care and services for an additional fee. That can only be charged for services that have been agreed by the resident; that are over and above those paid for by the Commonwealth in what we call 'specified fees and charges'; and from which the aged-care resident receives a direct and tangible benefit. You might recall there was a Federal Court case in March 2018 that ruled that something called an asset replacement charge, which doesn't provide a direct and tangible benefit, is not allowed under aged-care legislation. That confirmed advice that we'd put out in September 2016.

**Senator SIEWERT:** My understanding of the reports that I'm getting from people who are looking for aged care at the moment, so they have very current experience, are that families are being told it isn't negotiable and invoices aren't being provided. And there's also no evidence of additional services actually being provided. In some instances, people may be getting additional services but the invoices aren't being noted separately, and I understand that's a requirement. Families are being told, as I said, that it's not negotiable, but families are also being charged and not, in fact, getting the services.

Those are pretty substantive issues in an already confusing landscape for people, when they're trying to find residential aged care in the first place and then when they're trying to look after their loved ones in aged care and navigate the system.

**Mr Smith:** I can speak about the issues that you've just raised. It is the case, under current guidance and a current interpretation of the act, that providers can charge additional services as part of their condition of entry to that facility. We are, though, aware of—

**Senator SIEWERT:** As a condition of entry?

**Mr Smith:** As part of the service offering, that they're an additional service facility—correct.

**Senator SIEWERT:** Yes. Are you saying that if you want to go into that facility you have to take some form of additional package?

**Mr Smith:** That's the current interpretation, but we are aware of—

**Senator SIEWERT:** How is that fair? Sorry—

**Dr McCarthy:** It's currently allowed under the legislation. We do know that some providers make the additional service a condition of entry. I visited one only recently, for example. We do know that some providers might charge, even though it's conditional, a lower additional service fee for a low-means resident. So there are providers who, while they're making it a condition of entry, are taking into account that there are lower-means residents. But, as Mr Smith said, under the act currently a provider can say, 'We are a service that offers these additional services, and they will be part of what you are charged.' But, of course, it has to be of direct benefit to the resident.

**Senator SIEWERT:** Yes.

**Dr McCarthy:** They can't charge an additional service fee from which the resident will not benefit.

**Senator SIEWERT:** Thank you for that clarification. But if all providers—

**Senator Scullion:** Could I just ask something about that? I also have an interest in this area.

**Senator SIEWERT:** I'm the one who's supposed to be asking the questions!

**Senator Scullion:** I know. But when these additional services are being charged, are they made aware of all those things before they go into the facility? Sorry, Senator—

**Dr McCarthy:** They have to be—

**Mr Smith:** They absolutely should be. It goes to your question as well, Senator, about apparently not receiving invoices or not having that documented. That's not an acceptable practice. It must be fully-informed consent upon entry. It's an agreement between the consumer and the provider that the additional service will be provided. And, as Dr McCarthy indicated, there must be a service provided for that.

**Senator SIEWERT:** I have a couple of questions that arise out of both your answers. One is: during the aged care assessment process, when the aged—sorry—

**Dr McCarthy:** The Aged Care Assessment Team?

**Senator SIEWERT:** Yes, the Aged Care Assessment Team. Is this something that they check?

**Mr Smith:** No, Senator—

**Dr McCarthy:** Sorry, were you referring to the quality agency?

**Senator SIEWERT:** The quality agency—yes.

**Dr McCarthy:** No. What you're referring to is not part of the quality agency's—

**Senator SIEWERT:** So how do you monitor this? How do you know—

**Mr Smith:** A complaint can be made to the quality agency—

**Dr McCarthy:** Complaints can be made.

**Mr Smith:** and then it can be investigated.

**Senator SIEWERT:** But, surely, you should be assessing this? This should be part of your assessment process. If they're not meeting the regulations, surely, this should be part of the process?

**Mr Smith:** Certainly, if someone is being charged for something they haven't agreed to be charged for then they can make a complaint about that and that will be investigated.

**Dr McCarthy:** And, sorry, I should clarify: of course, since 1 January, the quality agency has taken on the complaints function. And so, yes, the quality agency can look into that now, because it has taken on the complaints function of quality.

**Senator SIEWERT:** But only if there's a complaint?

**Dr McCarthy:** Yes, if there is a complaint. That's right.

**Senator SIEWERT:** That's a significant issue. If there are more providers doing this and people aren't receiving separate invoices et cetera, surely that's something you should be looking at as part of this, rather than just waiting for someone to complain.

**Mr Smith:** I probably should clarify that the issues that you've raised have been raised with us as well and Minister Wyatt has asked us to look into this issue. We've been working with consumer and provider groups over the past couple of months to examine the issue, which is not straightforward and there is a little bit of ambiguity there, with a view to looking at what further guidance and/or regulatory changes might be made to protect consumers in relation to this area. There's specific piece of work underway.

**Senator SIEWERT:** Thank you. The classic one, of course, is food—what's provided as standard and what's provided as additional.

**Dr McCarthy:** You're right, and there are some additional service fees that relate to higher standards of a range of services that are covered under the basic daily fee but for which a higher level of service can be offered.

**Senator SIEWERT:** When, Mr Smith, is that process due to report back to the minister?

**Mr Smith:** We've provided an update to the minister and we're in the process of pulling together a further piece of advice to him at the moment.

**Senator SIEWERT:** I have another question. What happens if all providers then start saying, 'It's a condition that you can't come in here unless you pay for these additional services'?

**Mr Smith:** The condition of entry is a fundamental piece of the work we're doing right now.

**Senator SIEWERT:** It is, is it?

**Mr Smith:** It is, yes.

**Senator SIEWERT:** I have a concern that to get in you have to pay these extra costs. I have that concern for any of the facilities, but, overall, it's: what happens if they all do it and those on low incomes don't have anywhere to go?

**Dr McCarthy:** You're right, that would be a very significant concern and that's why we're preparing this advice. We don't see any evidence that that's happening, but—

**Senator SIEWERT:** But it's a real possibility if they all start doing it, or you've got two clear standards of service in one provider.

**Mr Smith:** The work we're doing will specifically go to supported residents and residents of low means.

**Senator Scullion:** It's very useful to remember that we do have the accreditation guidelines and regulation, so, if it does move that way, I think parliament and everyone would move towards ensuring that we're not just—

**Senator SIEWERT:** But we just heard it's not being picked up. It's great that the work's being done, but it's actually not being reported on for providers that are doing this. So it's difficult to pick up.

**Senator Scullion:** Indeed, but I think we're in the genesis of that and, as I indicated, it's very important to note that any government would be prepared to ensure that that is addressed. It's a regulated industry, so there are a number of ways, through either accreditation or regulation, we can change that.

**Senator SIEWERT:** I take your point. You could then move to change it.

**Senator Scullion:** Yes, I think so. That's important.

**Senator SIEWERT:** Regarding the second piece of advice that you were just talking about, when's that due to go to the minister?

**Mr Smith:** We're preparing it at the moment. It's imminent and it's a priority to get that up.

**Senator POLLEY:** I want to remind officers of the things we would like back after the lunch break: the cost of the postage for the letter that went out from the minister, where that funding came from and also copies of the minister's correspondence that's gone out to older Australians for the last 12 months.

**Senator Scullion:** We've taken those on notice. People have said they'll make their best effort, but we'll provide that information on notice.

**Senator POLLEY:** I know how good the department is.

**Senator WATT:** Before we suspend, I'm still struggling to understand why the different cost figures for the aged-care places that are being rolled out. I haven't got the exact figures, but there were 14,000 packages funded in the budget last year at a cost of \$1.6 billion. So 14,000 high-level packages, at levels 3 and 4, cost \$1.6 billion, but in MYEFO 10,000 level 3 and 4 packages—the same levels—only cost \$287 million, and then a further 10,000 packages of which half are levels 3 and 4 cost \$282 million. How can it be that 14,000 level 3 and 4 packages announced in the budget cost \$1.6 billion but 10,000 announced in MYEFO cost about a fifth as much?

**Dr McCarthy:** We'll come back to you on that, if we could take that on notice.

**Senator WATT:** Okay, thanks.

**Proceedings suspended from 13:00 to 14:00**

**CHAIR:** I call the committee back to order.

**Ms Beauchamp:** Could I respond or partly respond to Senator Polley?

**CHAIR:** Yes.

**Ms Beauchamp:** We'll have all the information this afternoon, but you requested information on letters that have been sent by Minister Wyatt over the past financial year. There was one sent in July 2018 about pricing transparency. That was sent to providers. In February 2019 there was another one on pricing. That's more about the scheduled mandated pricing schedule that we had a discussion about. I've got someone following up on the cost of the letter, and I should have that shortly.

**Senator POLLEY:** And where the funding came from?

**Ms Beauchamp:** And where the funding came from, yes.

**Ms Beauchamp:** We will watch with interest. Thank you for that.

**Senator GRIFF:** I'd like to go back to some questions that the department answered from Senator Siewert in relation to case managers. My understanding from what you were saying was that case managers—it's not actually a defined position as far as you're concerned; it's just something that some providers are offering: a case manager, as such.

**Dr McCarthy:** I think it will be defined in the new schedule. At the moment I guess it can mean different things and it's not clear to the consumer what it means. One of the key purposes of the pricing schedule to be introduced from July is that it will be made absolutely clear to consumers what's involved in that case management fee.

**Senator GRIFF:** Will there be a requirement for formal training of some type, for someone to actually assume the role of case manager? Or some form of accreditation?

**Dr McCarthy:** The training that the approved provider provides to or requires of the care workers depends on the approved provider.

**Senator GRIFF:** But, you won't put a requirement in for some form of accreditation for someone that holds themselves out to be a case manager?

**Dr McCarthy:** Not accreditation apart from the fact that, generally, as part of the quality monitoring process, providers are required to have appropriately trained staff. That will vary depending on the type of service being provided.

**Senator GRIFF:** When you undertake audits, do you audit providers that have case managers or do you audit what a case manager undertakes?

**Dr McCarthy:** The new commission audits providers for the purposes of quality. In doing so, whether in residential care or in home care, it would be comprehending the full range of staff providing whatever the services are.

**Ms Beauchamp:** Can I add: the comments I made about case management in terms of my observations of some of the pricing schedules—it wasn't clear in terms of the pricing schedules that are put up by some providers in terms of separating out case management coordination. I saw a lot of that term, case management and coordination, which was really more about coordination of the number of services under a particular package rather than providing care and support directly to the care recipient. Some of the providers had included that as an administrative cost and some of them hadn't. As Dr McCarthy said, we're trying to put not only some transparency but some consistency around what that means.

**Senator GRIFF:** My office has been contacted by a number of constituents who have been assigned a different case manager every year for the last four years. There seems to be quite a high turnover of these people that are holding out to be case managers, and quite a variation in expertise or understanding of the industry, which is why I was interested to see whether you will consider or look at that particular function. It obviously is an important function.

**Dr McCarthy:** It is, Senator. It's important to mention that the changes that were made in February 2017 mean that, for the first time, a consumer who's not happy with the level of service they're getting or the type of service they're getting—they now have the opportunity not only to talk to the provider and raise concerns about that but also, should they choose, to move their package to a provider who can provide a higher level of consistency and better care to suit their needs.

**Senator GRIFF:** And find a provider who's prepared to take them on, which is unfortunately the issue, isn't it? You can't just move from one provider to another easily.

**Ms Buffinton:** On the contrary, I think moving provider is not a difficult task. We don't get large numbers—we get complaints about waiting times, but in terms of the quality of care that isn't a major issue. We do a lot of consumer checking of how they're feeling about My Aged Care and how they're feeling about increasing choices in home care. By and large, people are satisfied. We ask, 'Are you aware that you can change provider?' 'Yes.' 'Why are you not changing provider?' 'Because I'm generally satisfied.' At the moment, moving provider if you desire to—people are making choices and making that change. Now that the money follows the consumer, effectively they can take their money to different providers. They're quite attractive to an alternative provider if that's what they choose.

**Senator GRIFF:** What turnover are you experiencing in terms of the number of people changing provider? What percentage of clients is doing that?

**Ms Buffinton:** I'll formally take it on notice. From memory, it is about three to four per cent.

**Dr McCarthy:** Certainly, before the changes made in February 2017, it was difficult to change provider, because the consumer had to find another provider who had what was called a vacant package. Now, the provider has the package in their hand and—

**Ms Buffinton:** The consumer has the package.

**Dr McCarthy:** Sorry, the consumer. My apologies. The consumer has the package in their hand.

**Senator GRIFF:** I'd like to now turn to your response to a question on notice. I don't know if you can bring it up. I imagine you can bring it up in front of you. It was SQ18-001118, which was from the last estimates session. I'll give you a moment to find that. This relates to a topic that I've brought up in the last couple of estimates sessions about unspent funds.

**Ms Buffinton:** Yes, Senator, we have that one.

**Senator GRIFF:** Am I correct in thinking, from your response to my question e, that the department actually has no idea of the amount of undisclosed, outstanding unspent funds that are likely to be retained by providers.

**Ms Buffinton:** Well—

**Senator GRIFF:** Your actual response states the unspent funds that have been disclosed, but not undisclosed unspent funds.

**Ms Buffinton:** Because the funding follows the consumer into the provider, we do not see from our systems the drawdown on that funding. That's happening on the provider's side. We do not see the, if you like, real-time drawdown of that funding. Providers do respond to a report through the Aged Care Financing Authority once a year and disclose their levels at that point in time of their unspent funds. When somebody departs a provider, as we've discussed before here—let's assume they pass away—the provider can't retain unspent funds. There are two aspects: one that needs to go back to the estate, the individual's personal contribution; and the Commonwealth contribution, which is then returned to the Commonwealth.

**Senator GRIFF:** Do you audit?

**Ms Buffinton:** That's where I think my colleagues will now outline some pilot work that we've been undertaking in that. I'll ask my colleague to come to the table.

**Dr McCarthy:** While Ms Jolly is coming to the table, I would mention that one of the announcements in the 10 February set of measures was a measure to develop an end-to-end compliance response in home care, including increases to targeted auditor activity, with more reviews not only of quality but also of financial



integrity for new and current home care providers. This is an area where we are increasing our focus. Ms Jolly will talk to you about the work that we've been doing to date.

**Ms Jolly:** I think at the last estimates we talked a little bit about the pilot that has been undertaken. We've given you some information on the structure of the pilot. We looked into 19 approved providers who voluntarily gave us access to information. We worked with them on their financial reporting arrangements. Providers are required to provide statements to the department. The findings of that pilot were that there is more work to do around financial compliance. We're certainly having a look now at guidelines and other material that will assist them to ensure that the financial practices are in line.

**Senator GRIFF:** What's your definition of more work to do?

**Ms Jolly:** What the pilot found was—certainly, it did not find any instances in the 19 providers who participated—

**Senator GRIFF:** But that wouldn't be a surprise, because they were voluntary participants?

**Ms Jolly:** Correct. There wasn't any evidence of practice that you would want to take regulatory action on. There were some examples where things could be tightened up and improved in the way in which they undertook their financial arrangements. As you say, it was a group who volunteered to participate. We're using that information to inform guidelines and other things.

**Senator GRIFF:** Is this the pilot that had 12 outlier providers?

**Ms Jolly:** The providers were selected based on a range of measures, some of which were outliers. Yes, it is the same. I think we provided you information on that on notice.

**Senator GRIFF:** What's the latest figure on the amount of unspent funds sitting with providers? The latest number I have is that in 2017 it was \$329 million. I don't have an update since then.

**Ms Buffinton:** That's what was reported in the ACFA report of 2018. That's as far as the ACFA report. The current guesstimate is—StewartBrown does work with providers and gets returns on them reporting back to StewartBrown. That was a figure of about \$400 million.

**Dr McCarthy:** I should point out, Senator, that the ACFA report that Ms Buffinton referred to—there's quite a lag in terms of the data that's reported in the ACFA report, so that would explain the increase.

**Senator GRIFF:** Okay. And out of that \$400 million that you're estimating, I have another question there—it wasn't answered correctly. We asked the question: could the provider bank it, make interest and enjoy the benefits of those funds themselves? Could they invest it in whichever way they like and the dollar value goes back to their business?

**Ms Buffinton:** First of all, the concept of unspent funds is not in itself a negative concept. People do it across the time they're involved in home care, and particularly if they're looking at some capital works, because they're becoming more frail and they need to get better access to their shower or whatever. Therefore, holding on to a certain portion of unspent funds is understood.

We have gone out with more detailed guidelines to providers, reminding them of their obligations with regard to unspent funds and that their role is to encourage and provide the care that is appropriate. Consumers themselves often choose to hold on to a certain level of funds. Across the board of what we have for funding, if we've got about \$400 million that would be something less than 20 per cent of the money that is being spent on home care. Certainly, if we started to hold on to unspent funds beyond about 20 per cent, I think that would be a concern for us. But we have gone out and reiterated to providers that they should be encouraging people to be getting appropriate levels of care.

In answer to your original question, which was, 'Could they hold on to that and have that invested?' So long as they can provide the service required by the individual, on call, I believe we don't stipulate what type of funding arrangement, in terms of what type of bank account or whatever, they need to hold those funds in. I don't believe we give that guidance.

**Senator GRIFF:** So some providers—

**Ms Beauchamp:** It does stay with the provider. It will be notionally allocated to the care recipient, and the money will follow the care recipient. So, yes, it stays in the provider's hands.

**Senator GRIFF:** That's fine. But the provider does benefit from interest, so there is potentially \$10 million to \$12 million worth of funds?

**Ms Beauchamp:** Potentially.

**Dr McCarthy:** Depending on how the provider manages their business and their accounts.

**Senator GRIFF:** Sure. I will just move to the ABC report on 16 January, where Minister Wyatt promised the draft regulations restricting the use of chemical and physical restraints in aged care would be available, and his statement was 'within weeks'. That was a month ago, and I understand from the secretary's recent testimony at the royal commission that the draft regulations have not been finalised yet. Is that correct?

**Dr McCarthy:** They're still being finalised. But the most recent set of announcements by the government included a decision to make mandatory what was formerly the voluntary National Aged Care Quality Indicator Program. So, of the three current indicators, which will now be mandatory, one of those relates to physical restraint, and the government has also announced that it will be consulting and looking to move on medication management, which, of course, goes to the issue of chemical restraint. So the government has announced what will be a regulation under the act.

**Senator GRIFF:** Okay. In previous estimates, as you are aware, I've also raised concerns about the lack of mandatory public reporting on clinical quality indicators by providers. Now, for the mandatory reporting of three indicators, you've just mentioned physical restraints, then there's pressure injuries and unplanned weight loss.

**Dr McCarthy:** That's right.

**Senator GRIFF:** They'll commence from July. But the department website advises that the QI data will be consolidated and be published in time. What does 'consolidated' mean?

**Ms Jolly:** The information that providers report from July will be collated into a report, and that report will be made available.

**Senator GRIFF:** And 'in time'—how would you define that?

**Ms Laffan:** The first of that reporting will happen by the end of this year.

**Senator GRIFF:** The ABC reported last month that Bupa has now had nine aged-care homes in its network sanctioned for poor care. In addition, there are several other Bupa homes being investigated. At what point does Bupa or anybody else not become a fit and proper person to run an aged-care home?

**Dr McCarthy:** That would be a matter for the departmental delegate looking into those issues, so that's not something that I can comment on in this hearing.

**Senator GRIFF:** Okay.

**Senator POLLEY:** I don't have any further questions, other than to ask if those two pieces of correspondence from the minister that you reported on could be tabled, please.

**Ms Beauchamp:** Certainly.

**Senator SIEWERT:** I have further aged-care questions.

**CHAIR:** Is that on 6.2 or 6.3?

**Senator SIEWERT:** I think we have been ranging across the board.

**CHAIR:** All right. Over to you, Senator Siewert.

**Senator SIEWERT:** Can I follow up the questions about restrictive practices. I bear in mind what we were told on Friday at the inquiry and what you've just said. Is there any move to follow up the Carnell-Paterson recommendation that required that the Chief Clinical Adviser must approve the use of antipsychotic medication for aged-care residents? Has that been reconsidered in light of the most recent reports on overuse?

**Ms Beauchamp:** Before I ask officers to speak, it's probably better understanding the whole context around restraints, and, of course, we're putting in place the mandatory quality indicator on 1 July around physical restraints. The minister has also said that he would like to include another two quality indicators, to make those mandatory, including use of medication and also, I think, falls. So that's one element. The other element is that the new quality and safety commission has a clinical adviser, currently an interim adviser, to look at clinical governance and the use of medications in services. The third element is that Minister Wyatt has requested the Chief Medical Officer to get an expert committee together to look at medication misuse, including the use of chemical restraints, so there are a number of things going on at once on that.

**Senator SIEWERT:** Yes. And Professor Murphy outlined the committee, which I understand is meeting for the first time on the 26th?

**Prof. Murphy:** Yes, the 26th, next Tuesday.

**Senator SIEWERT:** Next week. So I take that on board, and I appreciate the elements you've just described. But I do go back to this: is the recommendation now being reconsidered as part of the package that you've just outlined, or has it been referred to you, Professor, to consider?

**Prof. Murphy:** We will discuss that at the committee, but the general view is that that recommendation was quite impractical. There is a very small but legitimate role for antipsychotic medication in some people with fully psychotic manifestations of dementia, and a legitimate role on occasions for short-term use of benzodiazepines. I think the committee wants to look at a very much more robust and restrictive clinical governance framework around duration of use, indications for use, consent and a range of other matters. But to have one person responsible for authorising the use across the entire aged-care sector—and sometimes these medications may have to be commenced after hours and on weekends—is not a practical solution. The Chief Clinical Adviser should have a role in oversight and in looking at the practices, but we do need to have robust local clinical governance in the facility. So we will certainly examine that proposition, but the current view of most of the clinical experts is that that is not a practical solution.

**Senator SIEWERT:** Would mandatory reporting of the use—

**Prof. Murphy:** That is something we would consider. There have certainly been concerns raised in the media that these drugs have been commenced without the substitute decision-maker, next of kin being informed—

**Senator SIEWERT:** We had this discussion on Friday.

**Prof. Murphy:** and we think that is inappropriate medical practice. There are a range of measures we'd look at. I wouldn't want to pre-empt the outcome. We've got this robust discussion happening next week, and I can assure the committee that there will be a much more rigorous clinical governance environment around the use of these drugs. But it is important to recognise that there are rare occasions when they are appropriate.

**Senator SIEWERT:** Yes, and I wouldn't for a minute dispute that. The point is that there's overuse.

**Prof. Murphy:** Correct.

**Senator SIEWERT:** And I think that's well established now. There's overuse. It's not being regulated appropriately at the moment.

**Prof. Murphy:** Yes.

**Senator SIEWERT:** So I think a process for ensuring the use is minimised—

**Prof. Murphy:** That's the terms of reference of the committee—our advice is directly around that pathway to ensure that the use of these drugs is substantially reduced and in a much more robust clinical and governance environment.

**Ms Beauchamp:** It is probably worth seeking Ms Anderson's advice as well, from the new commission, about the clinical adviser that has been put in place and the additional questions that her team will be asking each service.

**Ms Anderson:** Senator, actually, there's not much more to add. The secretary and the Chief Medical Officer have covered the ground very adequately. Picking up on the secretary's reference though, we are in the process of recruiting a chief clinical adviser. We have an interim appointment at the moment, as you are aware.

**Senator SIEWERT:** Yes, we met last week.

**Ms Anderson:** Indeed. We are looking forward to getting that person on board and getting him thoroughly engaged in this and many other matters which have to do with ensuring good clinical guidance is available to the sector as they go about providing care in a safe and quality way for aged-care recipients. As part of the expectations we place on the sector through our compliance monitoring of their performance against the standards, we have certain expectations of their putting in place clinical governance arrangements, as the Chief Medical Officer said, and so on. When the quality assessors go to a nursing home to undertake an assessment contact or an accreditation visit, they have a series of questions they ask, which are essentially screening questions, at the front end of the visit, where they have the preliminary interview with the management and some of the staff. These are a set of seven or eight questions which are specifically chosen and are uniformly administered to give the quality assessors some sense of where the risks might lie to assist them in determining what they look at and how much time they spend on particular aspects of the care in that facility. We have recently amplified the number of questions, and there are now two specific questions. One is: can you please provide to us information on the number of residents who are currently subject to physical restraint as a proportion of total residents? The second question is: can you please tell us the number of people who are receiving prescribed psychotropic medication as reported as a proportion of total residents? It's just a number, just a proportion, but it's indicative. Obviously if it's high then the quality assessor will be looking more closely at that as they go through the care plans, as they talk to residents, as they in fact engage with staff and make observations in that centre. If it were low, it may not get the same level of attention.

**Senator SIEWERT:** Thank you very much for that. I'm aware we're running short of time. Ms Beauchamp, I did want to come back to the point you just made about additional indicators. You said falls; is that correct?

**Ms Beauchamp:** Yes.

**Senator SIEWERT:** You are reviewing that, or it's definitely going in?

**Ms Beauchamp:** We're consulting with the sector at the moment, and we are looking at introducing those, yes.

**Senator SIEWERT:** Would there then be mandatory reporting of falls?

**Ms Beauchamp:** Yes.

**Senator SIEWERT:** Sorry, what was the other one: falls and—

**Ms Beauchamp:** Medication management.

**Senator SIEWERT:** I've got a couple more that I want to ask and the rest I'll put on notice. Having said that, now I've got to choose which one I want to ask. This morning when I was next door you covered quite extensively the extra funding for home care packages.

**Ms Beauchamp:** Yes.

**Senator SIEWERT:** If these questions have already been asked tell me and I'll look at the *Hansard*. I'm interested in the extra funding for residential care. Can you outline what that extra funding is for and whether it's just a one-off fill-up sort of funding or whether it's ongoing?

**Ms Beauchamp:** Is this the most recent announcement?

**Senator SIEWERT:** Yes.

**Ms Beauchamp:** The \$320 million?

**Senator SIEWERT:** Yes.

**Dr McCarthy:** That is interim financial support for residential care. It is one-off funding—a substantial amount, \$320 million—and it will be provided through the general subsidy mechanism.

**Senator SIEWERT:** So it's just this financial year?

**Dr McCarthy:** That's right. I think Mr Murray has the detail. For all care recipients who are in care between—

**Mr Murray:** Between 20 March and 30 June. They'll have an increase to their normal subsidy level paid for them.

**Senator SIEWERT:** Of how much?

**Ms Beauchamp:** I think that was in the press release. It was about \$1,800.

**Senator SIEWERT:** That's right; sorry. So it is \$1,800 for each residential care—

**Dr McCarthy:** That's on average.

**Senator SIEWERT:** So, on average, each residential care facility will get addition funding of \$1,800?

**Dr McCarthy:** That's right.

**Senator SIEWERT:** As a general subsidy?

**Dr McCarthy:** Yes, through the care funding mechanism.

**Senator SIEWERT:** And it just until June 2019?

**Dr McCarthy:** That's right.

**Senator SIEWERT:** So what happens into future? Does it drop again?

**Dr McCarthy:** It's not so much that it is dropping; it's an increase. Of course, full indexation returns in July 2019. So, in July 2019, full indexation returns to the complex health care domain. So that will be increases that all residential aged-care providers would receive from then.

**Senator SIEWERT:** So it's a one-off increase and providers get, on average, \$1,800 until 1 July 2019.

**Ms Beauchamp:** Per resident.

**Senator SIEWERT:** Yes, per resident. Then you are saying that indexation kicks in again.

**Dr McCarthy:** That's right; it returns to the full levels.

**Senator SIEWERT:** What is the extra increase calculated per resident—

**Dr McCarthy:** In relation to the additional subsidy?

**Senator SIEWERT:** In relation to the indexation.

**Mr Murray:** The indexation varies. We can't be precise on that until the final parameters are set, because it depends on wage growth, price growth and so on.

**Senator SIEWERT:** Have a stab.

**Mr Murray:** In terms of the rate of subsidy increase that was applied last year, there was a pause on half the complex health care component. If there hadn't been that pause it would have been about 1.4 per cent last year.

**Senator SIEWERT:** I'm trying to work out how much. The way I interpret what you said is that they've got \$1,800 the next quarter and then indexation kicks back in, so that'll help. It is the same as \$1,800?

**Dr McCarthy:** It's considerably more than the \$320 million. Whether Mr Murray can do that in his head is—

**Mr Murray:** It's important to note that \$1,800 will be paid over the course of those two months. So the actual percentage rate is relatively small in that sense—that it adds up to that \$1,800. When the indexation comes in, the expectation is that the overall amount will cover—

**Senator SIEWERT:** Will sort of be the same. Is that what you are saying?

**Mr Murray:** Yes.

**Senator SIEWERT:** I'll put the rest on notice. There's a lot.

**CHAIR:** Thank you very much. The committee will now commence 'Health System Policy, Design and Innovation'.

**Ms Edwards:** Just before we start the questions, Chair: I did have an update in relation to Senator Siewert's question about the mitochondrial donation.

**Senator SIEWERT:** Yes; I saw it's been tabled.

**Ms Edwards:** Well, I don't know that I can take credit. I was going to tell you that it was imminent—this week, we expect.

**Senator SIEWERT:** A link has just come through on the parliamentary emails to say it's been tabled. Thank you very much. I haven't had a chance to read it yet, but it's been tabled. I wish that every time we asked a question we could get such a good response.

**CHAIR:** Yes. Senator Keneally, you've got the call.

**Senator KENEALLY:** Thank you very much. Thank you for being here today. I have some questions in relation to stillbirth. I don't know whether we have the relevant officials in the room. My first question is: who in the department is responsible for stillbirth policy, or which area of the department is responsible for stillbirth policy?

**Ms Edwards:** It's actually under outcome 2.1. I don't have all the officials in relation to outcome 2 here yet.

**Senator KENEALLY:** We were advised it was in this outcome; I apologise.

**Ms Beauchamp:** It relates to research.

**Ms Edwards:** Research items, yes. Policy is in 2.1. You could attempt questions and we can see—

**Senator KENEALLY:** I may come back at 2.1, but I do have questions on research that could be addressed.

**Ms Edwards:** If you indicate the nature of your questions, we might be able to help now.

**Senator KENEALLY:** Thank you. My next questions relate to the Senate select committee and the government's response. Do we know when the government will formally respond to the recommendations in the Senate Select Committee on Stillbirth Research and Education report?

**Ms Edwards:** With the committee's agreement, we do happen to have the officer from item 2.1 here and we could probably address the issue, as long as people are happy if we switch around outcomes.

**Senator KENEALLY:** If that's all right with the Chair, that's fine.

**CHAIR:** Yes.

**Senator KENEALLY:** Thank you. So, back to my first question: which area of the department is responsible for stillbirth policy?

**Mrs Riley:** Stillbirth policy sits with my branch. We have maternity services and stillbirth in our remit.

**Senator KENEALLY:** Thank you, Mrs Riley. I may well come back to some other questions in your area or perhaps these will be in the research area. My second question is: when will the government formally respond to the recommendations of the Senate Select Committee on Stillbirth Research and Education?

**Mrs Riley:** My understanding is that a response is due around the first week in March, so we're formulating that right now.

**Senator KENEALLY:** Has the department done any work internally on the recommendations in the report?

**Mrs Riley:** We've started looking at the recommendations and circulating them among our colleagues to formulate our response. A number of the recommendations, as you know, go outside the Health portfolio as well, so we've been liaising with other portfolios also.

**Senator KENEALLY:** Terrific. In this consultation in preparation and response, do you speak to any stakeholders external to government?

**Mrs Riley:** Senator, as you're aware, last week we had a roundtable on stillbirth, and a number of stakeholders were present. The conversation and discussion at that roundtable will inform our response also.

**Senator KENEALLY:** I understand, and I will ask about the roundtable in a moment, but the roundtable was not specifically pitched to help formulate the government's response; it had a broader pitch to it. So I'm trying to understand if there's any other type of consultation the department would do with stakeholders external to government in helping prepare its recommendations to government regarding that report.

**Ms Edwards:** Obviously we talk to stakeholders external to the department who would have an interest in this topic in the course of all sorts of activities. I'm not sure if you're thinking about a particular group of stakeholders that you're particularly concerned about, but we have regular engagement and we obviously take on board what we're told in the formal reports and so on. That would all be fed into our advice on what a response might be, but we haven't had a specific consultation externally.

**Senator KENEALLY:** So, beyond the roundtable, you haven't gone out and talked to the Centre of Research Excellence in Stillbirth or the Stillbirth Foundation or Still Aware or any of those groups? You don't go and sit down with them?

**Ms Edwards:** In relation to the response?

**Senator KENEALLY:** Yes.

**Ms Edwards:** Obviously all of those people would have had regard to the formation of the report. We do speak to stakeholders as required—we're certainly open to that—but not in relation to formulating a response, no.

**Senator KENEALLY:** Thank you. You said, Mrs Riley, that you anticipate that a response is due around 1 March. Has the minister specifically requested advice on a response?

**Mrs Riley:** No, not at this point.

**Ms Edwards:** We have provided, and we've been asked for, advice about the issue of stillbirth generally. I'm not sure we've had a specific request about the nature of the response, although of course that's a function that we'll do. But it's certainly been a topic of interest to the minister and to the department generally.

**Senator KENEALLY:** Thank you. Regarding the roundtable, what do you consider the outcomes of the roundtable to be? Was a communique issued, or will one be issued?

**Mrs Riley:** The facilitator is still writing up the outcomes from the roundtable, and we're anticipating getting those in the next couple of days. It wasn't anticipated that we would circulate a communique. We will circulate some high-level outcomes to all of the people who participated on the day.

**Senator KENEALLY:** Okay. In relation to any announcements the government has made on stillbirth policy, I understand that on 5 December 2018 the minister announced \$7.2 million for medical research and education programs. Has this funding been allocated yet?

**Mrs Riley:** The \$7.2 million consisted of three things: \$1.2 million was for the National Health and Medical Research Council for a grant to do with the use of biomarkers in ultrasound in pregnancy; \$3 million was for research to be allocated under the Medical Research Future Fund; and \$3 million was for education and awareness programs.

**Senator KENEALLY:** That was the break-up that was announced, but, within some of those three areas, has the funding—

**Ms Edwards:** In relation to the \$3 million, the last item that Mrs Riley mentioned, we'll be providing advice to the minister on allocation of that when we get the results of the roundtable and any other information to make sure that we're listening to the technical and lived experience advice as to the best way to allocate that money.

**Senator KENEALLY:** Thank you. In the same press release, the minister announced:

We will develop a National Action and Implementation Plan in collaboration with clinicians, researchers and all of the advocacy groups who have already done so much to raise awareness and provide care for families who have experienced the tragedy of stillbirth.

What work has been done on the national action and implementation plan since that announcement?

**Mrs Riley:** The roundtable was the first step in formulating that action plan. The outcomes from that will form the basis for the development of an action plan. We'll be discussing the next steps with the minister.

**Senator KENEALLY:** There has been no time line announced as to the steps to progress to an action plan, or is there a second roundtable meeting anticipated or planned for?

**Mrs Riley:** There haven't been any time lines announced, no.

**Senator KENEALLY:** Last week the minister also announced a \$26 million for a new Perinatal Mental Health and Wellbeing Program. Can the department outline what exactly this funding is for and how organisations can take part in that grant process?

**Ms Edwards:** We may not have the right officer for that here. We snuck in item 2.1.

**Senator KENEALLY:** Sure. I might put that on notice to you in case I'm not here for 2.1.

**Ms Edwards:** Yes. It's certainly within my group. I'm happy to take it on notice and we'll respond.

**Senator KENEALLY:** That's all I have, Chair. Thank you.

**Senator WATT:** I've got quite a few questions about My Health Record. Shall we get into that?

**CHAIR:** You're happy for them to start?

**Senator WATT:** I'm happy to kick off if you'd like, yes. But we probably need the Digital Health Agency here as well.

**Ms Beauchamp:** I have an answer that has just been handed to me about the cost of the letter. It was \$128,565. And the source of funding came from an appropriation, in terms of program support funds, where we communicate with the sector and with residents annually. We don't communicate with them annually, but it's an annual allocation that we provide to make sure we can continue to communicate with the sector.

**Senator WATT:** That's a bucket of funding available within the aged care budget?

**Ms Beauchamp:** Yes.

**Senator WATT:** It's \$128,565?

**Ms Beauchamp:** Yes, to 93,000—

**Senator WATT:** To 93,000 people. I know we've got the Digital Health Agency up, but can I spend a moment on that now that we've got that figure. I had a bit of a look over the break. I'll just put one example to you. I'm not going to name the individual, for privacy reasons, but I've been contacted by a constituent, a Queenslander, who has taken up their concerns with the minister about their difficulty in getting a package. This person has been on the waiting list for 2½ years for a level 4 package. I understand the cost of a level 4 package is roughly about \$50,000.

**Ms Beauchamp:** Yes.

**Senator WATT:** Rather than spending \$128,000 on a piece of political propaganda for the government, the government could have actually funded this constituent's aged care package.

**Senator Scullion:** Senator Watt, you know that I will intervene with those sorts of outrageous characterisations made.

**Senator WATT:** What else is there?

**Senator Scullion:** I know you might characterise it, but it's unhelpful. I know you're trying to get genuine information out to these individuals—

**Senator WATT:** A letter about the Liberal-National government's commitment—how is that anything other than political propaganda?

**Senator Scullion:** It's not. It's just stating what the nature of the government is. It doesn't go on to do anything more than explain a lot of very important detail to those people currently in receipt of an aged care package. It's a very important letter of communication. That's exactly what it does. You shouldn't be characterising this as some political propaganda. It's some very, very important information that is most welcome to most of the recipients of the aged care package.

**Senator WATT:** This person, who's the 93 years of age, lives in Queensland, is an ex-service woman, has multiple health issues and has had multiple hospital admissions over the past 12 months. She's now been put into residential aged care because she's had to wait so long for a home care package. She's been waiting 2½ years. You don't think it would have been better to give this poor person an aged care package rather than sending out a letter that praised the Liberal-National government?

**Senator Scullion:** I don't think these matters are ever either/or.

**Senator WATT:** Sorry?

**Senator Scullion:** I accept what you say. I don't think it is either/or; we can actually do both things.

**Senator WATT:** You can't. The woman has had to go into residential aged care.

**Senator Scullion:** We need to communicate with 93,000 people exactly the changes to their circumstances, things like the fact that we have lowered their input cost for a level 1 and the fact that the government is covering those are important details for each of these people. It's not as if it is, 'Let's just never do that and just invest this.'

**Senator WATT:** Did they need to get a message talking about what the Liberal-National government was up to?

**Senator Scullion:** They needed to get that message, yes. It is a Liberal-National government. It's our responsibility to communicate with our constituents and that's exactly what we're doing.

**Senator WATT:** So it's better to use \$128,000 in taxpayers funds to write a letter to 93,000 people giving the Liberal-National government a pat on the back—

**Senator Scullion:** It's not an either/or.

**Senator WATT:** It is. She didn't get a package. You chose a letter; she didn't get a package. That is either/or.

**Senator Scullion:** Look, I don't want to get an argument, debate, about which is meritorious.

**Senator WATT:** I think she'd say it's better to get a home care package.

**Senator Scullion:** You haven't indicated to us any level of detail about the exact nature of the package she is currently getting. Is she on a level 3?

**Senator WATT:** She's written to the minister.

**Senator Scullion:** Well, that's a matter for the minister and no doubt he'll be taking those circumstances into consideration. But there's no point saying, 'You've done this; therefore, wouldn't you do one or the other?' It's why you're going to be hopeless in government if you ever get there, mate, because it's not a matter of that. It is a matter of being fair dinkum and saying we do need to communicate with 93,000 people about the changes in their circumstances—

**Senator WATT:** You didn't need to say something about the Liberal-National government. That was an active choice to promote the Liberal-National government in a taxpayer funded letter and leave this 93-year-old woman languishing on the waiting list.

**Senator Scullion:** There is nowhere in that letter that says what wonderful people we are. It explains what has happened. It's in the first line, the Liberal National government, for a basis of identification. There is no more than that. I really sympathise. I have a mum in aged care. I know exactly the circumstances.

**Senator WATT:** I appreciate your sympathy.

**Senator Scullion:** No, I'm saying I appreciate those things. We are trying hard. What we do in government is make sure we run a great economy so we can make additional investments, as we did not only in the budget of 14,000 but again in December of a further 10,000 and again in January for a further 10,000. We were able to make those investments because we strive to run a good economy and reinvest those benefits in aged care as we do in other areas.

**Senator WATT:** Okay, I think I've made the point that you think it's a better choice.

**Senator Scullion:** No, I don't agree.

**Senator WATT:** It's not better to write to people?

**Senator Scullion:** Both elements are necessary. It is necessary to deliver appropriate aged care and it's appropriate to communicate with our constituency.

**Senator WATT:** The point is you haven't done both. You've written a letter.

**Senator Scullion:** We have done both.



**Senator WATT:** You haven't given the 93-year-old a home care package and she has had to go into residential care.

**Senator Scullion:** You can't come in here and say by the way there's a whole bunch of privacy issues which I can't tell you about. Let me put this up and juxtaposition it with communicating really important information to constituency. I just don't accept that's a reasonable comparison. No, I don't think it should be an either/or choice. For many tens of thousands of people, we do both.

**Senator WATT:** All right. I'll leave it at that. Should we get on to My Health Record?

**Senator GRIFF:** There are a couple of things I'd like to check off. I just want to first clarify: I understand practices have been provided with an incentive of up to \$12,000 per quarter or \$50,000 a year to sign patients up to My Health Record. Is that correct, not correct?

**Ms Edwards:** Senator, take a step back. I think what you're referring is we have an incentive. We call it the PIP, which is payments to practices to encourage and reward them for becoming more technology literate. That has included over the years being ready to connect with My Health Record. There's a number of various criteria that practices have to meet in order to be eligible for the incentive. I think that's what you're talking about.

**Senator GRIFF:** To be ready for My Health Record, are you saying they have the systems to actually—

**Ms Edwards:** There's a number of criteria. I can tell you what they are in just a moment.

**Senator GRIFF:** This doesn't relate to them signing people up in the system?

**Ms Edwards:** No.

**Senator GRIFF:** Okay.

**Ms Edwards:** Signing people up in the system is not an element of the requirement. There are five requirements, and signing people up to My Health Record is not one of them.

**Senator GRIFF:** It appears, from responses to my previous estimates question 1122, that nearly 300,000 people cancelled an existing My Health Record before the legislation was changed to allow the records to be permanently deleted. Have the records of all people who cancelled prior to commencement of the new legislation also been permanently deleted?

**Mr O'Connor:** In relation to the permanent delete functionality, that was put into the system on 24 January. At the same time, we put into the system the ability to delete all records retrospectively. That process has commenced and we are expecting that to last up to 90 days.

**Senator GRIFF:** If a provider incorrectly uploads one person's record to another person's record, what are the consequences for the provider? Are there any consequences?

**Mr Kelsey:** Fiscal consequences or clinical consequences?

**Senator GRIFF:** Are there any consequences if incorrect data has been put into somebody's record?

**Mr Kelsey:** Yes. Obviously clinicians operate under a clinical professional protocol to ensure a level of accuracy in the data that they record on patients. For example, if they make a mistake by accidentally uploading to a record and that is brought to their attention, they would then amend that record. Indeed, if it was brought to our attention we would take action to ensure the record was corrected.

**Senator GRIFF:** Okay. Referring to the 42 data breaches of My Health Record in the year to June 2018, were all of these investigated by ADHA?

**Ms McMahan:** In terms of notifiable data breaches, the Office of the Australian Information Commissioner provides regulatory oversight to the agency as system operator. I'm not familiar with the numbers you were quoting. They were much lower numbers, in the terms of the agency's notifiable data breaches.

**Senator GRIFF:** I'm referring to a newspaper report that states there were 42 data breaches in the year to June 2018.

**Ms McMahan:** The source of truth we relate to is—the OAIC releases a report. They released one in October last year which has the correct figures for us as a system operator, and the Department of Human Services in operating Medicare also lodges notifiable data breaches. We can provide an excerpt from that report on notice if that would help.

**Senator GRIFF:** If you can provide a breakdown of the sources and causes of those breaches as well on notice.

**Ms McMahan:** I can provide those now, if you like.

**Senator GRIFF:** Yes.

**Ms McMahon:** In terms of the notifiable data breaches we reported, we had two in relation to an incorrect registration of a My Health Record and three in relation to fraudulent activity against a Medicare program. That basically was fraud through the Medicare program which led to a potential access to the My Health Record and met the criteria for a notifiable report from us to the OAIC.

**Senator GRIFF:** Did they result in penalties or prosecutions?

**Ms McMahon:** No, there wasn't any actual harm or viewing of information. We need to report to the OAIC where there's a potential breach, and in those instances there was a potential breach but no evidence that anyone's privacy was actually breached.

**Senator GRIFF:** Okay. Thank you.

**Senator DI NATALE:** I don't have much on this, so I'll be reasonably quick. I want to refer back to a technical problem that I think existed with the My Health Record system. This was a long-standing problem that I think you had previously said was resolved: a software bug which began affecting the system in early 2016 and prevented some of the clinical systems from uploading clinical documents to the My Health Record system. Are you aware of what I'm referring to?

**Mr Kelsey:** Yes.

**Senator DI NATALE:** Is it right that the glitch was caused by part of the digital signatures used to help secure and authenticate the clinical records?

**Ms McMahon:** The glitch, as you described, was caused by a change in Microsoft's systems that they released in 2016. It had a flow-on effect to the digital signatures and the way they were working from clinical information systems to the My Health Record.

**Senator DI NATALE:** Okay. Is there any more technical information you can provide about that? You said it relates to a problem with Microsoft or a change from Microsoft?

**Ms McMahon:** I can provide you information on what was done to fix that problem. Is that what you're interested in, or is it the source of the problem?

**Senator DI NATALE:** Firstly, the specific nature of the problem and, secondly, what was done to address it.

**Ms McMahon:** We don't have much information on the nature of the problem at the time, because it occurred before the agency existed in early 2016. The agency came into operation on 1 July 2016. We have continued work on the rectification of the problem, so the information I can provide you is around the resolution of that problem.

**Senator DI NATALE:** Okay. You're saying the problem was resolved, but I understand there was an FOI request made by an academic at Deakin University called Joshua Badge and it revealed 95 documents with over 4,000 pages relevant to the request. That sounds like an awfully large number of documents. I'm interested in why it was such a large number, particularly given that it was resolved and dealt with in 2016.

**Ms McMahon:** The request was for digital signatures relating to the My Health Record. Our process in addressing FOI requests starts with a key word search—we basically do a broad search across the agency and our documents and records. That search with digital signatures in My Health Record identified, I think, as you said, 95 documents that met that criteria. The next step in the process is that we contact the applicant and we suggest that they might want to refine the search. In that instance the applicant declined, so we provided a fee notice in relation to that.

**Senator DI NATALE:** A what?

**Ms McMahon:** A fee notice. Then he came back and agreed to refine the search. We iterated a couple of times with him until he refined the search to a point where there was no longer any fee being charged and we are processing the FOI application without any fee being charged.

**Mr Kelsey:** To step in there, the My Health Record operates on digital signatures—it is a state. The specific request for information related to the specific Microsoft patch which was caused by a global fault in Microsoft operating systems across all software—not just related to My Health Record—so that did bring back a large number of searches. Once we understood that his interest was in the narrow instance relating to the Microsoft patch we were able to bring it down to a smaller number of documents.

**Senator DI NATALE:** My understanding is that the FOI was then narrowed down between mid-December 2018 and mid-February 2019—so we are talking two months, and recently; well after the issue was resolved—and it still turned up 35 documents and 260 pages. Is that right?

**Ms McMahon:** I know that the agreed refined scope has only thrown up four or five documents.

**Senator DI NATALE:** I've got information here that there was one between mid-December 2018 and mid-February 2019 that revealed 35 documents and 259 pages. Can you take that on notice and come back to me to see if that is correct?

**Ms McMahon:** Yes.

**Senator DI NATALE:** This is part of a broader question about when you escalate issues up to relevant bodies: what's the threshold that's applied for doing that? I'm interested in hearing your thoughts on that.

**Ms McMahon:** So, the threshold for FOI?

**Senator DI NATALE:** In this situation there are questions about who gets notified and when about a potential glitch like this. I suppose it is case-by-case, but I'm interested in knowing at what point you decide you're going to escalate it and what your threshold for doing that is.

**Ms McMahon:** We describe it as a malformed reference check. That is the technical term we use for this problem. It currently affects one-third of 1 per cent of documents attempting to be uploaded.

**Senator DI NATALE:** That is still a pretty significant number.

**Ms McMahon:** It could potentially affect that many. Of that many, it only possibly affects 65 per cent. In each of those instances we contact the healthcare provider involved to advise them that they are having problems with their system. They would be getting error messages at their end, but we have a step to contact them to advise them to upgrade their software. Is that the sort of escalation you are referring to?

**Senator DI NATALE:** That's right. I'm interested in that.

**Ms McMahon:** That's why we've put a tool in place, because we are aware that those practices, the 0.3 per cent, are getting error messages but they're persisting. So we contact them. We ring them and say, 'Look, we can see that you're getting these error messages. What you need to do is upgrade your software.' This is an additional step we're taking to address this tail end of the problem that occurred in 2016.

**Senator DI NATALE:** So if you haven't upgraded your software since that issue in 2016, you may be getting this error message?

**Ms McMahon:** Correct. The vast majority of practices have done that.

**Senator DI NATALE:** How do you know when there is a problem?

**Ms McMahon:** It's because the clinical information system sends the document to the My Health Record system, and it's the validation at our end that fails. We know when it is failing for that purpose.

**Senator DI NATALE:** You proactively reach out to each and every one of those companies?

**Ms McMahon:** That's right. We put some monitoring in place in December to be able to get that information in a weekly report, and then we contact those healthcare providers to try to get them to address the problem at their end.

**Senator DI NATALE:** Do you proactively contact all practices with something like this?

**Ms McMahon:** There are a number of things that we monitor in that weekly report. I don't have the details of all of those criteria, but there are routine checks that we run, things like making sure the correct data formats are in the fields; making sure that there aren't any malformed reference checks like this; there are a range of things that we check. I will be happy to provide on notice the full set of compliance checks that we run weekly. Then we do contact—it could be the software vendors who have an issue to resolve, or it could be the practices if it is their environment.

**Senator DI NATALE:** Has that 0.3 per cent been consistent, or is it coming down over time?

**Ms McMahon:** On that issue it's been coming down significantly.

**Senator DI NATALE:** One would assume that if you're contacting practices you are getting fewer of those. What are some of the other issues that have come up?

**Ms McMahon:** I'll need to take that on notice. I'm sorry, I don't have all of the checks with me.

**Senator WATT:** Just sticking with My Health Record, the last time we inquired about this at estimates, we heard that 1.147 million people had opted out of the My Health Record. What is the final opt-out number as at the end of January?

**Ms Edwards:** You will recall that the minister indicated in July that he was looking for a 90 per cent participation record. That's pretty much where we've landed. Ninety per cent of active Medicare users in Australia have not opted out. We'll have My Health Records for 90 per cent of people with Medicare.

**Senator WATT:** What's the actual number of people who opted out?

**Mr Kelsey:** The total number is 2,517,921.

**Senator WATT:** 2½ million people have opted out?

**Mr Kelsey:** Out of a total of people eligible for Medicare, which is the most conservative denominator available to us. That total number as at 31 January is 25,459,544.

**Senator WATT:** As you've said, that is roughly about 90 per cent of people.

**Mr Kelsey:** It's 90.1 and 9.9. 9.9 per cent have opted out on that denominator.

**Senator WATT:** There was obviously quite a big jump towards the end. That 1.147 million figure, that would have been at about October-November last year?

**Mr Kelsey:** From memory the actual figure was dated to September.

**Senator WATT:** So as the opt-out period was extended, there was obviously pretty much double the number of people that opted out. How does that 9.9 per cent opt-out rate compare to other countries with similar systems?

**Mr Kelsey:** We work very closely with international partners through the agency of something called the Global Digital Health Partnership, which has 28 countries involved in it. There are many countries that offer services where individuals are able to access health information, but none in the way that Australia does, where people have legislated control over who sees that data and when, personally controlled electronic health systems of this kind. There really isn't a comparison for a similar kind of opt-out rate in a similar scheme. There's a lot of international interest in My Health Record amongst those nations but, to be honest, Australia is leading the field in development of access to mobile information services for citizens.

**Senator Scullion:** For completeness, I understand that there are also a number of people who are opting back in. Some people opt out because they want to make sure they are making the right decision, but they can opt back in. I'm not sure of that number.

**Mr Kelsey:** That number is taken account of. We had a large number of people opting in during the period of opt-out. That is taken account of in this aggregate figure. We will obviously be reporting to the Senate on continuing levels of opt-in as the process continues. I would note that after opt-out people are able to permanently delete their My Health Record at any point in their life, or opt back in, as the Senator just suggested, so the sense in which this is an evolving permanent choice of people is very important.

**Senator WATT:** How many people have permanently cancelled their accounts since that became possible?

**Mr Kelsey:** That again is taken account of in these figures. I would have to take that on notice, because it depends on at what point in time you would be determining the start of that cancellation period. I can give you the figures on notice for the period from the beginning of opt-out to the end of opt-out, of those who have cancelled. I can give you the period from before opt-out started, going back to the origins of the agency in July 2016.

**Senator WATT:** You obviously have a few options. Have you got the figures there?

**Mr Kelsey:** I have no figures here.

**Senator WATT:** I might come back to you on what is the best way of framing that for my purposes.

**Mr Kelsey:** Of course.

**Senator WATT:** You probably saw this week the tech website ZDNet reported that nearly 300,000 people had cancelled their accounts. Does that sound accurate?

**Mr Kelsey:** I haven't seen that article, but the answer is yes, in broad terms, during the period of opt-out.

**Mr O'Connor:** I haven't got that figure. It depends on the time period as well.

**Mr Kelsey:** We could take that on notice. We weren't approached by that publication, so I don't know what the source of that data was.

**Senator WATT:** I was about to ask that. But you think that during the opt-out period—so up until the end of January—probably roughly 300,000 people cancelled their accounts?

**Mr Kelsey:** I must defer to Mr O'Connor. I'd prefer to give the figure accurately on notice. I also note that there were a large number of people that opted in during the same period. So there were cancellations on the one hand, opt-ins on the other.

**Senator WATT:** If you could get someone working on that for us, that would be great. If that 300,000 figure isn't right—let's just get the current figure.

**Mr Kelsey:** Yes.

**Senator WATT:** I take it then that the number of cancellations is entirely separate to the number who opt out? There is no crossover there.

**Mr Kelsey:** Yes. Cancellation would apply when you had a record prior to the beginning of the opt-out period, or you opted in during that period and then cancelled.

**Senator WATT:** Once we get the cancellation number, we can work out the full number that opted out or cancelled. So the people who cancelled their records before the amendments passed parliament—you will remember there were some amendments made to address some of the issues raised in the Senate inquiry.

**Mr Kelsey:** Yes, of course.

**Senator WATT:** Those people who had cancelled their records before the amendments were past, have their records been permanently deleted, or are they still in what has been called the locked box?

**Mr Kelsey:** To go back to Mr O'Connor's previous response, the process to initiate permanent deletion of those records has started and will be completed within 90 days.

**Senator WATT:** The deletions? They will be deleted?

**Mr Kelsey:** Yes. The permanent delete function was introduced into My Health Record on 24 January, and from that point onwards people who were prospectively opting in could have their record instantly permanently deleted. For those who had previously had a record and indicated they wanted that record to be cancelled, under the new legislation we respect that preference and that preference will be respected within 90 days of the date on which permanent delete was introduced.

**Senator WATT:** Does that mean there's effectively a two-tier system: those who cancelled before the amendments were put in a locked box, and they are progressively being deleted?

**Mr Kelsey:** For 90 days.

**Senator WATT:** Within 90 days. But those who cancel after the legislation, there's an automatic deletion?

**Mr Kelsey:** Essentially, yes.

**Senator WATT:** Do you understand what I mean by a suspended account? Is there an option for people—

**Mr Kelsey:** The agency is able to suspend a record when there's a concern raised by a consumer or a professional about it, if that is what you are referring to.

**Senator WATT:** What do people who have a suspended account need to do to get their accounts permanently deleted?

**Mr Kelsey:** They would just need to go online and indicate they want to delete it. That would supersede suspension.

**Ms McMahon:** Typically, we as system operator suspend an account where there's a dispute, perhaps where there are children involved in a marriage which has broken down and there are two parents who don't agree on what should happen with the record. It's often because two people are discussing what should happen to a record rather than wanting to delete it. If a consumer has authority to delete a record, they are able to do that at any time and there is no challenge to take it out of suspension. Suspension is a state that we put it in while we are working through an administrative process to determine authority for control of the record.

**Senator MARTIN:** I wonder if you could tell me the primary benefits of the My Health Record, specifically the opt-out rule adopted by the government?

**Mr Kelsey:** We have put in place a benefits realisation program to evaluate benefits of My Health Record both currently, before opt-out had finished, and obviously subsequently. We are already beginning to see significant evidence of those benefits. If I may take advantage of a recent report from the Townsville floods, where pharmacists have been working with emergency services to ensure that people have contingency of medicine during what has been a very difficult period for those communities. I would like to read out a quote from the *Australian Journal of Pharmacy* from a pharmacist reporting on some of the challenges they have had following the floods. 'The biggest problem for pharmacists is people being cut off from their home pharmacies, so they're presenting at whatever pharmacies are open without much knowledge of their medicines and without their prescriptions. At the moment, My Health Record is absolutely shining. The doctors are loving it, the nurses are loving it. The traditional relationships between GPs and patients don't really exist at the moment, so everyone is trying to help each other, and My Health Record is able to provide a consistent medication profile.'

Townsville is obviously one of the original opt-out areas, so professionals in that area are used to using My Health Record and on the whole most people have a My Health Record. I give that as an instance of My Health

Record in action currently supporting those local communities. It may be worth passing over to my colleague Ms McMahon on the broader benefits work we have been doing to update the Senate on that as well.

**Ms McMahon:** We have a number of qualitative and quantitative studies and other research projects in place. We are already seeing benefits being realised around improved medication management, improved decision-making, reduction in adverse events and savings in time in collecting medical information at the point of care.

**Senator MARTIN:** Thank you. You mentioned the view of some of the stakeholders. Can you expand a bit more in regard to the views of the stakeholders to pursue the opt-out approach?

**Mr Kelsey:** To remind the Senate, the key clinical leadership peak bodies of Australia and consumer peak bodies supported opt-out because the evidence from the Northern Territory, where electronic records are ubiquitously used in treatment of local communities, was that if most people had one and that was the assumption the clinician made, they would build that into the workflow and in that way benefit would be realised. On that basis the clinical peak bodies, including the Australian Medical Association and the Royal Australian College of General Practitioners, as well as the Pharmacy Guild, the Pharmaceutical Society of Australia and the Consumers Health Forum, asked government to consider moving to opt-out registration so those benefits could be realised for all Australians, and day remain very supportive of that method of public registration.

**Senator WATT:** So just sticking with the Digital Health Agency, how does the agency typically deliver workplace health and safety training or training around appropriate workplace behaviour? Do you do that sort of thing online normally or face to face?

**Ms McMahon:** It's a mixture. We have an induction program when staff join the organisation, and that involves training in our values. We have a set of values which cover off some of those matters. We also have OH&S training face to face. We have periodic OH&S audits, which we conduct in each of our offices, and, where staff get flexible working arrangements agreed, there'll be an OH&S assessment done on their workplace at home, for example. We also have a reporting system in place, and people are trained in what to report if there's an OH&S incident at the time.

**Senator WATT:** I suppose, being a Digital Health Agency, you'd try where possible to use online mechanisms to deliver these sorts of things?

**Mr Kelsey:** We do.

**Senator WATT:** You do?

**Mr Kelsey:** We do have online modules.

**Ms McMahon:** It's a mixture of all of those things. But it's not purely digital. We also provide—

**Senator WATT:** Sure. How many staff members does the Digital Health Agency have?

**Ms McMahon:** We do have that figure to hand.

**Mr Kelsey:** Whilst we're waiting, I'll just say that we have an average staffing level cap of 250, so that's the maximum average staffing level we can employ as permanent staff. In addition, we have a number of contractor staff, and we will get you the total number of that now.

**Senator WATT:** So you've got roughly 250 direct employees?

**Mr Kelsey:** Yes, on average.

**Senator WATT:** On average? Is that month to month? While you are looking, those—

**Mr Kelsey:** Sorry; I can give you the data. The average staffing level cap is 250. At the point in time this report was compiled, the agency headcount, excluding contractors, was 226: 204 full-time employees and 21 part-time employees. Of the 226 employees, 47 are APS employees and 179 are non-APS.

**Senator WATT:** Does that mean they're contractors?

**Mr Kelsey:** No, they're staff within the cap. The number of contractors was 198.

**Senator WATT:** Wow! So nearly half your staff are contractors.

**Mr Kelsey:** Yes.

**Senator WATT:** Is that higher than—

**Ms McMahon:** That's consistent with the expansion program being a terminating measure. In terms of rolling out opt-out and scaling the system, that's a level of activity that was higher in the last two years than it would be going forward, so we haven't employed a permanent workforce on that basis.

**Senator WATT:** So you're expecting that number of contractors to come down over time?

**Ms McMahon:** Yes, we are, consistent with the budget as well.

**Senator WATT:** And is it coming down?

**Ms McMahon:** It will after 30 June, at the completion of the program.

**Senator WATT:** Okay. So you've got about 226 direct employees?

**Mr Kelsey:** Correct.

**Senator WATT:** When was that?

**Mr Kelsey:** That was at the end of December.

**Senator WATT:** And then about 198 contractors at around the same time?

**Mr Kelsey:** Which obviously is a more variable number, but yes.

**Ms McMahon:** Yes.

**Senator WATT:** Okay. So there are about 424 all up, between contractors and direct?

**Mr Kelsey:** Yes.

**Senator WATT:** Are those people spread across Canberra, Melbourne, Sydney and Brisbane?

**Ms McMahon:** No; Brisbane, Canberra and Sydney. There's no Melbourne office.

**Senator WATT:** Brisbane, Canberra and Sydney?

**Ms McMahon:** That's right.

**Senator WATT:** Okay.

**Ms McMahon:** In roughly even numbers across the three offices.

**Senator WATT:** That was my next thing. So it's roughly a third in each?

**Ms McMahon:** Yes.

**Senator WATT:** So there are about 140 or so in each. Do you often have all-staff meetings?

**Mr Kelsey:** Actually, we haven't had an all-staff meeting since the agency started. We have all-staff virtual meetings, as you would expect we'd do as a digital agency. We do have office based meetings, but we are concerned about the costs of bringing staff together, so, at this point, we have not had an all-staff briefing. I'm just mindful of the public—the taxpayer—interest.

**Senator WATT:** Sure. But you have had virtual all-staff meetings, like videoconferencing.

**Mr Kelsey:** We have those quite regularly.

**Ms McMahon:** Regularly.

**Senator WATT:** Are you planning an all-staff meeting for 15 and 16 May?

**Mr Kelsey:** There've been conversations about that in order, basically, to provide people with more insight. Something that the staff have been telling us is that they want to understand more about the nature of the work plan for the whole agency and to be able to connect their roles to that broader work plan, but also, crucially, to provide training and security, and in other areas, which would be much cheaper for us to do if we brought people together. That's currently under consideration and a decision has not been made as to whether we proceed with that.

**Senator WATT:** That training and security, is that workplace-health-and-safety-type training?

**Mr Kelsey:** That kind of thing, yes?

**Senator WATT:** And appropriate workplace behaviour—that kind of thing?

**Mr Kelsey:** Yes.

**Senator WATT:** Why couldn't that be delivered in a virtual manner?

**Mr Kelsey:** That's exactly the review that's happening at the moment.

**Senator WATT:** That's exactly?

**Mr Kelsey:** That's what we're reviewing at the moment—whether we can deliver that training virtually and effectively, or whether it is actually going to be cheaper for us to do that by bringing people together. I'm very happy to share the data on the budgets, when we've compared them, with the committee.

**Senator WATT:** Would this all-staff meeting include the contractors as well as the directly employed staff?

**Mr Kelsey:** It would, yes.

**Senator WATT:** So it would be about 424 people, roughly.

**Mr Kelsey:** Yes.

**Senator WATT:** And where would that be held?

**Mr Kelsey:** Again, we haven't made any decision to go ahead with this meeting yet. It entirely depends on the relative costs of the training budget. That's where we've got to with it.

**Senator WATT:** So there's been no decision about Canberra, Brisbane, Sydney or somewhere else?

**Mr Kelsey:** I know that colleagues have looked, I think, at the Hellenic centre, which is next to the Department of Health headquarters in Woden, but no final decision has been made and no final budget has been developed.

**Senator WATT:** So no venue has been booked?

**Mr Kelsey:** Not as far as I know.

**Senator WATT:** But there has been some thought about the Hellenic Club near Woden.

**Mr Kelsey:** I believe so.

**Senator WATT:** Have your officers considered holding that at any venues in Sydney?

**Mr Kelsey:** I'd have to take that on notice.

**Senator WATT:** Have you considered specifically the Sydney Cricket Ground as a venue?

**Mr Kelsey:** I'd have to take that on notice. I just don't know the details.

**Senator WATT:** Who's involved in organising this? Is there someone here who's across this?

**Senator SINGH:** You must have done some scoping options of venues.

**Mr Kelsey:** Whilst we are in this conversation, I will ask my colleagues to check whether or not we have been in touch with that venue. The person responsible for scoping this, and, as I repeat, this has not been agreed or had a budget prepared, is a relatively junior member of staff who's actually in the Sydney office. So we can ask her whether she's spoken to any venues, if that helps.

**Senator WATT:** Yes. Could you just find out whether there has been any contact with the Sydney Cricket Ground and, if so, what the cost of hiring it would be? If you were to hold this meeting in a venue, whether it be the Hellenic Club, the cricket ground or anywhere else, would that involve hospitality such as alcohol?

**Senator Scullion:** It is very much a hypothetical question.

**Senator WATT:** They're clearly considering—

**Senator Scullion:** No. The officers have indicated that this is not a decision. They're still vacillating between the options and that of a virtual meeting, so it may well be the case that this doesn't happen. I understand you want to go to some detail, but I just want to put on the record this: all of these things may not happen and this is usually hypothetical, but I won't resist any further. I just want to make that clear.

**Mr Kelsey:** Again, to provide reassurance, the agency has operated an extremely firm policy on expenses and travel. There would be no question of alcohol being funded through such an event. As I say, the decision about whether or not to go ahead with a physical meeting where staff would come is entirely down to the relative costs of the training that we would be providing, and that's got nothing to do with the venue or catering or anything else. That is the decision, and that decision has not been taken yet.

**Senator WATT:** Okay. Has any amount been budgeted for this all-staff meeting?

**Mr Kelsey:** No.

**Senator WATT:** What budget would the money come from for this kind of activity?

**Ms McMahon:** We have a training budget available.

**Mr Kelsey:** The training budget.

**Senator WATT:** So it would come out of your training budget. How much is in your training budget?

**Ms McMahon:** I'd have to take that on notice.

**Senator WATT:** Okay.

**Senator SINGH:** Is it a large budget?

**Ms McMahon:** No, it's not a very large budget.

**Senator WATT:** Why don't we see what comes back once you've made those inquiries, and we might have a few more questions from there.



**Senator SINGH:** My questions are on digital health—so you can have a breather for a minute, Mr Kelsey! I have some questions in relation to the *National Blood Borne Viruses and Sexually Transmissible Infections Strategies 2018-2022* that was launched on 19 November.

**Ms Edwards:** Senator, I'm not sure that would come up in this outcome.

**Senator SINGH:** It is research—policy research, outcome 1.1.

**Ms Edwards:** Research? We think it is in outcome 5.

**Senator SINGH:** I'm looking at 'health policy research and analysis'.

**Ms Edwards:** But the bloodborne viruses strategy is an operational document.

**Senator SINGH:** I'm about to ask about the research centres.

**Senator Scullion:** We are informed that's in outcome 5. I'm not sure what that means.

**Senator SINGH:** This is about the continuity of the research programs to implement the national strategy on bloodborne viruses and sexually transmissible infections.

**Ms Edwards:** The national strategy falls squarely within outcome 5. The CMO is aware of that, but his team on that is not here at the moment. It's not within our outcome on research.

**Senator Scullion:** I understand that's not on until 10 o'clock. Whilst I'll be here, you may wish to put some questions on notice that they can provide answers to at 10 o'clock.

**Senator SINGH:** No, I don't want to put any questions on notice. Ms Edwards, you're saying it's in 5.1, is that correct?

**Ms Edwards:** Yes, correct.

**Senator Scullion:** Yes, that's right.

**Senator SINGH:** Okay.

[15:31]

**CHAIR:** We will go to outcome 2: health access and support services.

**Senator WATT:** I know quite a few people have got questions about mental health, could I just ask one other question that I think is outcome 2 related but not about mental health. It's to do with a national maternity plan.

**Ms Edwards:** Yes, we have got the Chief Nurse and Midwifery Officer here to talk about that if you'd like.

**Senator SINGH:** It's mainly to ask if we can get a status update on the development of the national maternity plan—I think you call it the National Strategic Approach to Maternity Services. NSAMS?

**Ms Thoms:** NSAMS. We are trying to come up with a shorter, more catchy title—anybody with good ideas, we'd be happy to receive them! Currently we're getting the last of the consultation feedback in, and then there will be a meeting of the project group—which is all the jurisdictions, because this is an AHMAC process—to look at that and to make some final changes to the plan based on all of that feedback, and then it should go into the AHMAC process.

**Senator SINGH:** When do you hope that meeting will happen?

**Ms Thoms:** The current time line is that it should go then to ministers, and hopefully it'll all move through smoothly to be released in June.

**Senator SINGH:** Is that June this year?

**Ms Thoms:** Yes, June this year. That's in the time line.

**Senator SINGH:** Is that still called 'Towards Woman-Centred Care'?

**Ms Thoms:** At the moment it is. That's a working title, pending any other approaches around what it should be called. But it's a strategy around maternity services.

**Senator SINGH:** Is midwifery-led continuity of care a part of that title?

**Ms Thoms:** There's been a lot of feedback of late around people wanting to see that more prominently in the document, so that will be part of the discussions with the project reference group.

**Senator SINGH:** So it won't be omitted in the upcoming—

**Ms Thoms:** I can't say what the project group will or won't decide or what AHMAC will or won't decide, but, obviously, we recognise midwifery continuity of care is a very important part of maternity services.

**Senator SINGH:** But it's currently been omitted, hasn't it?

**Ms Thoms:** At the moment it says 'continuity of care', and it embraces all the various iterations of what people call that. It does not specifically preference one particular model of continuity of care, but there have been significant levels of feedback about that, so we will be looking at that.

**Senator SINGH:** Okay. I think that's all.

**CHAIR:** Okay. Who wants to kick off outcome 2?

**Senator SIEWERT:** I have questions on outcome 2, on mental health.

**Ms Edwards:** Excuse me, Chair. Just before you go on, seeing that Senator O'Neill is here I wonder whether I could provide some information in relation to the reform of government services issue we were discussing earlier.

**CHAIR:** Yes.

**Ms Edwards:** We have gone back and had a look at the comparison of numbers. The first thing to note is that the major differential between the amount the Productivity Commission is referring to in 2016-17 and our own figures of that total spend is that they omit the contribution to public hospitals, which in 2016-17 is \$1.4 billion or so. That's the major differential between the \$4 billion-odd number that we talk about as total Commonwealth health contribution and the Productivity Commission's number.

**Senator O'NEILL:** That's disputed, but my questions went to the Productivity Commission's data showing a decline in funding.

**Senator Scullion:** What element is disputed there?

**Ms Edwards:** There are two issues there. One is the difference between, as we mentioned, the \$4.7 billion in this year and the \$4.2 billion, I think, in that year. The second issue is the apparent decline in the amount there. There are two major things contributing to that apparent decline. One is that there's a large amount of mental health funding which has transitioned into the NDIS to service mental health clients in that scheme. The other major one is that a lot of prescription medicines, which obviously are included in this amount, have reduced in price. There has not necessarily been any reduction in the number of scripts filled and so on; it's just that the amount charged for those, for which the subsidy is required, has reduced significantly. Those are the two factors. As I mentioned this morning, I'm very happy to take it on notice and do you a table which sets all this out very clearly, but I wanted to come back to you quickly. I also have those figures of total Commonwealth health spend that I undertook to provide this morning to table if you'd like that.

**Senator O'NEILL:** Thank you.

**Mr Kelsey:** I have a clarification for Senator Watt in relation to the staffing levels you asked about earlier. The numbers are correct. I said we have three officers, which is true. We also, I've just been reminded, have small numbers of staff in local Primary Health Network offices across the country.

**Senator WATT:** Are they included in those numbers?

**Mr Kelsey:** They're included.

**Senator WATT:** While you have the floor there, I understand that those figures I was quoting to you about the number of cancellations—300,000 or so, which was in an article—came from a question on notice that was answered by the department. I know you're checking that out, but maybe go back to that as a starting point.

**Mr Kelsey:** We'll certainly provide that. Absolutely.

**Senator WATT:** Thanks.

**Senator O'NEILL:** Ms Edwards, did you have anything to say about the decline in research funding?

**Ms Edwards:** No. We'll wait for that one, because we don't see a decline on the figures we've got. We're not sure how that fits together. We'll come back to you on notice.

**Senator O'NEILL:** But the Productivity Commission continues to show that decline.

**Ms Edwards:** The numbers that we have, which include the NMHRC, appear to be going up. We've tabled that for you, and we'll come back to you on notice about the distinction there, because we can't understand at the moment how that figures out.

**Senator O'NEILL:** Okay. To be clear, you indicated that the NDIS was the reason for the reduction.

**Ms Edwards:** One of the reasons.

**Senator O'NEILL:** Of exactly the same quantum? I'm sure you're aware that in the community people are seeking mental health care, and they're certainly not getting it. There are many complaints from people who were getting psychosocial support and now are not getting it all.

**Ms Edwards:** The NDIS is a complex situation, but a large amount of money which was counted in mental health services provided through the Department of Health is now included within packages, and there are lots of people getting NDIS packages, including mental health services, very satisfactorily.

**Senator O'NEILL:** But there are a lot of people who were formally getting support for mental illness in the community and are now no longer getting it, and the Productivity Commission shows a decline of more than \$24 million between 2014 and 2017 and a downward trajectory.

**Ms Edwards:** I mentioned that the two major drivers of that apparent decline are movement of funds into the NDIS and the change in prescription prices. On the issue of NDIS generally, the situation is that some people have transferred into the NDIS and have packages. Those who are not eligible for the NDIS are entitled to continuity of support. That's a guarantee that they'll be provided similar levels of service. In addition to that, \$80 million has been put into psychosocial measures, which has been matched by the states, so that's a total of \$160 million. In addition, we've put in \$90 million to the PHNs to make sure that we improve the front door for all of those. So there is an absolute commitment to make sure that people who were receiving mental health services before continue to receive them through a number of mechanisms.

**Senator O'NEILL:** I don't doubt for a minute your commitment, Ms Edwards, or the department's commitment. My concern is about the downward trend that the Productivity Commission continues to show in Australian government investment in mental health.

**Ms Beauchamp:** I think Ms Edwards has indicated that there hasn't been a reduction in effort or funding around mental health. It's more how it has been accounted for in the Productivity Commission reports.

**Senator O'NEILL:** I hear what you're saying Ms Beauchamp, but I think that there's a very different perspective about that in the community.

**Ms Beauchamp:** All I can go to are facts about the record expenditure on mental health and, as Ms Edwards said, around psychosocial support and indeed through the NDIS.

**Senator O'NEILL:** As a politician I talk to people in the community who are not having their needs met in this area. So that's our competing realities. I have questions around the funding extension to the PHNs. Do we have the right people here for that?

**Ms Beauchamp:** Yes, we have, Senator.

**Senator O'NEILL:** Thank you very much, Ms Beauchamp. In relation to the recently announced \$1.4 billion funding extension to the PHNs over three years, the minister has said the new funding model will, and I quote: 'Ensure security for both jobs and services'. Can you please confirm that the PHNs will be required to commission with contracts for three years?

**Dr Morehead:** The aim of the funding is to ensure that each year there is the knowledge that there will be a further two years—so the three-year funding is rolling, as such. So you don't think, 'I've got six months left because my three years is ending', you will have already got the money to keep going. So there is always that money looking ahead.

**Senator O'NEILL:** Are one- or two-year contracts still able to be commissioned by PHNs?

**Dr Morehead:** Yes, if they see fit they could do that, but the expectation would be that the reason that we have this is so that the providers who are funded by the PHNs have more certainty in the funding over the forward years.

**Senator O'NEILL:** We've had a lot of discussions about this, and I know that Senator Siewert and I have asking in the context where job insecurity for people in the sector has been profound because of the nature of the short-term contracts that have been a signature of this government. So I hear the intent to change and that the government have decided that they will accept that the workforce is falling apart and they have to go to three-year contracts. While that intent is expressed, what's actually happening on the ground, given you have just told me that one- and two-year contracts are still able to be commissioned?

**Dr Morehead:** The government definitely did the change to ensure that job security could be assured for longer. So that was the intent of the policy. That is the intent of changing to the three-year funding model—so that at the end of each year, with just a fairly light touch regulation from us in terms of 'Are you still going okay?' they're assured of the funding. With the contracts that they let out and tender for, it's up to the PHN to make sure that those contracts are able to fulfil what they want and also that they're operating properly. So one would expect that that money will be forthcoming for that provider. That was the reason for the change, and it's certainly what PHNs have been saying they would like to do. So the intention is definitely there to do that.

Of course, if they fund something just for one year, there may be very many reasons for that that are already known. It might be a one-year particular thing that is required or it might be that the PHN's already funded them for a long time and just wants to roll on for one more year. So I wouldn't be able to say categorically that every single one of the thousands of services that the PHNs commission every single year, some 5,000 or whatever, is going to, like the PHN, have the rolling three-year funding.

**Senator O'NEILL:** What performance measures do the PHNs have to meet to have their contracts extended?

**Mr Bedford:** As Dr Morehead outlined, the intent around the three-year rolling funding for PHNs is to provide stability to the sector.

**Senator O'NEILL:** Sorry, we've got so many questions and so many senators. Can we not go over the same territory. The quick question is: what performance measures do PHNs have to meet to have their contracts extended?

**Mr Bedford:** Simply, there are six- and 12-month reports—they have to meet the requirements of those reports; there's an activity work plan deliverable that they have to do which sets out all the activities for that period; and there's a needs assessment deliverable that they have to meet as well. From 1 July 2018, we also moved to a new performance framework that has a level of indicators that give us an indication of how each PHN as well as the network is going. They'll provide us the first set of information in March this year.

**Senator O'NEILL:** Thank you. What programs or services will the extra \$170 million of funding go towards?

**Mr Bedford:** This is a mental health question.

**Mrs Spencer:** In relation to the additional \$170 million that you're referring to, which is the increased funding provided through the \$1.45 billion to the PHNs, that increase is due to indexation. It includes the residential aged-care initiative that was announced through the 2018-19 budget and it also includes the increased funding to support headspace which was announced through the 2018-19 MYEFO.

**Senator O'NEILL:** To be clear, please break down the \$170 million and tell us exactly what's going where.

**Mrs Spencer:** I have to get those figures.

**Dr Morehead:** While Mrs Spencer is finding that information, with the aged-care initiative, that is \$102.5 million. It actually contains two measures. The one that is going through the PHNs is the \$82.5 million for the measure called Improved—

**Senator O'NEILL:** Sorry, Dr Morehead, it's a little hard to hear you and there are so many little bits of information. Let's just start clearly. One point five billion dollars includes \$170 million more than what was provided in the previous three years, but we don't know where that funding's going. That's what I'm trying to discern. There's an additional \$170 million. Exactly where is that going?

**Dr Morehead:** There are three components. The first, as Mrs Spencer said, is for indexation. The second is for a residential aged-care initiative that was announced in the May 2018 budget. That has two components, one of which is for the PHNs. That's \$82.5 million. The third is increased funding to support headspace, and that was announced in MYEFO 2018-19.

**Senator O'NEILL:** The quantum of the indexation?

**Mrs Spencer:** I don't have that figure on me.

**Senator O'NEILL:** The quantum for headspace?

**Mrs Spencer:** It is \$51.8 million.

**Senator SIEWERT:** You said there's \$102 million for aged-care mental health and \$82.5 million is for the PHNs. What's the other amount for?

**Dr Morehead:** That measure is called mental health nursing support for Australians over 75 years and is \$20 million. That money is for the two pilot locations and that is being done by the Australian College of Mental Health Nurses.

**Ms Edwards:** That's the one about connectedness and in the community trying to connect people and avoid at risk through loneliness and so on.

**Senator SIEWERT:** I want to come back at some stage to the aged care mental health.

**Senator O'NEILL:** The \$170 million that we have been discussing, is that all new money?

**Mrs Spencer:** It's not all new money as some of it was announced the budget and MYEFO processes.

**Ms Edwards:** So in that regard it was new when it was announced then.

**Dr Morehead:** Yes.

**Senator O'NEILL:** All right. How is the quantum for that \$170 million determined?

**Dr Morehead:** It was determined as a separate budget measure. What happens in mental health, for example, is we have a bucket of money for mental health programs. For nearly half of that bucket of money, we use the PHNs to implement the funding on the ground so that they have that flexibility to make sure that the funding is localised according to community needs. So with the aged care measure, for example, it's going through the PHNs so that they can commission to provide mental health services to people who are in aged care residential care, for example. We chose to put the measure through the PHNs. So out of the total funding bucket, for example, the \$885 million for this current financial year that we get for mental health programs within the department, as I was saying, around half of that does get distributed by the PHNs. It is where we want localised community needs to be taken into account and where we want independent commissioning being done by the PHNs to implement the measure.

**Senator O'NEILL:** Could I get on notice the breakdown of that \$170 million over the forward estimates. Could I also now ask some questions about the \$80 million and \$160 million psychosocial support, the bilateral agreement? In relation to that psychosocial support bilateral agreement being delivered through the PHNs, does this funding have to be commissioned for Partners in Recovery or Personal Helpers and Mentors or other existing community mental health programs? What are the parameters there?

**Ms Edwards:** As we were mentioning before, all existing partners in recovery and day-to-day living PHaMs clients are covered by the continuity of support measure, if they're not eligible for the NDIS. So some of them will be eligible for the NDIS and get packages that way. Those who aren't are able to take advantage of the continuity of support measure, which the PHNs will be commissioning services to meet their needs. The psychosocial measure is on top of that for new need, for new people that have come along. All of that money is going through the PHNs to commission services, which they work through based on local need and the needs of those clients.

**Senator O'NEILL:** So to be clear, it does not need to be commissioned for PIR or PHaMs?

**Ms Edwards:** No. Clients of those programs currently are covered under separate and additional funding.

**Senator SIEWERT:** That would go for PHNs as well.

**Ms Edwards:** Correct. So obviously there might be some overlap and so on, but the psychosocial measure is in addition to the guaranteed support for existing clients of PIR and day-to-day living, who either become NDIS clients or are covered by continuity of support. But then on top of that is the \$80 million Commonwealth funding which is being matched by the states and all sorts of activities happening. So the aim is to make sure existing clients are catered for and continue to have continuity of service and also that we continue to cater for people with psychosocial needs who may not have presented as yet. Over time of course, those services will link and integrate, that's one of the key things to do, but it's additional funding for psychosocial.

**Senator O'NEILL:** Yes. Can we go to other programs?

**Senator SIEWERT:** Where does the continuity of support funding sit in relation to all the programs that have been funded with the announcement made the other day? Is it in addition?

**Ms Edwards:** It's a separate program.

**Senator SIEWERT:** So it's not being wound into that money.

**Ms Edwards:** No.

**Senator SIEWERT:** Can you remind me how much?

**Dr Morehead:** Yes. It's \$109.8 million over four years. That commenced on 1 July 2019—continuity of support. Would you like me to explain who gets on to that?

**Senator SIEWERT:** Yes, if you could. The eligibility. Tomorrow we'll be asking the NDIA how many people transitioned in. It's my understanding that we haven't finished the transition.

**Dr Morehead:** Yes.

**Senator SIEWERT:** Does that include them as well?

**Dr Morehead:** Talking about the Department of Health programs Partners in Recovery and Day to Day Living, just say I'm a client of one of those programs right now, I can do two things. I can go to the NDIS and test my eligibility—that's what we're encouraging—or I can wait to be tested by the NDIS or I haven't gone there yet at all. Taking that first group, I went to the NDIS and tested my eligibility while I'm on Day to Day Living or Partners in Recovery. Two things can happen: I can either get on or not get on after I test. If I get on, then I'm off to NDIS—I've transitioned through. If I've been found not eligible for NDIS, on 1 July I would move on to a funding that comes not from NDIS but from continuity of support. It may be that the actual person doesn't see too

much difference, but the funding comes from continuity of support, which is \$109.8 million over four years run from this department. If they've gone to the NDIS then they move into NDIA land. That's the one group who have gone to test themselves on NDIS.

Currently, on one of our programs, if I haven't gone to test myself on NDIS, because I'm not well enough to go or for some reason I haven't gone, or I'm waiting to be tested and haven't yet been tested, we have the National Psychosocial Support measure, which actually started in January this year. That's where I would get my support from. That's the one Ms Edwards was talking about with the matched money from Commonwealth and states.

There is another group of people who aren't on a program at all right now. They're not on Day to Day Living or Partners in Recovery. They might be new people. For those people, now, because we're already in February, they would go to the National Psychosocial Support measure straightaway and then they would do the route of, 'Am I eligible for NDIS?' The intention of that whole model is to make sure that not one person falls through the gap. There are buckets of money coming at them to provide that support.

**Senator O'NEILL:** If they seek it out.

**Dr Morehead:** If they seek it out—

**Senator O'NEILL:** If they're well enough to go through that process.

**Dr Morehead:** Yes. Someone would have to ask them, 'Do you want some assistance from the government?' If they do, they won't fall through the cracks, if they meet the eligibility for the National Psychosocial Support measure, which, of course, is not as stringent as the measure to get on the NDIS.

**Senator SIEWERT:** Can we just chase this down?

**Senator O'NEILL:** I want to come back to some other questions and we're going to run out of time. Finish off this last line and then come back, because I have some more.

**Senator SIEWERT:** If I'm already receiving PIR or Day to Day Living and I haven't tested for the NDIS, why do I go to Psychosocial Support funding, not continuity of supports?

**Mrs Spencer:** The continuity of support measure requires that clients do test for eligibility and are then found not eligible for the NDIS to be eligible for that continuity of support. That continuity of support is then for the lifetime of that person until they require it.

**Ms Edwards:** But we've skipped over one step, which is, it's still February? We're not changing until end of June. Between now and then, with the NDIA, DSS, Health, our providers and the PHNs, we're going to pull out all the stops to make sure we encourage and assist all of those people currently on PIR and Day to Day Living to test their eligibility. At the moment we haven't transitioned everyone, but that's certainly our aim. If we get to 30 June and there's a considerable group left, for whatever reason, we're open to ideas about how to make sure we assist those people. We really want them all to get on to continuity of support. Next time we talk to you—perhaps not the next time in April, but the next time after that—we'll be able to tell you how we went and what happened to the cohort, which we certainly anticipate and hope will be a very small group of people who we haven't been able to test for eligibility, because the best outcome for those who are eligible for the NDIS is to be on the NDIS. That's what we're heading towards.

**Senator O'NEILL:** I have a couple more questions and then some on a different topic. Can I go back to the psychosocial support bilateral agreement? To be clear, could you provide the criteria that the PHNs are using to commission these funds, on notice. I understand there's a \$12,000 per participant figure that's been used by the Department of Health for the Partners in Recovery program. Can you tell me how the department arrived at this figure?

**Ms Edwards:** The numbers we've been dealing with in relation to Partners in Recovery would have to do with the continuity of support and NDIS, rather than the psychosocial measure, but we can take on notice those numbers in relation to that pathway.

**Senator O'NEILL:** The amounts. Is it related to hours of service delivery or is it an arbitrary number based on a budget?

**Ms Edwards:** I'm not aware of a budget. We'd have to go back and look at those in detail.

**Dr Morehead:** It'd be a combination of factors.

**Ms Edwards:** In relation to the psychosocial measure, it's important to note that a lot of the information about those bilaterals with the states and territories is that it's already publically available. The core schedule that we agreed with all states and territories is available on the internet, and so are the particular plans of some of the

states and not others. We're encouraging them all to put them up. We'll provide it on notice also, but I'm just letting you know a lot of the information is publicly available already.

**Senator O'NEILL:** Some of it's up. This 12,000 figure hasn't come from nowhere. Is that supposed to cover the delivery of service for each participant?

**Ms Edwards:** I'm not sure that we're exactly sure where the 12,000 figure comes from. I'm expecting that it's got to do with the costing that was done to see how much support is required for Partners in Recovery and Day to Day Living clients after the transition. We'll take on notice how that was costed and so on.

**Senator O'NEILL:** One of the things that concerns me—to follow the same line of questioning—

**Ms Edwards:** That there's sufficient funding.

**Senator O'NEILL:** is the old one-two. You were getting a decent level of funding, particularly under Partners in Recovery, which we know was a very successful and much appreciated program. It's demise and a shift to another model doesn't necessarily mean the right amount of money, or an adequate amount of money, is going to go to meet the needs of people.

**Ms Edwards:** I understand the question. The guarantee is that those people will have a continuity of support. They'll have a similar level of service and then there's obviously a costing process done to figure out who we will—

**Senator O'NEILL:** But that's judged by who? It's a similar level of service at a similar amount of money or an estimation by the client. This 'similar level' is a very nebulous—

**Ms Edwards:** It's a commitment made by governments. Then there's a process done to see if we can make sure that will happen. That's certainly our commitment to do it. It's based on the needs of people as they transition either onto the NDIS or onto the alternate services.

**Senator O'NEILL:** Thank you.

#### **Proceedings suspended from 16:02 to 16:22**

**ACTING CHAIR:** We will begin this Senate estimates process for Community Affairs and welcome Senator McKenzie to the table. Senator Dodson, over to you.

**Senator DODSON:** My questions are basically in two areas. One is the announcement made by Minister Wyatt on 25 January 2019 promising \$5 million. The second is in relation to the \$4 million that goes to the 12 suicide prevention sites, in particular, to Darwin and to the Kimberley. Can you provide me with an update on the rollout of the \$5 million worth of measures that Minister Wyatt promised or quoted in his press release. He's fast-tracking the rollout of the Be You school based support in the Kimberley and Pilbara. And can you tell me when this rollout will begin. How much earlier will it begin than the general rollout underway?

**Senator McKenzie:** I think Ms Edwards has some detail.

**Ms Edwards:** Yes, we definitely have detail on that. Thank you for your question. Suicide prevention, and in particular suicide prevention in relation to Aboriginal and Torres Strait Islander people, is obviously a very high priority for the department and the government. My colleagues will be able to provide detail on those particular new measures which Minister Wyatt has announced.

**Ms Gleeson:** In terms of the measures announced by Minister Wyatt, the \$2.3 million for beyondblue will be provided through a deed of variation by the end of this financial year. The Be You program is already rolling out across the country, and what this will do is speed it up in the Pilbara and the Kimberley, and there'll be involvement of Indigenous people through co-design and on-the-ground workers in those regions to assist schools to engage in that program. The social media campaign, which is \$1.6 million, goes to headspace national. Again, that will be done through a deed of variation that we're working on at the moment. There is a further—

**Senator DODSON:** Young Ambassadors?

**Ms Gleeson:** Young Ambassadors—again, headspace national—has already commenced. We'll provide the money through a deed of variation as well, but the ambassadors met in Melbourne to start their induction on Tuesday night, so that's already commenced. The other one was the funding to Dumbartung in Western Australia—that's \$80,000 for a worker. That money will be provided by the Western Australian PHN, and we are holding discussions with the PHN to allow them to provide that money to that organisation.

**Senator DODSON:** Can I take it from that that none of this will be delivered through the ACCHOS?

**Ms Gleeson:** That's correct.

**Senator DODSON:** With respect to the commitment to work with my Western Australian colleagues, is that a formal agreement or an intention, in relation to the minister's statement?

**Ms Gleeson:** We've been working with PM&C on how the Commonwealth might respond, and, yes, there is absolutely an intention to engage with the WA state government. We already do that through the suicide prevention trial in the Kimberley, where they're involved in that trial activity.

**Senator DODSON:** In relation to the Primary Health Networks that administer the \$4 million, can you provide me with a breakdown of each of those sites and how much money has gone to the Aboriginal community controlled health services, to Aboriginal medical services, to other mainstream services, to headspace or to other suicide prevention services.

**Ms Gleeson:** I'd have to take that level of detail on notice. Both the Kimberley and the Darwin trials are receiving \$4 million each over the four years, so it's a total of \$8 million. But I don't have that level of detail in terms of what actual service providers they're commissioning in the process of the trial.

**Ms Edwards:** On notice, we can provide you with a full report of what's happening in those trial sites in terms of what organisations have been involved in planning and service delivery and where the funding is being allocated. That would be very useful. As you know, the coroner has just made a report on the Kimberley and there seems to be a lot of discussion but not necessarily knowledge about where any of this money is going and how effectively it's being used. Hence my questions. Do service providers undergo any cultural competency training in any of these fields?

**Ms Gleeson:** I understand that a number would, but, again, I would have to take that on notice to confirm what the specific contractual requirements are.

**Senator DODSON:** Can you also take on notice who provides that. Are they local? If they're not local providers, who are they? Can you also tell me whether the organisations who are the beneficiaries of these public funds have any crisis management plans, basically to do with the after-hour service period?

**Ms Gleeson:** That issue was highlighted by Mr Wyatt recently in his comments about services being nine to five. I couldn't comment on whether they have specific crisis plans. PM&C fund the National Indigenous Critical Response Service, which responds in the period immediately after a suicide's occurred in a community, but in terms of the actual after-hours service providers, we don't know the answer to that.

**Ms Edwards:** We will provide on notice what you asked for. Going back to cultural competency, can I assure you that having culturally safe service provision and practices is one of the key elements of the suicide prevention trials, particularly in the Kimberley and Darwin, and one of the things we are acutely aware of. We will come back to you with the detail of exactly how that's required of various organisations, but it's certainly something that we put front and centre.

**Senator DODSON:** Sure, and would you take on board what the coroner had to say in relation to those matters in the recent inquiry?

**Ms Edwards:** We are absolutely committed to working through, with our colleagues at PM&C and elsewhere, the recommendations of the coroner as they affect health and as the whole of government, and we're acutely aware of the things that have been said.

**Senator DODSON:** Okay. Can you inform me about what measures are being put into place that ensure clinicians, particularly in these remote places, don't suffer from burnout? Can you sustain them in these roles? I presume you have one clinician in Kununurra who goes to Halls Creek on a monthly basis—if that person is well. Otherwise, Halls Creek, which has had three suicides—which is in this coroner's report—receives no professional service help for a community of nearly 2,000 people.

**Ms Edwards:** Again, we can take on notice how we deal with those. They are very good points that you've raised. Obviously, the strain on clinicians and others working in these areas is very great, and it's important. There is a mixture of things there to do with how we support Aboriginal-controlled health centres on those issues and what they do themselves, and also other clinicians. We'll come back to you about how we're addressing that.

**Senator DODSON:** Okay. Can you also take on board—because I presume you don't have this to hand—the number, type and frequency of mental health clinicians who visit Kalumburu, Broome, Lombadina, Wyndham, Mud Springs, Kununurra, Violet Valley Station, Halls Creek and Wungo Community? They're all co-related to where these young people have died.

**Ms Edwards:** We'll certainly make inquiries and come back with all the information we can. Obviously, we're not aware of exactly which clinicians are practising wherever. But we can talk to the state government and come back with what information we can about what's available in those communities. You might want to tell us what they were again, or put them on notice.



**Senator DODSON:** Okay, I'll put them on notice for you. Can you also provide an update on the progress of the suicide prevention trial sites? Where are they up to? How much of the funding has been spent for each of those trial sites, including the administrative costs? And can you please provide the most recent data available on those questions?

**Ms Edwards:** Absolutely. We'll combine that with what I've previously said we'd provide you with on notice. We'll provide you with all that information in relation to those particular trial sites. We can also provide it with the other—

**Senator O'NEILL:** If you're doing that, I know that Senator Dodson is particularly—

**Ms Edwards:** Interested in Kimberly—

**Senator O'NEILL:** on a journey of the heart with the people in the Northern Territory and in Western Australia, but the 12 sites across the country are certainly of interest to us.

**Ms Edwards:** We can provide an update on all the sites.

**Senator O'NEILL:** Thank you.

**Ms Beauchamp:** We'll see what information we can get for Friday's cross-portfolio estimates as well—

**Senator DODSON:** That would be most appreciated. If you could turn around that information as soon as that, I'd be most appreciative.

**Ms Edwards:** Perhaps it won't be everything that we've agreed to take on notice, but what we can we'll try to get for you.

**Senator DODSON:** Okay. That would be useful.

**Senator SIEWERT:** I want to go back to where we left off at the break—the issue around the continuity of funding versus psychosocial funding. I recall that we had a discussion at last estimates about the issue of whether people can retain their current support providers. It was a bit unclear at the time, because of the funding then going to the PHNs. Has that been resolved?

**Ms Edwards:** I think it's still a work in progress. Obviously, if all the clients of a particular provider end up in the NDIS then it's a different issue to when only a few do, or if most of them stay outside. The PHNs will be having a look at how we best provide that continuity. We're working with them now. Mrs Spencer might be able to tell you where those discussions are up to and whether there is scope for PHNs to continue exactly the same service, effectively, in some instances, if that's called for. But we're not going to guarantee or require that necessarily, because, in some instances, there might be different ways to bring the services together and so on.

**Senator SIEWERT:** The concern here is, as you know, that many people have tried really hard to find a provider that meets their needs.

**Ms Edwards:** Yes.

**Senator SIEWERT:** I'm particularly thinking of those who haven't sought to test their eligibility for the NDIS. There are reasons why some people haven't done that. They're now not going to be able to get continuity of support. They're going to have to go into the new system—the psychosocial supports. I'm concerned about that group and why they can't stay on continuity of support.

**Ms Edwards:** Step one: we want all those people to test their eligibility.

**Senator SIEWERT:** I know, but not all of them want to.

**Ms Edwards:** If they get a package then they can be talking to the NDIA about the services they had before and how they want them to be included in their packages. That's really one of the best outcomes, and there are a lot of successful stories. There's another group of people who are not eligible. But, as you say, there is going to be a group that, for whatever reason, are reluctant to or have difficulty in going through the steps. That's the group we need to focus on over the next few months.

I would hope that by June that's as small a group as it can possibly be. Thinking about how we deal with them depends a bit on where we get to, what people are left in the pool and what services they've got now. Not everybody may be delighted with the service they're getting now.

**Senator SIEWERT:** I accept that.

**Ms Edwards:** That's why the flexibility for the PHNs. We're not ruling out PHNs continuing to fund existing services as they are, but we're not requiring it necessarily or making any hard rules. We're working with the providers, the PHNs and also obviously with the NDIA and DSS. It's complex. I accept that you'll be asking for updates as we go along, but we're not going to make hard and fast rules about how to do it.

**Senator SIEWERT:** I'm not asking for hard and fast rules, for the reason that you just articulated—that is, people may want to take the opportunity to get a new provider.

**Ms Edwards:** Exactly.

**Senator SIEWERT:** However, I'm concerned that the PHNs might come in and say, 'No, you cannot use your existing provider.' So what I'm looking at is the option that says to somebody, 'The type of service delivered may be varied and the timing or whatever, but, if you want to stay with your existing provider, nothing the PHNs can say can take you away from your new provider,' for want of better words. In other words, there's a guarantee they can stay with them if they want to and the PHNs won't put in place a rule that says that they can't.

**Ms Edwards:** I can't give a guarantee on that because we're still working through where we've got to. But I can assure you that the PHNs are coming to this discussion with great enthusiasm and wanting to provide good services for people that meet their needs. So let's let the discussions happen and see where we land. I take on board your comment. Guaranteeing continuity of support means that they should have equivalent or better support than they had before and that's what we're delivering. It's a complex space and we'll keep reporting to you about it.

**Senator SIEWERT:** Thank you. How confident are you that the money that's been allocated is actually going to meet the need? What numbers are you using in terms of the analysis for the number of people that will need support outside the NDIS?

**Ms Edwards:** It's been costed et cetera through a budget process and so on. I don't have enough information at this stage—though my colleagues may be able to add to this—to be definitive at the moment. It seems like the appropriate bucket. We're watching it very carefully. As I said earlier in response to another senator's question, our commitment is to provide continuity of support. If there's an issue there we'll deal with it and be aware of it. But, at the moment, there's nothing to suggest that it's not sufficient funding. It has certainly been appropriately costed and prepared.

**Senator SIEWERT:** There's continuity of support, which is, with all due respect, easier to calculate because they're a known quantity. There are some unknown, and I'm not going to go down the unknown route. We don't know how many will be eligible.

**Ms Edwards:** Agreed.

**Senator SIEWERT:** It's the group that are currently not receiving supports, so an unmet need—

**Ms Edwards:** Unmet need, we know, has been a very major issue for a long time. We have gone a long way towards incrementally meeting that need. The psychosocial measure is an important part of that. As you know, government has been continuing to make commitments about mental health, and that's been improving. I would be foolish to say we have met every need in the community. We'll be continuing to monitor it and see the best way to deal with it. It's an ongoing process and one we watch very carefully.

**Senator SIEWERT:** I heard what you said about there being a budget process. Does that mean that you can't tell me because there was a budget process, or does that mean that you can't provide the numbers now?

**Ms Edwards:** I think we could take on notice to provide you what we can. I suspect there'll be a mixture of the two things. I can't tell you, because I don't know. Much of that would have been done in another agency and/or in the budget process. Perhaps we could come back to you and give you what we can tell you about the manner in which it's been calculated.

**Senator SIEWERT:** If you could take that on notice, that would be appreciated. I move to aged care and particularly the money that's going to the PHN for residential care. We heard on Friday from two PHNs who are undertaking trials at the moment around mental health first aid and also the provision of services into residential aged care. Those were just two examples. Could you outline to us where things are up to now with the PHNs in terms of the rollout of the funding that was committed, as you articulated earlier, through the budget.

**Mrs Spencer:** Senator, just before I answer that question, I just need to correct, for the record, a response that I provided in relation to the \$170 million. I quoted \$51.8 million provided through MYEFO for headspace. That's a correct number, but that's for the whole MYEFO measure. The component that actually is part of the \$170 million totals \$32.8 million, and that's the proportion that's going to headspace centres through PHNs. We've taken on notice to provide you with further information about that break-up of \$170 million, but I just wanted to correct the number that I provided earlier.

In relation to your question about the progress of the aged-care measure and the funding that's gone through the PHNs, there are different trials and activities that a variety of different PHNs are putting in place, and that's been undertaken in consultation with the community and the residential aged-care facilities to ensure that it meets the

resident's need. For example, we know that about 18 PHNs have actually been commissioned to deliver services. Some of them are extending programs that they already had in residential aged-care facilities and a number of in-reach activities that already take place. They've been able to extend that. In addition, a number are undertaking some trials in new services to ensure that they are meeting residents' needs and then to improve those processes, those activities, as they go along. Over 200 residential aged-care facilities are receiving support through this measure, from the information that I have to date.

**Senator SIEWERT:** I'll need to check how many residential aged-care facilities there are, but that's only a portion of the number of residential aged-care facilities.

**Mrs Spencer:** I should have said that this measure will incrementally roll out as well, so that number will increase. It commenced on 1 January this year, and over the next three years there will be a significant increase in funding available to PHNs to roll that out.

**Senator SIEWERT:** That will ramp up?

**Mrs Spencer:** That's correct.

**Senator SIEWERT:** Did you say how many trials are occurring?

**Mrs Spencer:** There are approximately 15 trials.

**Senator SIEWERT:** Are they all doing different trials?

**Mrs Spencer:** Yes. I'd have to take on notice the actual details of what each PHN is doing in relation to those particular trials, but we certainly know that they're trialling a variety of activities in residential aged-care facilities to meet the residents' needs. They'll see how that goes and, if that goes well, they'll make decisions about rolling that out further.

**Senator SIEWERT:** As you know, one of the deep concerns that led to this money being provided is enabling residents in residential aged care to get access to mental health supports when they need them. We heard on Friday, at the health and aged-care hearing, about work that's been done around mental health first aid for staff, which is important—I appreciate that—particularly for immediate assistance and identification of issues. But are residents going to be guaranteed that, when they see a mental health professional, they will get access to a mental health professional?

**Ms Edwards:** Obviously, older people have access to professionals in the same way as anyone else. What they haven't had was the better access provision.

**Senator SIEWERT:** That's right.

**Ms Edwards:** This measure is designed to allow for services that actually meet the needs of older Australians. We think there's funding to provide services to 35,000 residents of residential aged-care facilities out of, I think, 200,000 all up, which I think is an appropriate way forward. We want them to do measures that are actually going to meet those needs. Can I guarantee that they might be able to see a health professional in the traditional way we think might suit me or you, Senator? No, but what we are doing is working with PHNs to cater for the needs that there are in terms of access, travel and so on. So we think it's a really important initiative to deliver the services as needed to where they're needed by working out needs on the ground. That may not match our traditional view of how you see a mental health professional, but it is designed to meet the mental health needs of older people in residential aged care.

**Senator SIEWERT:** What measures have you put in place to ensure that that's in fact happening?

**Ms Edwards:** We'll be very carefully examining the reporting that the PHNs will be required to come back with. We might have more detail over time about how we're measuring that to report to you, but we'll be requiring the PHNs to tell us what they're doing and how it's going. Where there are trials, we want to know whether it's been effective or not so we can shift the service delivery method if we can find a different way. Also, some of these trials may show us fantastic new ways that really cater for older Australians, and we would want to roll those out more broadly. So it's a continuing measure.

**Senator SIEWERT:** Will there be independent evaluation?

**Mrs Spencer:** I don't think it's built into it.

**Ms Edwards:** We certainly don't rule out doing that as we go down. It's not proposed at the moment that I'm aware of, but it may well be appropriate as we go forward.

**Senator SIEWERT:** Given that this is a very different way of providing mental health support, I put it to you that there's a need for some independent evaluation.

**Ms Edwards:** There's definitely a need for evaluation. One of the key things about a trial is to figure out whether what you're trying is working or not, and then you can continue or not. So we'd certainly expect anything that's a trial to include both continuous learning and evaluation. There may well be a need for independent evaluation at some point, but we haven't got a holistic proposal for independent evaluation at this stage.

**Senator SIEWERT:** Is there a requirement for independent evaluation of the trials?

**Mrs Spencer:** No, it would be up to the PHNs to determine how they'd like to evaluate their trials.

**Ms Edwards:** They certainly need to report their outcomes to us.

**Senator SIEWERT:** Yes, but they're the ones measuring the outcomes and they're the ones that are reporting to you, so how confident are you about the effectiveness of the trials if they're not being independently evaluated?

**Mrs Spencer:** As program managers, we'll be looking at benchmarking across all the PHNs, but I think good practice would be to ensure that there's some sort of evaluation or performance-monitoring framework. I'll have a look at that and see how we might do that, because if the funding comes to an end at the end of the trial then we have to give advice to government on ongoing funding for a particular model, and that would need to be based on evidence.

**Senator SIEWERT:** Yes. Ms Edwards, I take on board what you've said about a different way of providing services. I'm not 100 per cent convinced yet, but, as you said, there is a new way, so I would have thought doing it in a new way would have meant that if we're—

**Ms Edwards:** Yes. As the secretary says, we'll have a think about that aspect.

**Senator SIEWERT:** Okay. I'll chase you up.

**Ms Edwards:** I'm sure you will.

**Senator SIEWERT:** You probably won't have had the opportunity to do that by April, I presume.

**Ms Edwards:** Perhaps not by April.

**Senator SIEWERT:** Okay, thank you. I have some questions around headspace. It may be that you've provided this figure and I've missed it: what is the total overall spend on headspace now, including all the new money?

**Ms Beauchamp:** I don't think you've missed it, Senator.

**Senator SIEWERT:** No, I don't think I've missed it, have I?

**Ms Edwards:** Ms Gleeson is the repository of headspace figures.

**Ms Gleeson:** Is there a particular year, or is it the whole—

**Senator SIEWERT:** There is the money that was allocated in the 2018-19 budget, but we've had subsequent announcements since then.

**Senator O'NEILL:** Yes, some of that's been reannounced.

**Senator SIEWERT:** And some is new.

**Senator O'NEILL:** Yes, but some is not.

**Senator SIEWERT:** Yes. So I'm trying to understand what is now the total spend.

**Senator O'NEILL:** There's the spruik and there's the truth. We're trying to find out what the truth is.

**Ms Gleeson:** Firstly, I want to point out that services come online at different points, so some funding for some of the announcements is going out in 2018-19 and some is going out in 2019-20. So it depends on the timing of when the centres are announced and then established. Funding for headspace centres in 2018-19, is \$105.1 million, and then in 2019-20 it actually drops down to \$104.9 million, and that's because in 2018-19 we're spending more money on establishing particular centres, so there's a bit of fluctuation.

**Senator SIEWERT:** So it's \$105.1 million for this year?

**Ms Gleeson:** That's right.

**Ms Edwards:** I note that this is for headspace centres alone; it doesn't include headspace national or eheadspace and so on. Those are in addition, so Ms Gleeson is talking about the funding for centres.

**Senator SIEWERT:** So what's the funding for headspace national and eheadspace?

**Ms Gleeson:** Eheadspace is \$6.4 million.

**Senator SIEWERT:** And headspace national?

**Ms Gleeson:** \$15.3 million.

**Senator SIEWERT:** That's for this financial year?

**Ms Gleeson:** That's correct.

**Senator SIEWERT:** Okay. Just so that I'm absolutely clear, the total spend would be the \$105.1 million, the \$6.4 million and the \$15.3 million?

**Ms Edwards:** Plus the \$500,000 for the youth ambassadors, and of course this doesn't include the severe, the EPIS funding.

**Senator SIEWERT:** So that's \$500,000 this year for the youth ambassadors?

**Ms Edwards:** Correct.

**Senator SIEWERT:** Plus the EPIS centres. How much is that?

**Dr Morehead:** There are 109 headspace centres around the country, and this year we're spending \$105 million on those 109 centres. Then there are the young ambassadors, of which there are 14. That's costing \$500,000 this financial year. Then the core funding that goes to headspace national itself is \$15.3 million, and then the headspace is \$6.4 million. That's all for this financial year.

**Ms Edwards:** Then on top of that, for the EPIS, the severe, it's \$47 million, plus funding for Orygen, the National Centre of Excellence in Youth Mental Health. That's \$4.8 million. I should add that, on top of all those, the other thing I have in my table of youth mental health is for youth severe services through the PHNs, and that's \$49.7 million. So that brings the total for youth-mental-health-specific services and assistance to \$228.8 million in this financial year.

**Senator SIEWERT:** So that's overall for youth, of which—and I won't get you to repeat it again—a substantial proportion is for headspace.

**Ms Edwards:** Correct.

**Senator SIEWERT:** And those other measures.

**Ms Edwards:** That's our core. We also do other things for youth like the helpline and so on, but those are our core youth mental health services.

**Senator SIEWERT:** Thank you.

**Senator DEAN SMITH:** Ms Edwards, while we're on this, do you have a figure there for the cumulative total for 2012-13?

**Ms Edwards:** For the same range of services, \$64.5 million.

**Senator DEAN SMITH:** So what we've seen is a growth from \$64.5 million to \$228.8 million.

**Ms Edwards:** Correct, and with most of that funding stream guaranteed going forward across the forward estimates.

**Senator DEAN SMITH:** Thank you.

**Dr Morehead:** Most of that is for the headspace centres as well as the focus on the severe EPIS program.

**Senator O'NEILL:** There's an amount of \$33 million. Where does that fit into the picture you just gave to Senator Siewert?

**Ms Gleeson:** The \$33 million was announced last year.

**Senator O'NEILL:** On 14 October, I think.

**Ms Gleeson:** That's correct. That was what we call a headspace sustainability measure. This increases funding to headspace centres by—

**Senator O'NEILL:** But you didn't mention this to Senator Siewert. So where's that \$33 million in the picture you just painted?

**Ms Gleeson:** That will start rolling out in this financial—it's incorporated into the numbers that we have provided.

**Senator O'NEILL:** I want to understand exactly where it is in the number you just provided.

**Ms Gleeson:** The \$105.1 million for headspace centres for this financial year includes this year's allocation of that \$33 million.

**Senator O'NEILL:** That \$33 million is embedded in there?

**Ms Gleeson:** Not all of it, because it's over more than one year.

**Senator O'NEILL:** How much is allocated for this year of the \$33 million?

**Ms Gleeson:** \$7.7 million.

**Senator O'NEILL:** I'm sure that it's welcome, but it's not what, I think, the people thought they were getting. They thought they were getting \$33 million. Can I just work through these questions. That's helpful to find out exactly where that was. On 14 October 2018, the government announced \$33 million to provide each centre with an increase to the base grant funding of eight per cent. We're all together on that so far—that's correct?

**Ms Gleeson:** That's correct.

**Senator O'NEILL:** This funding is due to start in the 2018-19 financial year. You've just indicated do me that the quantum that should be out the door for a response to an express need from headspace should be out the door and utilised by the end of this financial year?

**Ms Gleeson:** When the PHNs receive the money, they then pass that on through their contract with the lead agency. That money would not need to be expended by the end of the financial year.

**Senator O'NEILL:** So the funding was due to start in 2018-19?

**Ms Gleeson:** It was announced on 14 October 2018.

**Senator O'NEILL:** And it should be delivered to the PHNs by the end of this financial year—is that what you're telling me?

**Ms Gleeson:** That's correct.

**Senator O'NEILL:** Do the PHNs have it or not?

**Ms Gleeson:** They haven't got it at the moment. There's a mental health deed of variation that we're doing to their funding schedule at the moment, so that picks up on the \$1.45 billion mental health funding that was announced in January. All that money will be put into contract with PHNs between now and the end of the financial year.

**Senator O'NEILL:** The reason for the top-up was that there's a considerable emerging need. I would argue that the government's significant cuts to funding in 2014 shifted the whole shape of funding between the state and federal governments. There's a diminution of services. Young people with severe and moderate needs are now going to headspace. Everybody knows it's being inundated. Waiting lists are growing. We're talking about it all the time. The minister's got up and made an announcement, '\$33 million'. He's riding in on his white horse to save this situation. Here we are, five months down the track, and you're telling me today that the money hasn't even gone to the PHNs, let alone to the service providers, to meet the need, because it's caught up in some bureaucratic process about renegotiations of contracts with PHNs.

**Dr Morehead:** The PHNs will have that deed of variation. They know it's coming. We talk with them regularly about it, so that—

**Senator O'NEILL:** But, Dr Morehead, I don't doubt for a minute your sincerity and the effort you're going to to try to give me a correct answer, but we've got young people who need this money. We have announcements from a minister five months ago, who's going to fix everything, and the money still hasn't even landed at the first letterbox, let alone into the points of need where it's required, and it's nearly March.

**Dr Morehead:** Yes. The money landing into the letterbox is not quite the same as them commencing services. So, the money's definitely going to be landing in the letterbox per se, but they go ahead and can start doing things. In terms of the youth mental health funding overall, it has gone up every single year since 2011-12. So the youth mental health totals every year don't show a dip in 2014-15.

**Senator O'NEILL:** Can I confirm that you can confidently tell me that there is no negative impact on a centre's ability to provide continuous care because of the delay that we've just clearly discussed?

**Ms Edwards:** These are existing services that now know the funding is coming. I know it's bureaucratic, but it's very important to have the contracts in place so we can ensure the proper KPIs, outcome measures, reporting and so on. We're moving as quickly as we can. That money will flow through. But the existing centres know that funding is coming, so they can manage their finances accordingly. We are working hard to try and give them extra resources to deal with the demand; that's in train. One of the reasons it's announced and communicated is so they can know what to plan for.

**Senator O'NEILL:** Which centres can expect to receive this additional funding? Let's be clear how much it is. It's \$7 million, not \$33 million, that's flowing through on trust to some of these agencies.

**Dr Morehead:** They each get eight per cent to boost their funding.

**Senator O'NEILL:** When you say 'each' who are you referring to?

**Dr Morehead:** The headspace centres.

**Senator O'NEILL:** Each of the 109 are getting that?

**Dr Morehead:** Yes, eight per cent. Some centres are bigger. They get raw numbers—their funding. And then they'll get eight per cent on top of that. So it's a percentage. So whatever size the headspace centre is and whatever funding it gets, it will get eight per cent on top of that. The PHNs do have flexible funding from us. I take your point about the deed of variation taking a long time. But they do have flexible funding. They're quite used to starting something using their flexible funding, and then the deed of variation does come in. They are perfectly able to do this sort of thing themselves, the PHNs. They didn't have to wait for us to do the eight per cent measure, though of course they now know that the eight per cent measure is in. So this financial year it's that amount of money, and then it's spread over the time to keep that funding in place. It will have to be kept in place if we want the eight per cent to keep going ahead in forward years and be retained.

**Senator O'NEILL:** If you could still give me the amounts in the forwards on notice, that would be good. So, in answer to my question about how much they're receiving, they know that they're getting this percentage, which is the variation from site to site. When can the centres expect to receive this additional funding? When will they actually get the money?

**Ms Gleeson:** It will vary according to the PHN. As you've said, they need to amend their contracts with the headspace lead agencies to provide that additional funding.

**Senator O'NEILL:** I want to get a sense of timing, not process. When will they get the money?

**Dr Morehead:** We can take on notice when the PHNs are delivering that money, but they can basically get the money from now for this financial year.

**Senator O'NEILL:** From today?

**Ms Gleeson:** Once the variation is—

**Dr Morehead:** Yes, the deed of variation is coming through, as Ms Gleeson says. But, as we also noted, with their own flexible buckets the PHNs will make sure that things are rolling out as appropriate. Once the deed of variation is in place, the amendments to the contracts will certainly go ahead. But, as we noted with their flexible funding, they can use that to fund services as they see fit.

**Senator O'NEILL:** Can you articulate what the main purpose of this eight per cent increase was supposed to be.

**Ms Gleeson:** It was to address issues around demand and workforce capacity. They were the primary reasons.

**Senator O'NEILL:** When you say 'demand', that's what normal people would be calling 'waiting lists', which we know are blowing out at headspace. There are people who want the service but can't get it.

**Ms Gleeson:** That's right, yes.

**Senator O'NEILL:** Are you aware of an article published in *The Sydney Morning Herald* which indicates that headspace national has publicly stated that this amount is not enough?

**Ms Edwards:** What's the date of the article?

**Senator O'NEILL:** January 26. They said it's not enough.

**Dr Morehead:** Yes.

**Senator O'NEILL:** The minister said he would consider further proposals. What will be enough to make up the gap, to address the waiting list at headspace?

**Dr Morehead:** It does depend on the particular headspace centre, because obviously the waiting list for a particular centre—

**Senator O'NEILL:** Do you have those waiting lists per centre?

**Dr Morehead:** We would have to ask headspace national to see what they could collect on those waiting lists.

**Senator O'NEILL:** Have you got that information at the moment?

**Dr Morehead:** No, Senator.

**Senator O'NEILL:** So you have no idea of the quantum that's required?

**Dr Morehead:** We talk to headspace national about the types of waiting list issues and we are always talking about reform, in the sense of: what could you do about a waiting list, given the way that the headspace model operates? Basically, you come in off the street and go up to the reception. You can't see someone straightaway; you make an appointment to come back for a triage.

**Senator O'NEILL:** I know, Dr Morehead. I've visited 40 of them. I've got a pretty good idea. I know the waiting lists are blowing out. And I know that this \$7.7 million is not going to be sufficient to deal with the reality.

**Dr Morehead:** Well, that's for this financial year. But, with the waiting lists, they can wait to get their initial triage, they can wait from the triage appointment to see the service, say the psychologist, and then they can wait to get their next appointment with the psychologist. So the waiting lists are at various stages and of various components. There are definitely waiting lists at the headspace centres.

**Senator O'NEILL:** The minister said he's going to consider further proposals. What further proposals are being considered?

**Ms Edwards:** The headspace funding for centres has been growing over about a decade now and it continues to grow. This is the most recent—

**Senator O'NEILL:** Yes, but what's being considered by the minister?

**Ms Edwards:** As the minister indicated, we are continuing to talk to headspace national about demand and consider proposals. The details of any proposals would be subject to the usual budget processes, and we can't discuss them further.

**Senator O'NEILL:** The latest funding boost, according to Minister Hunt's media release of 9 January, says: This latest funding boost brings our total investment in headspace to more than \$208 million since October last year. How much of that announced funding, that \$208 million, was an extension of contracts that were due to expire?

**Ms Gleeson:** We've got a number of contracts that we are extending. I'm just not sure how they add up to the \$208 million, so I'd have to take that on notice.

**Senator O'NEILL:** How much funding is going to additional services, other than just a continuation of what was already existing, and how much of the funding is going to reducing waiting lists? It sounds like maybe the \$7.7 million is doing waiting lists and the—

**Ms Gleeson:** In addition, on 17 December there was the announcement of four additional satellite services. That was \$4.9 million over four years for the establishment of centres in Mount Barker, Victor Harbor and Margaret River and, in addition, the establishment of a site at Wangaratta.

**Senator O'NEILL:** Great. Any additional information you can provide me around this—you can see that I'm quite interested in the detail—

**Ms Beauchamp:** Can I just add: in terms of the minister's press release early in the year, I think it was in addition to grant funding. There's grant funding of \$95.7 million that's been provided, but primarily that announcement was around funding for young ambassadors of headspace; \$109 million for early psychosis youth services; \$6.4 million for new satellite services—

**Senator O'NEILL:** Are those satellite services attached to headspaces?

**Dr Morehead:** That's correct.

**Ms Beauchamp:** And the \$33 million you have been speaking about is part of the \$50.8 million for the sustainability funding. That comprises the \$33 million that you've been discussing with the officers but also capital works and investment in additional headspace for another two years. So I think the funding that was announced is actually in addition to the grant funding. And of course there's Medicare funding available as well, which I haven't mentioned, as part of that.

**Senator O'NEILL:** How much of the Community Health and Hospitals Program funding will go towards headspace?

**Ms Edwards:** As I mentioned earlier today, there have only been two announcements relating to the Community Health and Hospitals Program to date, and they relate to some hospital infrastructure in Western Australia and Queensland. No other announcements have been made about allocations from the CHHP, and we are currently assessing ideas submitted by state governments and PHNs.

**Senator O'NEILL:** What's the quantum of the Community Health and Hospitals Fund?

**Ms Edwards:** It's \$1.25 billion over four years.

**Senator O'NEILL:** And you're not confident that any of it will go to headspace?

**Ms Edwards:** I can't comment on it. No decisions have been made yet about how that's going to be allocated, other than those two projects I mentioned.



**Senator O'NEILL:** Could I ask a couple of questions around the PHN mental health commissioning framework? One of the major expected outcomes of the panel was the development of a framework for PHN mental health commissioning. Thank you for your answer to the question on notice; this arises from that. Why wasn't the framework developed, when that was one of the clear outcomes that was expected?

**Ms Gleeson:** I don't have the terms of reference with me to go back and compare what the framework was against the final document that was produced. You're talking about the minister's mental health advisory panel?

**Senator O'NEILL:** Yes, the PHN advisory panel.

**Ms Gleeson:** There was a five-year horizon document for PHNs that was developed by the panel following stakeholder consultation with both the PHNs and other stakeholders. That five-year horizon document sets out—

**Senator O'NEILL:** Sorry, Ms Gleeson; I've got a number of questions. There was a framework that was supposed to be developed.

**Ms Edwards:** Which QON number was it. That might help to make sure that we're on the right track.

**Senator O'NEILL:** It was SQ18-1218. My questions were around the framework—

**Ms Gleeson:** But what has been developed is a horizon document, and that sets out what would be the optimal commissioning arrangements for PHNs over a five-year time frame.

**Senator O'NEILL:** Is this horizon document in the report that was delivered to the minister on 14 September?

**Ms Gleeson:** The horizon document was delivered to the minister, and also an advisory panel report.

**Senator O'NEILL:** Are either of those documents publicly available yet?

**Ms Gleeson:** The horizon document has been provided to all the PHNs. We're also working to get it up onto our website. The report to the minister from the advisory panel has not yet been made public.

**Senator O'NEILL:** So the minister received this document, which was supposed to be designed to serve five important functions. There's a pretty illustrious list of people who were commissioned to be part of it, and there was significant expenditure to bring it into being. They met the required number of times. They gave this report. The minister has had it for six months, and it's still not available.

**Ms Gleeson:** We have provided the horizon document to the PHN. That was the forward-looking document that was of particular relevance to mental health commissioning going forward. But the panel report has not been made public; that's correct.

**Senator O'NEILL:** Can you answer my question about the framework. Was the framework supposed to be developed as part of that work done by the committee?

**Ms Gleeson:** I'd have to take it on notice, because I think that the horizon document replaced the concept of a framework.

**Senator O'NEILL:** Was that a decision that was at the minister's discretion, or was it a decision made by the committee? Was there a lack of resources to do the job properly? Was it a compromise? What's the status of this document?

**Ms Gleeson:** I think it was determined by the panel, through consultation, that the horizon document was a more appropriate way of providing the guidance to the PHNs that the panel was looking to do. The concept of a framework initially included a concept of measuring or benchmarking PHNs, and through the deliberations of the panel the views changed.

**Senator O'NEILL:** So that meant that a document that was supposed to provide a set of benchmarks for PHNs to provide some measurable description of outcomes over a period of time was actually not developed; the framework by which PHNs would be assessed was not developed?

**Ms Gleeson:** That's correct.

**Senator O'NEILL:** Does that mean the reports that were supposed to be based on the framework weren't compiled for individual PHNs?

**Ms Gleeson:** That's correct.

**Senator O'NEILL:** Okay.

**Ms Gleeson:** We had a separate performance framework for PHNs that has been developed by the department.

**Senator O'NEILL:** But this was supposed to provide recommendations and a framework about the optimal system architecture and arrangements for a supporting role for the PHNs in ongoing mental health reform. Not a general one; this was specifically about mental health. So that was never developed and those measurements are not being kept?

**Ms Gleeson:** That was as a result of the deliberations of the panel.

**Dr Morehead:** That was through the co-chairs, Dr Peggy Brown and Frank Quinlan, who, through extensive consultation with the sector, made that decision.

**Senator O'NEILL:** So does the government still intend to provide a framework?

**Dr Morehead:** No. I think Ms Gleeson was saying that the horizon document is what the advisory panel was suggesting should be the guidance for PHNs.

**Senator O'NEILL:** So does it provide any metric measurement structure for PHNs?

**Dr Morehead:** We'll have to take on notice exactly how it relates—

**Senator O'NEILL:** You've got a keen participant in the front row.

**Dr Morehead:** Yes; Chris can talk generally about how we measure the performance of PHNs, and Ms Gleeson can talk specifically about this particular advisory panel.

**Senator O'NEILL:** Okay; it's specifically about mental health that I'm seeking some details—

**Ms Edwards:** I think the key thing that happened was we asked this very august panel to go away, as you've mentioned, and work up a framework. The advice we got back was that the appropriate way to provide guidance, based on the expertise of the panel, was through this horizon document, which was provided and has been provided to all PHNs. We can take on notice more details of what's in that horizons document. But it was a decision of those who are the experts that this was the appropriate way to go forward.

**Senator O'NEILL:** Okay. It's hard to figure that out—

**Senator SIEWERT:** Can I ask a question here about this? They produced one report or two reports?

**Ms Gleeson:** Two reports.

**Senator SIEWERT:** One has been released publicly, the second one hasn't?

**Ms Gleeson:** Yes, that's correct.

**Senator SIEWERT:** Can I ask why the second one hasn't?

**Senator O'NEILL:** That's the one that went to the minister on 14 September and hasn't yet seen the light of day.

**Senator SIEWERT:** Yes; exactly.

**Ms Gleeson:** That's correct. We did provide both documents to the minister and the decision was made at the time to release the horizon document. We are considering the release of the report. There was—

**Senator O'NEILL:** You are considering or the minister is considering?

**Ms Gleeson:** The minister. At the time that the panel was deliberating, there was a lack of clarity about whether both documents were intended for public release or not. When we went through it, it was clear that the horizon document was intended for use by the PHNs, so we pressed forward with getting that one released.

**Senator SIEWERT:** On the second one, you said they weren't clear. Have you checked with the panel? Was it September that it was provided?

**Ms Gleeson:** Yes.

**Senator SIEWERT:** That's a while ago.

**Ms Gleeson:** We did consult with the panel. It's slightly difficult because one of the co-chairs is no longer in her position that she was in at the time.

**Senator SIEWERT:** Does that mean you can't get her on the phone?

**Ms Gleeson:** We could.

**Senator SIEWERT:** So you haven't checked with—

**Ms Gleeson:** We haven't resolved the matter, Senator.

**Senator O'NEILL:** So there are concerns there. The horizon document to PHNs, fair enough, but the work's been undertaken in the interests of the Australian people. The minister has had the report for six months. Mental health is a major concern, rising in proportion as an illness in our community. Happily, people are coming to a point where there's less stigma around it; they are seeking help. Surely the PHNs, the network across the country that's supposed to be doing the job—we should know about the advice that's been given to the minister around this by people who were commissioned to do the work. Have you made any recommendations about the release of the document? Are there recommendations in the document?

**Ms Beauchamp:** Can I take it on notice to get the status of the report and the consideration for release and get back to you on that?

**Senator O'NEILL:** One of the concerns is about recommendations in that report, and we don't know if there are any or if they have been implemented. Do you know if the recommendations have been implemented blind to scrutiny?

**Ms Beauchamp:** Let's do a stocktake and see where it's up to and I'll get back to you. In addition to that, Minister Hunt has also raised with me more consistent procurement and commissioning of mental health services across the PHN. I'll have a look at the status of that, where we're up to with that, as well.

**Senator O'NEILL:** Okay. And any documents you have around that, because there is concern about incredible variation from place to place across the PHNs, about the commissioning and the quality—

**Ms Beauchamp:** And that may reflect the needs of the clients in particular local areas, because that's going to be different. But certainly the minister has raised with me the need for more consistent commissioning processes around mental health.

**Senator SIEWERT:** I just want to finish questioning on that report. Who made the decision not to release it? Was it the minister that made the decision not to release the second report?

**Ms Edwards:** It's a decision for the minister, but I don't think there's been any decision not to release it. We just haven't got to a point where it's been released at this point. That's some work the department needs to do, and perhaps we need to, as you say, get on with figuring out what the panel thinks about it and provide advice so that the minister can make that decision.

**Senator O'NEILL:** I've got a couple of quick questions around eating disorders. So following a theme, there have been these grand announcements by Minister Hunt and then, as we start to get into the detail, we find that perhaps they're not as grand as they might appear at first blush. One of the key things that the eating disorder sector has been asking for is for MBS items to be made available for people with eating disorders. So \$110.7 million was announced. Why is there a descriptor attached to access to that which now says it's only people with severe and complex illnesses who can get this assistance, when we know that there are a million people across the country who have eating disorders?

**Ms Edwards:** The experts on MBS items aren't here at the moment. What we do is take recommendations about what are the clinical indicators for an item. This item allows up to 40 psychological assessments and 20 dietetic assessments per year. That's been assessed as the appropriate amount for an MBS item for a person with a severe eating disorder. Obviously people with other eating disorders also have access to MBS items, existing ones, for psychological or medical attention, and they should continue to make access to those. This is to cater for a particular severe group, and it's a very large item.

**Senator O'NEILL:** Which particular severe group, because I can't discern any clarity around it?

**Ms Edwards:** Patients with anorexia nervosas and patients with other eating disorders with complex needs.

**Senator O'NEILL:** Which is pretty well most people with eating disorders; they have complex needs.

**Ms Edwards:** I'm not a doctor, Senator.

**Senator O'NEILL:** Well none of us are, but we're still talking about health.

**Ms Edwards:** Yes, we are. So where somebody's diagnosed with an eating disorder, a severe one with complex needs, they will have access to this MBS item, which gives them a high level of support, as has been recommended to us.

**Senator O'NEILL:** But the concern remains that it's a small subset who are going to be able to access this, rather than the people who—

**Ms Edwards:** And it's not our only investment in eating disorders. It's a key thing: there's a lot of funding that is being provided to Butterfly Foundation and others, and that caters for a broader range of people with eating disorders.

**Senator O'NEILL:** I do have some questions around that, and I note comments from the Butterfly Foundation with concern around this issue. I will put these questions on notice, because they are quite detailed. You can't just signal, 'We're going to look after eating disorders', give out a lovely large sum of money and say, 'We're going to fund the MBS items', only to have the people who really need it going, 'But I don't know if I'm going to be eligible'.

**Ms Beauchamp:** I think Ms Edwards last spoke about one element of that announcement, which were the MBS items; however, a range of other things have been put in place to assist people with eating disorders. There's

the 1800 ED HOPE Helpline, there's the National Eating Disorders Collaboration, the eating disorders trial, and we're looking at residential eating disorders facilities as well. I think the Butterfly—

**Senator O'NEILL:** Is there any money in there for prevention of eating disorders?

**Ms Beauchamp:** I think there's obviously a lot of money for prevention, particularly through MBS. Even though it's focussed on those higher risk patients, if you like, these helplines and the collaborations are prevention elements. And we've been working closely with the Butterfly Foundation as well.

**Ms Edwards:** And headspace and all the youth mental health people. With eating disorders—they're not only youths—that's one of the issues that is dealt with in a course of headspace.

**Dr Morehead:** And there is our range of digital mental health strategies, which are available as well for youth who seek to go online to find support and help.

**Ms Beauchamp:** With regard to the collaboration I spoke about, the government's allocated \$2.7 million to that. That's for the Butterfly Foundation to work with a range of stakeholders to develop a nationally consistent approach around the prevention and management of eating disorders. So that's quite substantial.

**Senator O'NEILL:** Thank you very much.

**Senator MARTIN:** Ms Beauchamp, you mentioned MBF services—the trials and facilities in Queensland et cetera. Could you outline what has been invested in those areas, expand on it a little bit.

**Ms Beauchamp:** Sorry?

**Senator MARTIN:** You mentioned the trials and facilities such as EndED previously. Could you outline—expand on a little bit more—what has been invested in the MBS services there?

**Ms Edwards:** You're interested in the recent announcements in relation to investments in eating disorders?

**Senator MARTIN:** Yes please.

**Ms Edwards:** There is \$1.5 million being provided each year, to 30 June 2021, for Butterfly Foundation's national online counselling service. In addition, \$100,000 has been provided to the Butterfly Foundation for integration of ED HOPE services into the local services on the Sunshine Coast. The Butterfly Foundation is getting a total of \$2.7 million from 2016-17 to 2018-19 to support the National Eating Disorders Collaboration, to bring together eating disorder stakeholders and experts from across a broad range of fields to help develop a nationally consistent approach to the prevention and management of eating disorders.

There's \$3.2 million over three years for an eating disorders pilot on the Sunshine Coast. Of that, \$1.4 million is being provided to Butterfly Foundation, again, and \$1.8 million is being provided to the Central Queensland, Wide Bay, Sunshine Coast Primary Health Network, together with \$120,000 provided for administrative costs. This pilot is going to investigate the cost-benefits and acceptability, and also the practical challenges, of improving access to eating disorders treatments in local communities.

There was also an announcement in July 2018 that the government would contribute \$1.5 million to building Australia's first residential eating disorders facility, EndED House, in Mooloolah Valley on the Sunshine Coast, and the funding arrangements are being negotiated with Butterfly Foundation at the moment.

There's also funding of \$4 million over four years to the Inside Out Institute for Eating Disorders to translate evidence into clinical practice for people with eating disorders, and again we're negotiating funding arrangements at the moment.

And the final element of the latest announcement is the new MBS item, which provides a large number of services to those with specific eating disorders.

**Senator MARTIN:** With all that, how does that compare with previous funding for eating disorders?

**Ms Beauchamp:** I'm not sure whether we have that.

**Mrs Spencer:** We don't have that detail on us but we can certainly provide it.

**Dr Morehead:** We can certainly provide it. The Australian investment in looking into eating disorders, while relatively new, has been quite significant. We would say that, compared with other countries, Australia is doing quite a lot—and, importantly, quite innovatively. The recognition of that, through the MBS item of those 40 services plus 20 per year for people with severe eating disorders, reflects the clinical advice.

**Senator MARTIN:** Okay. Well, you can provide that later. Is this the first time that eating disorders have been placed on the MBS?

**Ms Edwards:** Yes—under that title, although obviously people with eating disorders have previously had access to MBS.

**Ms Beauchamp:** But not this comprehensive suite of both psychological and dietetic interventions. I should also mention that another element that is a key initiative is under the Medical Research Future Fund. In the Million Minds Mental Health Research Mission, which is \$125 million over 10 years, one of the key priorities is eating disorders.

**Senator MARTIN:** Thank you. I want to ask some questions about ice. Can you advise me what the government has done to fight the increased use of and problems associated with the drug ice, especially in our rural communities.

**Ms Beauchamp:** One moment, Senator. We are just getting a change of officers at the table.

**Dr Studdert:** I believe your question was about what the government's done about ice.

**Senator MARTIN:** Increased use and problems.

**Dr Studdert:** My colleagues will talk in a bit of detail, but as you'd be aware the government has the National Ice Action Strategy, which has been in place now for coming up to three years. That has enabled us to implement a balanced package of both law enforcement—that's taken by our colleagues in the law enforcement agencies—and harm reduction, including treatment services, education and other measures in that space. Is there anything in particular you wanted to ask about? We could go through in some detail.

**Senator MARTIN:** It was just a general question. I know it's a bit of a scourge in the community—

**Dr Studdert:** Absolutely.

**Senator MARTIN:** especially in rural areas and in Tasmania.

**Dr Studdert:** We're quite aware of that.

**Ms Soper:** The National Ice Action Strategy funding commenced on 1 July 2016. The Australian government provided \$298.2 million over four years. I can go through some of that funding for you in detail if that would be useful.

**Senator MARTIN:** Just a snapshot.

**Ms Soper:** The strategy includes funding for primary health networks to commission additional drug and alcohol treatment services to meet local needs, including culturally appropriate services for Aboriginal and Torres Strait Islander. That's \$241.5 million. It includes an element for communities to give locally based and tailored prevention and education activities, \$24.9 million; new Medicare Benefits Schedule items for addiction medicine specialists, \$13 million; clinical research into new treatment options, training of professionals and evaluating the effectiveness of clinical care for those using methamphetamines, which includes a new centre of clinical excellence for emerging drugs of concern, \$10.7 million; and improved data sources on emerging trends in ice and other illicit drug use patterns, treatment options and early identification of newly emerging drug threats, \$8.1 million.

**Senator MARTIN:** That's not a bad snapshot. How many extra services have been provided under the National Action Ice Strategy?

**Dr Studdert:** Would you be referring specifically to treatment services?

**Senator MARTIN:** I'm asking generally, because it's a new area for me.

**Dr Studdert:** As Ms Soper just pointed out, a big majority of the funding was for treatment services where there is a high level of demand and need, particularly in rural and regional communities. On figures there for actual services—

**Mr Laffan:** To 31 December 2018, under the strategy there have been 470 additional services provided around Australia.

**Senator MARTIN:** How do the PHNs go about deciding what services to commission under the National Ice Action Strategy?

**Mr Laffan:** As part of those commissioning processes PHNs conduct a needs analysis within their particular region. As part of that needs analysis they'll talk to the peak providers and state or territory governments, and they'll also talk to people in the local community to understand the distribution of the services within their PHN region and what might be necessary to meet the needs of that community.

**Senator MARTIN:** What are some of the outcomes these services aim to achieve through their work in the community?

**Mr Laffan:** Outcomes will depend on what the particular client is looking for. In terms of the Ice Action Strategy itself, the overall goal is to reduce harm within the community and for people who are within those

treatment services to reduce the severity of whatever their substance misuse might be. Some of the specialist drug and alcohol services that have been commissioned specifically under the ice strategy by the PHNs include, for example, in the Armidale region there was a service delivery gap for Indigenous people. The PHN there funded a culturally secure withdrawal management service. That's the first Aboriginal medical service to offer a detox program in New South Wales.

**Senator MARTIN:** How many local drug action teams are there currently in Australia and what are some of the activities they undertake?

**Mr Laffan:** There are currently 172 local drug action teams across the country. We have just concluded the fourth round of the drug action teams. The outcomes of that round should be in a position to be announced soon. Some of the things that those local drug action teams do is that they'll work a lot with Indigenous communities. There are a lot of the local drug action teams in rural and remote areas. At least one in five of the drug action teams work in Indigenous communities. Eighty per cent of those drug action teams are focused on preventing misuse of ice, and 80 per cent of them actually work with young people within those local communities—things like mentoring programs of vulnerable youth through schools and that sort of thing.

**Senator MARTIN:** What Medicare Benefits Schedule items are funded under the National Ice Action Strategy?

**Dr Studdert:** That was actually one of the decisions made in adopting the strategy—to respond to a high level of concern about drug and alcohol specialists having specified items for providing those specialist services. I think we do have some data on that.

**Mr Laffan:** I can't find my page on the specific items, but I know that since the National Ice Action Strategy came into effect over 31,000 episodes have been provided using those MBS item numbers, to a value of about \$2½ million.

**Dr Studdert:** We can confirm those figures for you on notice.

**Senator SIEWERT:** Can I go back to the release, or the non-release, of the second report. You said it made some recommendations. How many were there and what was the nature of those recommendations?

**Ms Gleeson:** You're referring again to the minister's—

**Senator SIEWERT:** The second report that the minister hasn't released.

**Ms Edwards:** It's a matter for the minister to release that report and what it contains in it. So I don't think we can tell you what's in it.

**Senator SIEWERT:** Can you tell me how many recommendations there were? You said there were recommendations.

**Ms Gleeson:** I don't have the number with me, sorry.

**Ms Beauchamp:** I'll take that on notice in terms of the status of the report and see what detail we can get to you. I've already taken that on notice.

**Senator SIEWERT:** In terms of the recommendations that have been made by the Mental Health Reference Group as part of the recommendations on the MBS items—

**Ms Edwards:** I think you need to ask in outcome 4, MBS review team.

**Senator SIEWERT:** So you haven't been involved? I was a bit unclear.

**Ms Edwards:** It's not our area to comment on.

**Senator SIEWERT:** You haven't been involved in any of that process.

**Ms Edwards:** We're not involved to an extent that we should be the ones answering questions about it.

**Ms Beauchamp:** But it did go through the MBS task force.

**Ms Edwards:** They'll be here later.

**Senator SIEWERT:** I know that, but I wanted to know how much you were involved in that and how the department is responding. I should still ask them? Isn't it going to be yourselves and the department that responds there?

**Ms Edwards:** We work across the department on all sorts of things, and we have input to things, but they manage it and own it. They'll be able to provide you the totality of the answers.

#### **National Mental Health Commission**

[17:39]

**Senator SIEWERT:** Can I ask the National Mental Health Commission one question? I'm particularly interested in mental health and aged care expenditure. Have you engaged with the PHNs about how that money is being spent? Have they sought your advice? Are you involved in any way in looking at auditing or evaluating that process?

**Ms Lewis:** We have not been involved to date, but it's something we have discussed and are very interested in, in terms of our monitoring and reporting role. It's something we intend to focus on in the coming months.

**Senator SIEWERT:** Does that mean reaching out to the PHNs, the whole 31 of them, and looking at the programs and what they're doing there?

**Mr Laffan:** The commission has met with all 31 PHNs and we do have contact with the PHNs on matters, so absolutely.

**Senator SIEWERT:** Specifically about aged care.

**Ms Lewis:** Specifically, and also with the department in terms of the detail around it.

**Senator SIEWERT:** What's the time line for that?

**Ms Lewis:** That's a piece of work we'll undertake within the next three months.

**Senator O'NEILL:** Thank you for being so patient and waiting. You've heard the conversation that we've had. Are there any contributions you want to make that you think might clarify or assist in any way?

**Ms Lewis:** I could say that some of the details, in what you have mentioned around concerns, the commission also has heard some of those concerns as we travel around the country and talk to people with mental health issues.

**Senator O'NEILL:** What are the top five that you're aware of?

**Ms Lewis:** It would be the psychosocial supports, in terms of the number of people who haven't signed up for the program and what will happen to them. I guess in terms of PHNs, there are a number of issues. The continuity of funding was an issue we highlighted. However, that sounds like it's been resolved—not resolved, but certainly been given attention.

**Senator O'NEILL:** Switching to a recommendation or an indication to move to three years is a step in the right direction, but we still have no certainty that that's going to be operationalised everywhere.

**Ms Lewis:** Yes, it's a step in the right direction. We'll continue to monitor that space.

**Ms Beauchamp:** Can I just clarify, Senator. The minister did announce certainty of funding to the PHNs. There's definitely certainty of funding from government to the PHNs for a three-year arrangement.

**Senator O'NEILL:** The psychosocial? The PHNs?

**Ms Lewis:** The other issues that are obviously concerning are around suicide in particular groups. It's another thing the commission is concerned about. They would be our top three issues. Another issue the commissioners are keen to get involved with is in the alcohol and drug space, in that the commission to date hasn't really been involved in the connection between alcohol and drugs and mental health. It's something that we would like to focus on in the coming months. They would be the top issues that we're concerned about.

**Senator O'NEILL:** Just because Senator Siewert is here and you've mentioned alcohol and other drugs, some recent evidence we received in Western Australia indicated that changes to DSS have made it quite difficult for people trying to get support in therapeutic communities to actually undertake that therapeutic model and still manage to be able to receive their support from the government. You might be interested in some of that evidence that was read in then.

**Ms Lewis:** Sure, thank you.

**Senator O'NEILL:** When you say suicide in particular groups, which particular groups are of concern to you? You're quite at the cutting edge of the concerns that have been raised in the community at this time.

**Ms Lewis:** The commission has discussed the high-risk groups that we have seen, looking at youth suicide in particular; looking at the middle-aged male—that's another particular risk group that we've been looking at; and also we had done a review in 2016 around self-harm and suicide in current and ex-members of the Defence Force. That remains of interest to us as well. The commissioners also discussed last week at a meeting the intent to develop a position statement on the commission's position and what we will do about this in relation to, in general, Indigenous suicide—so not a specific age group but in general.

**Senator O'NEILL:** Do you have any feedback on the suicide prevention trial sites with particular representation of Indigenous people? You were here while Senator Dodson was asking his questions. Do you have anything to put on the record there?

**Ms Lewis:** In last year's 2018 national reports—so the commission's national report—where we monitor mental health reform, we had a baseline conversation around the trial sites. But it was just stating facts of what was there already. But for this year's report, 2019's report, we will be looking at the specifics around the trial sites and how they've progressed. It was early days in our last report to get a feel of how they were progressing.

**Senator O'NEILL:** Did you have any input into the PHN panel recommendations and the contract extensions?

**Ms Lewis:** Are you talking about that report that is not public?

**Senator O'NEILL:** Yes.

**Ms Lewis:** The actual commission did not have input. However, as you're aware, the ex-CEO of the commission was one of the co-chairs, as was one of the commissioners. But it wasn't a specific piece of work for the commission in terms of officers at my level. So no.

**Senator O'NEILL:** Could I ask for the *Horizons* document that you referred to be tabled, so that we could see that? I know you indicated it was the PHNs. We'd love to see the report, too. I'm sure Senator McKenzie will let the minister know that.

**Senator SIEWERT:** The other one?

**Senator O'NEILL:** Yes, the one that's been missing in action for six months.

**Senator SIEWERT:** The secret one.

**Senator O'NEILL:** As the Mental Health Commission, have you had any consultations with respect to the MBS review?

**Ms Lewis:** We have discussed it at commissioner level and we did provide a submission to the MBS review—the taskforce or the working group. As you know, the report just came out and there are recommendations. The commission and commissioners are now considering those recommendations and will provide feedback.

**Senator O'NEILL:** To the department or the minister or both?

**Ms Lewis:** Usually to both.

**CHAIR:** We will now move to outcome 2.3.

**Senator SINGH:** How many GP training places are available in 2019?

**Mr Hallinan:** There are more than there used to be. My traditional answer to this would have been 1,500 places in the Australian General Practice Training Program. There are still 1,500 places in the Australian General Practice Training Program but in addition there is now an as yet undetermined number of places in complementary training programs run by the College of Rural and Remote Medicine and the Royal Australian College of General Practice. I think in aggregate the total number of GP trainees entering training in 2019 will be in the order of 1,700.

**Senator SINGH:** Are you able to provide a split between the College of Rural and Remote Medicine and the Royal Australian College of General Practice?

**Mr Hallinan:** Yes. In the Australian General Practice Training Program there are 1,350 places available in the RACGP stream of that program and 150 places available in the ACRRM of the AGPT. Separate to that there are programs now independently run by both ACRRM and the RACGP. I think the RACGP has got registered around 200 additional trainees in their separate experience pathway. around 20 to 30 in the ACRRM pathway, but those numbers are relatively new and we don't have firm advice on them at this stage.

**Senator SINGH:** Okay. Is there a state breakdown of those as well? What about the Modified Monash Model? Where does that fit in?

**Mr Hallinan:** Sure. I will look for a state breakdown. While I do that, the distribution of training places for that base 1,500 component is targeted so that 50 per cent is in Modified Monash 2 to 7 locations and 50 per cent in Modified Monash 1. That's handled both through quotas with the two colleges and through a distributed pathway with a set number of places identified as rural places and a set number of places identified as general pathway places.

**Senator SINGH:** All right. While you're looking for the state breakdown, I'm interested in how many have been filled and how many remain unfilled, either by the state or by the Modified Monash Model.



**Mr Hallinan:** I'm afraid we don't have a breakdown by state.

**Senator SINGH:** Do you want to take that on notice then?

**Mr Hallinan:** We can take that on notice and get you the state-by-state breakdown.

**Senator SINGH:** Okay. What about the unfilled places? How many are unfilled? What's happening with them?

**Mr Hallinan:** We'll have to just find the right source for this data. For the intake for this year, we've run three processes for the AGPT places. I think in total the accepted places or the offered places are 1,430-odd, give or take a few. Then, in addition to that, we have the new experience pathway places, of which there are a couple of hundred. The total number of places is above that 1,500 AGPT base, and it's the first year we have had both of these pathways available as we progress through the transition from the general practice training to the colleges over the next three years.

**Senator SINGH:** But how many are unfilled?

**Mr Hallinan:** That would leave a total of around 70 unfilled in that base 1,500.

**Senator SINGH:** How does that compare to last year? How many unfilled were there?

**Mr Hallinan:** Last year there were around 1,460 places filled, so there would have been about 40 remaining unfilled across the country. But there also wasn't last year the additional training pathways through the RACGP's experience path or the College of Rural and Remote Medicine additional pathways. So we're actually seeing an increase in intake.

**Senator SINGH:** So the consequences of the increase of the unfilled, currently, compared to last year, you're saying, is because of these different pathway opportunities now?

**Mr Hallinan:** There are a few things happening but that's one very big one that's recent to this year.

**Senator SINGH:** What are the other things that's happening?

**Mr Hallinan:** We did a review and we've been watching what's happened with intakes into general practice training over the last couple of years. Notably, there have been reductions in applications from what we call PGY1 and PGY2 doctors—they're doctors in their first and second year out of university—and we think that will be coming from a change in contracting practices in state hospitals, but also a range of the other medical specialist training paths are picking up doctors at an earlier stage in that training pathway or continuum. There's been work going on for about five or 10 years with the colleges to try to streamline intake processes.

**Senator SINGH:** Some commentators have strongly suggested that it's the government's freeze on Medicare rebates that has meant that it's just no longer financially viable to train GPs. Do you think that is a factor?

**Mr Hallinan:** If there's commentary to that effect in the sector, then it's certainly something we would consider while looking at intakes for general practice training. But, when we have looked at it, the actual trend is particularly targeted to PGY1 and 2 doctor application rates into the system. Behind that, we haven't done any surveys of those doctors to find out why at this stage. So I couldn't provide any further response on that particular point.

**Senator SINGH:** Okay. So it could be a result of the Medicare freeze?

**Senator WILLIAMS:** You're seeking an opinion, aren't you?

**Senator SINGH:** No. I'm asking about the fact that there's been a Medicare freeze and it's had a flow-on effect, and now you've got these unfilled places. I'm trying to determine whether this is a factor, as a lot of the commentary in the sector has said. You'll take that on notice?

**Senator WILLIAMS:** What year did Labor freeze that Medicare thing? Do you remember?

**Senator SINGH:** You're going to do some work to look at that? Is that what you were saying? What were you just saying, Mr Hallinan, about—

**Mr Hallinan:** We have been looking at intakes into general practice training over the last couple of years and we will do some further work with the general practice training advisory committee on that this year.

**Senator SINGH:** Okay. Thank you.

[17.55]

**CHAIR:** We now have two minutes on outcome 2.4.

**Senator GRIFF:** I'll be fairly brief, I think. My question is simply: do you consider the national waste water drug-monitoring data when determining areas of need for drug and alcohol treatment services?

*Senator Williams interjecting—*

**Dr Studdert:** I believe your question was about the waste water—

**Senator GRIFF:** Yes. Do you consider that when determining areas of need?

**Dr Studdert:** As you would be aware a new version of that report was released, I think, yesterday, and it certainly has played a role for us in a range of ways as we have worked on some of the programs over the last few years. It's a very informative data source for the mix of drugs that are being used, in particular areas of the country. Of particular interest to us in this most recent report is that it's the first time cannabis has been included in the measures. That has been a limiting constraint in previous versions of the report. It enables us, along with our colleagues in law enforcement, the public health community and the research community more broadly, to monitor trends in use and whether there are new emerging illicit drugs that are coming into communities. So, absolutely, yes, it's a useful data source. For actual requirements of individual clients in smaller communities, where we work, say, with PHNs, as we answered in the last set of questions, there are other pieces of information that we need to use in that picture, and I'm sure my colleagues could talk a bit further about that.

**Senator GRIFF:** In November last year there was an announcement of a \$20 million package for drug and alcohol treatment services for South Australia. Documents released in response to an OPD that I was successful with showed that the department attended a meeting on 27 April 2018 where it agreed to develop a set of principles of consensus, and I believe that, Assistant Secretary David Laffan, you were noted actually in that email. Was the concept of areas of need discussed at that meeting?

**Mr Laffan:** Yes, absolutely it was. There were actually two meetings on that day. The first one was with the state government and the second meeting included the state government, the peak for the service providers within the area and the PHNs—to be representative there. The areas of need were discussed during that meeting and further refined through the email processes that, I think, you received as part of your request. The department took those back from that point and had a look against existing materials and information that we had available in terms of those PHN needs assessments, but also, going to your question there about the waste water report that we used, the waste water information that we had to validate those areas of need.

**Senator GRIFF:** Okay. Looking at the areas of need, is there any reason that you could advise as to why Mount Gambier wasn't identified as an area of need?

**Mr Laffan:** In the conversations with the state government, the PHNs and the peak providers, Mount Gambier wasn't identified to be an area of need in the same way that the eight regions were that we proceeded with through those grant opportunity guidelines.

**Senator GRIFF:** Were minutes taken of that particular meeting?

**Mr Laffan:** I think that the email itself reflects the outcome of that meeting. No specific minutes are on record for it.

**Senator GRIFF:** You didn't think it was unusual that you've got Playford, Fleurieu, Peterborough, Port Augusta, Ceduna and Murray Bridge but nothing around the Mount Gambier region? It seems a bit strange, given that Mount Gambier has come up quite strongly with wastewater analysis in the past.

**Mr Laffan:** The areas of need were, as I said, validated against the wastewater information that we had. But, looking at the existing funding that was already there in the Mount Gambier region, I understand that, of about \$3½ million provided to the PHN annually, the Mount Gambier region received just short of \$1 million. They certainly have quite a significant level of service provision there already.

**Senator GRIFF:** Okay.

**Senator WILLIAMS:** Are we onto 2.5, Chair?

**Senator WATT:** We have a couple of 2.4 things, but Senator Williams can go.

**Senator WILLIAMS:** I want to take you to primary health care in relation to the government funding \$6.8 million over four years for Parkinson's nurses. Who's the best to speak on that? Thank you, committee, for this. I appreciate it.

**Ms Beauchamp:** This is the recent announcement?

**Senator WILLIAMS:** Yes. Ms Edwards, \$6.8 million over four years. How many nurses in regional Australia will that fund? Do you have any idea?

**Ms Edwards:** I'll hand over to Ms Riley, who knows more about this measure.

**Senator WILLIAMS:** You're the accountant, Ms Riley? The dollars and figures person?

**Ms Riley:** That measure is looking at improving access to specialised nurses focusing on neurological conditions, including Parkinson's, in 15 locations.

**Senator WILLIAMS:** Western Australia has already had some in place for about ten years by the state government—is that correct?

**Ms Riley:** I would be relying on you for that. I think so, yes.

**Senator WILLIAMS:** Don't rely on me! I think Tasmania, Victoria and New South Wales have some in place. Parkinson's NSW have five or six in place now. So, 15 over Australia. Who will determine and how will it be determined what regions get one of those 15 nurses?

**Ms Riley:** The approach will be through an expression of interest process with the PHNs. It may well be that—

**Senator WILLIAMS:** Explain that in my language. Expressions of interest to the PHNs?

**Ms Riley:** Sorry, Senator. The 31 primary health networks across Australia will be invited to submit—

**Senator WILLIAMS:** Does that include the cities?

**Ms Riley:** Yes. It includes all regions. It covers the whole country. They will be invited to submit an expression of interest to access the funding for one of the sites.

**Senator WILLIAMS:** When do they have to do that by?

**Ms Riley:** That will be rolling out early next financial year.

**Senator WILLIAMS:** Right.

**Ms Riley:** I guess it's important to note that the funding could be for existing nurses to upskill or it could be to employ a new nurse. These nurses could be already working with patients and it could be to expand what they're currently doing.

**Senator WILLIAMS:** Ms Riley, what if you get 31 expressions of interest and there's room for 15.

**Ms Edwards:** That's when we earn our money, Senator. We have to make assessments and decisions and give advice to the government as to where we should try. Notably, this is a pilot to find out the best way to provide additional nursing care for these types of patients. We'll be looking for innovation in what to do next, integrating and building on whatever is there already and how they might reach out to patients in the community.

**Senator WILLIAMS:** Ms Edwards, when you make those really good decisions, I hope you take into consideration regional Australia, which has little or very slow access to neurologists.

**Ms Edwards:** We absolutely do.

**Senator WILLIAMS:** Take where I live, in northern New South Wales. If I want to see a neurologist in fear I have a neurological disease—MS, Parkinson's or whatever—I could wait 12 months to get into one at Tamworth. I hope you take into consideration where it's easy to access neurologists or easier in urban areas.

**Ms Edwards:** We absolutely do. What we normally do with a trial like this is have a mix. We would have some being rolled out specifically in remote and regional areas so that we can see how PHNs are commissioning nurses do things there and some in the cities so we can compare measures. But we're absolutely acutely aware of the difficulties of access in remote and regional areas. We take it into account.

**Senator WILLIAMS:** Next question. Let's say it comes early July, you've a lot of expressions of interest and you can place the 15 nurses—do you have the 15 nurses?

**Ms Edwards:** 15 locations.

**Senator WILLIAMS:** That's what I meant: 15 locations to put the nurses in. Do you have those nurses available?

**Ms Edwards:** As Ms Riley said, the expressions of interest we'll get from the PHNs—in some places, they'll be wanting to do extra training for existing nurses who may not have this particular specialised skill, in order to build that. In other places, it will be people already trained. We want to look at building the workforce and building the skills. In some places, you could imagine, they might be saying, how do we impart this knowledge to a broader range of nurses? Say in a regional area, where you have a visiting district nurse, actually teaching him or her how to deal with these patients as an additional. We're open to a range of possible service models. That's why we're doing expressions of interest.

**Senator WILLIAMS:** In relation to those models you're open to, would you be happy to work with, say, Parkinson's NSW, who have already put the nurses in place? They know what they do. They've trained them.

They have funded them et cetera. Would you be working in collaboration with people like Parkinson's NSW in the state of New South Wales?

**Ms Edwards:** Absolutely. We're certainly taking into account the expertise that's already out there and, as I mentioned, making sure we're actually integrating. We don't want to duplicate or take over; we want to work with what's there.

**Senator WILLIAMS:** Let's say the states come forward as well. I've been told—I don't know if it's fact—the actual Parkinson's nurses actually save the state money on its hospital budget because of fewer falls, fewer accidents, fewer broken limbs et cetera. I would hope the states come on board as well.

**Ms Edwards:** One we've talked about already today is that one of the key things we're working on with the states is reducing avoidable hospitalisations, because it saves a lot of money but actually because it saves a lot of misery as well. Absolutely, that's one of the things we'll continue to look at.

**Senator WILLIAMS:** Thank you both. Wish you well. Thanks very much. Thanks, Chair.

**Senator WATT:** Back to 2.4. Professor Murphy, have you had any questions today?

**Prof. Murphy:** I've had one, I think. I'm very happy to be imparting the wisdom!

**Senator WATT:** It must have been when I wasn't here! I must have missed that. I thought I should throw you a couple to keep you entertained and keep you on your toes! Can you briefly remind us of the major health effects of tobacco?

**Prof. Murphy:** Yes, Senator. They are well beyond, obviously, lung cancer. Pulmonary disease is the most known one. There are a variety of other cancers related to tobacco. There is a whole range of vascular diseases. There are pregnancy related disorders. There is dementia. There is a vast variety of chronic diseases impacted by tobacco.

**Senator WATT:** Is it true to say it's the leading cause of preventable disease in Australia?

**Prof. Murphy:** It is certainly one of the leading causes of preventable disease in Australia.

**Senator WATT:** The rates of smoking—am I right that they tend to be higher in rural and regional Australia?

**Prof. Murphy:** Yes. In some parts of rural and regional Australia they're certainly higher, but there are other parts. There are other socioeconomic demographics in some parts of metropolitan areas. In lower socioeconomic areas the smoking rates are also higher.

**Senator WATT:** Minister, you know what I'm going to ask. Given all this, why does the National Party keep taking money from tobacco companies?

**Senator McKenzie:** I will continue to say that donations are a matter for the organisations of all political parties. Irrespective of who the National Party has taken donations from, it has not stopped me as the responsible minister nor our government from pursuing a tough stance on tobacco cessation. You will note our launch last year out in Indigenous communities, which is one of our key target groups, as their rates of smoking are still continuing to be far too high. We're able to be at community events like the AFL Indigenous Round in Alice Springs last year, handing out material, particularly to young people, in those communities to help with the cessation of smoking.

**Senator WATT:** Meanwhile, the party that you are the deputy leader of has continued to take \$56,000 in political donations from the tobacco industry over the last financial year alone.

**Senator McKenzie:** I've answered the question.

**Senator WATT:** You haven't.

**Senator McKenzie:** I have actually. It's a matter for the organisation.

**Senator WATT:** You know this is coming. This is the third time I've raised this at estimates. I raised it once with you, the next time with Senator Scullion, the leader in the Senate. You must have known it was coming. When is your party just going to kick the habit and stop taking tobacco donations?

**Senator McKenzie:** That was a very good line!

**Senator WATT:** Well, you're addicted. You're addicted to them, aren't you?

**Senator McKenzie:** There we go. There's another one.

**Senator WATT:** Yes, \$56,000—

**Senator McKenzie:** Click, click, click, Senator Watt.

**Senator WATT:** You think this is a joke?

**Senator McKenzie:** No, I do not. What you're failing to realise is that, irrespective of who is donating to the party, the proof of the pudding is in the policy outcome. Our government remains committed to smoking cessation as a longstanding strategy to better the health of all Australians. That hasn't changed.

**Senator WATT:** The only reason the government, funded by taxpayers, is having to run these anti-tobacco initiatives is that tobacco companies are still making a profit from selling a product that kills people. So, if you stopped taking donations from them, stopped supporting their products, we wouldn't have to be funding these kinds of anti-tobacco initiatives. Shouldn't we just put them out of business?

**Senator McKenzie:** Well, at the moment, it remains a legal product in this country.

**Senator WATT:** So, if it's a legal product, it's okay to take \$56,000 in donations from them?

**Senator McKenzie:** I have answered your question, Senator Watt.

**Senator WATT:** Even though Labor stopped doing it 15 years ago and the Liberals several years ago as well.

**Senator McKenzie:** I've answered your question, Senator Watt.

**Senator SINGH:** Is there any forward-looking perspective from you as a deputy leader, looking at—

**Senator McKenzie:** The federal director and the federal head of the National Party appear before Senate estimates. You'll be able to talk to them. I'm deputy leader of the parliamentary wing.

**Senator WATT:** As deputy leader of the parliamentary wing, have you spoken to your national secretariat, if that's what they're called, and encouraged them to stop taking donations from tobacco companies?

**Senator McKenzie:** It actually hasn't been a topic that's been raised in recent times.

**Senator WATT:** You've never raised it?

**Senator McKenzie:** No.

**Senator WATT:** Why not? You're the deputy leader. You've got a bit of influence there, surely.

**Senator McKenzie:** Senator Watt, again, the proof is in the pudding, and our policy commitment as a government—

**Senator WATT:** A \$56,000 pudding.

**Senator McKenzie:** to backing tobacco cessation across the nation is undeterred by whatever happens in our political organisation.

**Senator WATT:** So, take money over here, do a bit over there—that makes it right? Or is it more: do a bit over here, and that makes it okay to take money over here? Is that how it works?

**Senator McKenzie:** The important thing is that our government is pursuing strategies that will result in fewer Australians taking up smoking and continuing to smoke. We remain absolutely steadfastly committed—

**Senator WATT:** While you continue to take money from an industry that kills people?

**Senator McKenzie:** to that outcome, as is evidenced by my own decisions in the portfolio and those of previous ministers in this portfolio.

**Senator WATT:** When I asked Senator Scullion about this at the last estimates, I asked him very similar questions. I asked him whether he was prepared to raise the issue with the National Party organisation. He said that I shouldn't make the assumption that he hasn't raised it already. So you haven't bothered, as deputy leader—

**Senator McKenzie:** It's been a topic of discussion, Senator Watt, but ultimately—

**Senator WATT:** But you never raised it.

**Senator McKenzie:** No—it has been. I said I hadn't raised it in recent times.

**Senator WATT:** Have you ever raised it?

**Senator McKenzie:** It has been a topic of discussion within the political party—

**Senator WATT:** So others have talked about it.

**Senator McKENZIE:** and it has been the decision of the party organisation to accept the donations that they accept from whom they accept them.

**Senator WATT:** So others have talked about it, but you, as deputy leader and as Minister representing the Minister for Health—

**Senator McKenzie:** I'm not going to who said what to whom within discussions of my political party and the organisation or the party room. What I am saying to you, Senator Watt, is the National Party and I, as the

responsible minister, and I'm sure every minister that's preceded me, are committed to seeing smoking rates decrease in this country.

**Senator SINGH:** As a responsible minister—as I'm sure you are—

**Senator McKenzie:** One of many.

**Senator SINGH:** how does it sit with you that your party takes this money from big tobacco?

**Senator McKenzie:** I guess I can't add anything more to my answers other than: it is a matter for the party; it has been a matter of discussion. The party organisation accepts money from whomever they do, and that is a statement of fact. A statement of fact also is that we are taking really comprehensive action on tobacco cessation as a government.

**Senator WATT:** How many times are we going to have to ask about this before you stop taking tobacco donations?

**Senator McKenzie:** I do not take donations from tobacco.

**Senator WATT:** Your party, the party of which you are the deputy leader and, some say, future leader.

**Senator McKenzie:** I'll be really clear, and we can do this every estimates if you like.

**Senator WATT:** So we're going to have to keep asking?

**Senator McKenzie:** That is a matter for our party organisation.

**Senator WATT:** So we have to keep coming back year after year, three times a year, and you'll continue taking tobacco donations—your party?

**Senator McKenzie:** I said we can do this every estimates. You can go through who's donated to the National Party, and I will continue to say it is a matter for the party organisation.

**Senator WATT:** That's very disappointing, because you know how many Australians smoke, especially in rural and regional areas. You say that you're the party that cares about rural and regional Australians. There are higher smoking rates in rural and regional Australia, and you're prepared to sell them out and sell out their health for the sake of \$56,000.

**Senator McKenzie:** Again, if that were the case, we wouldn't be pursuing the groundbreaking, world-leading smoking cessation strategies that we are in regional and rural communities and in Indigenous communities, right across the board.

**Senator SINGH:** As a responsible minister, as you said, talking about cessation of smoking programs, would you then deny anyone calling you a hypocrite?

**Senator McKenzie:** Me personally?

**Senator SINGH:** You as a minister from a party that takes money from big tobacco.

**Senator McKenzie:** I don't think you can actually be a hypocrite if you look at the actual evidence.

**Senator WATT:** That's exactly what a hypocrite is—someone who says one thing and does another.

**Senator McKenzie:** All right, let's go through it, because clearly you don't know what the government is doing in this area.

**Senator WATT:** A hypocrite is someone who says one thing and does another.

**Senator McKenzie:** The National Tobacco Strategy, aiming to commence in 2019—

**Senator WATT:** We know about that.

**Senator McKenzie:** No, clearly, you don't know about what our government's doing to cease tobacco in this country.

**Senator WATT:** You are proving the definition of hypocrite. You're about to tell us about all the things you do—

**Senator McKenzie:** Yes.

**Senator WATT:** while you're doing exactly the opposite. That is exactly what a hypocrite is.

**Senator McKenzie:** No.

**CHAIR:** Senator Watt, you have about two seconds to finish.

**Senator WATT:** I think we've made the point. I really hope that we don't have to do this again next time. I really hope that in the intervening period you and Senator Scullion can demonstrate some leadership and influence your party to stop taking tobacco donations.

**Senator McKenzie:** Thank you, Senator Watt.

**Senator MARTIN:** Minister, could you tell me what the government is doing about tackling smoking numbers in Australia.

**Senator WATT:** Taking money.

**Senator McKenzie:** Yes, we can. For Indigenous communities specifically?

**Senator MARTIN:** Yes.

**Senator McKenzie:** On 11 February 2018, Minister Wyatt announced that the TIS program would continue with an additional \$183 million worth of funding, taking that out to 2021-22. This is a key component of our commitment to the implementation plan of the National Aboriginal and Torres Strait Islander Health Plan, which guides our core business. All smoking goals within the implementation plan are on track. The majority of the funding is allocated to regional tobacco control grants for a range of locally targeted activities. Funding supports regional tobacco control grants, the national best practice unit and a national coordinator. We have enhanced data collection at a regional level and enhanced activities for priority groups, of which Indigenous Australians in remote communities are one. There are Indigenous Quitline enhancements, a Quitskills brief, intervention training and a national program evaluation. The National Tobacco Campaign complements the TIS program. The rates are going down but, as I said, too many Australians are still continuing to smoke, particularly in our rural and remote Indigenous communities.

**Senator MARTIN:** Has the work that the government has been doing in this area, in funding, helped reduce the number of smokers?

**Senator McKenzie:** Yes, it has.

**Ms Beauchamp:** The number of Australians smoking as a percentage of population continues to decline. The recent data from the National Drug Strategy Household Survey has shown a further decline. I think the most recent measurement was from 2016. Smoking rates in Australia are amongst the lowest in the world. So we've had significant success with the longstanding range of measures that the government and successive governments, including our state and territory governments, have implemented over many years now, and I think Australia has a track record that stands above most.

**Senator SIEWERT:** I have a question on outcome 2.4 relating to the anti-smoking campaign. You may have just answered this—I'm sorry, I had to leave the room—but could you tell me how much funding has been allocated to or spent on the tobacco mass advertising campaigns in the last year?

**Dr Studdert:** The last phase of National Tobacco Campaign activity was from 25 May 2018 to 24 June 2018 with a budget of \$7.3 million. That included a media buy of \$5.9 million. My colleagues can give you more detail.

**Senator SIEWERT:** Sorry, I missed the last bit.

**Dr Studdert:** The total spend on the campaign was \$7.3 million, with a media buy—there's also the associated creative work—of \$5.9 million, and that was across television, radio, out of home, print, digital, online and Indigenous specific media channels.

**Senator SIEWERT:** How does that compare to the spend in previous years?

**Ms Soper:** In 2015-16, the spend was \$8.9 million. In 2016-17, the spend was a little over \$8 million. The 2017-18 phase that Dr Studdert just talked about was \$7.3 million.

**Senator SIEWERT:** That's gone down by over \$1.5 million over that period of time. Is there a reason for that decrease?

**Dr Studdert:** It varies each year as different priorities around social marketing and campaign activity vary. As the minister mentioned a few minutes ago, there are a range of other activities we've done, particularly in the Indigenous tobacco space. We tend to respond to what the evidence and the advice is from expert groups as to where the best spend of the available budget is. So it will vary year to year, but there's been pretty sustained investment in the National Tobacco Campaign and its various elements for many years now.

**Senator SIEWERT:** Is the spending on the Indigenous smoking initiative on top of the \$7.3 million?

**Dr Studdert:** Yes, that's right. The National Tobacco Campaign is, but I should note that the focus of the National Tobacco Campaign—correct me if I'm wrong, colleagues—has been Indigenous smokers in recent years, given the persistently high prevalence in that community group. Interestingly, some of those campaign elements have been effective in mainstream population groups too, so they're not exclusive. They're compatible and have effect, and we do track that across different population groups as well.

**Senator McKenzie:** The specific campaign that I was mentioning to Senator Watt earlier is called Don't Make Smokes Your Story. We have a range of activities at community events and collateral, I guess.

**Senator SIEWERT:** I've been following that program for some time—

**Senator McKenzie:** Yes, I imagine you would.

**Senator SIEWERT:** particularly through the cross-portfolio Indigenous estimates. Is the decision-making about how much you spend on the campaign based on marketing advice about the amount of money you have to spend to get an impact?

**Dr Studdert:** We definitely get advice, including from our media buying team, around the mix of media that we buy and how best to reach, given this day and age, where there are so many different media channels—so we get advice around how the media buy is spread. There is a lot of evidence and a lot of research groups, particularly in Australia, that are world leading that give us advice on what sorts of campaign materials and media buy you need to have appropriate impact.

**Senator SIEWERT:** You mean the media buy in terms of the diversity but also the amount?

**Dr Studdert:** Yes.

**Senator SIEWERT:** You base that on advice?

**Dr Studdert:** Yes.

**CHAIR:** We are done with outcome 2.4 so we will go to 2.7 for the three minutes remaining before dinner.

**Senator GRIFF:** Eight years ago, the various Australian governments decided to agree on a set of indicators on hospital safety that would be collected and committed to these indicators being made transparent in near real time. Am I correct in understanding from your responses to my questions on notice 1056 and 1146 from last estimates that, apart from staph infections, there's been no meaningful progress in eight years in getting other safety indicators developed, apart from the fact that it appears the process restarted again from July last year?

**Ms Edwards:** Are these the questions you were asking in relation to the work AHW was doing last time?

**Senator GRIFF:** Yes.

**Ms Edwards:** The AHW were here early this morning.

**Senator GRIFF:** I asked this question first up this morning about hospital indicators when they were there and I was told it was going to be 2.7.

**Ms Edwards:** I'm not sure how much I'm going to be able to help you.

**Senator GRIFF:** That is why I wanted to clarify it first up.

**CHAIR:** Would you consider putting it on notice?

**Ms Edwards:** Which are the numbers of the question on notice?

**Senator GRIFF:** They are 1056 and 1146. That actually effectively says there wasn't any progress in the eight years apart from—what I can see is—the actual process of the indicators really restarted again July last year.

**Ms Edwards:** We might be able to provide some information on this.

**CHAIR:** Do you want to come back to it?

**Senator GRIFF:** We can have an early dinner break, if you want to.

**Ms Edwards:** This is work being pursued through our collaboration with states and territories and, as I mentioned, it's being worked through the Health Services Principal Committee, of which I'm a member, as is the AHW. I think the issue was that the focus on it was not intense for that period, as you say, but now work has really commenced in earnest to work on the health performance framework.

**Senator GRIFF:** So I'm correct in my statement that the work that's been done over the last eight years has been effectively stopped and now the process restarted again from July last year?

**Ms Edwards:** I wouldn't be able to comment on whether 'stopped' is the right characterisation but I certainly can assure you that, since July, the AHW have been working hard to progress it quickly.

**Senator GRIFF:** The new indicators under development, are they intended to be reported on at an individual hospital level or would they only be reported on a consolidated basis? In other words, will members of the public be able to refer to these indicators and see how individual hospitals are tracking versus overall a result?

**Ms Edwards:** I hate to let you down but I'm really not across the detail of it. We will have to take it on notice. Sorry, if you were shunted to the wrong area:

**Senator GRIFF:** I was definitely shunted; that was the first thing I asked early this morning.



**CHAIR:** We can now break for dinner and be back at 7:30.

**Proceedings suspended from 18:29 to 19:29**

**CHAIR:** Senator Griff.

**Senator GRIFF:** Thank you, Chair. Ms Beauchamp, I'm happy to do a private briefing, but if you want to just perhaps just put it on the record.

**Ms Beauchamp:** As I indicated, Chair, I said I'd follow up with the AIHW. I apologise to Senator Griff if I pushed off the AIHW until this afternoon—I thought the senator was wanting more information on hospital funding. Over the break we did contact Barry Sanderson from AIHW. To confirm Senator Griff's comments: we have not put it in abeyance, the work that's been going on for the past eight years, but a lot of the indicators previously were not measurable, and the like, and we've take those up with the states and territories and are now revamping the process. So my apologies. And, of course, Barry Sanderson said he's absolutely happy to brief you on where that's up to.

**Senator GRIFF:** I appreciate that. I have a handful of other questions on the topic. Do you actually collect data on the complication rates of individual surgeons?

**Ms Edwards:** That sort of information is collated. I think that you want to direct those questions to the commission for safety and quality, who haven't been called this time. But what I could suggest is to put some of those questions on notice, and we will make sure they get to the right place and back to you—whether it's AIHW, the safety and quality commission, the department or anyone else in the Commonwealth we can find.

**Prof. Murphy:** On the complication rates by surgeon, I think there are a variety of systems that do capture that data. The college of surgeons runs a very comprehensive mortality and morbidity audit process, as do many of the special surgical societies—the cardiac surgeons run a very comprehensive outcomes database and they report that information back to hospitals at the individual surgeon level. So there's a variety. Surgeons in general—certainly in the major hospitals—have very comprehensive morbidity and mortality reviews tracking complications and processes of investigation. The challenge, which I'm sure you're addressing, is aggregating that up to a national level and getting public reporting, which is sort of—

**Senator GRIFF:** Which was agreed by COAG going back many months ago, that the process would take place over time.

**Prof. Murphy:** Yes, and I think in the surgical fraternity nobody objects in principle to public reporting. The challenge is always to make sure that the data is properly risk-adjusted—because in the first cut of this data, the surgeon who does—you know, the operations that nobody else will do because of the high-risk factors—gets the worst outcomes. Other countries are ahead of us in this. The UK publicly reports cardiac surgery outcome, not that the consumers seem to pay a lot of attention to it. So I think we are on a track to do that. But I think, in general, the quality and outcome data in surgery, certain at the hospital level, is much better than in the non-surgical specialities.

**Senator GRIFF:** What's the status of that with the states? You were involved in that as well.

**Ms Edwards:** I'm not specifically involved in that AHMAC process with the AIHW, so I can't comment on what's happening to bring that stuff together. The reason you're frustrated about having simple indicators like infection rates and things is that those data are the least subject to data issues and risk rating. They're something that people can agree about, and it's black and white. The more complicated the data, and often the more meaningful in terms of outcomes, the more complex it is in risk adjustment. I think the reason the AIHW has taken such a lead role in this is that the states and territories have a lot of confidence in AIHW. One of the challenges in the AHMAC process is getting everyone to trust each other, and the AIHW has taken on this role as a trusted data custodian. I think that shift is going to lead to more confidence about public reporting.

**Senator GRIFF:** Alright. Chair, until we have our briefing I'm happy with that set of questions.

**Senator SINGH:** I want to move on to hospital funding. Last estimates I think Senator Watt was talking about a dispute over public hospital funding for the 2016-17 year. To recap, the Commonwealth was in a dispute with all states and territories over the reconciliation of funding for that year. Is that a fair summary?

**Ms Edwards:** I think last time we had a discussion about whether it's properly characterised as a dispute, but it's certainly the case that all the states and territories took a different view about the 2016-17 reconciliation. You'll recall we discussed clause 23 of the National Health Reform Agreement to COAG, and it went to COAG. The reconciliation, as far as we're concerned, is now complete. We're working hard—or, at least, the independent bodies are—with the states, the territories and the Commonwealth on the 2017-18 reconciliation.

**Senator SINGH:** Okay. You confirmed in your question on notice from last estimates—question SQ18-1310—that this is the first time a dispute over hospital funding has been escalated to COAG since the National Health Reform Agreement was signed in 2011. If that's the case, do you think it was a fairly serious dispute?

**Ms Edwards:** It was an important issue. We agree the reconciliation was an important issue, and the states felt strongly about it and raised the issue. They're complicated issues and we continue to work closely. As you know, they're primarily the responsibility of the Independent Hospital Pricing Authority and the administrator for hospital funding—those independent bodies. They consult with all states and territories and the Commonwealth.

**Senator SINGH:** As I just said, would you regard it as a serious—

**Ms Edwards:** It's an important issue, yes.

**Senator SINGH:** That wasn't my question. My question was: was it a serious dispute, in light of it being elevated to COAG?

**Ms Edwards:** It was the only one that's been elevated to COAG.

**Senator SINGH:** Yes. It's a 'yes' or 'no' question.

**Ms Edwards:** No serious dispute has been elevated to COAG.

**Senator SINGH:** Alright, we'll settle on that one. No doubt you'll probably refer me to Prime Minister and Cabinet with this one, but what's your understanding of whether this was discussed by COAG at its meeting on 12 December last year?

**Ms Edwards:** You're correct: I'll be referring you to Prime Minister and Cabinet.

**Senator SINGH:** The communique from COAG includes this line:

Recognising the importance of integrity and predictability in health funding, leaders agreed to incorporate improved processes in the next health and hospitals agreement to support clear consultation ahead of annual funding determinations and provide greater clarity and transparency for all governments, for COAG's consideration by June 2019.

**Ms Edwards:** Yes.

**Senator SINGH:** What's your understanding of what that means?

**Ms Edwards:** That means that COAG and first ministers have sent back to health departments—that involves my team and the states and territories—to discuss what could be the arrangements for reconciliations and for the governance of the national bodies in the next agreement and the extent to which that could be considered before any adjustment might be needed to the current agreement. Those discussions are continuing and are productive, and actually a lot of advance has been made on how we might increase the transparency of those processes and the predictability of them—and they're ongoing.

**Senator SINGH:** Do any of those improved processes around transparency and the like do anything to resolve the current dispute?

**Ms Edwards:** The discussions are about the process generally, with the focus on what should be in the next agreement. Of course, once negotiations are complete we'll have to consider going back to COAG with the extent to which they might be applied to the current processes, but mostly they're about going forward. From our point of view, the 2016-17 reconciliation is complete and finished, and, as I said, we're working on the 2017-18 reconciliation now.

**Senator SINGH:** Is this department working on options for COAG's consideration?

**Ms Edwards:** We're discussing the issues that have been raised. I think there were four—

**Senator SINGH:** Are you working on options for that?

**Ms Edwards:** We're exchanging drafts on ways to improve the transparency of the process. That's a collaborative and effective process. There are some difficult issues that the states and the Commonwealth have a different view on, but we're working through them.

**Senator Scullion:** I think a lot of people are interested in history—not for too long. The reason there was some conflict was that the states had put forward the numbers based on presentations in the hospital that aren't actually static. There's no reason to say, for example, that skin rashes are up by 78 per cent and constipation is up by 67 per cent. You'd think 2016-17 was a really bad year—particularly antibiotics and penicillin resistance; they were belted up by 167 per cent. On the ground nobody has ever heard about that. Of course, trouble in initiating and maintaining sleep that year was up 134 per cent. We'd normally say, 'There's a benchmark, but actually on the ground they're not getting reported massive outbreaks.'

The Commonwealth is quite reasonably looking at taxpayer dollars and saying, 'Maybe we're getting a bit touched up here.' The term rorting or overcharging comes into it. This is an expectation. The states give us a bill that we're expected to pay, but we're also expected to look after the taxpayer's dollar. Those are the sorts of things we have asked the Independent Hospital Pricing Authority to deal with. It wasn't that the states and territories and the Commonwealth can't get on about a matter; there were significant matters of content that were inexplicable and still haven't been explained on the basis of submissions from the states. Now that's been resolved. We've all got different views about how these matters are resolved, but it is important that the Commonwealth maintains some scrutiny over these matters.

**Senator SINGH:** Let's just turn to the negotiations for the next Commonwealth-state hospital agreement, which is for 2020 to 2025. Is that correct?

**Ms Beauchamp:** Yes.

**Senator SINGH:** I'm conscious that some states have signed a heads of agreement, a principles document.

**Ms Edwards:** Six of eight, yes.

**Senator SINGH:** Not Victoria or Queensland?

**Ms Edwards:** Yes.

**Senator SINGH:** Have any states signed an actual agreement?

**Ms Edwards:** No, the negotiations are ongoing, and COAG have decided that we could have a bit longer, so during this year—

**Senator SINGH:** That's fine.

**Ms Edwards:** A lot of advance has been made.

**Senator SINGH:** Is it fair to assume that no state or territory will sign the agreement before the federal election?

**Ms Edwards:** I think we're progressing very quickly; we're not aiming—

**Senator SINGH:** Well, within the next few months?

**Ms Edwards:** I think negotiations will take longer than that to settle, but we're very well advanced.

**Senator SINGH:** It was supposed to wrap up by the end of June, wasn't it?

**Ms Edwards:** It was. Originally the agreement was supposed to be concluded by the end of last year. COAG had a look at it and said, 'Well, very good progress, but you need a bit more time.' They agreed that it should be concluded by the end of this year. In addition they said that, in relation to this issue of back casting and reconciliation, advice should go back to COAG by June. That's what we're aiming for.

**Senator SINGH:** Okay. All jurisdictions have previously agreed to negotiate the next agreement by 2018.

**Ms Edwards:** Yes, but, as I mentioned, COAG reconsidered the issue and it's now until the end of 2019.

**Senator SINGH:** Okay. I want to turn to the Community Health and Hospitals Program that the minister announced in December. I understand the states and PHNs were invited to make submissions by 1 February.

**Ms Edwards:** Correct.

**Senator SINGH:** So was anyone else invited to make submissions, other than the—

**Ms Edwards:** At this point, no.

**Senator SINGH:** Why weren't the Aboriginal Community Controlled Health Organisations invited to apply?

**Ms Edwards:** It's the first phase of consideration for spending in the community health and hospital program. The first people approached were the states and the PHNs.

**Senator SINGH:** But why?

**Ms Edwards:** Because they have coverage of the whole of Australia.

**Senator SINGH:** But why not the community, alcohol and other drugs sector? They're across Australia.

**Ms Edwards:** Well—

**Senator Scullion:** No, they're not. The jurisdictions are not Australia-wide. Just by—

**Senator SINGH:** Well, they're different jurisdictions and they're Australia-wide!

**Ms Edwards:** It's a very big process. We got well over 200 proposals in from the states and the PHNs, with a total ask of over \$4 billion. That's a good place to start.

Obviously, in their own processes, states and PHNs would have talked to people within those jurisdictions. The PHNs have done very complex needs assessments which draw on those. It was a really good place to start to see what proposals are out there to be considered.

**Senator SINGH:** Where was that decision made?

**Ms Edwards:** It was a—

**Ms Beauchamp:** It was a decision made by the government and the minister. I think that what—

**Senator SINGH:** By the government—to start with the PHNs and the states?

**Ms Beauchamp:** he wanted to get an idea of what the priorities were across the country. The states and territories were a good start to that, and also the PHNs, who have coverage right across Australia.

**Senator SINGH:** Okay. What's the total value of submissions so far?

**Ms Edwards:** About \$4 billion.

**Ms Rishniw:** So far, the total submissions received from PHNs and state governments is 262 at a total value of \$4,567,598,000.

**Senator SINGH:** On notice, can I get a breakdown between states and electorates, and source of applications?

**Ms Rishniw:** We can provide a breakdown in terms of states and the number of submissions received between states and PHNs on notice. It wasn't on the basis of electorates.

**Senator SINGH:** And source of applications.

**Ms Rishniw:** So, PHNs and state governments?

**Senator SINGH:** Sorry, yes.

**Ms Rishniw:** Yes, we'll divide it into PHNs and state governments.

**Senator SINGH:** Okay. How will the applications be assessed?

**Ms Edwards:** We've commenced an initial consideration of the various applications—that's advice for the executive—and, in due course, advice will be provided to the government about those.

**Senator SINGH:** Is there a notional amount allocated for each of the different categories?

**Ms Edwards:** The government has been clear that there'll be facilities and services provided in every state and territory. There's no more specific allocation than that. We're looking for good ideas.

**Senator SINGH:** What were the kinds of criteria for comparing different submissions?

**Ms Edwards:** One of the issues here, of course, is that the 262 proposals were across the broadest possible range. We had a look, firstly, at those which didn't seem to be in the scope of what's been announced by the government for the program, and we then made general assessments about priorities and where they fit. We had a think about where there might be duplication and so on in making assessments.

We have a lot of faith in the states and also in the PHNs, which have actually done the needs assessments. They are good proposals, as a rule. It's always a matter of weighing up what, where and how.

**Senator SINGH:** What, where and how. How many staff have been allocated to assess the applications?

**Ms Rishniw:** I'd need to take that on notice, to give you specific numbers. I think it's in the order of 15 staff who have been looking at the proposals. But if I can get you a specific number, I will.

**Senator SINGH:** Okay. What about the funding? Where in the department did that come from? Is there funding allocated for these staff?

**Ms Edwards:** For the assessment? We've just absorbed that within existing resources.

**Senator SINGH:** Okay. And where in the department?

**Ms Edwards:** It is being coordinated out of—

**Ms Rishniw:** Portfolio Strategies Division.

**Ms Edwards:** Portfolio division, but drawing on resources from around the department.

**Senator SINGH:** Portfolio Strategies Division, okay. Were any consultants hired?

**Ms Edwards:** No.

**Senator SINGH:** Has the minister already announced any projects that will be funded from the CHHP?

**Ms Edwards:** As I mentioned this morning and then later this afternoon, there have been two proposals announced to date which have been attributed to the CHHP. One is in relation to James Cook University moving

some researchers in order to free up and relieve pressure on the Cairns Hospital, and the other in the Peel campus in Western Australia.

**Senator SINGH:** Did we get the costs of those two?

**Ms Beauchamp:** It was \$60 million for the Cairns university hospital and, for the Peel, it was \$25 million.

**Senator SINGH:** We're aware of one announcement of \$25 million for the Peel Health Campus in WA.

**Ms Edwards:** Yes.

**Senator SINGH:** Can you outline the process that led to that announcement?

**Ms Edwards:** That's a process where there have been ongoing discussions at a ministerial level.

**Senator SINGH:** So—what?—there was no process at the departmental level.

**Ms Beauchamp:** These were two announcements the minister made after consulting with state and territory colleagues. The overall aim of the program is about supporting patient care and reducing pressure on community and hospital services, and these two were seen as a priority.

**Senator SINGH:** Where did these two come from? Did you offer up these two to the minister?

**Ms Beauchamp:** They would have come from the states.

**Senator SINGH:** So the department didn't have any involvement.

**Ms Beauchamp:** Not on these two. There was advice provided by the states through the minister's ministerial colleagues.

**Senator SINGH:** Was a bid received?

**Ms Edwards:** Not as part of the process that has been done with states and territories. Things happen in advance, but ministers meet and discuss high-priority projects, and these were among those.

**Senator SINGH:** So there was no assessment by the department of any sort of bid.

**Ms Edwards:** It wasn't an application through the department.

**Senator SINGH:** So this was a political call.

**Ms Edwards:** It was a decision of the minister.

**Senator SINGH:** With no process and no assessment or anything to do with the department.

**Ms Beauchamp:** We didn't say there was no process.

**Senator SINGH:** It seems to be a political call.

**Senator Scullion:** I don't think that's fair characterisation. The jurisdictions—the states—were involved, and they run the health systems, and they've put forward submissions, so the minister was working with his jurisdictional colleagues. They've put forward submissions that they know—and they know their particular needs.

**Senator SINGH:** I recognise that, but it's a bit of an anomaly when states put forward their bids—it's not called a bid in this sense—or their choice, and it bypasses the Department of Health and goes straight to the minister. The Department of Health are completely hands-off on anything that the states did and put forward. I find that really hard to believe—

**Ms Edwards:** These are important initiatives.

**Senator Scullion:** It definitely happened.

**Senator SINGH:** other than it being a political call.

**Senator Scullion:** It's a call of the government, not of the department; that's accurate. But I don't know about the political bit.

**Ms Edwards:** They're important projects for major infrastructure for health in these states.

**Senator SINGH:** Let's break it down a little bit more. So the minister, Minister Hunt, made the announcement on 6 February, three business days after submissions closed. How is it possible to do any kind of due diligence in that time of three days?

**Ms Edwards:** These projects are not among the proposals provided through that formal process. They were dealt with separately and apart. They were not among the proposals we received and are assessing now. It's a very large fund—

**Senator SINGH:** They weren't amongst the proposals received.

**Ms Edwards:** It's a very large fund and there's a number of ways proposals are being considered. One of those ways is through the invitations to states and PHNs, but that's not the only way that access can be made for

government decisions out of the CHHP, and these were important infrastructure projects which the government decided were urgently required and have been announced.

**Senator SINGH:** When did the submissions close for these infrastructure projects? Three days before the announcement, as I just said, or some other time?

**Ms Beauchamp:** I think, as Ms Edwards said, these were a separate process and—

**Senator SINGH:** What were the dates around that process?

**Ms Beauchamp:** These had been under consideration prior to the closing of applications that we sought by 1 February.

**Senator SINGH:** When did the application close for these projects?

**Ms Beauchamp:** I'd have to take that on notice, in terms of when they first came to our attention and the attention of the minister.

**Senator SINGH:** Why do you not know that, Ms Beauchamp?

**Ms Beauchamp:** I think these proposals, as I said, were under consideration by the minister some time before the applications closed in our process around PHNs in the states and territories.

**Senator SINGH:** I'm very confused right now with what you're saying. You've got this announcement on 6 February. My understanding is that it was three days after submissions had closed. But that was for the other applications, not for what the minister was announcing. So now I'm asking you about the process for the ones relating to the WA one that the minister announced, and you can't tell me anything to do with that process.

**Ms Edwards:** There are a number of mechanisms by which proposals can be considered for the CHHP. One of those is the one the department has led, which is calling for proposals from the states and the PHNs. There may be other processes also undertaken, and these proposals came from direct ministerial contact over some time. We've taken on notice to find out when we were first aware of them. But major infrastructure projects like this are raised with ministers and the department frequently by states because they're major hospital infrastructure projects.

**Senator SINGH:** Will the CHHP be used to benefit every hospital in Australia?

**Ms Edwards:** It'll be used to benefit facilities and services in every state and territory. That doesn't necessarily mean every hospital.

**Senator SINGH:** Will it restore the Commonwealth's share of efficient growth to 50 per cent?

**Ms Edwards:** It's a completely separate process to the agreed methodology of hospital activity based funding.

**Senator SINGH:** Will it restore Commonwealth funding to reduce emergency department and elective surgery waiting times in our hospitals?

**Ms Edwards:** It's a separate process—a major injection into health and hospital funding separate from hospital ABF funding.

**Senator SINGH:** You'd be aware of the concerns that this CHHP is seen as a pre-election slush fund, and certainly those concerns have been put to the opposition, so I would like to know if the department has taken any steps to ensure its role in this program is apolitical in the lead-up, obviously, to the next few months, going into an election campaign.

**Ms Beauchamp:** We provide advice to government on a range of matters. The decision-maker for this fund is the minister, in consultation with his colleagues. So, ultimately, the decision's going to be made by the minister, but we certainly provide our advice.

**Senator SINGH:** Was that a yes? Will you be apolitical in the next few months?

**Ms Beauchamp:** The department, in terms of our professional code of conduct, does operate in an apolitical manner.

**Senator SINGH:** Thank you, Ms Beauchamp.

**ACTING CHAIR:** Thank you Senator Singh. Senator Di Natale.

**Senator DI NATALE:** I won't be long. I want to go back to preventive health and chronic disease support, and I have some questions on the obesity summit that was held last Friday.

**Senator Scullion:** We'll do our best.

**Ms Edwards:** They're there. I thought I'd sent them home.

**Senator DI NATALE:** Yes. I was hoping you might still be here. I just want to talk about the obesity summit that was held on Friday. Obviously, you're aware of that. Your department was involved.

**Dr Studdert:** I was there, yes.

**Senator DI NATALE:** Can you tell me about outcomes of the summit?

**Ms Soper:** Yes, I can. I can talk through some of the outcomes we got. There were a range of things that emerged: the need for multidisciplinary care models across jurisdictions, Commonwealth, state, territory and local government. There was a range of conversations through there, and we've come up with some things that we will take forward. I can go into more detail if you like, but I'll just give you the headline at the moment—the food environment, the importance of the first 2,000 days—

**Senator DI NATALE:** What does 'the food environment' mean?

**Ms Soper:** The food environment—the conversations were around work with retailers to encourage healthy eating through initiatives such as targeting price, promotion and placement. Case studies of effective interventions were shared, where stores were able to move towards more healthy food and drink options without an overall impact on sales. There was a research angle. A need exists for more case studies of successful interventions to build an evidence base for practical and achievable initiatives that can be rolled out across Australia. Consideration of Australia's agricultural production and exportation, with what is required for Australia's nutritional needs, and targeted interventions in Aboriginal and Torres Strait Islander communities, particularly targeting primary-school-aged children, are required. The other key outcomes are, as I said, the impact of the first 2,000 days and the importance of physical activity. These outcomes will all go towards an obesity strategy, which Queensland Health has undertaken to develop under the COAG Health Council.

**Senator DI NATALE:** Queensland Health are taking the lead on that?

**Ms Soper:** They have, yes.

**Senator DI NATALE:** Why is the federal government not taking the lead on it?

**Dr Studdert:** There was a discussion at the COAG Health Council, which Minister McKenzie was involved in, and a number of the jurisdictions were interested in contributing and being involved, so the decision was made that the federal government would lead with hosting and organising the summit and that the Queensland government would lead with the follow-up and development of the strategy. But that will be done in consultation with all the jurisdictions.

**Senator DI NATALE:** So the Queensland government is developing the national obesity strategy?

**Dr Studdert:** It's leading on behalf of the COAG jurisdictions.

**Senator DI NATALE:** That's unusual.

**Dr Studdert:** We have other work that we divide between the jurisdictions.

**Senator DI NATALE:** I just don't know why the federal government is not taking the lead in developing this strategy. It's a national strategy.

**Dr Studdert:** There were a number of jurisdictions interested in being involved.

**Senator DI NATALE:** Sure.

**Dr Studdert:** And that was just the decision that was made on sharing the workload. We were all contributing, and we'll all be involved at the officials level.

**Senator DI NATALE:** Okay. I'm just going through the list of outcomes. Was the Senate report on obesity discussed through the summit at all?

**Dr Studdert:** It was mentioned as one of the areas where we have advice to take forward. There wasn't a specific discussion about that, but I'm sure you wouldn't be surprised that a lot of the same issues that you and your colleagues identified in that report were also discussed in the summit and, I expect, will emerge in the strategy.

**Senator DI NATALE:** I note that issues like junk food advertising were not part of the outcome measures.

**Dr Studdert:** I think Ms Soper gave some headlines. That was certainly one of the areas of potential future action that were mentioned.

**Senator DI NATALE:** Where does that fit in with the list of measures that you described? You talked about price, placement, research and shifting within stores so that there's greater emphasis on healthy products without affecting the bottom line, but I didn't see anything on advertising and promotion.

**Ms Soper:** No. What I explained to you are the key considerations or outcomes that came from the summit. That then leads into the strategy, as I said. There has already been some work done in junk food under the Healthy Food Partnership engagement, which the department—

**Senator DI NATALE:** No, I'm talking specifically about the summit. I'm aware of what work's been done. So you did an obesity summit but didn't talk about junk food advertising?

**Dr Studdert:** It was certainly mentioned in a number of the presentations as one of the measures that—

**Senator DI NATALE:** But it's not listed in your list of outcome measures.

**Dr Studdert:** As I said, I think Ms Soper just gave you some headlines. It's only been four days. We're still digesting and preparing a comprehensive write-up.

**Senator DI NATALE:** Was pricing discussed?

**Dr Studdert:** It was mentioned, yes. We had a presentation from the UK, and there was some talk about some of the work that's been done there.

**Senator DI NATALE:** Including sugar-sweetened beverages?

**Dr Studdert:** Yes.

**Senator DI NATALE:** So that was discussed at the summit?

**Dr Studdert:** The presentation from the UK mentioned some of the experience they've had with that measure, yes.

**Senator DI NATALE:** Who presented it?

**Ms Soper:** Dr Susan Jebb, the UK government adviser on obesity. She Skyped in.

**Senator DI NATALE:** She spoke about it. What was the outcome of that presentation in terms of the impact that that was having in the UK?

**Dr Studdert:** I'd have to go back and look at the exact data that she presented. For me, one of the important messages that came through her presentation was that you have to take a range of measures, as you know.

**Senator DI NATALE:** Sure. But, specifically about sugar-sweetened beverages, was the flavour of it a positive presentation on the impact of measures on sugar-sweetened beverages?

**Dr Studdert:** I believe it was.

**Ms Soper:** She talked through the measures that the UK government has taken and how to handle that.

**Senator DI NATALE:** In terms of people who are in the room, have you got an invite list? Is that something you could provide?

**Dr Studdert:** We can certainly provide it.

**Ms Soper:** I don't have it with me here.

**Senator DI NATALE:** Are you happy to provide that on notice?

**Ms Soper:** Yes.

**Senator DI NATALE:** Can I ask in terms of the proportion of industry versus public health doctors and academics? Is that something you need to take on notice?

**Dr Studdert:** There was certainly representation from all public health, academic, state and territory governments, and industry, as you mentioned, including retailers and manufacturing.

**Senator DI NATALE:** So the processed food industry was represented?

**Dr Studdert:** Yes, if I recall correctly.

**Senator Scullion:** Perhaps they can take that on notice so they can indicate which sector—

**Senator DI NATALE:** I am just interested in general terms. As was raised through the obesity inquiry, there is a question about the role of the processed food industry in the formulation of an obesity strategy. I am interested in the view of the department as to whether they should be a key stakeholder involved in the formulation of the strategy.

**Dr Studdert:** This was a preliminary piece of work that invited all potential stakeholders and partners in a strategy and implementation of it to come and share conversations and views. As you know, reformulation has been one of the big areas of work that has been done both in Australia and internationally in relation to chronic disease prevention and obesity. That absolutely has to involve industry.



**Senator DI NATALE:** Of course, but there are also opponents of things like regulation on advertising; yet we know from the public health community that that is an effective intervention. I'm interested in whether they need to be involved in the development and what role they will have in the development of the strategy.

**Dr Studdert:** I don't know the specific consultation plan for the development strategy at this point. As I said, we certainly expect as the Commonwealth jurisdiction to continue to be involved and contributing and I expect that there will be a range of consultations with all the parties that would be involved. How you characterise that in terms of what role they will have, they will be consulted.

**Senator DI NATALE:** To be clear about what the next steps look like, firstly, will the recommendations from or the outcomes of the summit be made public?

**Dr Studdert:** Yes, we are going to put the outcomes from the summit up on our website, the same as the presentations that were received on the day.

**Senator DI NATALE:** You are going to put the presentations up as well?

**Dr Studdert:** We are, yes.

**Senator DI NATALE:** Oh, good.

**Dr Studdert:** We had a range of people across a range of sectors, and we will put those up on the website as well.

**Senator DI NATALE:** Terrific. In terms of the next steps, there is the COAG process that Queensland Health is leading. Is something being developed for the next COAG meeting?

**Dr Studdert:** I don't expect it will be ready for the next COAG meeting, because I think that is in early March. It will be a process that carries on through this year. I expect the Queensland minister will probably give an update on it.

**Ms Beauchamp:** This summit will feed into the development of the strategy. I think COAG has agreed that consideration of proposals come back by June 2020.

**Senator DI NATALE:** June 2020?

**Ms Beauchamp:** Yes.

**Senator DI NATALE:** That's the deadline?

**Ms Beauchamp:** Yes.

**Senator DI NATALE:** Sorry, consideration? Can you just explain what that means?

**Ms Beauchamp:** We will be working with all the jurisdictions and stakeholders with the Queensland government. Indeed, as Dr Studdert said, a number of jurisdictions do want to get involved in this. Then, I think, proposals will be put finally to COAG for consideration by June 2020.

**Senator DI NATALE:** For sign off?

**Ms Beauchamp:** As a sign off, but of course there will be progress reports and things provided to COAG.

**Senator DI NATALE:** So, basically, your aim is to have an obesity strategy up and running by June 2020?

**Ms Beauchamp:** Subject to agreement.

**Senator DI NATALE:** Yes, but that is the deadline that you are working to.

**Ms Beauchamp:** That's correct.

**Senator DI NATALE:** Will there be a process for public submissions? Do we know what the COAG process is going to look like?

**Ms Beauchamp:** It was only agreed at the October COAG process and I think those things are being natted through now between officials.

**Senator DI NATALE:** Okay. So, at this stage, you've got the buy-in of all the states; it's being led by Queensland; and you are going to develop some sort of process for considering various recommendations?

**Ms Beauchamp:** Yes.

**Senator DI NATALE:** And we don't know what that looks like yet but, hopefully, there might be a bit more flesh around that by the meeting in March perhaps?

**Ms Beauchamp:** In terms of going through a number of processes, each jurisdiction will want to seek, on some occasions, their cabinet consideration of some of the proposals coming forward. So I think we'll be looking, not necessarily at the next COAG but at the COAG after—the health council—for an agreed way forward, a process to involve stakeholders and consultation.

**Senator DI NATALE:** Okay, and then hopefully having a final list of recommendations put to COAG in 2020 and signed off—

**Ms Beauchamp:** Yes.

**Senator DI NATALE:** I think that's enough from me. Thank you.

**ACTING CHAIR:** Thank you. We will go to Senator Martin and then proceed to outcome 3. No-one else has told me they have any further questions on outcome 2 other than Senator Martin, so we will proceed.

**Senator MARTIN:** Yes, 2.7, hospital services. Has the Commonwealth government cut the hospital funding to any state?

**Ms Edwards:** No. In fact, hospital funding in every state has increased and is continuing to increase, and the national rate is also increasing.

**Senator MARTIN:** Can the department explain why the latest Australian Institute of Health and Welfare report, *Health expenditure Australia 2016-17* notes Commonwealth government funding to public hospitals grew by six per cent in 2016-17 whilst state contributions grew by just 0.1 per cent over the same period.

**Ms Edwards:** I can't explain that. We have great transparency and visibility over the contributions we make in accordance with the activity based funding formula, which requires us to pay a base plus 45 per cent of the efficient growth, so, as services go up, capped, and each year we'll be paying additional. And, of course, the contribution that the states make, being the key operators of public hospitals, is not something we have full visibility over.

**Senator MARTIN:** Okay. Can you tell me what the funding to Tasmanian hospitals for 2012-13 to this year was.

**Ms Edwards:** In 2012-13, it was \$294.1. I'm getting tired at this time of the evening; I might get my colleagues to check I'm reading the right numbers.

**Mr Culhane:** In 2012-13, the Commonwealth provided payments totalling \$294.1 million, and in 2017-18 payments were \$424.1 million.

**Senator MARTIN:** What funding to Tasmania from the Commonwealth is expected to 2025 under the new national hospitals agreement?

**Mr Culhane:** Over the five-year period of the proposed next national hospitals National Health Reform Agreement, total payments to Tasmania are expected to be \$2,407,008 million—so \$2.4 billion.

**Senator MARTIN:** I will go back to the state funding. What was the difference between the Commonwealth funding to Tasmania compared to the state contribution?

**Mr Culhane:** Sorry, what was the period you were asking in relation to?

**Senator MARTIN:** Well, whatever current information you've got to June 2017-18.

**Mr Culhane:** Over the period 2012-13 to 2017-18—

**Ms Edwards:** We've got those numbers, but we have them at MYEFO, so that's fine. I think your question was: how much have the state contributions grown and how much have the Commonwealth contributions grown? We've only got the Commonwealth contributions here.

**Senator MARTIN:** If you'd like to take that on notice and get back to me with that, that would be great.

**Ms Edwards:** Yes.

**Senator MARTIN:** That concludes my questions.

**ACTING CHAIR:** That concludes outcome 2. Thank you very much for that, Ms Edwards. You can let officials know that they can depart. A highlight of the Senate estimates evening is always Senator Farrell and sport. That will be dealt with very shortly.

[08:16]

**ACTING CHAIR:** We will now deal with outcome 3.

**Senator FARRELL:** Minister, on 24 October last year, you announced an additional \$50 million over two years for high-performance sport.

**Senator McKenzie:** That's right.

**Senator FARRELL:** That same day the Australian Olympic Committee CEO, Matt Carroll, gave a National Press Club address calling for an extra \$60 million a year for Olympic sports. That evening at estimates you told us that the funding was a decision of the government taken in the 2018-19 budget—

**Senator McKenzie:** Yes.

**Senator FARRELL:** but, until that morning, not yet announced.

**Senator McKenzie:** Yes.

**Senator FARRELL:** The budget was on 8 May last year, the national sports plan was released on 1 August last year and the funding was announced on 24 October. My question is: why did you wait nearly five months after budget day and nearly three months after the release of *Sport 2030* to announce it? Why not make the announcement as part of the national sports plan?

**Senator McKenzie:** Thank you, Senator Farrell, and thank you for recognising the \$50 million the government appropriated to—

**Senator FARRELL:** I couldn't miss it.

**Senator McKenzie:** I do appreciate it. It doesn't get talked about enough!

**Senator FARRELL:** It was done on the same day as estimates, coincidentally!

**Senator McKenzie:** It wasn't a coincidence at all, because we'd taken the decision in May to provide our medal sports with \$50 million in the lead-up to Tokyo 2020. It was a decision of government, obviously, when we made that announcement. But it really actually built on the \$100 million. Since the budget in May 2018 our government has delivered \$150 million to high-performance sport, which I know the AIS and Sport Australia are putting to very good use, not just developing our athletes ready for Tokyo 2020, but indeed pathway athletes going on to Paris and beyond.

**Senator FARRELL:** Yes, but you knew full well that people in sports were looking for some financial announcement along with the national sports plan. Why didn't you simply announce the \$50 million with that? Why did you wait another three months?

**Senator McKenzie:** These were decisions of government. We took decisions as part of the budget—

**Senator FARRELL:** Yes, but—

**Senator McKenzie:** let me finish and answer your questions—that included \$150 million for high-performance funding. It also saw \$41.7 million to Sporting Schools—a fabulous program that's delivering sports in secondary and primary schools across the country. There is also our fabulous Community Sport Infrastructure fund, which has been so popular we've ended up extending it by another \$60 million, with over 2,000 applications from little clubs right around Australia. It's been incredibly powerful. And I'm sure you will have seen another decision that we took at budget last year, which was to invest in older Australians getting back on the court, back in the pool and back on the field through our Better Ageing Grants, which is another \$22.9 million.

We've invested right across the sporting ecosystem as part of our government's commitment to get more Australians more active, more often. That means, yes, investing in high performance, which we've done to the tune of \$115 million since the budget, but, specifically for our government, it's also about investing in pathways and investing in communities, because that's where we're going to get those great benefits of participating in sport and physical activity. It's good for your health, every dollar we spend on this will give us a \$7 return in the health budget, it's good for your mental health and it's great for social cohesion and community building.

**Senator FARRELL:** Yes, but, if it's as good as you've just said—

**Senator McKenzie:** It's great.

**Senator FARRELL:** You announced \$50 million over two years, yet CEO Carroll said he wants \$60 million each year. So he obviously doesn't agree.

**Senator McKenzie:** The AOC has a significant amount of its own funding. We as a government make strategic decisions about how to support our high-performance athletes. Investing in the AIS itself is a decision that we want to see money put aside for. It's about getting the balance right through the whole sporting ecosystem. I appreciate Matt's opinion, but I think the government's got the balance right.

**Senator FARRELL:** Yes, but you'd agree that he's asking for more and it is a different amount—

**Senator McKenzie:** Yes, the AOC is asking for more.

**Senator FARRELL:** In making the announcement, you said that the funding would benefit Australia's high-performance program as our athletes prepare for the Olympics and Paralympics in Tokyo next year. Can you tell me, please, whether the \$8 million for our Paralympians in the lead-up to Tokyo announced on 6 February this year is additional to the \$50 million announced in October?

**Senator McKenzie:** Yes, it is additional.

**Senator FARRELL:** Why didn't you say that at the time?

**Senator McKenzie:** Sorry?

**Senator FARRELL:** Why didn't you say that? Why didn't you make it clear that it was an additional amount?

**Senator McKenzie:** Okay, I didn't realise I had to, but, for anyone who is in any doubt, it was an additional \$8 million to our Paralympic Committee.

**Senator FARRELL:** Is that part of this \$150 million you're talking about? It's in addition?

**Senator McKenzie:** It's in addition.

**Senator FARRELL:** It's in addition to the \$50 million, but is it—

**Senator McKenzie:** Since, I think, MYEFO, total Sport 2030 funding for the sports plan is in excess of \$320 million—it is \$324.9 million. I'll run through every program, because high-performance sport is also split into—

**Senator FARRELL:** No. It's very kind of you to offer, but—

**Senator McKenzie:** I'm very helpful on this topic, as you know.

**Senator FARRELL:** What say you just answer my questions and we stick to that procedure?

**Senator McKenzie:** Okay, my apologies.

**Senator FARRELL:** With all due respect. You talked about an extra \$150 million.

**Senator McKenzie:** No, I said the government has put \$150 million since the budget towards high-performance sport.

**Senator FARRELL:** Yes, and is the \$50 million to high performance part of that \$150 million?

**Senator McKenzie:** Yes.

**Senator FARRELL:** And is the \$8 million part of that \$150 million?

**Senator McKenzie:** No, it's additional—plus an additional \$12 million for Paralympics Australia. Eight million dollars is to support Tokyo 2020 for our Para athletes and \$4 million is for a training facility in Melbourne with specific accommodation and training capability.

**Senator FARRELL:** And that's all over and above the \$150 million that you're talking about?

**Senator McKenzie:** The \$12 million is over and above the \$150 million, yes. Sorry, I should have said \$162 million.

**Senator FARRELL:** In October, it wasn't known how the funding would be invested. Has that been determined now and, if so, how will that funding be provided to sports, and can you give us a breakdown?

**Senator McKenzie:** I'll let our head of the Australian Institute of Sport, Mr Peter Conde, who's overseeing this high-performance program, answer.

**Mr Conde:** Senator, all of the sports are aware of their funding. All of the money, bar a small contingency amount, which we use as appropriate—\$400,000 this year and \$900,000 next year—has been appropriated to sports. The only other exception to that is where we are undertaking some refresh programs for sports. That money has been put aside until the completion of those refresh strategy processes.

**Senator FARRELL:** One of the concerns that is regularly raised with me at the events that I attend is the lack of clarity in the communication about the funding. You may disagree, but that's what's been raised with me. For example, several sports had funding, particularly participation funding, cut in the most recent allocation. Is that correct?

**Ms Palmer:** That's not correct. In fact, the allocations have not been confirmed for participation. We're in the process of confirming those investments at the moment.

**Senator FARRELL:** What would these people be talking about, then, when they're raising it with me? What would they think?

**Ms Palmer:** I can't answer that, Senator. I'm not sure. Definitely—with the exception of some of the professional sports, which are the large sports: AFL, tennis, league and cricket—we have discussed but not confirmed their ongoing funding.

**Senator FARRELL:** Would they have got the impression that their—

**Ms Palmer:** Yes, they would have. In particular, for the Matildas and FFA and rugby, their high-performance investment is maintained and has been increased, I believe.

**Senator FARRELL:** But their participation funding has been reduced?

**Ms Palmer:** That has not been confirmed, but we have had preliminary discussions with them about that.

**Senator FARRELL:** So they could be forgiven for thinking that—

**Ms Palmer:** Yes, they could be—just those four.

**Senator FARRELL:** Are you able to tell us whether the participation funding will, in fact, be cut or you haven't made that decision yet?

**Ms Palmer:** I can't confirm because it's still part of the clearance or confirmation process. I can't confirm it, but we should be able to do that within the next four weeks.

**Senator FARRELL:** When you communicate that to them, how do you communicate that to them?

**Ms Palmer:** Face-to-face—the CEOs.

**Senator FARRELL:** They come to Canberra or you go to them?

**Ms Palmer:** No, I would go to meet with them.

**Senator FARRELL:** Mohammed goes to the mountain, or vice versa! I suppose they might think that there's a bit of a conflict: on the one hand, the government's saying, 'We're giving you all this extra money,' as the minister has just outlined, but, on the other hand, if the participation funding is in fact cut, there's an inconsistency. Do you think that they might think that way?

**Ms Palmer:** No. In assessing the criteria, what we're looking at is professional sports that generate millions and millions of dollars, and their ability. In fact, Tennis Australia is a really good example: \$2½ million contributes to tennis being delivered in the Sporting Schools program. Tennis Australia contributes as well, which is fabulous. They have feet on the ground. They can leverage that \$2½ million investment. In effect, they are still receiving a significant amount of participation funding; it's just delivered in a different way.

**Senator FARRELL:** So you think that they're not potentially suffering a cut in participation?

**Ms Palmer:** Yes, but the professional sports which generate over \$50 million—

**Senator McKenzie:** AFL, NRL, Tennis Australia, cricket. They're not poor sports.

**Senator FARRELL:** Ms Palmer was very clear on which ones they are. Thank you for assisting, though, Minister, as appreciative as I am of your assistance.

**Senator McKenzie:** I've missed you, Senator Farrell!

**Senator FARRELL:** I've missed you, too, Minister! But I do have some other questions to ask.

**Senator McKenzie:** Sorry. My apologies.

**Senator FARRELL:** Along with some sports saying there's been a lack of clarity, they're also saying that there's been a lack of transparency. One of the changes on the website since the Sport Australia rebrand seems to be that the previous National Sporting Organisation Investment allocation tables have been removed from the website. What exactly has happened to those previous investment allocation tables? And why aren't they easily accessible on the website any more?

**Ms Palmer:** I'll have to take that on notice.

**Senator FARRELL:** You weren't aware?

**Ms Palmer:** No. There may be some confusion because of the changeover from the Australian Sports Commission site to the Sport Australia site. But I'll have to take that on notice. I can't confirm that. There'd be no reason that I—

**Senator FARRELL:** If it proves to be true that those tables that used to give quite a bit of detail on where the funding is going are no longer there—perhaps by accident—and they've been removed, you'd have no difficulty putting that information back on?

**Ms Palmer:** None at all, no.

**Senator FARRELL:** Just to give you one example: they used to show the total of both participation and high-performance funding.

**Ms Palmer:** Yes, I'm aware of the tables you're talking about.

**Senator FARRELL:** And there's been no pressure from the government to change that?

**Ms Palmer:** No. As I said, I suspect it's probably in the changeover from the Australian Sports Commission site to the Sport Australia site. We're moving into a new model of website—easier to use, but obviously it's not working on this occasion.

**Senator FARRELL:** There are multiple changes to the investment allocations across a number of sports: plenty of cuts and some increases. In the absence of clear, published criteria explaining the basis for these decisions, can you talk us through why those sports getting more get more, and why those getting less get less, both in terms of participation and high-performance funding?

**Ms Palmer:** As I said, for the 2019-20 financial year there will be no cuts to sports in the participation funding, with the exception of those four sports I've talked about. But in terms of high performance, Mr Conde will be able to answer that question.

**Mr Conde:** I believe that we have described to all the sports, either directly or through the roadshows that we've done, the exact criteria that we are using. I think that, having had 23 performance directors from 23 different sports with us over today and tomorrow, they're very appreciative of the increased transparency that they see now with the criteria. And we're very happy to make those criteria absolutely plain. Some of the changes—a lot of the changes—that we've made have been in order to adhere to the—

**Senator FARRELL:** Are the criteria that you're talking about playing to the clubs—or the sports—or playing to the public?

**Mr Conde:** The criteria are very much around their performances as sports—the capability that they're building, their record, their potential to perform in the future and the like. We've described that in some detail.

**Senator FARRELL:** You say they should all know what your criteria are now.

**Mr Conde:** Yes.

**Senator FARRELL:** They should be left in no doubt.

**Mr Conde:** Yes, that's absolutely right. And we're happy to go to whatever lengths are required to make sure that all, from the board to the coaches, are clear about what they are.

**Senator FARRELL:** There was what was being referred to as a 'future fund' in the tables listed in the 2017-18 budget. What's happened to that? I know it's probably before your time.

**Mr Conde:** Yes. It would be before my time. There are no other funds that are unallocated, I do know that. So all funds have been allocated, other than the small amounts I described earlier.

**Senator FARRELL:** On a different topic: last week, Minister, you released the government's response to the review of Australia's sports integrity arrangements. It's obviously a very important piece of work.

**Senator McKenzie:** Thank you.

**Senator FARRELL:** As you know, I agree that we must do what we can to protect Australian sports from integrity threats, which we know are evolving around the world and for which Australian sport is not immune. I do have a few questions about some of the details of the response, particularly in relation to the National Sports Tribunal.

**Senator McKenzie:** Yes.

**Senator FARRELL:** On introducing the National Sports Tribunal (Consequential Amendments and Transitional Provisions) Bill 2019 in the House of Representatives last week, you said that the tribunal will be established on 1 July this year. My first question is: is that a hard deadline? If so, why?

**Senator McKenzie:** That's obviously our aspiration. It will depend on the deliberations of both the House of Representatives and the Senate.

**Senator FARRELL:** Yes.

**Senator McKenzie:** That's the aim, so help me.

**Senator FARRELL:** I can't help you in the lower house. I could always assist you in the Senate.

**Senator McKenzie:** I would think there is a lot of bipartisan goodwill around making sure our sport here in Australia is clean, safe and fair. I know you share that aspiration, Senator Farrell.

**Senator FARRELL:** I do, and Labor will be doing everything to ensure that happens.

**Senator McKenzie:** Thank you.

**Senator FARRELL:** But the fact is, isn't it going to be very difficult to establish the tribunal by that date, given that everything needs to be done to implement such a significant change? Do you agree with that?

**Senator McKenzie:** Obviously it is a process and will require a lot of consultation not just here with our agencies. We'll have to appoint a CEO and finding tribunal members et cetera for the process which is in the bill.

**Senator FARRELL:** I want to talk to you about some of that.

**Senator McKenzie:** I'll let Mr Andrew Godkin go to any detail. Obviously those processes take time, but our aspiration is absolutely to get the sports tribunal up and going as soon as possible.

**Senator FARRELL:** I have had the advantage through your office of a very detailed conversation about that, so my questions actually relate to other issues that have emerged since we've seen the bill. At the time of our discussion I don't think I'd seen the bill. Would that be correct?

**Mr Godkin:** That's correct.

**Senator FARRELL:** So my questions are post the receipt of the bill. The bill says that establishing the tribunal will have no net cost to government. Is that correct?

**Mr Godkin:** The funding is drawn from existing resources in the portfolio.

**Senator FARRELL:** Yes. Can you tell us exactly how the establishment and operation of the tribunal is going to be funded? Are you redirecting funds already in the sports area?

**Mr Godkin:** It was an outcome of the MYEFO process. It hasn't made it into the pay figures, because it was after the cut-off. There has been an allocation for the implementation of various review measures over the next two years.

**Senator FARRELL:** So there's no net cost. That's obviously come from somewhere else.

**Mr Godkin:** That's correct.

**Senator FARRELL:** Where is that? Where does it come from?

**Mr Godkin:** It was an allocation across the portfolio's existing resourcing, so I couldn't that with any detail.

**Senator FARRELL:** Who would know the answer to that?

**Dr Studdert:** We could ask our budget people to talk to you about the overall process, but there is, in any budget process, a lot of funds moving around, and this was one of those that was—

**Senator FARRELL:** One imagines, if you're setting up a new tribunal, there presumably is a cost to that, but you've said to the parliament that there's no net new costs to that. Unless it costs nothing to set up a new tribunal—and I don't believe that can be true—money must come from somewhere else in the department. All I'm saying is, where's it coming from?

**Ms Beauchamp:** And that's been part of the budget process. It's been through a cabinet process in terms of the reallocation of funds.

**Senator FARRELL:** That's good. So the decisions have all been made, but what is being lost in one part of the department to pay for the establishment of the tribunal?

**Senator McKenzie:** I know where you're trying to go, Senator Farrell, but obviously in budget processes as complex as the Department of Health's is—which includes sport—it's not a matter of robbing Peter to pay Paul. It's about making decisions across the portfolio that deliver on outcomes, also bearing in mind we have an integrity unit in the Home Affairs portfolio, and there are other areas across government that will be also coming into the new bodies we're setting up as a result of our response.

**Senator FARRELL:** I appreciate you're combining a range.

**Senator McKenzie:** Yes.

**Senator FARRELL:** Is that where the money's gone? It's not a trick question.

**Senator McKenzie:** No, but I think you've got to understand the complexities here mean that through the budget process the amount of money required to set up the tribunal has been found and allocated. So it's all tickety-boo from here on in.

**Senator FARRELL:** Don't be afraid to explain complex proposals to me.

**Senator McKenzie:** I'm not.

**Senator FARRELL:** I'll do my best to understand them.

**Senator McKenzie:** I think we have answered the question. It's part of the budget process.

**Senator FARRELL:** Okay. It's been indicated that the system might work on a cost recovery system. Is that going to be part of the mechanism by which you would ensure that there's no net cost in this process?

**Mr Godkin:** The allocations that have been received through the process will cover us for the next two years and during that time we will be exploring sustainable funding options for the ongoing integrity activities.

**Senator FARRELL:** And that includes cost recovery?

**Mr Godkin:** It may, yes.

**Senator FARRELL:** If it does, the big sports have already come out and said that they are not prepared to opt in. I know you may have a different view about where this ends up. But their public comments so far have indicated that they're not going to opt in to a cost recovery, which leaves it to the smaller sports, the less wealthy sports, to be part of the opt in. What do you think the chances are of them being prepared to opt in, in the absence of the big sports?

**Mr Godkin:** Are you talking in the context of utilising the services of the National Sports Tribunal?

**Senator FARRELL:** That is correct, yes.

**Mr Godkin:** It remains to be seen exactly how those services may be accessed. As I said, we have got funding for the next two years to establish and to operate the National Sports Tribunal and we have to wait to see what occurs.

**Senator McKenzie:** The comments I have had and that have been made publicly are particularly from our athletes from those smaller sports who don't have existing internal tribunal mechanisms. For our Olympians, their court of sort of appeal is in Lucerne Switzerland. I mean, it's quite ridiculous to expect them to spend that amount of time out of their training and that financial cost to actually access justice. So it remains to be seen, and we need to keep an open mind, because I have had a lot of positive comments from athletes in particular.

**Senator FARRELL:** But not from the big sports. They've made it pretty public.

**Senator McKenzie:** We've got to be careful not to read too much into former employees of big sports making public comments. On the day that we launched this response that set up both these bodies, the head of AFL integrity was in the room and the NRL was there. Netball Australia were uber excited about the proposals. All of the major comp sports are incredibly supportive, because we have taken them on this journey with us in our consultation over the last six months since the release of the Wood review. So I think it would be unfair to characterise this as something major sports don't support, because, on the day, they were standing very proudly next to me launching our response.

**Senator FARRELL:** Yes, but in *The Age* of Saturday 16 February, the headline was, 'Sports spurn new national integrity body'.

**Senator McKenzie:** If you want to go into complex detail, if you read that article, it's a former employee of a major sport who has problems, not the sports themselves.

**Senator FARRELL:** Well, I guess we'll see. While we're talking about the sports integrity, I did discuss this with the chair before she left. I was going to see if we could perhaps bring ASADA up because they often—

**Senator McKenzie:** Appear together?

**Senator FARRELL:** No. They often get less. It looks like you've done some damage.

**Senator McKenzie:** That did not happen on the sporting field.

**CHAIR:** We will move now to outcome 6.

#### **Australian Sports Anti-Doping Authority**

[20:44]

**Senator FARRELL:** Thank you for coming along. I've read your statement endorsing the government's sports integrity plans. Do you have anything else you'd like to add to what you've already publicly said?

**Mr Sharpe:** Yes. Absolutely ASADA is fully supportive of the government's stance in taking a leadership role in delivering Sports Integrity Australia and the tribunal. It's to our benefit. It's an opportunity for us all to coordinate our response from the government and with sports. So, certainly, it's to everyone's benefit for us to be a party to that.

**Senator FARRELL:** The original recommendations relating to ASADA did not suggest it be merged with an overarching body like the planned Sports Integrity Australia. Do you foresee any potential challenges in operating in that sort of environment?

**Mr Sharpe:** Certainly not. I think it actually enhances Australia's ability as a national antidoping agency to have the broader context of intelligence, the broader intelligence available, and assets and resources around education and welfare. It only enhances our ability to deliver a world-class antidoping program.

**Senator FARRELL:** Has ASADA undertaken work to determine what sort of additional funding is going to be required to implement the review's recommendations with respect to antidoping in the context of the government's plans to merge, as we've talked about, with Sports Integrity?



**Mr Sharpe:** Yes. We went through a number of comprehensive reviews over a number of years, and, in fact, government provided an additional \$3.8 million last year to deliver on our future model which would transition into Sport Integrity Australia.

**Senator FARRELL:** What sort of ballpark figure do you think you're going to need to join in with the Sports Integrity?

**Mr Sharpe:** I think our operating budget that we work off now is effective, with the additional injection of \$3.8 million.

**Senator FARRELL:** With the additional \$3.8 million.

**Mr Sharpe:** It certainly allows us to deliver the model that we are delivering effectively.

**Senator FARRELL:** Some stakeholders, including peak bodies, have raised a few concerns with me around some of the recommendations of the review as they relate to ASADA. Recommendation 19 suggests extending statutory protection against civil actions to cover NSOs in their exercise of the antidoping rule violation functions. In a situation where a sport may have been negligent in carrying out its antidoping functions, wouldn't that remove the right of an athlete who has suffered losses as a result of the negligence from seeking damages through civil action?

**Mr Sharpe:** No. ASADA, over a period of time, made a number of submissions to Justice Wood and the review, and, certainly, Justice Wood has taken evidence—and detailed evidence—in relation to those submissions and supported all the recommendations through his recommendations.

**Mr Godkin:** What I might have there is that I think there's still a good-faith test in relation to the exercise of those protections.

**Senator FARRELL:** So my suggestion is that an athlete who has suffered losses as a result of that negligence would still be able to take civil action. Is that the answer?

**Mr Sharpe:** That's correct, yes.

**Senator FARRELL:** And you agree with that?

**Mr Godkin:** My understanding of that is that they have to act in good faith for those protections to be applied. If there were negligence involved, then I suspect that it would open it up to that.

**Senator FARRELL:** Recommendation 19 also suggests empowering the ASADA CEO to comment on current cases under broader circumstances than currently permissible under section 68E of the ASADA Act, including where misinformation has been published. It's been suggested to me that that could open the door to extreme pressure, including from the media, on the CEO to disclose athlete information to correct misinformation disseminated by someone other than the relevant athlete. How would you think that risk might be handled? Do you agree that's a risk?

**Mr Sharpe:** I agree it's a risk, but it certainly stems from, obviously, our learning outcomes out of Cobia and the inability for the CEO at the time to be able to comment and correct the record. Certainly, at the moment, it's still only being able to comment under the act in response to an athlete and an athlete's comments.

**Senator FARRELL:** Recommendation 23 suggests excluding the right to claim privilege against self-incrimination when answering a question or providing information to ASADA. Wouldn't removing the privilege against self-crimination that has long been set out in Australian common law in this case mean athletes lose a privilege that will be extended to people charged with more serious criminal offences?

**Senator McKenzie:** Mr Godkin, this was something that we looked at but it's not just athletes we're talking about here. In previous cases that ASADA is quite familiar with, this particular ability would have allowed them to conclude cases in a lot more timely, expeditious and, probably, satisfactory manner.

**Senator FARRELL:** Removing the provision against self-incrimination?

**Senator McKenzie:** Do you want to go to the detail?

**Mr Godkin:** I have two early points. Because anti-doping and doping aren't criminal matters in Australia, they fall under a civil regime. ASADA does not sanction athletes or athlete support personnel for violations; that's the role of the sport. In the current situation, we have, under contractual arrangements, the requirement for athletes, athlete support personnel and participants to answer those questions to sports. It does not currently exist under the existing regime for ASADA. So the recommendation out of the Wood review is that ASADA should not have to vicariously rely upon the contractual powers of sports. As the national regulator it should have that power itself. That's why we are looking to remove that provision and, indeed, match the current disclosure notice provisions and the production of documents and things under the disclosure notice system.

**Senator FARRELL:** Do you have anything you want to add to that?

**Mr Sharpe:** The only point I'd add to that is that it actually allows ASADA to be more effective at targeting higher end facilitators who aren't subject to sporting contracts.

**Senator FARRELL:** Returning to some broader issues relating to the proposed national sports tribunal, I understand that the minister will appoint members of the tribunal. That's correct, isn't it, Minister?

**Senator McKenzie:** Sorry, say that again. Sorry, I apologise.

**Senator FARRELL:** No, that's alright. Under the proposed National Sports Tribunal, it's my understanding that the minister will appoint members to the tribunal. Is that correct?

**Senator McKenzie:** Yes, who meet specific criteria that's outlined in the bill.

**Senator FARRELL:** Who will nominate or recommend potential members for the appointment? Will there be a short list or similar provided for consideration? And, if so, how will that be prepared?

**Senator McKenzie:** They're the processes, obviously, that we need to work out once the bill passes both houses. Obviously, I prefer those sort of transparent processes, where we go to market, see who's interested and have a short list come before the minister. But, in terms of whether or not that's the process adopted, it will depend on how we set that process up once the bill's passed. But I would like to see a process that involves a short list going towards the minister that's been open to the public.

**Senator FARRELL:** Yes. If we've got a 1 July start, and you haven't started the process of thinking about who might be on the tribunal, it's going to be a little bit of a rushed process. Would that be a fair—

**Senator McKenzie:** Well, we have thought about this.

**Senator FARRELL:** Have you? Okay.

**Mr Godkin:** There was a recommendation in the Wood review that the existing panel members of the anti-doping rule violation panel have the skill set that would lend themselves to be effective members. Of course, it doesn't mean that they would be, but there's already a pre-existing skill set there.

**Senator FARRELL:** Have they been approached?

**Mr Godkin:** No, it's too premature for that.

**Senator FARRELL:** Will you have the ultimate and final call on every member appointed to the tribunal?

**Senator McKenzie:** The minister will.

**Senator FARRELL:** You are the minister, aren't you?

**Senator McKenzie:** Yes, and I plan to stay that way.

**Senator FARRELL:** Once the members have been appointed to the tribunal—

**Senator McKenzie:** Sorry, the minister will take the preferred members to cabinet, obviously. So it's finally a cabinet decision.

**Senator FARRELL:** I understand that. Once the members have been appointed to the tribunal, I understand the CEO of the tribunal will appoint selected members to specific arbitrations. Is that correct?

**Mr Godkin:** Yes, that's what's envisaged at the moment, but the rules will need to be established for the operation of the tribunal and its various divisions.

**Senator FARRELL:** Who will establish those?

**Mr Godkin:** Once the bill is considered and is passed by the parliament, the rules will then be established.

**Senator FARRELL:** Will the parties to a particular arbitration have any right to reject a particular member appointed by the CEO if they believe that member might be prejudiced in relation to the matter being arbitrated?

**Mr Godkin:** The rules have not been put together yet; no doubt, those types of issues will be taken into account.

**Senator FARRELL:** They'll be considered, yes.

**Senator MARTIN:** Minister, I've read several reports with regard to funding for high-performance programs. You've answered that they get \$150 million at this stage. How much of that—

**Senator McKenzie:** More than \$150 million, but we won't go into—

**Senator MARTIN:** How much of that money actually goes to the AFL, and what would that be for?

**Mr Conde:** In high-performance funding?

**Senator MARTIN:** High performance, yes.

**Mr Conde:** None.

**Senator MARTIN:** Was that \$9 million?

**Senator McKenzie:** No. It's predominantly for the development of our Olympic athletes.

**Senator MARTIN:** Oh, okay.

**Mr Conde:** That's right.

**Senator MARTIN:** Staying on the theme of the AFL: does the government support the push for a Tasmanian AFL team—to have a Tassie team?

**Senator McKenzie:** Well, it is a deep and abiding passion of yours, Senator Martin. Obviously, the government doesn't have a role in supporting the AFL's decision or otherwise in where they want to set up their teams and their conferences. But, personally—obviously—I'm on the record in supporting your push for a Tasmanian team. I understand that the AFL is going through a process in Tasmania to look at those options going forward.

**Senator MARTIN:** Yes, they've formed another committee to have a look at that. I'm not quite sure how many committees the AFL and the state government have had to look at this over the last couple of decades, but we've got another committee. In saying that, I suppose I can be cheeky enough to ask the government if it would support this effort, or the outcome, for getting a Tasmanian AFL team—financially?

**Senator McKenzie:** I think you've just heard that we no longer give our big comp sports, like the AFL, participation funding out of our allocation, because they earn a lot of money through their various businesses and operations. I think that's something that the AFL should be considering in their deliberations about where best to spend that.

**Senator FARRELL:** Senator Martin may like to know that the Labor Party has committed to \$25 million of participation funding for the Tasmanian AFL, if he would like to let his constituents—

**Senator McKenzie:** You're going to give AFL Australia \$25 million?

**Senator FARRELL:** We're going to assist with—

**Senator McKenzie:** With their broadcasting deals? That's very—

**Senator DEAN SMITH:** When you're taking money off retirees—

**Senator FARRELL:** We're going to assist in finally getting a Tasmanian AFL team. Yes, we are!

**Senator McKenzie:** Well, I understand they're not struggling.

**Senator MARTIN:** Not when they're giving the Gold Coast Suns \$24.1 million a year to set up an AFL team there, when not even soccer or basketball have survived on the Gold Coast. Perhaps the AFL would consider diverting their funding for the Gold Coast down to Tasmania; Tassie is a football state that's been supportive of the AFL and the VFL for a very long time.

**Senator McKenzie:** Yes, Tasmania is definitely one of the great AFL states.

**Senator MARTIN:** Thank you. I'll just flow on a little, if I may, to the funding for the Tokyo 2020 Olympic Games. You've announced that there is \$50 million, and you mentioned that it's for the Paralympics and for Olympians. Is this for high-performance programs or does this also include getting them over to Tokyo?

**Mr Conde:** The cost of getting those teams to Tokyo and supporting them through the period of the Olympic Games is borne by the Australian Olympic Committee.

**Senator MARTIN:** Okay—I was just clarifying that. Aside from the more than \$150 million for high-performance sports and the Tokyo \$50 million, do sports receive any other forms of funding from the government to run programs?

**Ms Palmer:** Sports receive approximately \$77 million in participation funding.

**Senator McKenzie:** We have got some other programs; for example, our Active Ageing grants, which we recently announced. FFA—Football Federation Australia—for instance, will be running walking football across the country to get our over-65s back into their clubs. Queensland Netball will be running a program of walking netball. I hit the courts, when I was up there announcing it, with some ladies who, elbows out, had me walking very, very fast and being very, very active. Whilst we are investing with our major sports and our national sporting organisations through a range of programs, we're also supporting them with our community infrastructure commitments at a grassroots level, through facilities.

**Senator MARTIN:** Thank you. I presume, Mr Sharpe, you'll be applying for some Active Ageing funding!

**Mr Sharpe:** Absolutely.

**Senator PATRICK:** I've never been to estimates on sport before.

**Senator McKenzie:** They never give us this long. Senator Farrell and I have been arguing for a long time. We need a few more at the show.

**Senator PATRICK:** I will direct this to you, Minister, but I appreciate that someone else may well answer. This is a sensitive issue, and I want to be very careful about what I do. It's been brought to my attention by someone I consider to be very reliable, but I haven't spoken to people who are directly involved, so in some sense it's hearsay. I just want to put that on the record. I've been made aware of allegations, from a number of females, of inappropriate sexual conduct by an official in Equestrian Australia. I'm really raising it from a precautionary perspective and want to ask some questions about governance. Have you, or any of your officials, had that brought to your attention?

**Senator McKenzie:** Obviously, Sport Australia's in charge of our national sporting organisations, and funds and assists them to develop. I know Sport Australia has been involved in our recent response to institutionalised child sexual abuse, so I'll go to Kate Palmer.

**Ms Palmer:** I can confirm that we have received copies of correspondence in relation to this matter, but we don't have the authority to intervene in or conduct a review into this particular matter. We have been supporting and providing advice to Equestrian Australia about how they can manage the allegations, based on balance of natural justice and procedural fairness and following some guidelines of the AMA around complaint handling.

The correspondent has been provided with information, which we're asking them to pass on to the individuals concerned so that they can access a confidential helpline. That helpline is a sexual misconduct helpline managed by the Canberra Rape Crisis Centre, and we would encourage those individuals to use that very confidential helpline, because it is a very serious allegation and, obviously, of real concern to us.

**Senator PATRICK:** And your understanding is that it's not from one female but from multiple?

**Ms Palmer:** We have just received information from what we could call a bystander, so we don't have the authority to act. That's why we encourage the individuals concerned to use that confidential helpline.

**Senator PATRICK:** In some sense it would be a matter for either the police or a professional body to deal with, I presume?

**Ms Palmer:** Yes. The care for the individuals concerned is uppermost, and their confidentiality and their right to privacy are really important.

**Senator PATRICK:** Sure.

**Ms Palmer:** So, as I said, we are encouraging them. We have asked the individual who has brought it to our attention to pass that information on to the individuals concerned so it can be actioned as soon as possible.

**Senator PATRICK:** I get your point in relation to the particular circumstances. But, in terms of pushing government's requirements down to the organisation, noting that it receives Commonwealth funding—so you always have some funding—what happens in that space?

**Ms Palmer:** We work closely with Equestrian Australia, subject to our mandatory governance principles. In this instance, as I said, we are providing advice and support to their CEO and board around how they might manage this. Of course, they are updating their policies, to re-release them and publish them, so that any individual and, in fact, any individual in sport should have an opportunity to report these types of instances and feel safe to do so through a process. But, from a governance perspective, Equestrian Australia are doing what they can in this particular circumstance based on the authority that they have to act.

**Senator PATRICK:** Thank you. That's very helpful. Again, I want to repeat that, from my perspective, it is hearsay. It sounds like, from your perspective, you are talking to a bystander.

**Ms Palmer:** That's right.

**Senator PATRICK:** Just moving to a second and final topic—

**CHAIR:** I was hoping to give Senator Smith a chance before we break, which is in the next five minutes.

**Senator PATRICK:** That sounds fine. I'll come back.

**Senator DAVID SMITH:** Ms Palmer, you gave evidence on 6 December 2018 to the Joint Standing Committee on the National Capital and External Territories inquiry into Canberra's national institutions. Is that correct?

**Ms Palmer:** Yes, that's correct.

**Senator DAVID SMITH:** During that hearing you stated:

The consideration for the future of the site is part of the MYEFO, yes.

Is that correct?

**Ms Palmer:** Yes, that's correct.

**Senator DAVID SMITH:** It is fair to say that you excited many Canberrans when you said that. Ms Palmer, did the future of the AIS make it into MYEFO, to the best of your knowledge?

**Ms Palmer:** We are in a two-pass process which is required by government, and the government has asked us to come back with a detailed business case. I believe I explained at that hearing that we were in the process of completing that and that we were not at liberty to provide any further detail at that point. In actual fact, we were not able to. We are still finalising that detailed business case. I can't give anymore information about time lines or the process the government will take from here.

**Senator DAVID SMITH:** I think there were some reports that the time frame for that report was possibly June this year.

**Ms Palmer:** I'm not aware. We are required to submit a detailed business case to government, and we will do that. We are in the process of finalising that at this point. Once that's submitted, it will be subject to a government process that we have no control over.

**Senator DAVID SMITH:** So it could be sooner than June this year?

**Ms Palmer:** It could be.

**Senator DAVID SMITH:** Are you aware of how many AIS athletes currently reside at the Bruce campus?

**Mr Conde:** That is a good question.

**Senator DAVID SMITH:** It doesn't have to be tonight; it could be this week.

**Ms Palmer:** We can take that on notice. I can confirm at the moment the main programs on campus and in residence are the basketball program, the volleyball program and the gymnastics program. We have a range of camps, and around 9,000 athletes a year come on campus through a camps based process—which is a very successful program for sports and a good use of resource—and a range of sports. We have around 11 centres of excellence that come into campus from across sports at the moment.

**Senator DAVID SMITH:** I'm particularly interested in the athletes who are currently residing—so residential programs. I'm happy for you to take that on notice.

**Ms Palmer:** Okay.

**Senator DAVID SMITH:** With an athlete staying at the Bruce campus, what is the cost of that either on a nightly basis or on a weekly basis?

**Mr Conde:** The cost is \$92 a night, except to our categorised high-performance athletes, and that is \$70 a night.

**Senator DAVID SMITH:** I imagine that would be paid by the national sports themselves; would that be right?

**Mr Conde:** That's right.

**Senator DAVID SMITH:** Have the national sports always been charged for those costs?

**Ms Palmer:** Yes. Prior to the change in scholarships, which were removed approximately five years ago, sports were residents and provided funding to have residential programs. Once that ceased, the sports were provided with funds that were previously allocated to their residential programs. That was redirected to sports, and then that same funding is used to pay for the accommodation. So in effect it's a neutral outcome, except the sports had control over the number of camps that they had, how long they stayed and which athletes they brought into the camps. So a program that would have, say, 17 athletes across a year, with one amount of money, in the new world, could bring up to 50 or 60 athletes on campus in a range of short-term camps, so it's just using the money in a different way.

**Senator DAVID SMITH:** And has that cost largely remained the same over the five years?

**Mr Conde:** Yes, it has. That's right. In fact, we've made some concessional arrangements for the major sports. But, by and large, the objective is to allow those sports to make rational economic decisions about where they will take their athletes, and it's essentially a cost recovery.

**Senator DAVID SMITH:** Okay. So, prior to five years, obviously there was not a cost that was factored into funding arrangements.

**Ms Palmer:** That's right.

**Senator DAVID SMITH:** How much do other users of the AIS residential accommodation pay?

**Ms Palmer:** I'd have to take that on notice—

**Senator DAVID SMITH:** Like, say, school groups?

**Ms Palmer:** But, yes, there are a considerable number of schools—

**Senator DAVID SMITH:** I think Defence does too.

**Ms Palmer:** but also a range of different users come on to campus. In actual fact, we have over 520,000 visitors a year to the site; not all stay, obviously. You have just confirmed it is \$92, have you, Mr Conde?

**Mr Conde:** Yes. It is \$92 for other users; \$70 per night for our categorised athletes.

**Senator DAVID SMITH:** Okay. Thanks. Minister, quickly a question for you.

**Senator McKenzie:** I'm just going to go stay at the AIS.

**Ms Palmer:** Without airconditioning, Minister.

**Senator McKenzie:** In Canberra you don't need airconditioning.

**Senator DAVID SMITH:** I'm sure it can be arranged. There are great gym facilities, amongst other things. Minister, in a speech you gave accompanying the launch of Sport 2030, you indicated the government wants to see the AIS regain its previous world-class status and develop into a contemporary organisation.

**Senator McKenzie:** Absolutely.

**Senator DAVID SMITH:** That is something that we agree with. If the government has this goal in mind, why under this government has the AIS campus seemingly been allowed to wind down?

**Senator McKenzie:** I think developing a business case, making sure that we're getting the facilities for our elite athletes going forward, and making sure the AIS is a 21st century outwardly focused internationally recognised institute of excellence in high-performance sport doesn't just happen overnight. So Mr Conde, Kate Palmer and the board of Sport Australia have developed quite a vision for what the AIS could be and, as Ms Palmer suggested, they're developing a detailed business case for consideration of government in the coming period.

**Senator DAVID SMITH:** Will we be seeing a return to more AIS sports scientists and perhaps seeing more—

**Senator McKenzie:** I think this is a good question.

**Senator DAVID SMITH:** AIS athletes at the Bruce campus?

**Senator McKenzie:** I think when we look at the legend that the AIS is in our sporting mythology, when it started, we did not—

**Senator DAVID SMITH:** I don't think it's a legend; I think it's real.

**Senator McKenzie:** It is. I was one of those sports scientists before I got in here—but we didn't have state institutes of sport. If you look at the ecosystem now that exists in terms of sports having national centres of excellence around the country, each of our own states have got increasingly more sophisticated about how their own state institutes deal with that pathway to elite. I think it has really changed where the AIS is positioned in the high-performance ecosystem. I'm sure Mr Conde would have some pretty strong words to say around that. So what we're wanting to deliver on in the 21st century has to actually recognise what currently exists across the country in terms of developing our lead athletes.

**Mr Conde:** We firmly believe that there's a place for a very much revitalised AIS that serves the needs of high-performance sport that are not served through those state institutes et cetera, but it doesn't look exactly like it looked last century, and that shouldn't be a surprise. Sports science is an important element and will remain an important element of what the AIS does, but in the eighties and nineties it was embryonic in its influence on high-performance sport and really needed to be quite central. The model today needs to be different to that. Nevertheless, there are a range of really key functions that are best provided by the AIS in a Canberra location, and that's what we'll be putting forward to the government for a business case. We think it's very exciting and important for the future of high-performance sport in this country. It's important that we have that destination that's absolutely iconic and represents the best of Australian high-performance sport.

**CHAIR:** Thank you.

**Proceedings suspended from 21:16 to 21:31**

**CHAIR:** We'll now reconvene. Senator Farrell, you have the call.

**Senator FARRELL:** Thank you for your indulgence to allow us to continue in the sports area, Chair. I won't abuse the privilege, so I'll be brief. Ms Palmer, I understand that the Australian sports commission board met with the minister in Melbourne on 11 May last year—is that correct?

**Ms Palmer:** I believe so, yes.

**Senator FARRELL:** Who was at that meeting?

**Ms Palmer:** Representatives from the Sport Australia Board and officials, such as myself, who are members of the Office for Sport or members of the minister's office, including the minister.

**Senator FARRELL:** Three groups of people?

**Ms Palmer:** Yes, that's right.

**Senator FARRELL:** Where was the meeting held?

**Ms Palmer:** It was held at the Melbourne Airport.

**Senator FARRELL:** Melbourne Airport. Was that Essendon airport or—

**Ms Palmer:** No, it's called Melbourne Airport now, I think—Tullamarine.

**Senator FARRELL:** Tullamarine, yes. What time did the meeting start?

**Ms Palmer:** I can't recall, unfortunately. I'm sorry, I can take that on notice.

**Senator FARRELL:** Do you have in your diary when you would have—

**Ms Palmer:** Yes, I would have.

**Senator FARRELL:** And when you finished—can you remember when you finished?

**Ms Palmer:** No, I can't remember, but, again, I can check my diary.

**Senator FARRELL:** Right. Apparently, there was some urgency at that meeting. Without going into detail, could you tell us what was required, specifically, that the meeting had to be held so urgently?

**Ms Palmer:** The most critical issue was in relation to Sport 2030—the National Sport Plan. Our board had met and requested an urgent meeting with the minister to discuss the next steps, because of our desire to ensure that we contributed fully to the process. This was a really critical meeting for that.

**Senator FARRELL:** And that was the reason it was so urgent?

**Ms Palmer:** That was the main reason. We had quite a tight time line to contribute and we needed to discuss a number of elements in the plan.

**Senator FARRELL:** Was that the only issue on the agenda?

**Ms Palmer:** I can't recall. That was the major issue. I believe there was one other—Minister, can you recall the other agenda item?

**Senator McKenzie:** Well, Sport Australia wanted to discuss—I think we were there for over two hours discussing the National Sport Plan, how to move it forward and to make sure that we were all on the same page.

**Ms Palmer:** Yes.

**Senator FARRELL:** Ms Palmer, does Sport Australia or its board ever conduct meetings with the minister or her office by phone or video conference?

**Ms Palmer:** It depends on your definition of a meeting, but, yes, we speak regularly—

**Senator FARRELL:** Well, a meeting like the one that—

**Ms Palmer:** No, this was a critical meeting. Because of the nature of the meeting and the content, it was important that we were face to face.

**Senator FARRELL:** Minister, if I remember correctly, that was a sitting week and apparently you dropped into a Beef Australia event in Rockhampton on the day of the meeting. Is that correct?

**Senator McKenzie:** Yes. I had a flight with other members of the government to Rockhampton for Beef Week, yes.

**Senator FARRELL:** Was that on the Thursday night or on the Friday morning?

**Senator McKenzie:** I can get that detail for you.

**Senator FARRELL:** All right, thank you. Can I request a complete list of all projects approved for funding under the following three grants programs, including the names and the locations of the projects and the level of funding: Move It AUS, Community Sport Infrastructure, under the same program the Participation structure, and

under the same program Better Ageing. I don't need that right now, but if you could provide that to us it would be appreciated.

**Ms Palmer:** Was that a full list of the grants issued?

**Senator FARRELL:** All the grants approved. I know there were a huge amount of applications, but I'm just after the ones that were actually approved, what they are, where they are and so forth.

**Ms Palmer:** We can provide those. They're publicly available.

**Senator FARRELL:** I have some other questions, but I'll put them on notice.

[21:36]

**CHAIR:** We move onto outcome 4.

**Senator WATT:** Chair, are you happy for us to ask questions anywhere within outcome 4 rather than moving through 4.1, 4.2 and so on?

**CHAIR:** Yes.

**Senator WATT:** I think that'd be good. I have some questions about MRI licences, so it would be good if those people can be handy, and also some about the MBS review, which I suspect Senator Di Natale will have questions on as well. I also have a couple of questions about the Medical Services Advisory Committee, MSAC. Can you tell me how long on average it takes MSAC to approve a new treatment?

**Ms Platona:** The committee does not make decisions; it's an advisory committee and it provides advice to the Minister for Health for medical services and specialised technologies. It operates on a 22-week cycle from the receipt of an application to consideration.

**Senator WATT:** Is that on average?

**Ms Platona:** That is about the assessment period, from the receipt of the application to the consideration by MSAC.

**Senator WATT:** It is 22 weeks from receipt—

**Ms Platona:** Of an application to MSAC meeting and considering of an application.

**Senator WATT:** Once MSAC considers it, is the correct term it approves or it recommends or—

**Ms Platona:** It recommends to the minister.

**Senator WATT:** I haven't had a lot of experience with MSAC. What sorts of matters does it consider or recommend?

**Ms Platona:** MSAC provides advice to minister on services that require an MBS descriptor. It also considers specialised technologies that are not pharmaceuticals. More recently, we have referred to MSAC the assessment of blood products, for example.

**Senator WATT:** So it's sort of a similar role to the PBAC but not for pharmaceuticals?

**Ms Platona:** Not for products that will be on the Pharmaceutical Benefits Scheme.

**Senator WATT:** I've just noticed that we have two ministers—how blessed is this! Who to choose?

**Senator DI NATALE:** Double helpful.

**Senator WATT:** Yes, tag team.

**Senator McKenzie:** What's better than one National Party, Senator? Two.

**Senator WATT:** Zero; but we're working on it.

**Senator McKenzie:** Chair, can I please seek indulgence. The answer to Senator Farrell's question is: flew up in the morning, Friday morning. I will now leave you with Senator Scullion.

**Senator WATT:** I was enjoying having two. Feel free to send in another one.

**Senator McKenzie:** Be careful what you wish for.

**Senator WATT:** Ms Platona, is 22 weeks an average? Is that a mandated period?

**Ms Platona:** That is the assessment period from the receipt of the application to MSAC giving advice to the minister.

**Senator WATT:** But is that a set period of time?

**Ms Platona:** That is the set period. That would be equivalent to the 17 weeks of the PBAC assessment, from receipt of the application to consideration.



**Senator WATT:** Do you keep track of how many services or other products that go through the MSAC process are dealt with within that 22 weeks? Is it 100 per cent or some do and some don't?

**Ms Platona:** There is a preceding step to the MSAC consideration. The process for MSAC has evolved over the time. In the PBAC space, which we are more familiar with, there are commercial applicants. So their capacity to construct an application according to the PBAC guidelines is greater. Many of the applicants for MSAC are professional colleges, craft groups et cetera. To be helpful and to assist these applicants in the preparation of the application, before lodging an application to MSAC there is a preceding step called the protocol advisory subcommittee. This group works with the applicant to develop the research questions that would be suitable and would guide the future assessment. That is an optional step. Applicants don't have to go through that step. It was introduced a few years ago to guide the applicants prior to lodging an application to MSAC within that 22-week period.

**Senator WATT:** How long does that pre-lodgement process normally go for?

**Ms Platona:** That depends on the applicant. Again, it is optional. It depends on the research question and the stakeholder engagement. Not all questions that an applicant might consider reasonable to have an MBS item are necessarily fully constructed so early in the process.

**Senator WATT:** For clarity: is that 22-week period always achieved or are there some products or services where, for one reason or another, it takes longer than the 22 weeks?

**Ms Platona:** The majority of applications once lodged with MSAC—unless there is a reason that an applicant requests that the application not proceed to the immediate MSAC meeting—would be considered by MSAC within that 22-week period.

**Senator DEAN SMITH:** Is the application a prescribed form? Does someone have to follow a set of guidelines? Is there a template?

**Ms Platona:** Yes, there are application guidelines. There are forms for the applicant. But, in recognition that applicants in the MSAC space are commercial entities that can construct a commercial application, like in the PBAC space, this preceding step was introduced a few years ago. But it is optional.

**Senator DI NATALE:** My question is on the indexation of diagnostic imaging items. I understand the government made a commitment around indexation of diagnostic imaging on the MBS prior to 2016. I'm interested in understanding how that's progressed and why we haven't seen full indexation yet. Is someone able to answer that? Firstly, are you aware of the commitment?

**Ms Shakespeare:** The most recent government decision around indexation of diagnostic imaging items is from the 2017 budget, I believe, and there is a commitment to scheduled indexation including on targeted diagnostic imaging items.

**Senator DI NATALE:** Sorry, I didn't get the last bit of what you just said, Ms Shakespeare.

**Ms Shakespeare:** There is a commitment to recommence indexation of targeted diagnostic imaging items on the MBS.

**Senator DI NATALE:** Part—that is, part of the diagnostic imaging items.

**Ms Shakespeare:** Targeted.

**Senator DI NATALE:** Just to go back a step, there was the commitment in the lead-up to the 2016 election that diagnostic imaging indexation would resume when the GP rebate indexation freeze concludes. That concluded in 2018. Is that right? So you're saying that the freeze on indexation of diagnostic imaging items has—sorry, do you need some time to consult?

**Ms Shakespeare:** Please continue with the question.

**Senator DI NATALE:** What does targeted mean?

**Ms Shakespeare:** So, computer tomography items, interventional radiology items.

**Senator DI NATALE:** But the commitment was that it wasn't going to be limited to specific items.

**Ms Shakespeare:** I'm talking about the 2017 budget initiative.

**Senator DI NATALE:** Yes, and I'm talking about the commitment that was made in the lead-up to 2016.

**Ms Shakespeare:** I'm not aware of the specific election commitment—

**Senator DI NATALE:** I can table a press release, if you like.

**Ms Shakespeare:** having been made but, certainly, there was a decision by the government, following the 2016 election, that it would reverse measures that were on the books prior to that about the removal of bulk-

billing incentives. So there was a significant additional investment into diagnostic imaging, and then there was a subsequent commitment to recommence indexation of targeted diagnostic imaging items, and that is current government policy.

**Senator DI NATALE:** From 2017.

**Ms Shakespeare:** It was—

**Senator DI NATALE:** When is the indexation of targeted items commencing?

**Ms Shakespeare:** 1 July 2020.

**Senator DI NATALE:** The government commissioned an independent evaluation in 2016, which I believe was decommissioned after the release of the draft report. Is that correct? And the draft report identified a rebate black hole which amounts to more than \$700 million when it's extrapolated across all diagnostic imaging services. Can you provide an assessment on how much impact the indexation on all these items will have on closing the \$700 million shortfall? And what further actions will the government take to reduce the rebate black hole?

**Ms Shakespeare:** I can take you through the increases in diagnostic imaging billings under the MBS over the last few years: 6.7 per cent benefit growth for diagnostic imaging items between 2016-17 and 2017-18.

**Senator DI NATALE:** Are these the targeted items?

**Ms Shakespeare:** No, this is all diagnostic imaging services. There has been continued strong growth in MBS expenditure on diagnostic imaging—

**Senator DI NATALE:** But we're talking about indexation here.

**Ms Shakespeare:** You're asking me about a black hole which is not apparent to me from the statistics about the growth in diagnostic imaging services funded under the MBS.

**Senator DI NATALE:** That just might mean there are more services and you're getting paid less per service.

**Ms Shakespeare:** If we look at the bulk-billing rates, those have also been increasing for diagnostic imaging.

**Senator DI NATALE:** But that growth does not indicate how much people are being paid per service. If there are more services, there's going to be growth. That doesn't actually reward the provider of that service, because there was a commitment made that indexation would be resumed. So I'm asking specifically about the draft report, which did identify a rebate black hole of more than \$700 million.

**Senator Scullion:** Which report was this, Senator?

**Senator DI NATALE:** There was a government-commissioned independent evaluation in 2016, which was then decommissioned after the release of a draft report. I'm just interested in the \$700 million and the estimate of the impact that the indexation of these items will have on effectively closing that \$700 million shortfall.

**Ms Shakespeare:** We don't have a copy of that report here with us, I'm sorry. It is a few years ago now.

**Senator DI NATALE:** Yes. But the \$700 million figure was identified, wasn't it?

**Ms Shakespeare:** You're suggesting there's a \$700 million shortfall in revenue to diagnostic imaging providers?

**Senator DI NATALE:** No, the report did. I'm not suggesting it.

**Ms Shakespeare:** All I can say at this point is that I'm happy to take on notice that we provide you more detail about that report and its recommendations. But there is continued strong growth under the MBS and the services provided to patients for diagnostic imaging services which does not indicate that there's a major shortfall in revenue for that sector. They are continuing to provide more and more diagnostic imaging services.

**Senator DI NATALE:** Is it true that there was no diagnostic imaging items that were indexed last July? Is that correct? You're talking about growth but I'm talking about indexation.

**Ms Shakespeare:** There were a large number of MBS items indexed last July, but not diagnostic imaging items.

**Senator DI NATALE:** Not diagnostic imaging, despite the 2016 commitment; is that right?

**Ms Shakespeare:** There was no indexation of diagnostic imaging items on 1 July last year.

**Senator DI NATALE:** I might leave it there and I'll put some other questions on this on notice. Thank you.

**CHAIR:** Thank you very much, Senator.

**Senator SIEWERT:** I just want to go back to the issue that, in fact, I was directed here to around the MBS reference group recommendations and those that are referring specifically to mental health. Could I ask for a

quick update on where the department is at in terms of progressing those recommendations, in terms of the reference group for mental health into the review? I'm sorry to be not clear.

**Mr Weiss:** The Mental Health Reference Group was established by the MBS Review Taskforce, which is reviewing all of the items on the MBS. The draft recommendations from the Mental Health Reference Group were circulated for consultation in the first week of February this year. That consultation period will be open until 17 May. I believe that is the closing date for the consultation.

**Senator SIEWERT:** So that will then go back to the reference group.

**Mr Weiss:** The feedback from that consultation process will be considered first by the Mental Health Reference Group members, who will then make what are their final recommendations to the MBS Review Taskforce, who will consider those recommendations prior to finalising the recommendations that will go to government.

**Senator SIEWERT:** Thank you. So they've been circulated just recently?

**Mr Weiss:** Yes, about two weeks ago.

**Senator SIEWERT:** When do they close. I know you said May.

**Mr Weiss:** I believe 17 May is the closing date.

**Senator SIEWERT:** Thank you. Can I ask a follow-up on that? Does the department make any comment on the draft as well, as part of that process or separately?

**Mr Weiss:** No, we wouldn't make a comment on the draft recommendations.

**Senator SIEWERT:** On the draft; you wouldn't be part of that process?

**Mr Weiss:** No.

**Senator SIEWERT:** Did you provide any reference materials or any materials?

**Mr Weiss:** The department provides a secretariat service for the MBS review. As part of that, we probably would have provided some, for example, data on the use of those MBS items for trends over time—that sort of background information that the reference group may have found useful in their deliberations.

**Senator SIEWERT:** I promise this will be the last question. When you say 'trends in data', do you mean just around the use of the numbers or some of the other programs that are part of the suite of services and supports that the department offers in the area of mental health?

**Mr Weiss:** It would normally be the use of those items. For example, what have the growth rates been; are there state by state discrepancies that can't be explained—that sort of information.

**Senator GRIFF:** I'd like to ask a couple of questions on non-invasive pregnancy testing. I note the minutes of the meeting to discuss MSAC application 1492 that relates to non-invasive pregnancy testing has just been published. Assuming I have interpreted the minutes correctly, it's great to see the recommendation to government will be that non-invasive pregnancy testing will be made available on the MBS to all pregnant women at 12 weeks irrespective of risk status. Am I reading that correctly?

**Ms Shakespeare:** I'm not sure we have anybody here who's been directly involved in the preparation of the public summary document that can take you through but I know that we had a stakeholder meeting in November and that has been progressing.

**Senator GRIFF:** So you can't tell me at this stage whether it will be available on the MBS?

**Ms Shakespeare:** There is a further government decision process. If MSAC has now recommended non-invasive pregnancy testing for those people in that cohort then there needs to be a process of government decision in response to that recommendation and a process that we would work through in terms of developing new MBS items, usually with the appropriate colleges.

**Senator GRIFF:** What would be the normal time frame for that?

**Ms Shakespeare:** That really depends on how difficult it is to develop the restrictions and the items. So assuming it's a fairly straightforward one, it could be a matter of a couple of months.

**Senator GRIFF:** I'd like to follow up an answer to a question on notice—it's 1147 if anyone wants to reference that—that related to gap payments for antenatal care. The response that I received back here reported the 99th percentile information, but can you actually tell me what the highest fees charged were per jurisdiction? I have them with the 99th percentile. But can I find out what the actual highest fees were in each jurisdiction? I appreciate that might have to be on notice.

**Ms Shakespeare:** That's what I was going to say. We're happy to take that on notice. I'm sure we can provide that information to you.

**Senator GRIFF:** On notice, that's fantastic. What you have sent me has shown that the New South Wales and ACT have an average MBS fee 50 per cent greater than most other states and more than 300 per cent greater than the Tasmanian average. Are obstetrics more complex in New South Wales and the ACT?

**Prof. Murphy:** I've been heavily involved in this issue of out-of-pocket costs, and chairing a recent ministerial advisory committee. The issue is that just about all private, admitted and non-admitted medical services are more expensive in New South Wales and the ACT. There seems to be an issue of quite significant difference between fees charged. Now, the obstetric fee is actually not an admitted fee, but it follows the same pattern. If you look at the out-of-pocket costs for hip replacements, prostatectomy and a range of things, all of the data is suggesting a much higher fee charging practice in the ACT and New South Wales, quite different from Tasmania and South Australia, and Victoria is sort of somewhere in the middle. This has been a concern for the out-of-pocket costs committee. More broadly, the obstetric gap fee is a huge concern to the college of obstetricians and the obstetric community. It's leading to a clear shift out of private obstetrics into public obstetrics. The college is working very hard and there have been some interesting trends to lower those fees in some states; particularly in Brisbane: there's now a whole cohort of obstetricians who have lowered their out-of-pocket fee to around \$1,000. We obviously plan to do a lot more work in working with the medical specialists, particularly in the ACT and New South Wales, to try and address this issue. But it seems that there is a cultural-behavioural issue, particularly in Sydney and Canberra, that specialists have undertaken fairly significant charging behaviour, so it's not just an obstetrics issue in those states.

**Senator GRIFF:** There's no better way to fix this than, effectively, to name and shame the people that are doing this.

**Prof. Murphy:** As you know, we provided a report to the minister before Christmas on out-of-pocket costs, that's under active consideration by government. The minister is very keen, and he will be—hopefully in the not-too-distant future—announcing a response to that. Transparency around out-of-pocket costs and giving consumers information before they undertake a clinical consultation, plus a lot of consumer education, are the sorts of things that the minister has already talked about in public, but the response from government will be released soon and we certainly feel this is a really important issue to address.

**Senator GRIFF:** I will move on to the MBS review on psychology items. Is it correct that the department has now got an independent arbiter involved in trying to sort out the turf war between clinical and registered psychologists?

**Ms Shakespeare:** No, that's not correct. There is the usual process of consultation on draft recommendations, which may or may not form the final recommendations to government from the task force. And any interested party is welcome to contribute through that consultation process where they have views on MBS items relating to mental health or psychology.

**Senator GRIFF:** Going back to out-of-pocket costs: there were several assertions made over the past year that the minister could expect to see the MAC report on out-of-pocket costs before the end of 2018. The most recent statement to this effect was made in response to my question on notice from last estimates, and that was barely two months before the end of the year, so everyone should have had a pretty good idea of how a report that was expected to be delivered by the end of the year was tracking. Has the MAC report been delivered to the minister?

**Prof. Murphy:** It was delivered to the minister before the end of 2018 as promised, and it's been under consideration by government since then.

**Senator GRIFF:** Did the committee provide advice or recommendations specifically on the question of establishing a publicly searchable website that allows consumers to make an informed choice?

**Prof. Murphy:** I probably can't go into the detail of the committee's recommendations until—the minister intends to release the report, I believe, but it's a decision for the minister to announce the response to the report and release the report.

**Senator GRIFF:** But was it something that the committee at least discussed or considered?

**Prof. Murphy:** The minister has already said publicly that a transparency solution is something that he's keen on, and there certainly were discussions on that sort of option at the committee.

**Senator GRIFF:** So what do you anticipate the timing to be?

**Prof. Murphy:** I can't pre-empt the government's decision, but I think it's under active consideration by government at the moment. I couldn't comment until government's had a chance to release the report and its response.

**Senator GRIFF:** Minister, do you have any idea as to what the timing will be?

**Senator Scullion:** I have no idea what you are talking about, to be frank, because I was just looking at my phone. Can you rephrase the question, mate?

**Senator GRIFF:** Okay. An honest minister. Wonderful.

**Senator WATT:** I think the question was: 'Why are you still taking tobacco donations?'—wasn't it?

**Senator GRIFF:** Am I correct in thinking that the people responsible for regulating e-cigarette liquids or vaping liquids are NICNAS? I'm not talking about nicotine regulation; I'm talking about who regulates the nicotine-free flavoured liquids that are sold in Australia.

**Dr Skerritt:** The states and territories are the regulators of tobacco products and also e-cigarette products. Some states and territories have specific exclusions, for example around an e-cigarette that looks like a smoking cigarette. The Commonwealth, through the Therapeutic Goods Administration, does not regulate products that do not contain nicotine. So there is no regulation other than the usual regulation around poisons. For example, you couldn't include a scheduled medicine or a scheduled poison in an e-cigarette. But we do not have specific regulation around, say, a number of food substances that are included as flavourings or colourings in e-cigarettes. There has, however, been a fair bit of medical literature warning people that these chemicals were designed to be eaten at room temperature—or at four degrees even—in foods, not to be heated up and inhaled. So a chemical that might be perfectly safe at room temperature, if you heat it up to a high temperature and it breaks down into other chemicals, may no longer be safe. That is an issue of some concern. There's some evidence in rats and mice and potentially in people that some of those chemicals when they are heated up can cause problems.

**Senator GRIFF:** I think we've had this discussion on this product before and you've spoken a lot about it. Most of us—probably all of us around here now—are constantly bombarded by lobbyists claiming that vaping is a life-saving technology because it helps smokers quit. There is a lot of concern about the various flavours and smells and the like that are attracting people to the product. Are you planning to take a more active role in dissuading the states from allowing these products?

**Dr Skerritt:** That's a broader issue of consumer regulation. Our role will come in if there's evidence of chemicals that are toxic in those products and then it would be a question as to which regulator it would fall under—whether it would be the chemicals regulator or a state and territory action. Our role would particularly come into play if scheduled substances, scheduled poisons, were found in e-cigarettes.

**Senator GRIFF:** Okay. Thank you very much.

**CHAIR:** Senator Watt.

**Senator WATT:** Can we go to some questions about MRI licences, please. We have talked about this before. My understanding is that, until the recent announcement from the government, only five new MRI licences had been announced or provided in the last five years; is that correct?

**Ms Shakespeare:** Senator, before we move on to that question, could I clarify some evidence for Senator Griff from one of his earlier questions about non-invasive pregnancy testing. We have been able to confirm that has not been recommended by MSAC at this stage. They deferred a decision on a recommendation until they could have the stakeholder meeting, and it will be considered by MSAC at its next meeting in March, following the outcomes of that meeting.

**Senator GRIFF:** Thank you.

**Senator WATT:** Okay. Thanks for that. On the MRI licences, up until the recent announcements, the government had announced five new licences in five years. Is that correct?

**Mr Weiss:** I believe so. Tracking back to the numbers—I believe we gave evidence to the Senate inquiry on this last year, was it?—that there had been four since the current government was elected. There was an announcement of a machine in Kalgoorlie I'm guessing in September last year—22 June, sorry.

**Senator WATT:** Is that one of the four?

**Mr Weiss:** No. It's in addition to the four. There were a further nine announced by the minister—that one must have been September last year.

**Senator WATT:** Okay. Am I right, though, that the government has now committed to an additional 80 new MRI licences—being 30 announced in September and 50 announced this month?

**Mr Weiss:** No.

**Senator WATT:** Can you give me the correct figures?

**Mr Weiss:** The correct figure is 50.

**Senator WATT:** 50 in total?

**Mr Weiss:** Yes.

**Senator WATT:** They are the ones that were announced this month?

**Mr Weiss:** No.

**Senator WATT:** Okay. I have forgotten how many announcement rounds there were. Can you remind me of that?

**Mr Weiss:** There was an initial 10 that were announced.

**Senator WATT:** So there were four up until Kalgoorlie?

**Mr Weiss:** Yes. Then 10, including Kalgoorlie.

**Senator WATT:** So Kalgoorlie plus another nine?

**Mr Weiss:** Yes.

**Senator WATT:** And then?

**Mr Weiss:** Then there was an invitation-to-apply process that was for 20.

**Senator WATT:** Sorry, the Kalgoorlie plus nine was September, or thereabouts, last year?

**Mr Weiss:** Yes. Correct.

**Senator WATT:** And then there was an invitation to apply. When did that happen?

**Mr Weiss:** That was September also. It was announced in September. The invitation-to-apply process concluded on 2 November, I believe. And then, earlier this month, the minister announced a further 20, taking the total to 50.

**Senator SIEWERT:** That was on top of the 20 that were open tender?

**Mr Weiss:** Yes: 10, plus 20, plus 20.

**Senator WATT:** I see. Okay. So it's 10, including Kalgoorlie, announced in September. Were the other nine locations specified at that point in time?

**Mr Weiss:** Yes.

**Ms Shakespeare:** Yes.

**Senator WATT:** Then there were an additional 20 that were connected to this invitation-to-apply process that concluded in November, and the locations were announced in November?

**Mr Weiss:** No. The applications were due by 2 November. Applications closed on 2 November.

**Senator WATT:** Okay. I'll come to what's happened to them in a tick. In addition to that, there have been another 20 announced this month, yes?

**Ms Shakespeare:** Senator, the government has announced it will be providing funding for an additional 20 MRI-eligible units. Not all of them have been announced.

**Senator WATT:** As in the locations?

**Ms Shakespeare:** That's right—as in the locations.

**Senator WATT:** Okay. So it's 50 in total. Do you know how many of those 50 have had locations announced?

**Ms Shakespeare:** Twenty-one.

**Senator WATT:** I'm sorry, but I'd like you just to run through each of those for me.

**Ms Shakespeare:** Of course.

**Senator WATT:** I'll take them down as quickly as I can.

**Ms Shakespeare:** In order of announcement, there is Kalgoorlie Health Campus, in Western Australia. There are then nine that were announced on 23 September—in no particular order: Mount Barker, South Australia; Monash Children's Hospital, Melbourne, Victoria; Pindara Private Hospital, Benowa, Queensland, which was an upgrade of a partially eligible machine; Sale Hospital, Central Gippsland Health, New South Wales. All of these that I'm reading out now are now operating; they commenced in November last year.

**Senator WATT:** I'm up to four, plus Kalgoorlie—is that right?

**Ms Shakespeare:** Yes. That's five in total, including Sale Hospital; Mount Druitt Hospital, Sydney, New South Wales; Royal Darwin Hospital, Northern Territory; Northern Beaches Hospital, Sydney, New South Wales; Toowoomba Hospital in Toowoomba, Queensland; St John of God Midland Hospital, Perth, Western Australia.

**Senator WATT:** That's ten, I think.

**Ms Shakespeare:** Yes. That takes us up to the announced locations as at 23 September last year.

**Senator WATT:** How many of those were public hospitals and how many were private?

**Ms Shakespeare:** Kalgoorlie Health Campus is a public facility, but still awaiting installation of the MRI unit by WA government. Mount Barker is Dr Jones & Partners Medical Imaging, a private company. Monash Children's Hospital is public. Pindara Private Hospital is a private hospital. Sale, Mount Druitt and Royal Darwin are public hospitals. Northern Beaches I believe is private but may have a public unit as well. Sometimes the hospitals are both public and private.

**Senator WATT:** But the license went to the private?

**Ms Shakespeare:** I'd have to check that. I'm not sure.

**Senator WATT:** Could you take that bit on notice?

**Ms Shakespeare:** Toowoomba Hospital is public. St John of God Midland Hospital in Perth I think is a private hospital, but I would probably need to check whether there's public work there. I think some of the hospitals in Western Australia, like Joondalup, do both.

**Senator SIEWERT:** Joondalup was public first, then had a private wing, whereas I am pretty certain that St John of God is all private.

**Senator WATT:** That is the first ten. I think you said 21 in total of the 50 locations have been announced—is that right?

**Ms Shakespeare:** Yes. Further locations that have been announced this year include Central Queensland Radiology, Gladstone.

**Senator WATT:** Why don't we say private or public as we go? That sounds private.

**Ms Shakespeare:** Yes. Cairns Radiology, Cairns, private; Ipswich Hospital in Ipswich, Queensland, public; Redcliffe Hospital, Brisbane, Queensland—I'm not sure if that is public or private.

**Senator WATT:** I'm pretty sure that is public.

**Ms Shakespeare:** St George Hospital, Kogarah, New South Wales.

**Senator WATT:** I think that is public as well.

**Ms Shakespeare:** Fiona Stanley Hospital in Murdoch—I'm pretty sure that's public. Insight Clinical Imaging, Cannington, Western Australia, private. Perth Radiology Clinic, Rockingham, Western Australia, private. SKG Radiology, Mandurah, Western Australia, private. Epworth Hospital, Geelong, Victoria, private. And Wagga Wagga Base Hospital, New South Wales.

**Senator WATT:** Is there a reason that that second batch has leaned very much more to private?

**Ms Shakespeare:** I'd need to run through these and work out, for all of the hospitals, are they public, private or both, to work out whether there is more private than public in one component of the announcements. I don't have that available.

**Senator WATT:** I notice quite a few for WA there. I'm sure some people will say that is a great thing for WA, but is there any reason there was such a big allocation to WA?

**Ms Shakespeare:** Not all announcements have been made yet.

**Senator DEAN SMITH:** There are actually more Queensland sites than Western Australian sites in that list.

**Ms Shakespeare:** There will be more sites announced, so it is difficult for us to assess how many have gone to particular jurisdictions until all 50 have been announced.

**Senator WATT:** Will these machines be required to bulk bill all eligible services?

**Ms Shakespeare:** Not all. In the invitation to apply process we did ask for information from potential applicants for Medicare eligibility and whether they were willing to commit to bulk billing. Some said that they would. Where that commitment has been made we will be including that in the deeds.

**Senator WATT:** But not all of them will?

**Ms Shakespeare:** That commitment wasn't made by all.

**Senator WATT:** Going through them, it is only those 21 of the 50 where a location has been specified—the remaining 29 have yet to be allocated to a particular location?

**Ms Shakespeare:** That's correct.

**Senator WATT:** When are you expecting that to happen?

**Ms Shakespeare:** In the next few weeks.

**Senator WATT:** Before the election?

**Ms Shakespeare:** I'm not totally sure, but given that we—

**Senator WATT:** By about 18 May?

**Ms Shakespeare:** We are not totally sure when the announcement will be made, but we expect them to be made soon.

**Senator WATT:** Will licences that are allocated to public hospitals be tied to those hospitals to prevent them from being taken off site? I understand there's been a bit of that happening in the past.

**Ms Street:** They will be at that site for three years. The deed will indicate that they must stay at the same site for three years.

**Senator WATT:** The minister said that over 490 applications were received. What was the process for identifying the successful locations?

**Ms Shakespeare:** We received 493 applications. The department assessed all of these against the published criteria and we provided advice to the government about how each of the applications met those criteria or didn't. Then decisions are made by the government taking that advice into account.

**Senator DEAN SMITH:** Can you remind us what those criteria were? What were some of the key considerations? Many of them have a regional element.

**Mr Weiss:** The invitation to apply spelled out both mandatory criteria and substantive criteria. There were six mandatory criteria. The unit is capable of providing and will continue to provide all MRI services for group I5 of the Health Insurance Act, and is capable of providing such services by 31 December 2020. There was a criterion around the premises—that it will be located at a registered diagnostic imaging premises. That the unit's located at the premises of a comprehensive practice. That the practice at which the MRI unit is located is accredited under the Diagnostic Imaging Accreditation Scheme. That the applicant agrees to comply with all relevant legislation in relation to rendering Medicare-eligible MRI services. That the applicant agrees they are prepared to maintain the Medicare eligibility for the MRI unit for a minimum period of three years from the execution.

They were the mandatory criteria that every applicant had to meet to get through to the next stage, where there were substantive criteria. Those substantive criteria were around issues like the details of the practice—where is the practice located, what are their operating hours, those sort of issues. There was another one around the patient catchment and access to other MRI services and medical services. There was a third one around the services provided at that location; a fourth one around the staffing profile; and a final one about the equipment details—the magnet strength and also the age of the equipment.

**Senator DEAN SMITH:** So going to my point that many of them—not all of them—have a regional characterisation, is that a conscious part of the decision-making process?

**Ms Shakespeare:** Yes. The department provided advice on the relative need of the PHN in which the proposed Medicare-eligible machine was. That included looking at not just the existing number of MRI machines per head of population in a PHN, but also the distance that people would need to travel to existing MRI facilities. That was captured in our assessment in terms of the relative need of the location.

**Senator WATT:** The next thing I was going to cover off was the PBS.

**Senator SIEWERT:** Can I ask one question on the MRI process? The licenses that haven't been announced yet, have they been allocated but not announced, or not even allocated yet—the other 29?

**Ms Shakespeare:** The department has not been advised of any allocations.

**Senator SIEWERT:** Have you provided advice to the minister?

**Ms Shakespeare:** We have provided advice.

**Senator SIEWERT:** Will those 29 come from those 493 that applied previously?

**Ms Shakespeare:** Yes.

**Senator SIEWERT:** In other words, there's not a new call.



**Ms Shakespeare:** No.

**Senator SIEWERT:** Thank you.

**Senator WATT:** Is it okay to move to PBS?

**CHAIR:** That's outcome 5?

**Senator WATT:** That is outcome 4.3.

**CHAIR:** Yes. We are doing all of them together.

**Senator WATT:** Sure. Can I just take you to a question on notice from last estimates? It's SQ18-1268. I'm specifically looking at attachment A which shows the average time from a PBAC recommendation to agreement on price between the government and the sponsor for new medicines is almost three months. Why is that?

**Ms Platona:** Each PBAC meeting happens usually on the first of the month of March, July or November. Three weeks later the ratified minutes for each positive recommendation is completed and issued to the applicant. Those applicants then have the opportunity to consider the outcome of their application and make price offers to the department. The department considers the suitability of those price offers in line with a PBAC recommendation. The other aspect of the work that happens in that period after PBAC is the financial estimates. Everything needs to be aligned with the PBAC's advice, including the restrictions and the population identified by the PBAC. That work takes some time. On average in the past three years it has taken us just under three months.

**Senator WATT:** To calculate the average you must have the data for each medicine. Since 2015-16, what was the longest delay between PBAC recommendation and price agreement and what medicine was that for?

**Ms Platona:** In the last estimates we established that in the 2017-18 year we talked about 17 medicines. Those were new molecules. Not every new listing is on the PBS. Out of those 17, two of them did not meet the key activity indicators. I don't have the information on the longest period. I have averages and reports of the proportion that has not met the key activity indicators in the annual report.

**Senator WATT:** Could you take on notice what the longest one is?

**Ms Shakespeare:** I suspect that the longest one is probably something still continuing today, because the sponsor has decided that they do not want to list their medicine, despite a positive PBAC recommendation. We can look back through our records as to which medicine has been in that situation for the longest period because they made that decision earliest, but that's where we're going to end up.

**Senator DEAN SMITH:** What's a better measure—the average waiting time or the average length that Senator Watt has been referencing or perhaps the total number of drugs that get listed?

**Ms Shakespeare:** We certainly have information about the medicines that do get listed, because sponsors are willing to list them on the PBS. I mean, we are unable to force companies to list their medicines. Occasionally, we do have a company that decides they're not willing to accept what's been judged as a comparatively clinically-effective, cost-effective price. It's usually around price.

**Senator DEAN SMITH:** If we went back over the last ten years, would you have a table there that tells us how many new medicines have been listed for each financial year?

**Ms Shakespeare:** We could probably go back over the last five financial years. Actually, I think I've got six here. This is new and amended listings. So far in 2018-19 there are 241. In 2017-18, 329. In 2016-17, 409. In 2015-16, 382. In 2014-15, 441. In 2013-14, 205.

**Senator WATT:** Ms Platona, you had some terminology. Not key performance indicator; it was—

**Ms Platona:** Key activity indicator. It's in the portfolio budget statement and then reported in the department's annual report.

**Senator WATT:** What is the key activity indicator for?

**Ms Platona:** The parameter is six months from agreement on price and budget to listing. Eighty-five per cent of those 17 medicines have met that requirement, and two have not.

**Senator WATT:** Yes, I think I remember us talking about that previously. What I was asking about was the time from a PBAC recommendation to agreement on price. Is there any key activity indicator around that?

**Ms Platona:** No, but we have answered your question for the previous three years in question on notice 1268.

**Senator WATT:** Those figures were about the time between recommendation and agreement on price?

**Ms Platona:** Correct.

**Senator WATT:** So the key activity indicator is then between agreement on price and listing?

**Ms Platona:** Correct.

**Senator WATT:** Going back to the length of time between recommendation and price agreement, how many medicines took longer than the average and what were they?

**Ms Platona:** I don't have that.

**Senator WATT:** Can you take that on notice for me, please. Is there a reason there's no key activity indicator or KPI around the length of time between PBAC recommendation and agreement on price?

**Ms Shakespeare:** I think we try to measure activities that are within the control of the department and the government in our portfolio budget statement. The period of time it takes to reach agreements with a pharmaceutical company about whether or not they want to list a medicine is something that's really not within our control. We can try and work as quickly as we can with them, but sometimes we have companies that are more motivated to list than others.

**Senator WATT:** Okay. You've obviously made reference to difficulties you may experience with companies negotiating, but it is the case as well that, without a KPI around the time between recommendation and agreement on price, there's no sort of pressure or requirement on the government either, is there, to reach an agreement?

**Ms Beauchamp:** I think we try and pursue it as expeditiously as possible for each medicine. And each medicine will have its own circumstances depending on—

**Senator WATT:** Sure. And I'm sure if we were talking to the companies they would say the same as well. It works both ways; there's no key indicator there. Just as it might not be entirely within your control to manage the drug companies, they could equally say that there's nothing really forcing you to reach an agreement either.

**Ms Beauchamp:** I think the policy is that we list for all PBAC recommendations, and we work with the companies post PBAC to do that as quickly as possible.

**Senator WATT:** We've talked about these two stages. Your KPI is to have a six-month period maximum between price agreement and listing. But, separate to that, we know that there's an average of close to three months between the PBAC recommendation and listing. So, in reality, we're talking about a nine-month process all up: the three months to price agreement and then six months to listing.

**Ms Shakespeare:** There are many cases where listings do not take anywhere near that amount of time. I can go through some examples if you would like.

**Senator WATT:** Why don't you take that on notice again, given the time. But, equally, there would be some examples that take longer than nine months, wouldn't there?

**Ms Shakespeare:** And as I said before, and as we've advised in response to your questions on notice, there are always several companies that tell us that they're not going to proceed with a listing.

**Senator WATT:** Yes, I accept that. But there are occasions when companies do want to proceed with listings and are quite eager to have that happen and, for reasons beyond their control within government, those time frames aren't met. Maybe not maliciously, but I'm sure you could find some examples where it has taken longer than nine months.

**Senator Scullion:** I can remember some examples, Senator. It was in 2011, when the previous government actually suspended seven of the most important drugs for life saving. Do you know what they said? They said: 'Cabinet's considering those now. It's a cost-saving measure. We're just doing nothing about it, mate.' If you want to go far enough down memory lane, we've got some horror stories for you.

**Senator WATT:** Feel free.

**Senator Scullion:** This is the challenge, you see? We have accepted that all of PBAC's advice will be accepted and we will move those drugs. There's no interference from us. Under the previous government, your government, it was actually a decision of cabinet. It was cabinet. It was actually characterised:

... the listing of some medicines would be deferred until fiscal circumstances permit.

'We've outlined government's new position, that all listings with financial impact will now be considered by cabinet.' Luckily, they were the dark old days, and we live in a more enlightened society. It was only a little while ago, Watto.

**Senator WATT:** Because things are going very well under this government, aren't they?

**Senator Scullion:** They're certainly going a hell of a lot better, mate! At least we can afford to pay for those essential medicines. I think that would challenge—

**Senator WATT:** Do you want to get into a discussion about debt and deficit?

**Senator DEAN SMITH:** To be more specific: can afford to pay for the 2,047 new and amended medicines that have been listed since 2013, if I've added all of those figures together—does that sound right?

**Senator WATT:** All right. He said, she said.

**CHAIR:** 2,007.

**Senator Scullion:** We love memory lane.

**Senator DEAN SMITH:** My question goes to the relevance of the \$20 million threshold for cabinet. Could you explain that to me, Ms Platona or Ms Shakespeare?

**Ms Shakespeare:** At the moment, we have processes which allow medicines which cost less than \$20 million in each of the forward estimates years to be approved for listing without a cabinet decision, which is speeding up the time it would take otherwise for some medicines to achieve listing.

**Senator DEAN SMITH:** So 'reducing' delays?

**Ms Shakespeare:** Yes. There's still reconciliation of funding that happens at each budget and budget update, but it allows the listings to progress in the meantime. We have had for the last few years monthly PBS listings, so we're able to add new medicines to the PBS on the first of each month.

**Senator DEAN SMITH:** Thank you.

**Senator WATT:** Given the time, I'll just do one more outcome 4 topic, being private health insurance. I know people have some outcome 5 questions as well. It's only a bit over a month away from when the gold, silver, bronze and basic categorisation for private health insurance is going to take effect. Given we're only a month away: of the roughly 13 million Australians with private health insurance, how many will fall into each of these new categories?

**Ms Shakespeare:** Senator, there's actually a transition period over 12 months. Not all private health insurance hospital products need to be fully transitioned to the clinical categories that support gold, silver, bronze and basic until 1 April 2020.

**Senator WATT:** Are there any projections for how it will be split up at that point in time?

**Ms Shakespeare:** I think we provided some advice on notice to this at the last estimates, which I think is still our advice. Our understanding is that there will be a substantial number of insurers that are moving to the new tiers and clinical categories this year, but we don't have detailed advice on numbers of policies or insurers at this point.

**Senator WATT:** How many Australians do you expect to find with a policy that covers less than it did before this change.

**Ms Shakespeare:** We do not have any information on what particular insurers will do as they move to the new clinical categories, so I can't answer that question.

**Senator WATT:** The department doesn't know and the government doesn't know how many Australians will end up with less—

**Ms Shakespeare:** These are insurance products offered by private health insurers, who will all be making their own decisions about the product suites that they offer as they transition to the new clinical categories and tiers.

**Senator WATT:** So it could well be that every single Australian ends up with a policy that covers less?

**Ms Shakespeare:** No, that is not true, because we know that there are some insurers who have already changed their policies and added benefits.

**Senator WATT:** So you do have some idea of how many people will—

**Ms Shakespeare:** We know what has been announced so far.

**Senator WATT:** Are you confident that the majority of Australians will have a policy that covers more than it did before the change?

**Mr Henderson:** As a bit of a guide, we know that approximately 45 per cent of policies would be classified as top cover policies currently, so they would move to the gold tier, which would mean no change at all to their cover.

**Senator WATT:** When you say '45 per cent of policies', do you mean 45 per cent of policyholders?

**Mr Henderson:** No, policies.

**Senator WATT:** So that doesn't mean that 45 per cent of Australians will end up with gold; it could be that 90 per cent of Australians don't have top level. Forty-five per cent of policies is great but, if no-one's taking them up, that doesn't mean that people get more.

**Mr Henderson:** I could take that on notice and see if we have the data on the number.

**Senator WATT:** Has there been any work done to work out how many Australians you expect to upgrade their policy just to keep the same level of cover they have today?

**Ms Shakespeare:** We are certainly working to provide more information to consumers. As they have a tier allocated to their product, if they are surprised by that tier, they can then look into what cover they want to be covered for. Looking at the new clinical categories and how they translate to levels of coverage, we're providing additional funding to the Private Health Insurance Ombudsman to provide comparative information so that people can make educated choices about what level of private health insurance cover they want.

**Senator WATT:** That is good.

**Ms Shakespeare:** That's the underlying rationale for making those reforms.

**Senator WATT:** Sure, but my question wasn't so much about what you are doing to help consumers. You don't know how many Australians are expected to have to upgrade their policy just to keep the same level of cover that they currently have?

**Ms Shakespeare:** There is no requirement for cover to be downgraded.

**Senator WATT:** No, I'm not saying that.

**Ms Shakespeare:** Insurers are able to keep existing levels of cover where they have clinical categories covered. They don't need to take away those clinical categories because something has been categorised as—

**Senator WATT:** They don't need to, but they might, mightn't they? They're quite able to do that if that's what they choose to do.

**Ms Shakespeare:** The 13.5 million people that have private health insurance are also quite able to take their business to another insurer who is not doing that. In answer to your original question, which was whether we have modelled how many people will change, that is really dependent on the personal choices of the 13.5 million people covered.

**Senator WATT:** Sure, but this is a major change to private health insurance that the government is trumpeting as the solution to premium increases, and there's been no modelling done of what the effect will be.

**Ms Shakespeare:** As we went through at the last hearings about this, this particular reform is about making private health insurance easier for people to understand and compare products. It's not about premium reduction. There are other reforms that are putting downwards pressure on that.

**Senator WATT:** Okay, but no modelling has been done about what the effect will be.

**Ms Shakespeare:** I'm not sure what modelling you think we should have done—surveyed the 13.5 million people to ask whether they—

**Senator WATT:** When you're bringing in a major reform, I would have thought that you would undertake some level of modelling to work out what—

**Ms Shakespeare:** There's been plenty of modelling around this.

**CHAIR:** Senator Watt, if you are going to have any chance at outcome 5, I think we should wind up.

**Senator WATT:** Okay. I've got about two minutes if that's okay. Last time we talked about some modelling that Deloitte had done. You probably saw a *Daily Telegraph* report on 10 October last year that said that health funds will pay out 22 per cent less to people with bronze health cover. Is that accurate?

**Ms Shakespeare:** I'm sorry. I'm not familiar with the *Daily Telegraph* article from October last year, and it probably wouldn't be a source of data that we would use. We'd probably look at APRA statistics and talk to private health insurers.

**Senator WATT:** So you have no reason to think that health funds will pay out 22 per cent less to people with bronze health cover?

**Ms Shakespeare:** No.

**Senator WATT:** The same report said the cost of silver and gold policies will rise by between eight and 12 per cent this year. Does the department's work back that up, or do you think that's not right?

**Ms Shakespeare:** The Deloitte modelling has now been released and, I think, was provided under a question on notice. As we discussed at estimates last year, there were some problems with the modelling. When we queried

some of the assumptions, particularly about the lower priced products, they didn't really stack up. I'm happy to provide that *Hansard* for you.

**CHAIR:** Senator Watt, your time—'

**Senator WATT:** Okay, this is the last one on this: how many consumers do you anticipate will exit private health insurance as a result of these changes?

**Ms Shakespeare:** We do not think any people will exit private health insurance as a result of these changes. These reforms that we're putting in place are designed to make private health insurance a more attractive product. People will be able to compare products, understand better what they're covered for and there is a whole range of other reforms, not just the gold, silver, bronze, basic. The prostheses price reductions, the discounts for younger people, the greater flexibility and excesses people can choose between are all policies designed to improve affordability of private health insurance.

**Senator WATT:** Minister, are you confident that no one will exit private health insurance as a result of these changes?

**Senator Scullion:** I'll have to rely on the officers for that. But the Catholics have again privately advised that we've got to prepare for the consequence of Bill Shorten's two per cent cap. You'd be familiar with Citi's modelling, which said that 58 per cent of the insurers will actually go under in five years. I don't know where we're going to buy insurance under those circumstances, but they're the sort of bits of modelling that I think have been concerning Australians. I'm happy to help.

**Senator SINGH:** I want to ask about the national strategies for blood-borne viruses and sexually transmitted infections that I understand was announced in November. First, what are the government's plans to ensure there is continuity of both research and the surveillance programs, which are obviously currently under the health surveillance fund, to support this implementation of this strategy, which I think goes all the way out to 2022?

**Ms Appleyard:** That's right. As you just pointed out, the new strategies were endorsed. They went all the way through to COAG Health Council and they were announced, publicly released in late November last year. What's really important following the announcement of those strategies—we now have the framework for activity going forward—is the development of implementation plans. Starting on 7 January this year and closing this Friday 22 February, we've started public consultation on the structure and content of these implementation plans. That covers the whole range of activities from prevention and education to surveillance, to support for priority populations and research funding, which is what you're interested in. We have been funding research organisations as you know for a number of years and it's really quite important that whatever those research organisations do or whatever our research agenda is in BBBSTI links very closely to the strategies. Because clearly the reason that you have a strategy is because you want to identify what the priorities are, what the gaps might be, what research and what surveillance activity you might need to underpin the implementation of those strategies.

**Senator SINGH:** Yes, I understand that. You'd be aware that there are currently four national research centres. We all know who they are. So is it correct that these four research centres conducting their work under research contracts will expire in June this year.

**Ms Appleyard:** So the funding agreements actually expire for two of the research organisations on 30 September and for another two of the research organisations on 30 December. So that's when the funding agreements actually expire.

**Senator SINGH:** So tell me which expire in September and which in December.

**Ms Appleyard:** These are impossible acronyms so I'll read them out for you. The ARCSHC, Australian Research Centre for Sexual Health and Society, is one of the ones that expires in September and the other one is Australian Centre for HIV and Viral Hepatitis Virology Research—ACH2 that's called. And the other two that expire in December, this is the funding agreement of the Kirby Institute and also the Centre for Social Research in Health.

**Senator SINGH:** Acknowledging that that current investment in national research centres finishes relatively soon, will the government commit to further three-year funding—I think it is usually three-year funding they go through—tranches for both the surveillance and the research components of their work?

**Ms Appleyard:** What I can definitely say is that there is an absolute commitment to surveillance and researching activity for BBD and STI. What exact form that takes is very much going to depend on the implementation plans underpinning the strategies and what the priorities are. That goes for the quantum as well.

What I guess I'm saying to you is there's work that needs to be done to determine exactly what that research agenda is going to look like.

**Senator SINGH:** So there's work that needs to be done and there's not a lot of time. These are research bodies and they employ staff and do ongoing research beyond their funding agreements. What is the implementation date of the implementation plans?

**Ms Appleyard:** We would really like to finalise these as soon as possible. We are conscious of the fact that there is a range of activity funded under BBDSTI strategies, some of which does finish on 30 June. We need to determine whether or not extensions are going to be required to some of those funding arrangements or whether we can get processes in place to start new agreements. You pointed out the relatively tight time frames that we're working with at the moment. We're very conscious of the need for continued funding. So I guess the best I can say to you is that we are really onto the process and the need to move as quickly as we can to ensure continuity.

You also asked a question about what the funding length of time would look like. We completely agree that funding for one year or two years does not look acceptable to any funded organisation. So we would be looking to, if possible, three-year funding agreements. That's all part of getting it right in terms of what we're funding.

**Senator SINGH:** What I take from you, Ms Appleyard, is that, if you haven't had enough time to get it right and fit with these implementation plans, by the dates that their funding agreements come to end—so either June, September or December—you would look at extensions.

**Ms Appleyard:** That's correct.

**Senator SINGH:** That's good enough for me. I have one other in outcome 5 and then Senator Siewert has something. This is just a very quick question about the Industrial Chemicals Bill.

**CHAIR:** You will need to put it on notice. We have about five minutes before we adjourn.

**Senator SINGH:** I will just ask this one question. The Industrial Chemicals Bill and related bills recently passed the parliament. Are there any measures included in these bills to protect native species?

**CHAIR:** You can take it on notice.

**Senator SINGH:** That was my one question. So if that can be answered, we can then hand off.

**Ms Appleyard:** Senator, not specifically to protect native species. There is the ban on the testing of cosmetics on animals, provisions for which are included in the industrials chemicals bills, but there are no provisions that we're aware of specifically in relation to native species.

**Ms Shaw:** One of the policy objectives of the new bills is to protect human health and the environment—so in terms of the broader environment certainly, but the bill doesn't specifically outline native species.

**Senator SINGH:** So this bill has nothing to do with the Prime Minister's pledge to protect native species?

**Senator Scullion:** Well, native species can be included; it doesn't exclude native species. We're just saying that it refers to animals more generally rather than native species. So I think the interpretation would be all animals, which would include native species. But, no, I don't know the answer to your last question.

**Senator SIEWERT:** I want to quickly traverse two areas, because we only have a short amount of time.

**CHAIR:** Five minutes.

**Senator SIEWERT:** Exactly. I have two questions on transvaginal mesh, following up the recommendations that were made by the Senate inquiry. Can I ask for you to provide on notice an update on progress on the recommendations from the Senate inquiry?

**Dr Skerritt:** Yes, we certainly can take that on notice. We have provided an update to the parliament recently.

**Senator SIEWERT:** So there's no further update beyond that?

**Dr Skerritt:** There are things happening all the time in the medical devices framework, so we're more than happy, say, to give a progress report as of today, on notice.

**Senator SIEWERT:** That would be great. Thank you. Have you considered bringing forward a review of all mesh devices for pelvic organ prolapse and stress urinary incontinence?

**Ms Duffy:** As of 1 December last year, all mesh products will be required to go through a reclassification process, from medium-risk to high-risk classification. As part of that up-classification process, all of the products are required to do a complete review of all the clinical evidence and dossiers to prove that they're safe and effective.

**Senator SIEWERT:** Okay. What's the time line for that?

**Ms Duffy:** There's a transition period. New products wanting to supply in Australia have to apply now, as they are wanting to come into Australia. For existing products there's a transition time period over the next two years.

**Dr Skerritt:** I should add that the benefit-risk for transvaginal pelvic organ prolapse mesh and mesh for stress urinary incontinence is no longer seen as favourable. That's a consensus statement of most of the clinicians involved as well as the view of the regulator.

**Senator SIEWERT:** Thank you. Has the government considered establishing an Australia-wide register for transvaginal mesh implants?

**Dr Skerritt:** There is a current piece of work before the COAG Health Council that's much broader than this. It's looking at device registries writ large. That work will continue, through both AHMAC and COAG, during the course of 2019. What can I say, however, is that there is a public consultation currently underway about the introduction of a unique device identifier, and that should also help monitor the understanding of which patients have been implanted with which implantable devices, not just meshes.

**Senator SIEWERT:** I want to move on now to Lyme-like illness. I have a number of questions. I know I'm not going to get through them all. I will put them on notice. I first want to ask for an update on the proposed journal publication—or whatever process is undertaken—of the national serology of the laboratory study.

**Prof. Murphy:** The publication is still under review. It's been submitted. There've been some amendments suggested. It's been resubmitted. The authors have advised that it's in its final consideration. We don't have an exact date of publication but it's well advanced. It's been through the first review and has been resubmitted.

**Senator SIEWERT:** I've been asking about this for some time. Why has it taken so long?

**Prof. Murphy:** The report's been available on our website for a long time. The publication is just a synthesis of that information. We can't control the journal acceptance process, but I would imagine it will be published pretty soon.

**Senator SIEWERT:** 'Soon' as in a month?

**Prof. Murphy:** That would normally be the case. If a resubmission has gone to a journal—unless they have further issues, which is unlikely—it usually is approved pretty quickly.

**Senator SIEWERT:** Okay. Thank you. I want to move on to some funding and research questions. I'm aware I'm not going to get through them all but I'll at least ask this one.

**CHAIR:** You have one minute, Senator.

**Senator SIEWERT:** Can you explain the process by which the Austin Hospital and Melbourne's psychiatry department were awarded the \$1 million grant to trial psychotherapies like cognitive behaviour therapy.

**Prof. Murphy:** I don't think it's correct to say it's to trial psychotherapy. I think the Professor Kanaan was one of the applicants to a properly run NHMRC process, which had a committee including disease stakeholders. It was one of the two grants that were the highest-ranked grants. Whilst he is a psychiatrist, his proposal is to look at multidisciplinary pathways to treat people with these disabling symptom complexes. I understand that because he is a psychiatrist it's created some concern in the community, but his approach—not assuming any underlying basis—is basically to look at methods, without presuming a cause, to deal with these chronic disabling symptom complexes. It's a multidisciplinary team approach, which is the model that was developed originally at Austin Health, and did have some success. So the process had nothing to do with the department. This was an NHMRC run process under the normal NHMRC—

**CHAIR:** Senator, it's now 11 pm, so put your other questions on notice.

**Senator SIEWERT:** I'll put the rest on notice. Can I just ask one now, though?

**CHAIR:** No. It's 11 pm—

**Senator SIEWERT:** Can you point me in the direction of where I can find the detail of that multidisciplinary approach application?

**Ms Appleyard:** It would be on the NHMRC's website I'd imagine.

**Senator Scullion:** If you can't find it, Senator, get in touch with my office and I'll see what I can do.

**Senator SIEWERT:** Okay.

**CHAIR:** Good. It's now 11 pm. That concludes the committee's examination of the health portfolio. I thank the minister and the officers for their attendance, and Hansard, broadcasting and secretariat staff. Senators are reminded that written questions on notice should be provided to the secretariat by 1 March 2019. Others are reminded that answers to questions taken on notice should be returned to the committee by 29 March 2019.

**Committee adjourned at 23:01**