COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Estimates

(Public)

WEDNESDAY, 24 OCTOBER 2018

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SENATE

COMMUNITY AFFAIRS LEGISLATION COMMITTEE

Wednesday, 24 October 2018

Members in attendance: Senators Carol Brown, Di Natale, Farrell, Gichuhi, Griff, Hinch, Leyonhjelm, Lines, Polley, Rice, Siewert, Singh, Dean Smith, Steele-John, Waters, Watt.

HEALTH PORTFOLIO

In attendance

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

Senator Scullion, Minister for Indigenous Affairs

Whole of Portfolio

Ms Glenys Beauchamp PSM, Secretary

Professor Brendan Murphy, Chief Medical Officer

Mr Matt Yannopoulos, 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, Acting Deputy Secretary, Health Financing Group

Dr Lisa Studdert, Acting 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

Mr Craig Boyd, Chief Financial Officer, Financial Management Division

Dr Rochelle Christian, Chief Budget Officer, Financial Management Division

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

Ms Radha Khiani, Acting 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

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

Mr Daniel McCabe, First Assistant Secretary, Information Technology Division

Mr Barry Sandison, Director, Australian Institute of Health and Welfare

Dr Adrian Webster, Group Head, Hospitals and Expenditure Group, Australian Institute of Health and Welfare

Mr Matthew James PSM, Deputy Director and Group Head, Housing and Specialised Services Group, Australian Institute of Health and Welfare

Outcome 1

Ms Tania Rishniw, First Assistant Secretary, 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

Dr Alison Morehead, First Assistant Secretary, 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

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

Ms Lisa La Rance, 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

Dr Harry Rothenfluh, Assistant Secretary, Office of Health Technology Assessment—Assessment Branch, Technology Assessment and Access Division

Ms Natasha Ploenges, Acting 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

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

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

Mr Anthony Kitzelmann, General Manager, Cyber Security, Australian Digital Health Agency

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

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

Outcome 2

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

Mr Matthew Boyler, First Assistant Secretary, Cancer Policy, Screening and Services Taskforce

Ms Trisha Garrett, Assistant Secretary, Policy Change and Adoption Branch, Cancer Policy, Screening and Services Taskforce

Mr David Paull, Assistant Secretary, National Cancer Screening Register, Cancer Policy, Screening and Services Taskforce

Ms Alice Creelman, Assistant Secretary, Cancer Policy and Services Branch Cancer Policy, Screening and Services Taskforce

Mr David Hallinan, First Assistant Secretary, Health Workforce Division

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

Dr Paul Cutting, Assistant Secretary, Workforce Regulation Taskforce, Health Workforce Division

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

Ms Emma Wood, 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

Ms Natasha Ryan, Assistant Secretary, Primary Care Taskforce

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

Ms Kim Eagle, Chief Operating Officer, National Mental Health Commission

Mr Mark Booth, Chief Executive Officer, Food Standards Australia New Zealand

Mr Peter May, General Manager, Food Safety and Corporate, Food Standards Australia New Zealand

Dr Scott Crerar, General Manager, Science and Risk Assessment, Food Standards Australia New Zealand

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

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

Ms Nicole Jarvis, Assistant Secretary, Mental Health Services Branch, Primary Care and Mental Health Division

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

Ms Elizabeth Flynn, 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

Outcome 3

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

Mr Andrew Godkin, Sports Integrity Adviser, National Integrity of Sport Unit, Population Health and Sport Division

Ms Kate Palmer, Chief Executive Officer, Sport Australia

Mr Robert Medlicott, Deputy Director, Australian Institute of Sport Operations, Australian Institute of Sport

Ms Louise Eyres, General Manager, Marketing, Customer Insights and Analytics, Sport Australia

Ms Renee O'Callaghan, Acting General Manager, Corporate Operations, Sport Australia

Mr Peter Dunlop, Acting Chief Financial Officer, Corporate Operations, Sport Australia

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

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

Mr Darren Mullaly, Deputy Chief Executive Officer, Legal, Education and Corporate, Australian Sports Anti-Doping Authority

Ms Rebecca Tyler, Chief Financial Officer, Australian Sports Anti-Doping Authority

Ms Narelle Smith, Assistant Secretary, Office of Sport, Population Health and Sport Division

Outcome 4

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

Ms Lisa La Rance, 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

Dr Harry Rothenfluh, Assistant Secretary, Office of Health Technology Assessment—Assessment Branch, Technology Assessment and Access Division

Ms Natasha Ploenges, Acting Assistant Secretary, Pharmacy Branch, Technology Assessment and Access Division

Mr David Weiss, First Assistant Secretary, Medical Benefits Division

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

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

Mr Michael Ryan, Acting Assistant Secretary, MBS Policy and Specialist Services Branch, Medical Benefits Division

Ms Susan Azmi, Acting Assistant Secretary, Private Health Insurance Branch, Medical Benefits Division

Mr Simon Cotterell, First Assistant Secretary, Provider Benefits Integrity Division

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

Ms Tiali Goodchild, Assistant Secretary, Compliance Targeting Branch, Provider Benefits Integrity Division

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

Mr Charles Maskell-Knight, Principal Adviser, Long Term Health Reform Taskforce

Outcome 5

Ms Sharon Appleyard, First Assistant Secretary, Office of Health Protection

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

Adjunct Professor Tim Greenaway, Chief Medical Adviser, Health Products Regulation Group

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

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

Ms Tracey Duffy, Acting 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

Outcome 6

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

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

Ms Emma Jobson, Assistant Secretary, Aged Care Compliance Branch, Aged Care Reform and Compliance Division

Ms Helen Grinbergs, Acting First Assistant Secretary, Aged Care Royal Commission Taskforce

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

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

Ms Valerie Spencer, 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

Mr Nick Ryan, Chief Executive Officer, Australian Aged Care Quality Agency

Ms Christina Bolger, Executive Director, Regulatory Policy and Performance, Australian Aged Care Quality Agency

Ms Pamela Christie, Executive Director, Industry Engagement and Communication, Australian Aged Care Quality Agency

Ms Ann Wunsch, Executive Director, Operations, Australian Aged Care Quality Agency

Ms Rae Lamb, Australian Aged Care Complaints Commissioner

Committee met at 09:02

CHAIR (Senator Gichuhi): I declare open this meeting of the Community Affairs Legislation Committee on 24 October 2018. The Senate has referred to the committee the particulars of proposed 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 6 December 2018 as the date for the return of answers to questions taken on notice. Senators, I might add that any written questions on notice should be provided to the committee secretariat by close of business on 1 November 2018.

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 opinion 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 offices may seek to incorporate longer opening statements into the committee *Hansard*.

Department of Health

[09:06]

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: Thank you. This is my first appearance on behalf of the health minister for Senate estimates. I'm looking forward to you being really gentle with me. In exchange for that, of course, I'll comply with your rulings. We don't actually have an opening statement.

CHAIR: Thank you.

Senator WATT: Welcome, Minister. We're looking forward to having you.

CHAIR: I intend to keep the time limits, so senators are reminded to contain your questions within that time, and other questions can be put on notice.

Senator POLLEY: Thank you very much, and welcome. My question goes to the 2016-17 budget. Can the department confirm that, on page 101 of Budget Paper No. 2, there was a revision of the ACFI and that there was an efficiency made to the tune of $1.2 billion to the ACFI?

Ms Beauchamp: Senator, are you asking questions in relation to outcome 6?

Senator POLLEY: Yes, I'm doing that here just in terms of ACFI.

Senator WATT: I thought this might come up. We're not intending to pursue a large number of aged-care matters in cross-portfolio. We'll do that in outcome 6. The reason Senator Polley is raising this one is that it's more about the budget of the department overall, including aged care. So it won't be a long process, but we thought this was the appropriate place to ask this particular set of questions.

Ms Beauchamp: Okay.

Dr McCarthy: As I think we've discussed in previous estimates, the government did, over a combination of a MYEFO and a budget, introduce measures to reduce unplanned growth in the Aged Care Funding Instrument. But as we've discussed before, Senator, the net effect of the measures was an increase in aged-care funding overall.

Senator POLLEY: I'm trying to understand where that $1.2 billion has gone.

Dr McCarthy: That was a moderation in unplanned growth. The government increased—made an upwards estimates variation and then introduced a measure to reduce the unplanned growth. The net effect was an increase in funding to aged care.

Senator POLLEY: Can you confirm that the $1.2 billion was taken out of ACFI—that was removed?

Ms Beauchamp: It's probably worth looking at what has actually happened in terms of investment into aged care over the period. I think there's been—

Senator POLLEY: Well, no, that's not my question. That's not my question. I'm sorry.

Ms Beauchamp: Sorry, I hadn't finished.

Senator POLLEY: The question was: the $1.2 billion was taken out of ACFI—

Senator Scullion: Madam Chair, if we can just give the officer an opportunity to get the first sentence out, I think would be really helpful in terms of the process.

Senator POLLEY: Well, it's also helpful if they answer the question that I've put to them rather than talking about other budgetary—

Senator Scullion: I'm sorry, but if you just allow at least a sentence to come out, perhaps you'll get to the information required.

Ms Beauchamp: Senator, I was putting it in context of what Senator Watt had said, in terms of the overall departmental funding as it related to aged care. If you have a look at the aged-care budget over the forward estimates and from as early as the budget that you referred to, I think you'll find that annual funding has increased each year, and over the forward estimates it will increase by $5 billion.

Senator POLLEY: Can I—

Ms Beauchamp: I just wanted to mention that there have been a number of commentators—independent commentators—who have said there has actually been both a real increase and a nominal increase in the aged care budget since 2012-13.

Senator POLLEY: I have a copy of the budget papers. On page 101 it says:

The Government will achieve efficiencies of $1.2 billion over four years through changes to the scoring matrix of the Aged Care Funding Instrument (ACFI) that determines the level of funding paid to aged care providers.

That's in the budget papers. You're obviously not going to answer my question in so far as this is what the budget papers have to say. It's here in black and white. Can you then explain to me what the term 'efficiencies' means as far as the budget is concerned.

Ms Beauchamp: I think Dr McCarthy has mentioned a moderation in growth, but on the other side of the equation there's been quite a substantial investment into aged care as well.

Senator POLLEY: That's still not answering the question in relation to that money that was taken out of ACFI. Was it spent somewhere else in aged care, did that go into the health budget or did it go into the health budget? What program did that go in to?

Ms Beauchamp: As you would appreciate, the budget process consists of lots of ones and offs, and then the government decides how to invest and reprioritise funding across a number of portfolios. I just wanted to put into context that funding has actually increased both in the Health portfolio and including the Aged Care portfolio. Decisions are made on budgets, MYEFOs and whole lots of processes from year to year.

Senator POLLEY: Was the money, that $1.2 billion, invested in the home care support program, or the home care packages?

Ms Beauchamp: You're assuming a direct hypothecation model, whereas the government decides how to reprioritise, how to spend the money that's been appropriated to all the portfolios. There would be, as Dr McCarthy said, some areas of growth restraint that we've looked at that has been reinvested into aged care. There have been quite substantial amounts invested into aged care since that budget decision. I'm happy to go through some of those measures.

Senator WATT: We've very much heard what you've said about funding to aged care overall. Senator Polley and the opposition are keen to just focus on the efficiencies that were made with the ACFI in that particular year, 2016-17, when Mr Morrison was the Treasurer. We're keen to understand where that money went. I think what you've said is that some of it might have gone to aged care, but government makes decisions about where it puts money, and some of it may have gone to other portfolios as well. Is that a correct understanding?

Ms Beauchamp: In budget deliberations the government decides how to prioritise the money. What I would like to confirm is that that moderation of growth on ACFI has been more than offset by increases in expenditure on aged care since that time.

Senator WATT: You have said that, and you keep talking about moderating growth, but if you look at that budget paper—

Senator POLLEY: Which I'm happy to table.

Senator WATT: they've each got minus symbols in front of the dollar figures. 2016-17 has a minus or reduction of $119 million. 2017-18 has a reduction of $229.6 million. 2018-19 has a reduction of $339.5 million. 2019-20 has a reduction of $463.8 million. You might want to describe it as moderating growth, but with minus signs in front of every one of those figures, we're talking about reductions of funding to the ACFI.

Ms Beauchamp: But on the other side of the equation, you haven't gone through all of the plusses.

Senator WATT: Sure, and that's a fair point. But we're looking at the ACFI. What I've said is correct. If we're looking at the ACFI, year on year, funding for the ACFI was reduced. That's correct.

Dr McCarthy: There were upwards variations made to the Aged Care Funding Instrument. The net effect of the measures taken, the efficiencies, was increased funding through the Aged Care Funding Instrument.

Senator WATT: Can you point to us, in those budget papers, which aged-care programs received funding as a result of the redirection of funding from the ACFI? It may not be possible to do that because the money goes from here into general budget holdings for the government, which might then go to health, to aged care or to education. That's fine if that's the answer; we're just trying to work out what the answer is.

Senator Scullion: In general terms, that doesn't happen. It does happen from time to time. I know in my own portfolio, usually in a fairly small matter, you can shift it, for example, from one organisation to the other. Then it actually shows a cut and then a plus, and you have to find that. But it's very rare that we would hypothecate

efficiencies into a particular area. As you would no doubt be aware, ACFI, the Aged Care Funding Instrument, is something that's been used efficiently and effectively by your own government to ensure that the money we pay to residential aged-care facilities actually ends up going to the people in need, and not necessarily to the facilities. That's exactly what happens. So the notion of this as a cut has been pretty reasonably scotched. There's no way that you can say that there is no hypothecation of funds, so we say these are efficiency dividends from ACFI, because we're not paying people anymore for services they don't provide. So that does go back into the general health fund revenue. But it's really important to note that because we have far more money being spent every year in aged care, that's where some of those funds no doubt can be appreciated.

Senator WATT: So I think we're in agreement. This funding isn't hypothecated, so it's not possible to say that the money went from ACFI into other aged-care services; it may have gone partly there, but it may have gone to other portfolios as well.

Senator Scullion: Given there's a significant increase across aged-care services, to the tune of a billion dollars every year for the last five years, where that actual dollar came from, I'm not sure we can ever really find out in the context of the budget. But the most important thing is that, if people want to think that those efficiencies have been rechurned into, certainly the numbers are there to support that. I think the most important figure for everybody is that we have, in fact, increased the aged-care budget by over a billion dollars a year for every year that we've been in office.

Ms Beauchamp: Senator, could I also just add that the budget paper—now I've got a copy of it—from two years ago did say that funding would be redirected to fund health policy priorities.

Senator POLLEY: What we were asking was: has that gone to home care packages?

Ms Beauchamp: It would have gone to a number of measures, including aged-care measures.

Senator WATT: But also potentially to other matters in the Health portfolio, whether it be hospitals, PBS—

Senator POLLEY: Or other portfolios.

Ms Beauchamp: Well, it says the health policy initiatives in the budget papers two years ago.

Senator WATT: Not just aged care.

Ms Beauchamp: But I think, still, the bottom line is that there has been additional funding going into aged care since the budget you referred to.

Senator POLLEY: Can I ask, then, whether the sector was consulted before this cut was made?

Ms Beauchamp: I'd have to take that on notice. It was two years ago.

Senator Scullion: Even so, Senator, can I say: you don't consult someone on a compliance regime. We say, as you did—remember, in exactly the same position in 2012, in the same budget papers as you're looking, in the same line item, there's minus $1.6 billion. You cited significantly higher than historic rates of growth in 2012 under exactly the same circumstance. I can remember—in fact, I think it was Julia Gillard who said, 'People are claiming levels of money we don't think they're entitled to, and they may be unhappy the gig is up.' They were talking to the ACFI. It's not about, 'Look, we're going to consult with the aged-care sector.' The aged-care sector know that there are some dodgy dealers within their sector.

Senator POLLEY: Well, then you deal with those dodgy dealers.

Senator Scullion: If you could just let me finish, Senator. The vast majority of the aged-care sector believes that the Aged Care Funding Instrument is a useful instrument to ensure that not only the payments are made but compliance can be made around. As you'd know, even in the last quarter, 39 per cent of invoices have been questioned. So, we're in the business. Now, that's not an efficiency dividend; that's a compliance system. It's not a matter that you'll discuss at length with industry: 'Do you think this is a good compliance system or not?' They've known that that has been the case. And, yes, industry have been involved in the set-up of the policy around ACFI, and they broadly agree. Now, there were some who didn't agree, who are non-compliant, but the rest of them would agree and have been consulted on those matters.

Dr McCarthy: If I can just support the senator's comments. We don't consult on compliance, per se, but, at the time that we were aware that the claims were well above what was planned, there were discussions in fora like the Aged Care Sector Committee about this issue and what might be done about it.

Senator SIEWERT: Can I just jump in on that one? My recollection is that there were some significant negotiations with providers after this announcement was made, and that, in fact, some changes were negotiated with how these cuts would be made. Is that—

Dr McCarthy: Senator, I wouldn't necessarily use the word 'negotiation'.

Senator SIEWERT: Discussions with providers about the changes, and, in fact, some alternatives—the money was still saved, but some alternatives?

Dr McCarthy: That's correct, Senator.

Senator SIEWERT: Are you able to tell us now what they were?

Dr McCarthy: I might ask my colleague Mr Murray to help us out on that. There were some changes made relating to indexation versus some of the changes that were going to be made to the scoring instrument.

Mr Murray: Yes, that's right. After the announcement in the budget, there was discussion with the sector about how to implement those changes. What that involved was discussion around whether it was better to proceed with some of the changes that had been announced of the ACFI tool itself, some of the detail of the changes of the questions in the ACFI tool; or whether the sector would prefer and think it a better outcome to have a greater focus on the indexation and slowing the indexation rather than making some of the direct changes to the ACFI tool. After that discussion, in the following MYEFO, in December of that year, the government announced a revised package of measures which relied more on the indexation approach rather than the direct changes to the tool.

Senator SIEWERT: I'm conscious of the time. Are you able to table those revised measures this morning? We've got a number of hours now where we're going to be talking about aged care. Are you able to—

Mr Murray: Yes. There was a media release and an announcement at the time of exactly what those changes were. I'm happy to get them and provide that to you.

Senator SIEWERT: That would be useful. The point being here is that that money came directly out of the care component—ACFI is about the care that each resident receives. That's the point that's trying to be made, that money has come out of the direct hands-on care to other areas in Health.

Dr McCarthy: Senator, the funding to direct care increased year on year as a result of the net effect of the upwards estimates variations and the efficiencies that we've explained. The net effect was more funding for direct care year on year.

Senator SIEWERT: But, if you hadn't changed it, that would have kept going.

Senator Scullion: But, Senator, the actual number in the budget was an approximation of how much we would have thought that the payments that would be made would be made. One in three of the claims audited in 2017-18 were judged to be incorrect. We set aside a number we thought would be right based on previous history. But now, because we've had an increase in auditing, we've found those to be incorrect, and the actual number is lower. You might like to call that a save. It's the actual amount that was actually needed to be provided.

Senator SIEWERT: And you only, when you're auditing—

Senator Scullion: That was a lower number than anticipated.

Senator SIEWERT: You're only pulling in those high outliers when you're auditing. We had this argument at the time. You're saying that one in three implies that everybody is audited and that one in three were a problem.

Senator Scullion: No.

Senator SIEWERT: That's the way it sounds when you go to the media to say that.

Senator Scullion: That isn't the way it is. Instead of doing 20,000 compliances, which was the original number you're talking about, we're now down to 7,000, but it's in a much tighter area. Like in every auditing process, the function of auditing should be a function of compliance. For those who are continuing compliance, we're not. We're focusing very much on those with a history of non-compliance.

Senator SIEWERT: Which is why the outcomes are relatively higher than if you audited absolutely everybody to that degree. That's the point, that one in three makes it sound like it is a much—it's a skewed figure in terms of the whole number of providers that are out there.

Senator Scullion: No. Every provider comes under compliance regimes, Senator.

Senator SIEWERT: They're not audited like this.

Senator Scullion: The important thing is, you're saying, 'Well, why is this number lower than we anticipated?' It's because we anticipated a high amount historically. Just like running any business, we're making sure that the invoices we pay on are correct and accurate. We put a lot of effort into that. That's why we have the capacity. It's like running any business or running any economy. We're good at it and we make sure we're not paying for things that people within the aged-care sector aren't getting.

Senator DEAN SMITH: Secretary, ACFI revisions are not uncommon, are they?

Dr McCarthy: That's correct, Senator.

Senator DEAN SMITH: When was the last time there was an ACFI revision?

Dr McCarthy: 2012.

Senator DEAN SMITH: Under the Gillard government?

Dr McCarthy: Correct, Senator.

Senator DEAN SMITH: Secretary, in your earlier evidence, you mentioned that there had been some third-party commentary in regard to the level of aged-care funding under the coalition. You mentioned it in the broad. Could you be more specific in terms of where that third-party commentary is?

Ms Beauchamp: I think there has been a lot of commentary around the increase. Some commentators have said there hasn't been an increase in aged-care funding. I think there have been two independent assessments of what has actually happened in both real and nominal terms over the last few years. One was by Peter Whitford, which was reported in The Conversation, and the other one was an ABC Fact Check that put to bed that there has actually been a billion dollar increase in aged-care funding over the forward estimates building on past expenditure. I think they're important in terms of correcting the record of other commentators, particularly in the media. The other thing I'd like to say, responding to Senator Siewert, is that there has been a six per cent increase in growth. When you look at the average care subsidy over the period, it's gone from $53,100 in 2012-13 to $66,000 in 2017-18. I think they're significant care figures if you're looking at direct care subsidy per consumer.

Senator DEAN SMITH: Thank you. It's also not uncommon for residential aged-care funding to be redirected to other sources of aged-care funding, is it? I've got the 2010-11 budget paper document here, where it says: 'The government'—so, the government at the time in 2010-11. A little bit difficult to keep up; it was either Kevin Rudd or Julia Gillard—

Senator POLLEY: It's a bit like Abbott, Turnbull, Morrison—you want to go there, do you?

Senator DEAN SMITH: I'm not arguing with that.

Senator POLLEY: Anything to churn up time.

Senator DEAN SMITH: No need for cheap political points; it's Wednesday morning. The document says:

> The Government will redirect funding of $247.7 million over four years from high-level residential aged care to high-level community aged care—

A redirection initiative under the previous Labor government. A similar document says:

> The Government will ensure additional high-level community aged care places are made available by temporarily adjusting the balance between high-level community aged care and high-level residential aged care.
>
> … … …
>
> This measure will provide savings of $211.7 million over five years from 2010-11, due to the lower costs associated with delivering care at home.

Senator POLLEY: The money was staying in aged care. That's the difference. You've taken the money out of aged care and given it to other groups.

Senator DEAN SMITH: These are not uncommon decisions for government to make.

Ms Beauchamp: Based on what you're reading, which I don't have in front of me, yes.

Senator POLLEY: Which confirms that that money stayed in aged care, unlike the current government's.

Senator DI NATALE: I have my standard questions on health expenditure. Could you provide me the latest figures: total health expenditure, percentage increase over the last year and where those increases have occurred.

Senator Scullion: You've taken them a bit by surprise by asking a budget question.

Senator DI NATALE: Why's that?

Senator Scullion: I was joking.

Senator DI NATALE: Right, you mean a serious question?

Senator Scullion: Yes.

Mr Yannopoulos: Just forward estimates, this year and forward?

Senator DI NATALE: Yes please.

Mr Yannopoulos: For health overall: $78.825 billion.

Senator DI NATALE: How does that compare to the previous year?

Mr Yannopoulos: $76.039 billion; 2019-20, $80.416 billion; 2020-21, $82.48 billion; 2021-22, $85.41 billion

Senator DI NATALE: You have seen close to a $2 billion increase, and it looks like that trend is set to continue. What areas have grown?

Mr Yannopoulos: I'll need to go through. Each program has grown.

Senator DI NATALE: Is there an area that stands out or is it proportionate across all of them?

Mr Yannopoulos: The MBS has grown probably the most, looking at this table: 2018-19, $24.728 billion.

Senator DI NATALE: Which was an increase of?

Mr Yannopoulos: Just on $800 million from $239.76 billion in 2017-18. In 2019-20—

Senator DI NATALE: I don't need the forwards; I'm interested to see what has happened over the last year.

Mr Yannopoulos: Just in the relative year?

Senator DI NATALE: Yes. Any other bits?

Mr Yannopoulos: Hospitals in 2017-18, $19.936 billion, has gone up to $21.189 billion.

Senator DI NATALE: That almost accounts for the total increase.

Mr Yannopoulos: Yes. There's just one more that I think I should call out, given the previous conversation, which is aged care. In 2017-18 it was $18.086 billion and in 2018-19, $19.764 billion.

Senator DI NATALE: What's the total cost of the private health insurance rebate now?

Mr Yannopoulos: Budgeted for this year: $6,405 billion; last year, $6.276 billion.

Senator DI NATALE: Over the forwards?

Mr Yannopoulos: Going up to $6.546 billion in 2019-20, $6.710 billion in 2020-21 and $6.877 in 2021-22, growing 2½ per cent on average by my calculation.

Senator DI NATALE: I don't know how you allocate total funding for preventative programs looking specifically at alcohol, obesity and tobacco.

Mr Yannopoulos: I have some numbers that break down 'other': preventative health and chronic disease supports in 2017-18, $374 million; 2018-19, $399 million; 2019-20, $394 million; 2020-21, $392 million; and 2021-22, $383 million.

Senator DI NATALE: Why is that projected to decrease?

Mr Yannopoulos: I'd have to take that on notice—I don't know—or we could deal with it later today.

Senator DI NATALE: I'll perhaps interrogate that in the relevant outcome.

Mr Yannopoulos: I suspect it's savings at some point.

Senator DI NATALE: I have some additional cannabis questions, but it would probably be unfair to—

Ms Beauchamp: To add to what Mr Yannopolous said about preventative health, some of that is included in primary care, MBS and some of the other mainstream programs. We'll get a more definitive figure later.

Senator DI NATALE: Yes, I understand that probably includes primary health networks and so on, does it?

Ms Beauchamp: Yes, that's correct.

Senator Scullion: We'll take those questions on notice and try to have the answers back shortly.

Senator DI NATALE: I have some stuff on medicinal cannabis, but I will wait for the right program.

Ms Beauchamp: Late at night.

Senator SIEWERT: I have a couple of questions about where I should ask different things. Should the remuneration of GPs providing care in aged-care facilities be in outcome 6 or one of the other outcomes?

Ms Beauchamp: That's outcome 4.

Senator SIEWERT: MRIs and their locations?

Ms Beauchamp: Outcome 4.

Senator SIEWERT: I thought so. Indexation issues for mental health and practice incentive program?

Ms Beauchamp: That's outcome 2.

CHAIR: Senator Watt, we have about 10 minutes on this portfolio and then we will move onto the next.

Senator WATT: In the past we haven't strictly enforced these time brackets, within reason.

CHAIR: I intend to as the chair.

Senator WATT: That is the first I've heard of that. May we have a little bit of a discussion on that? I don't think I will need much more than 10 minutes.

CHAIR: That's it. You've got it.

Senator WATT: We might have a talk about that at some point.

CHAIR: Yes, but for now you have 10 minutes.

Senator WATT: Moving onto a different topic, which has cross-portfolio aspects to it, I turn to the dispute on the reconciliation of public hospital funding for 2016-17. Can I confirm that this dispute is between the Commonwealth on the one hand and all states and territories on the other?

Ms Beauchamp: We probably should take that in another outcome, but the dispute is not with the Commonwealth; it's with the independent funding bodies.

Senator WATT: But it's the Commonwealth who all the states and territories are seeking some change from.

Ms Beauchamp: Can we raise that under the hospital outcome?

Senator WATT: The reason I'm doing it now is that it does have impacts on the department's overall budget. This is one of only two matters that we intend to raise in cross-portfolio.

Senator Scullion: Is this National Health Reform? The title helps; there's lots of negotiation going on.

Senator WATT: Yes, the National Health Reform agreement.

Senator Scullion: My understanding is that the coalition have signed a new heads of agreement with five states and territories on the delivery of public hospital services. New South Wales, Western Australia, South Australia, Tasmania and the Australian Capital Territory have already signed. That's a 2020 national health—

Senator WATT: My understanding is that is for future funding.

Senator Scullion: That's correct.

Senator WATT: But the dispute is about past funding.

Senator Scullion: Sorry, can you ask that question again?

Senator WATT: I think you are talking about the future agreement, 2020 to 2025; what I'm focusing on is the existing agreement and a dispute over past funding.

Senator Scullion: Sorry, I'll let the department answer that—same heading; different matter.

Senator WATT: You are familiar, Ms Beauchamp, with the dispute I'm talking about?

Ms Beauchamp: Yes, I am.

Senator WATT: It is the case that all of the states and territories, including state Liberal governments such as New South Wales, South Australia and Tasmania, are united in their opposition to the Commonwealth's position.

Ms Beauchamp: The Treasurer made a determination on reconciliation based on the advice of the independent bodies and the administrator.

Senator WATT: Which Treasurer was that? There have been a few.

Senator Scullion: They've all been good, though.

Senator WATT: You reckon? Why do they keep getting replaced?

Senator Scullion: It was the most recent Treasurer.

Senator WATT: As in Mr Morrison?

Ms Beauchamp: Mr Frydenberg.

Senator WATT: We have all the states on one side, regardless of Liberal, Labor or whatever, and the Commonwealth on the other side.

Ms Edwards: The situation we have is a mechanism under the national reform agreement currently in place which requires the Treasurer to make a determination about the final payment for hospital funding in a year. The Commonwealth makes payments through the funding pool during the year in advance on the basis of estimates, then at the end of the year, on the advice of the pricing authority and the administrator, the Treasurer makes a final determination to do ons and offs. So that's what we're talking about.

Senator WATT: Sure. I understand the role of those independent agencies, but it is a fact that all of the states and territories don't agree with the decision that has been put forward.

Senator Scullion: But the decision by those independent agencies—

Senator WATT: Which is acted upon by the Treasurer.

Senator Scullion: But the independent agencies have made that recommendation.

Senator WATT: Sure.

Senator Scullion: And so it's the jurisdictions who are united against the two independent umpires' decisions. They're the recipients of the funds and that is unremarkable. But the Treasurer follows the advice of two independent agencies, which he is doing in this case.

Senator WATT: Okay.

Ms Edwards: I would just add that I'm not sure whether it's the case exactly that they're united. The states have expressed views about the way the pricing authority and the administrator have calculated the very complex way we do pricing. Some of them have written letters to the minister and some of them have raised issues in ministerial councils. So there is an ongoing discussion and a whole series of consultative forums going on. At the moment where we've landed is that the Treasurer has made a determination and the states have been discussing that among health ministers and have some issues with the technicalities of how it was put together.

Senator WATT: You've made a lot of references to these independent bodies. Are you aware of the concerns that the states have raised about the supposed independence of those bodies?

Ms Edwards: You might have to describe further what you mean. Certainly I haven't in those terms.

Senator WATT: My understanding is that the states are so concerned about the independence of those bodies that they're considering voting to sack board members of those bodies, to the extent that they're able to under the health agreements. Are you aware of that?

Ms Edwards: I'm aware of a draft paper—and I don't know whether it went anywhere near ministers or not—which was talking about the deputy chair of one of the bodies. I'm not aware of any move to do anything about the administration. In fact, the administrator was very recently appointed in a process which consulted very heavily with states and territories and took their nominations. The administrator was unanimously appointed at a health ministers' meeting. I think it was the one in Alice Springs in July. So that is a very recent appointment which, as far as I'm aware, the states were wholly in agreement on. The pricing authority board changes over from time to time. We have been having discussions about how we might seek nominations from states about replacement members. I am aware that states have been worried about the methodology and the way the technical and very complex mathematical actuarial-type arrangements have been made and how those have flowed through. Continuing discussions have been happening about that, including a well-established working group with all the states about how we deal with these issues in the new agreement. So it is a complex, ongoing discussion.

Senator WATT: Okay.

Ms Beauchamp: Senator, can I just add to that? At the most recent Commonwealth Health Ministers Meeting, all jurisdictions, including the Commonwealth, met with the independent bodies. There was no discussion or agreement about sacking any of them. So I just wanted to put that on the record. There may have been some discussions at officer level in the states about what measures could be taken, but certainly at the last Commonwealth Health Ministers Meeting there was no agreement or discussion about sacking any members of the independent—

Senator WATT: Okay, maybe not at ministerial level. At that most recent meeting of the state, territory and Commonwealth health ministers, the COAG Health Council agreed to invoke section 23 of the National Health Reform Agreement and refer this dispute to COAG if it is not resolved by this Friday, 26 October. Can you give us any previous examples of section 23 being invoked?

Ms Beauchamp: Could I just first correct something. It wasn't COAG that agreed; it was the states and territories that invoked that clause.

Senator WATT: Okay. So all the states and territories agreed to refer the dispute to COAG, if it's not resolved by this Friday. Has that ever happened before?

Ms Edwards: Not that I'm aware of.

Ms Beauchamp: I'd have to take it on notice.

Ms Edwards: But clause 23 is a reasonably new agreement, so it's not as though we have decades—

Senator WATT: Sure, but there would be similar clauses in previous agreements.

Ms Edwards: I'm not aware of any, but we will take that on notice.

Senator WATT: Our research is that this would be the first time that a dispute has had to be referred to COAG because it hasn't been able to be resolved among ministers.

Ms Beauchamp: We'll take that on notice.

Senator Scullion: Just in the context of people who might be following this, they may not understand the notion of reconciliation. It's not unlike the previous discussion around ACFI. In 2016-17, for example, you would say, 'This is what we would anticipate.' In one year we had a 78 per cent increase in skin rashes, constipation went up 67 per cent, resistance to antibiotics and penicillin went up a massive 161 per cent, trouble initiating and maintaining sleep went up 134 per cent and the list goes on. These are conditions you would expect to remain stable. So the reason the Labor Party put in the independent process in 2011-12 was to ensure that, when we see increases like that, they check whether those are real increases, and, when they aren't, they say, 'We're not going to pay you something that you haven't provided a service for.' I can understand that the states and territories are, in the vernacular, a bit narky about that and will do everything that they can. But I really think that this was an independent process set up by you and has been supported by governments since that time. I think it is, in fact, a process that's working well.

Ms Edwards: Can I just add to that, Minister, that the independent body has actually been called to appear later today and they will be able to explain in very great technical detail exactly how those apparent growths were then treated and how the actual situation was determined. The minister is obviously steeped in it, but I'm certainly not across it enough in the details. I suggest you might want to have a full explanation of exactly how the back-casting issue that's provided for in A40 of the agreement applies to things like apparent growth, which might turn out to be simply coding differences and so on. Those very great complexities can be discussed by the independent bodies that are conferred with the role of working through that.

Senator WATT: Sure. I will have a discussion about that.

Senator Scullion: Senator, you're saying, 'They didn't like this person,' or, 'They were going to sack someone,' or, 'They didn't like what was going on.' I'm not sure if you can provide, not necessarily now, the reasons why. Was it malfeasance, or was it that they didn't like the process or the technical detail? I'm not sure, but—

Senator WATT: Okay. I'll see what I can find out.

Senator Scullion: Thank you.

Senator DEAN SMITH: I can't help but be reminded of Paul Keating's 1993 comment about how unwise it is to get between state governments and a bucket of money. But, in all seriousness, which government proposed the independent model?

Senator Scullion: I think my recollection is that it was the Labor government, in 2011-12.

Senator DEAN SMITH: And who nominated the current administrator? Ms Edwards, you did say that everyone came to an agreement on the current administrator.

Ms Edwards: The previous administrator's term came to an end. There was a process in train that the Commonwealth ran. The previous administrator decided not to reapply. The Commonwealth came up with a possible candidate and took that candidate to the states. There was a view, at least among a majority of states, that they weren't a good candidate, so we withdrew that nomination.

After that, I took on a process where we canvassed for nominations across all of the states and territories. We convened another panel, which involved two states, myself and the head of the safety and quality commission. Then we had a roundtable discussion about the merits of the various candidates. A consensus view was arrived at, after which I rang back all of the states' very senior officials—secretaries or equivalent, or deputy secretaries—to say to them: 'You put up'—so-and-so. 'We're actually thinking about going with this other person. What do you think?' I spoke to all of the states who had that view and also to some external referees in relation to the person who'd been nominated by a state and whom we thought was a good idea. Then it went into a private session, I believe, amongst all the state ministers, and there was, as I understand it, complete agreement that the person who is now the administrator should be appointed.

Senator DEAN SMITH: Thank you.

Senator WATT: In terms of the money that we're talking about here, the states say that the Commonwealth is making changes retrospectively and reducing funding for hospital services they delivered in 2016-17. Are they wrong?

Ms Edwards: That's not the way we would characterise it.

Senator WATT: I figured that.

Ms Edwards: As we mentioned before, what we're talking about is a reconciliation process. Large amounts of money are paid out during the year. Obviously, states want the money during the year. At the end of the year, a reconciliation is done to check actual activity—what services are really provided to people in hospitals—and then that data is all reconciled. What you end up having are relatively minor ons and offs—we hope. At the end of the

day, what happened in this reconciliation was that an additional $307 million was paid out to states and territories as the final payment for the year. For some states that meant a bit more, and for some states it meant a bit less. Those payments are then made during the next year—either small amounts or relatively modest amounts held back or payments made. That happens every year so that the payments catch up. Nobody is ever required to pay anything back. That's the fundamental process.

Senator WATT: Victoria says that it's owed $201 million, Queensland says it's owed $79 million, and presumably the other states also say that they're owed tens of millions or more.

Ms Edwards: I think states say that, on their analysis of the data, there was growth in hospital activity which should have been paid for. Then the advice from the independent bodies is that when you apply backcasting methodology—which, as I say, they should explain to you in technical detail later today—it means that the growth was actually a certain amount. That advice was provided to the Treasurer, and he paid out exactly in accordance with that advice to reflect what the bodies have come at, in this very complex area, as being the actual services provided to people.

Senator WATT: Okay.

Ms Beauchamp: Senator, could I just add, it's probably worth looking at some—

Senator WATT: Can I just make a point? With the greatest of respect, we've got limited time, and lot of the answers are getting pretty long. If we can try and keep them as concise as possible. Please go ahead.

Ms Beauchamp: I was just going to say it would be worth tabling the growth figures of funding to public hospitals from the Commonwealth compared to the growth rates of each of the states and territories. Funding from the Commonwealth has been quite substantial where the growth rate from the states and territories has been much smaller. I think we've got those details on the record through questions on notice. I think the growth from the Commonwealth funding certainly outstrips the states and territories.

Senator WATT: Sure, okay. The dispute we've been talking about is over 2016-17 funding, but there was a similar dispute over funding in 2015-16, and that dispute arose after the then Treasurer, Mr Morrison, directed the umpires to audit 2015-16 funding. To your knowledge, did Mr Morrison as Treasurer do the same for 2016-17?

Ms Edwards: The process that happened in 2015-16 did not happen in 2016-17, no. There was no request to the bodies to investigate the apparently excessive growth.

Senator WATT: Right, so the actions Mr Morrison took as the Treasurer in 2015-16 were not repeated by whoever the Treasurer was—

Ms Edwards: The Treasurer wrote to the Minister for Health, from memory—this is back beyond my current folder—and asked them to look at that apparently extremely high growth, which didn't seem to be justified. That did not happen in 2016-17. I'm sorry if my answers are getting long, but this is a very complex area.

Senator WATT: My understanding is that the administrator or the pricing authority considered a range of options to resolve its dispute, including one option that would be prospective so that it would start in 2018-19. Is there a reason that wasn't adopted by the Commonwealth?

Ms Edwards: The Independent Hospital Pricing Authority provides advice to the administrator, who provides it to the Treasurer, who adopted that advice. I think you'd actually have to talk to the pricing authority about what was the nature of its advice and to the administrator about whether he did or didn't take it.

Senator WATT: So the department wasn't involved in that?

Ms Edwards: No. We were aware the discussions were going on, as were all states and territories invited to consultations, but no. I think there was notice of the advice given as it happened, but we did not have any specific role in that. IHPA gave advice to the administrator and the administrator gave advice to the Treasurer, there was consultation along the way with the Commonwealth and all the states, and then the Treasurer made a decision which was entirely based on the advice of the administrator.

Senator WATT: It was widely reported that the cancelled COAG meeting in October would have discussed health funding. Would that have included this issue?

Ms Edwards: I'm not aware of any proposal to—well, you'd have to address those issues to PM&C in relation to what might have been on the agenda—

Senator WATT: You're not aware?

Ms Edwards: As far as I'm aware, I didn't see any specific agenda that went to this issue, no.

Senator WATT: Okay. Last one here: if the COAG Health Council does refer this issue to COAG on Friday, when will COAG discuss it?

Ms Edwards: That would be a matter for different portfolios. We don't have any—

Senator WATT: You don't know?

Ms Edwards: No.

Senator WATT: Just one quick thing on another topic before I hand over to Senator Singh. Minister, have you been asked to provide advice on policy concessions or spending commitments that could be made to members of the House crossbench? I'm asking you here as a representative of the health minister.

Senator Scullion: I understand that, and you'd understand that I'll have to take that on notice, Senator, but if we can find an answer to that question today, we will.

Senator WATT: Okay.

Senator Scullion: Can I just take that on notice?

Senator WATT: Sure. What about in your own portfolio, where you might have more knowledge?

Senator Scullion: What the question again? in regard to my—?

Senator WATT: I was asking about Health, which you will take on notice. In your own portfolio, have you been—

Senator DEAN SMITH: No, this is not Indigenous Affairs. That's Friday.

Senator WATT: Okay. I just thought it might be an opportunity for the minister to clarify.

CHAIR: I think, Senator Watt, now we can move to the—

Senator WATT: Secretary, have you been asked to provide advice to government on policy concessions or spending commitments that could be made to members of the House crossbench?

Ms Beauchamp: No, I have not.

Senator SINGH: How many national action plans has the current health minister announced?

Ms Beauchamp: We can get the officers up here, but I think that's in the order of 11 or 12.

Senator SINGH: While we're getting a confirmation on whether it's 11 or 12, I just want to run through some of them that have been announced by the current minister, because I haven't quite found 11 or 12. So maybe we can find the missing ones. I've got a national action plan for osteoporosis.

Ms Beauchamp : Yes. I'll wait for the officer to get here, but some of those plans have also involved states and territories and are being developed through the COAG process as well.

Senator SINGH: Yes, I'm just trying to get the right number on how many there are. I think I've got ten that I've been able to identify, so maybe if there's 12 you can identify the missing two. So, I've got a national action plan for osteoporosis, a national action plan for endometriosis, a national action plan for chronic pain management, a national action plan for inflammatory bowel disease, a national action plan for macular disease, a national action plan for arthritis, a national action plan for kidney disease, a national action plan for children's health, a national action plan for childhood heart disease, and a national action plan for lung conditions. What are the ones I've missed?

Dr Studdert: I believe that women's health and men's health are also there, and cardiovascular and stroke disease. The relevant officers that can go through those and explain them in some detail will be here for outcome 2 this afternoon, and will be happy to talk you through this.

[09:58]

CHAIR: We now move to outcome 6, ageing and aged care.

Senator POLLEY: I'd just like go back and talk about some issues. In parliament last month, the minister said that funding for ACFI expenditure has continued to increase against claims across all three domains. I'd just like to put some evidence before you. Firstly, there is the Ansell report, where there is confirmation that there was an effect of the 2017 ACFI changes on residential funding. This report states that there was a cut of $6,655, or 11 per cent, per resident per year as a direct result of the budget measures across the complex healthcare domain. This can be further evidenced by the fact sheet, *Changes to residential aged care funding arrangements - budget 2016-17* whereby changes to ACFI would be implemented in two stages. Do you want me to read out those stages? The *ACFI monitoring report* in April of this year also supports the occurrence of this cut with a negative growth of the complex healthcare domain of minus 2.4 per cent. Isn't it clear that the complex healthcare domain was cut in the 2016 financial year, or are you saying that there has been an increase over the last year?

Dr McCarthy: As we've already discussed, funding for aged care, including the care component, has increased year on year. We do monitor the ACFI claims, and that's done by the report that you suggest. There can

be variability over time in those claims, and we monitor that closely. But, overall, as we've discussed, there have been increases year on year to aged-care funding.

Senator POLLEY: Are you saying to us that the minister's statement, when we believe it was clearly wrong when it comes to complex healthcare domains—are you saying that there's no substance to that?

Dr McCarthy: Sorry, can you repeat the question?

Senator POLLEY: In the report it states that there's been minus 2.4 per cent growth—a decrease in the growth. Was the minister right, or was he clearly wrong, when it comes to the complex healthcare domain?

Dr McCarthy: The minister was referring to an increase overall in funding for the three domains collectively. There has been some variability in relation to one of the domains—

Senator POLLEY: What's that?

Dr McCarthy: but, overall, care funding has increased. It may be helpful to know that, of course, the funding that flows through the Aged Care Funding Instrument assessment flows to the facility as a total pool. It's assessed per resident, but the facilities use a total pool, and, of course, that total pool has increased year on year.

Senator POLLEY: But the minister actually said that every domain had increased, and the department's report clearly states and shows that it was a minus. So, I'm still confused.

Mr Murray: The complex healthcare average payment in 2015-16, before these changes, was $18,900. That was the average payment. In 2017, it was $19,100. So that domain has increased over that time period.

Senator POLLEY: Over the three domains?

Mr Murray: Over the three domains it has increased.

Senator POLLEY: We just had evidence that there is one domain that didn't.

Mr Murray: For complex health care, which is the domain I think you were talking about, the average ACFI payment in 2015-16 was $18,900. The average payment for complex health care in 2017-18 was $19,100. So that has increased.

Senator POLLEY: And what is it now?

Mr Murray: That was the 2017-18 figure. It would be slightly above that moving into the 2018-19 year, but that was 2017-18.

Senator WATT: So why does the department's own ACFI monitoring report in April 2018 show negative growth of the complex healthcare domain of minus 2.4 per cent?

Mr Murray: There were movements in the domain over that period, and that's what's sort of identified in the report. But if you look at what the situation was prior to the changes and what the situation is after the changes, there has been growth in that domain.

Senator WATT: But there were cuts along the way.

Mr Murray: There were movements in the pattern along the way. What often happens with these changes is that we'll see providers bring forward claims, for example, so that brings you forward to a higher peak before the changes take effect. Then the changes take effect, but after a while they move back into the positive.

Senator POLLEY: Perhaps we can move on to the royal commission into aged care. Can the department give us an update as to when the hearings are going to start?

Ms Beauchamp: The royal commission will not be the responsibility of the department. The royal commission will be managed under the Attorney-General's Department, so any hearings and any questions about the mechanics of the royal commission should be directed to them.

Senator POLLEY: Can we go back, then, to see whether you can confirm when the department gave advice to the government about a need for a royal commission? What date was that advice given?

Ms Beauchamp: These decisions are made by government primarily through the cabinet process, so I am not in a position to answer questions that relate to cabinet and government decision-making processes.

Senator POLLEY: Did you give advice to the government on whether there needs to be—

Ms Beauchamp: We give advice on a range of matters and we would have given advice on this matter.

Senator POLLEY: When was that advice given?

Ms Beauchamp: I'm not in a position to give you that date, because it was part of a government decision-making process.

Senator POLLEY: I'm not asking you to outline the advice, but surely you can tell us when that advice was given? It is kind of pertinent to the royal commission being established, particularly just prior to the ABC report.

Ms Beauchamp: It was given before the government announced the royal commission.

Senator POLLEY: Come on!

Senator WATT: One of the most basic questions we can ask at an estimates hearing is when departments provided advice to government. Can we not get into games about 'We can't tell you because it went to cabinet.' We can ask you the date that you provided advice to government. That is allowed.

Senator POLLEY: It is fair and reasonable.

Senator Scullion: I'm sorry, the convention is that anything to do with advice to cabinet, whether it's a date or whatever—

Senator POLLEY: That is not true.

Senator Scullion: No, I'm sorry—

Senator POLLEY: That is not true. You are misleading the committee. Many times I have asked for advice about the date and I've been given the date when that advice was given. And I think it's pretty pertinent to calling a royal commission into aged care when you have been in government for five years, and you've failed.

Senator Scullion: Any advice to cabinet, whether it is the date of advice to cabinet, is not something that the officers are required to give—

Senator WATT: We haven't asked for the date of advice to cabinet. We have asked for the date of advice to government. They are different.

Senator POLLEY: That's right.

Ms Beauchamp: Advice to government comes from a number of sources and not just from our portfolio.

Senator WATT: We are asking about your portfolio.

Ms Beauchamp: I just wanted to suggest that we don't provide advice at one go. We provide advice on an ongoing basis. It can be across a period, it can be a number of advices—

Senator WATT: When did you first provide advice to the government about the need for a royal commission?

Ms Beauchamp: I would have to take that on notice.

Senator POLLEY: Really! It is the biggest thing that has happening in aged care since we were in government, when we established the platform for the reform. We are now having a royal commission into aged care—you keep telling us at every estimates how there is more and more money going into it—and you can't tell us when you gave advice to the government on calling a royal commission.

Ms Beauchamp: I am suggesting that advice to government on a royal commission matter comes from a number of sources—

Senator POLLEY: It does. But we are talking about your responsibility as secretary to this department.

Senator WATT: You are the primary department.

Ms Beauchamp: Senator Watt asked what advice there had been to government. We provide advice to ministers responsible in this portfolio on a number of issues and we would have provided advice on the royal commission, at various stages, to our ministers.

Senator POLLEY: So, you're not prepared to put a date as to when you gave advice to the government that there was a need for royal commission. Or, did you not in fact give advice about calling a royal commission—that this was done by the Prime Minister himself?

Ms Beauchamp: I suggested to Senator Watt that I will take that on notice. Is it advice to our ministers.

Senator WATT: Dr McCarthy is the deputy secretary in charge of ageing. Is there anything she can add here?

Dr McCarthy: Only that occasionally over the years there have been calls from members of the sector for inquiries—a royal commission. So, in terms of when you first provided any advice, over the years there have been calls going back quite some time.

Senator POLLEY: Can I put this in context. Just two weeks prior to the airing of the *Four Corners* program, the Minister for Senior Australians and Aged Care said that there was no need for a royal commission. Can you then explain to us why the minister changed his mind, what advice was given and when was that advice was given?

Dr McCarthy: Minister Wyatt has addressed that publicly.

Senator POLLEY: Can you advise us?

Ms Beauchamp: I don't think it's our place to add any further comments to what Minister Wyatt has said publicly.

Senator POLLEY: I just want to again talk about what the minister said in question time on 18 September. I quote:

The information from the Australian Aged Care Quality Agency provided detail on the number of complaints, which has risen significantly, but they also raised an issue that was absolutely important. That issue was the serious risks found. In the first year, there were only two. In the second year, there were 22. In the third year, there were 61.

At that time, the Minister for Senior Australians and Aged Care said that the Australian Quality Care Agency report was confidential. Given this report was so vital to the decision being made about why the Minister for Senior Australians and Aged Care spoke with the Prime Minister, can the department or you, Minister, please identify this report? What is the report called? And can the department provide a copy of this report?

Senator Scullion: I'm not sure, Senator, whether it's actually a report. I do know, as you said, that there are findings of serious risk against service providers that have risen by 177 per cent over the past year. We would know that within the department, simply as part of our numbers, but I don't think this would be necessarily part of an actual report as such. Referrals to the Australian Aged Care Quality Agency have gone up by 188 per cent over the past year and non-compliance notices are up 185 per cent. We use royal commissions for different things, but, where there is a systemic issue and it appears to be a systemic problem—that's why we've called the royal commission that will look at the whole aged-care sector. But I'm not aware of any particular report—

Senator POLLEY: Can I ask the department, then—

Dr McCarthy: Can I just clarify? Was that a precis of what Minister Wyatt said in the parliament?

Senator POLLEY: That was a quote direct from him in parliament.

Dr McCarthy: Referring to a report?

Senator WATT: Yes.

Senator POLLEY: Yes.

Senator WATT: Is there someone here from the Australian Aged Care Quality Agency?

Dr McCarthy: There is. Mr Ryan has just come to the table.

Senator WATT: Are you able to shed light on this—that the minister referred to detail that your agency provided on the number of complaints? Which report is he talking about?

Mr N Ryan: I would have to look carefully at what you're quoting, Senator. Certainly, findings of serious risk have increased over recent years. We took a very fresh look at the principles and the requirement every time we found non-compliance across all 44 outcomes. Principle 2.62 requires us to test whether one or more residents were placed at serious risk to their health, safety and wellbeing.

Senator POLLEY: We are aware of that.

Mr N Ryan: So, given the clarity and the requirement of the principles and given our greater focus on risk—

Senator WATT: Mr Ryan, we haven't got a lot of time. What was the report?

Dr McCarthy: Senator, we may be able to help you. My colleague, Ms Jolly, can speak to the issue that Senator Polley is referring to in relation to a report. I think it's a combination of information.

Ms Jolly: Senator, there are three, I guess, streams of information that come together to provide our overall regulatory data, some of which is data from the quality agency that you've heard about, which is released in their annual report. There is also data that the Complaints Commissioner releases in their annual report, and the department collects data on mandatory reporting and compulsory reporting that comes through to the department. Much of that data sits in the ROACA report, which is released periodically.

Senator POLLEY: When was that last reported?

Ms Jolly: The next one is due shortly. The last one was this time last year.

Senator POLLEY: This time last year?

Dr McCarthy: On the Aged Care Act.

Ms Jolly: It's a report on the Aged Care Act.

Senator POLLEY: That was from last year. All those annual reports have been available for some considerable time. There was no specific report, then, that was provided in recent times to the minister for him to make those statements and to call for the royal commission. Is that right?

Ms Beauchamp: Sorry, Senator, we did provide that advice and that information to the minister.

Senator WATT: When?

Ms Beauchamp: I'd have to take on notice exactly when because it would have been from a combination of data that Mr Ryan has spoken about and information that we had.

Senator POLLEY: Did the department brief or provide any advice to the minister about the need for a royal commission before he was interviewed for the *Four Corners* program around the middle of August 2018?

Ms Beauchamp: Again, I'll take that on notice.

Senator POLLEY: Was the advice for a royal commission into aged care? Could you provide the date that that advice was given to which minister: the Minister for Health or the minister for aged care or both?

Ms Beauchamp: I'll take that on notice for specific dates.

Senator POLLEY: You can't tell us?

Ms Beauchamp: We provide information and advice—

Senator POLLEY: This is pretty significant.

Senator Scullion: Before—

Senator POLLEY: Again, I'm sorry, but can I just finish my question before—

Senator Scullion: There are two questions that I just want to—

Senator POLLEY: Yes, but I haven't finished asking my question, Minister.

Senator Scullion: I think that's the problem.

Senator POLLEY: The questions are very pertinent to the fact that, after five years of this government, they've called a royal commission into their own failures. Surely the department would have been prepared for these questions in coming before us today and could provide the date on which that advice was given.

Senator Scullion: When you ask a question and you say 'giving advice about the royal commission' or 'giving advice about reports', they are completely separate matters.

Senator WATT: Yes, we're talking about the need for a royal commission—

Senator Scullion: Yes, that's right.

Senator WATT: not about certain stakeholders who said there needed to be one.

Senator Scullion: I understand that, Senator. But it's very difficult for my officers to answer when asked the question, 'Did you give advice about a royal commission?' That's separate. If the question is 'Did you provide the report just referred to?', yes, they can provide that answer. But most of this, as I understand it, was provided in the context of information.

Senator WATT: Yes. Let's cut through all that. What we're focusing on here is advice that the department provided to either the Minister for Aged Care or the Minister for Health about the need for a royal commission.

Ms Beauchamp: We provide a range of advice on a number of matters. We would have provided advice on royal commission issues. I'll take on notice when I or the department provided that advice to both our ministers.

Senator POLLEY: So you can't then confirm whether that advice was given in mid-August, prior to the minister being interviewed on the *Four Corners* program?

Ms Beauchamp: As I mentioned, we provide advice to our ministers, both oral and written, every day. I think it's probably unreasonable to expect that there was one piece of advice that either went to either minister or that we provided to government. Government makes these decisions on the basis of advice from a number of different sources, including our ministers in the Health portfolio, the Prime Minister & Cabinet portfolio, the Attorney-General's portfolio, the Treasury portfolio and a range of other portfolios.

Senator POLLEY: And you're prepared to table the reports which you made the basis of your advice to the minister?

Ms Beauchamp: I'll take on notice the exact sources of that information, but I think, as Ms Jolly said, it's from publicly available information through annual reports. I'll see what we can provide, yes.

Mr N Ryan: Findings of serious risk are always published decision by decision. We provide regular reporting to government.

Senator POLLEY: Yes, I can appreciate that. We've got very limited time. So, if I can keep moving through, that would be appreciated.

Senator WATT: The reason we're asking, Mr Ryan, is that, in the minister's comments in question time, he referred to information that had come from your agency that was confidential—

Senator POLLEY: Yes.

Senator WATT: as opposed to the published data that you're talking about.

Mr N Ryan: I can't answer with regard to a specific piece of advice. What I can say is that some of the elements of statutory findings that we made are protected under the act, but the finding itself is made public.

Senator WATT: Forget about dates of advice and that kind of thing; let's simplify it. Did the department ever provide advice to the minister recommending the establishment of a royal commission?

Ms Beauchamp: I'm not going to say what the content of the advice was, but we provided advice in relation to issues on the royal commission.

Senator WATT: I think we're very clear on that.

Senator POLLEY: We know in the last two financial years that the Australian Aged Care Quality Agency reported a near tripling of concerns that accreditation standards for the aged-care facilities were not being met. Given the minister is responsible for overseeing the agency, what advice did he receive about the type of poor care and treatment in the lead-up to the *Four Corners* program? If you could give us the date of the time of that advice, that would be really good.

Ms Beauchamp: Sorry, Senator, but can I just clarify? Are you seeking advice from the quality agency?

Senator POLLEY: From the department. Secretary, if you can't give that advice maybe Mr Ryan can. It's open to the department whether you answer it or whether the agency does.

Ms Beauchamp: We have provided advice on compliance matters to both Minister Hunt and Minister Wyatt, yes.

Senator POLLEY: Okay, can you tell me when that advice was given?

Ms Beauchamp: We provide advice on a range of issues ongoing, and certainly on compliance matters we do provide advice regularly to Minister Hunt and Minister Wyatt.

Senator WATT: Ms Beauchamp, you described this advice as being about compliance matters. What we're focusing on here is the data from the quality agency that reported a near tripling of concerns that accreditation standards for aged-care facilities were not being met. So, on that specifically, was the minister provided advice either by the department or by the agency?

Mr N Ryan: We provide advice to the minister on an ongoing basis. We always brief via the department. As it were, we don't have a separate point of channel; we always brief via min services. We provide regular advice. I meet with the minister on a regular basis—

Senator WATT: Mr Ryan—

Senator POLLEY: How regularly?

Senator WATT: For the benefit of everyone who's appearing here today, you can assume that we understand that agencies and departments provide advice to ministers on a range of matters at various times. We're not interested in that. We are asking very focused questions, and that's what we want answers to. So, did your agency or, Ms Beauchamp, did your department advise the minister at any time about the increasing concerns and reports that accreditation standards for aged-care facilities were not being met—that specifically?

Ms Beauchamp: Yes.

Senator WATT: Yes—thank you.

Senator Scullion: And can I say the minister is very much aware—he was behind the increase in policing inspections which pre-dated the increase in findings of serious risk against the service providers. It was actually the minister who instigated the policing and inspections—

Senator WATT: Sure, and this advice that was provided to the minister about the increasing number of complaints and concerns—were there numerous pieces of such advice, or it just happened once?

Mr N Ryan: No, they're regular. If I can also advise: under section 30 of our Act, the Australian Aged Care Quality Advisory Council receive updates six times a year. They write following every meeting—if not every meeting, almost every meeting—and provide a full report to the minister which would include where regulatory

performance of the industry is up to. We provide written advice and often we will provide advice on particular outcomes where there are inquiries or matters of concern. There's regular reporting.

Senator WATT: And this advice that was provided by the agency and the department about the increasing number of complaints and concerns was provided to the minister prior to the *Four Corners* story—because it happens on a regular basis?

Mr N Ryan: It happens on a regular basis. There would be—

Senator WATT: Including before the *Four Corners* story?

Senator Scullion: His entire time as minister pre-dates the *Four Corners* story.

Senator WATT: Yes, so it included advice provided before *Four Corners*—we're just trying to get a sequence here.

Senator Scullion: I understand.

Senator WATT: That's correct, Ms Beauchamp?

Ms Beauchamp: That's correct.

CHAIR: Senator Hinch just needs eight minutes, and then we'll come back to you.

Senator POLLEY: Hang on!

Senator SIEWERT: Some of us have been sitting here all morning and have a whole lot of questions.

CHAIR: He requested—

Senator SIEWERT: I haven't even had a chance to ask any questions here.

Senator POLLEY: I've got three more questions—

CHAIR: We'll come back to you. Senator Hinch.

Senator POLLEY: Sorry—

CHAIR: He needs to go.

Senator POLLEY: Sorry, Chair, but this is not the way that we normally proceed. At least we have the opportunity—

Senator SIEWERT: Do you want to ask your questions?

Senator POLLEY: to continue our questions. I've got three more questions.

CHAIR: Senator Hinch, do you want to ask your questions, and then we'll come back?

Senator HINCH: Madam Secretary, back in May, we discussed the nursing and care levels in various places, and I said at the time: 'Does the department concede there is a crisis in the number of nurses and carers?'

Senator POLLEY: This is not even in the right area.

Senator HINCH: And Dr Stoddart said, 'I don't think we'd be accepting that. We want to look at the workforce in a holistic way.'

Senator POLLEY: I'm sorry, Chair: this is not even in the area that we're dealing with at the moment. That's a workforce issue. It comes on later in the day.

CHAIR: In outcome 6?

Senator HINCH: Alright, I'll hold back; I'll wait.

CHAIR: Okay, good. Senator Polley.

Senator POLLEY: Thank you. In relation to the royal commission, why wasn't residential retirement village living part of the royal commission's terms of reference; and can the department confirm if it advised against including retirement village living?

Dr McCarthy: Senator, the royal commission, as the Prime Minister has said, has an area of focus, which is the delivery of aged-care services in any setting in which that may occur. So, any delivery of an aged-care service in a retirement living context is part of the royal commission's terms of reference. But retirement living per se—

Senator POLLEY: Isn't.

Dr McCarthy: is much broader than the area of focus, which is the delivery of aged-care services.

Senator POLLEY: How many submissions were made in relation to including retirement villages to be considered to be part of the royal commission?

Dr McCarthy: I have some aggregate figures in relation to the very large number of submissions that were received on the terms of reference. I don't have that breakdown.

Senator POLLEY: Can you take that on notice and provide it to us?

Dr McCarthy: I can take it on notice.

Senator POLLEY: In relation to the royal commission and the government—and we've known for some time that there are issues in relation to the increase in noncompliance—what else in terms of advice have you given to the department that needs to continue to be focused on?

Dr McCarthy: As the secretary has indicated, we provide advice on an ongoing basis on the full range of issues as they relate to aged care—funding, policy, quality, compliance. There's an ongoing flow of advice to the minister on the full range of issues as they relate to aged care.

Senator POLLEY: Just to be very clear, did you provide advice against the retirement village living being included in the terms of reference?

Dr McCarthy: As I think Ms Beauchamp's indicated, we have provided advice in relation to the royal commission.

Senator POLLEY: I'll defer to Senator Siewert.

Senator SIEWERT: In terms of the royal commission, I appreciate, as you said earlier, it's the A-G's, but when we were looking at the Royal Commission into Institutional Responses to Child Sexual Abuse, there was a lot of support for witnesses through the process. Have you given consideration to what support is available for witnesses? Obviously, a lot of the witnesses will be elderly, although, of course, there will be family. What sort of supports are witnesses and participants expected to receive?

Ms Beauchamp: Details on support are yet to be worked out, but we've certainly raised it as a key issue in supporting witnesses that may be called and staff that may be called—frontline investigators and aged-care staff as well. So we've given a lot of thought to it and have raised, in the context of establishing the royal commission, that this will be an area where we need to make sure that people feel well supported to come forward.

Dr McCarthy: Indeed, there's a specific term of reference, so the commissioners have been asked in the letters patent to have regard to the need to establish as they see fit appropriate arrangements for evidence and information to be shared by people about their experiences, including people receiving aged-care services, their families, carers and others who provide care and support, recognising that some people will need special support to share their experiences. So it's been raised directly with the commissioners.

Senator SIEWERT: I understand that, but that requires resources and commitment and support through the agencies. What level of commitment is there in terms of resources that have been allocated? Which agencies will be doing that? Whether it's Health or A-G's who are going to be providing some resources, how is that going to work? And what's the time line for decision-making in terms of 'where to from here'?

Ms Beauchamp: That support and effort and resources and funding required are still under consideration by government.

Senator SIEWERT: What's the time line for the decision?

Ms Beauchamp: Really, it's the establishment of the commission. It's up to the commissioners how they want to manage the process, but we'll be putting in place arrangements as soon as possible to meet the needs of the commission time frame. I'm sorry I can't be more definitive, but we've just got to make sure that we're there supporting people to come forward when asked for by the commission.

Senator SIEWERT: I'll come back to that in a second. Have you already had members of the community ringing and asking what the process is, whether they're going to get support, and how that's going to be delivered?

Ms Beauchamp: As part of the consultation process on the terms of reference, we did provide an avenue for comments to be referred to the commission—

Senator SIEWERT: I understand that. I'm sorry if I haven't been really clear. What I mean is: since the terms of reference were announced and the commissioners were announced, have you had people—whether they're individuals, families, or, in fact, organisations—ringing and asking you specifically how they participate and what sorts of resources are available?

Ms Beauchamp: I'm not personally aware, but a number has been set up under the royal commission website. And, of course, we've got a number of portals through My Aged Care and others where—I haven't got the details, but I'm sure people would be referred to the website if they requested information on the royal commission.

Senator SIEWERT: Could you perhaps take on notice how many people are contacting you?

Senator Scullion: So that's the number of people wishing to have additional support to access the royal commission?

Senator SIEWERT: There'll be some broader questions such as, 'How do I go about engaging with the royal commission?' which people are more likely to come to you about rather than to think to go to A-G's.

Ms Beauchamp: Indeed, and that's why I've made reference to the process around consultation on the terms of reference, because we did ask in that process whether people would like to register an interest to be kept informed on the royal commission but also to make sure that there was an avenue for them to go to if they did seek further info. But we'll—

Senator SIEWERT: Perhaps you can take that on notice.

Ms Beauchamp: I'll take on notice the numbers.

Senator SIEWERT: I'll broaden it out. You publicly released the number of people. It's 5,000, which is a lot, so it shows a deep interest. Can you advise how many of those have already asked to be kept informed but also how many have there been since then? Ms Lamb, it looks like you've got some information.

Ms Lamb: We've had a significant number of contacts from people—something like a 30 per cent increase in our workload since the royal commission was announced. We're taking them as complaints and contacts and inquiries, and we're already turning our minds to how, as we go into the new commission, we can be available to deal with any concerns and complaints that arise out of the royal commission as part of the support network.

Senator Scullion: I'm entirely trying to be helpful. She's asking about what sorts of support and what levels of support people are going to get to access the commission. I do understand what you're saying, Senator, and we can take that particular matter on notice: how many and what plans we have for supporting those people. Is that—

Senator SIEWERT: Yes, you could, but I've got an addition to that and I just wanted to ask Ms Lamb: do you need more resources? A 30 per cent increase is a very significant increase. Do you need more resources?

Ms Lamb: It comes on top of significant increases in the last 2½ years, and we are in active discussions with both the department and, through them, I know, with government, and I'm hopeful the resources will be there. It's not like I have had any reason to doubt previously.

Senator SIEWERT: Can I go back to the issue, then, of time lines. Obviously, this is pretty critical, and, Secretary, you didn't tell me before: what is the time line for the decision-making on these resources, given that, as Ms Lamb has just articulated, the commission is already dealing with a very increased workload?

Ms Beauchamp: The time line has been announced in terms of the commission process itself.

Senator SIEWERT: I'm talking specifically about—

Ms Beauchamp: But there will be consultation, I'm sure, through Attorney-General's, and I'm probably not the right person to ask, but the Attorney-General's Department will be talking to the commissioners in terms of the requirements to support witnesses coming forward and, indeed, people who are going to be working on the royal commission.

Senator SIEWERT: There's obviously support to participate in the commission, but counselling is also likely to be necessary for witnesses and their families. Is that going to be part of the package?

Ms Beauchamp: And I think those sorts of discussions would be happening with the commissioners and the Attorney-General's Department.

Senator SIEWERT: I'll come back to the issue of the complaints commission and the new commission. Is Health going to be providing any of those resources or are you participating in those discussions with A-G's with the expectation that the funding comes through A-G's.

Ms Beauchamp: The government is yet to make a decision on the allocation of funding for the royal commission, and we're in discussion across governments and across portfolios on the level of funding required.

Senator SIEWERT: Let's go back to the commission and the beginning, and then it will swap over. In terms of the level of funding to deal with the workload that's coming in right now, when is that likely to be resolved?

Ms Beauchamp: That'll be considered in that context. We are very cognisant of the fact that there has been not only an increase in compliance activity, which the government's responded to in terms of additional resources for compliance, but we want to make sure that people have the right avenues to raise any concerns coming through the aged care portal and other areas that we administer. I don't know exactly the sorts of support people we'll need, because it'll need to be considered on a case-by-case basis, but I think those things are to be assessed with the commissioners and attorney-generals.

Senator SIEWERT: In terms of the terms of reference, you'll be aware that a number of us were very strongly advocating for a much broader remit in terms of violence and abuse against people with disability. However, the terms of reference did go some way towards that in terms of young people and older people with disability. If a person with a disability brings an issue to the commission, are they going to be turned away? If a person with a disability who's not yet aged 65 comes to the commission, will they be turned away?

Dr McCarthy: I don't think we can speak for the commissioners.

Senator SIEWERT: Is it your expectation that they would be under the terms of reference?

Senator Scullion: Perhaps I can just quote the terms of reference on this particular element. The royal commission includes:

… the interface with other services accessed by people receiving aged care services, including primary health care services, acute care and disability services…

So we all know it will deal with issues that I know you're concerned about young people with a disability in the aged care sector. That will be captured anyway. As I said, the terms of reference include the interface with other services like those disability services.

Senator SIEWERT: So you are saying that they can? That's your interpretation?

Senator Scullion: That is what the terms of reference actually says. It includes the interface with other services accessed by people receiving aged care services. So it captures young people living in an aged care facility.

Senator SIEWERT: I get that.

Senator Scullion: And it says, 'including primary health care services, acute care and disability services'.

Senator SIEWERT: That's about young people. I'm talking about people that aren't considered—

Senator Scullion: I'm assuming that's the reference. That's what it says now. I'm not sure what level of interpretation that's open to, but I think that specifically says that it's the interface with other services accessed by people receiving aged care services. That would be that demographic.

Senator SIEWERT: But that still takes you into that over-65 bracket, if they're accessing aged care, with special exceptions.

Dr McCarthy: To add to the minister's comment, the letters patent also include provision for the commissioners to make referrals of issues as necessary to other relevant authorities.

Senator SIEWERT: I take your point, but it doesn't actually—they'll be referred on, potentially, is what you are saying.

Dr McCarthy: I would not want to pre-empt any decision a commissioner might make, but as the minister has pointed out and as I've pointed out, there are—

Senator Scullion: To be quite clear, this is a royal commission into the aged care sector. It is not into the disability sector. But where they interface in areas that we know well about and Senator Steele-John has championed, it's within the aged care sector and services that are across or affected by the aged care sector. That is the quarantined area of the very focus of this royal commission.

Senator SIEWERT: Can I just double-check one more question to take on notice? Senator Polley may have covered this point, but I'll just double-check in case I missed it. In terms of what you are taking on notice about the advice that was given, are you taking on notice the timing of that advice?

Ms Beauchamp: I'm not taking on notice the content of that advice.

Senator SIEWERT: I understand. We'd like you to! We might as well ask you, just in case.

Ms Beauchamp: I think the question was when we provided advice.

Senator SIEWERT: Yes, the timing, Can I also ask the timing of when advice was sought of your agency from the PM?

Ms Beauchamp: That probably would have come not through us directly, but our ministers. We provide and support our ministers in broader government decision-making processes. As I mentioned, the Prime Minister would have sought advice from a range of sources.

Senator SIEWERT: What I'm asking is when the Prime Minister sought advice the timing of that advice from the minister? Or when the Minister for Health asked and when the minister for seniors.

Ms Beauchamp: I just want to reiterate that the government decision-making process is through cabinet, where these discussions, which I'm not privy to, might or might not occur between ministers and the Prime

Minister. I'd have to take on notice what I could provide and what I know about. But of course I may not know about those sorts of conversations or advice.

Senator SIEWERT: I understand what you've just said. What I'd like you to look for is when the Prime Minister asked for specific advice about the possibility of a royal commission.

Ms Beauchamp: I could take that on notice.

Senator SIEWERT: I'm asking you to take it on notice.

Ms Beauchamp: I can't necessarily satisfy you.

Senator SIEWERT: I heard everything you said, but it doesn't stop me asking.

Senator Scullion: It may be the case that he did not specifically ask this department for advice. That will be part of the answer.

Senator SIEWERT: That's what I'm trying to find out.

Senator Scullion: I'm just trying to clarify. I'm trying to be helpful.

Senator POLLEY: I'd like to move on to home care services, so 6.2.

Senator HINCH: My question is royal commission associated. On the royal commission question, going back to May, I quoted Mount Alexander Hospital had ten nurses for 153 aged care residents. Bupa Ballarat had two nurses for 144. We then discussed nurses and carers. I asked, did the department think there was a crisis in the number of nurses and carers. Dr Studdert said, 'I don't think we would be accepting that.' Now term (f) of the terms of reference, speaking of how best to deliver aged care services in a sustainable way, says that one of the things is 'investment in the aged care workforce'. Do you now accept that the royal commission was needed back in May and that workforce and ratios of nurses and carers will be looked at?

Ms Beauchamp: Nurses only constitute part of the workforce in aged care. You're looking at a range of skills, expertise and requirements, depending on both acuity of the resident in aged care services but also the workforce required in supporting people at home. There has been an independent study done on workforce issues for aged care, and quite significant developments have happened since May around the workforce. But the workforce more broadly will be looked at. Anything that impacts on the quality and safety of people receiving aged care services from the Commonwealth, including the quality and capability of the workforce, will be looked at.

Senator HINCH: In the *Four Corners* program, when the question of ratios and numbers came up, Sean Rooney, the CEO of Leading Age Services, said 'Ratios are very blunt instrument to deliver person-centred flexible care to a growing set of needs.' He said, 'I don't believe there should. The international literature supports that.' Are you aware of an international literature that supports no need for ratios?

Ms Beauchamp: I would have to ask my staff that, technically.

Dr McCarthy: We're aware that this is a matter of considerable debate within the aged care sector. Some parts of the sector strongly support the notion of ratios. Other parts of the sector don't. I think it's fair to say that that question is not settled.

Senator HINCH: While I have his name, Mr Rooney, up there talking about sustainability of care et cetera, the point has been made that some of the aged care centres were providing four minutes a day for a resident to be got out of bed, showered, dressed, hair done, teeth cleaned occasionally et cetera. When he was asked, 'Is five to six minutes to get somebody out of bed, showered and dressed for breakfast, is that acceptable?' he says, 'It depends on who the person is. Everybody is different.' I would like to know what the department's reaction is to that. I can't do it in four minutes, never mind being in an aged care centre.

Ms Beauchamp: I can't make any judgements. You would have to look at the needs of the individual consumer. From the department's perspective that would be a priority, to ensure safety and quality of care.

Senator HINCH: You will be aware that in Victoria they've now mandated some of the better quality of numbers. I'll leave that one alone, because it's obviously going to be part of the royal commission to be looked at. Back in May I also talked about the quality and the cost of food. There was a university study saying it was $6 or $6.08 a day. I think I made the point that the last time I was in jail we got $9 a day for food plus as many free litres of milk as you wanted. Talking about that, Mr Rooney pleaded ignorance of the $6-a-day figure, but he also said, 'These meals are being prepared for people who have a low nutrition requirement.' Surely people at aged care centres have the same nutritional requirements as a young person. Is that your department's attitude as well?

Dr McCarthy: We can't speak for Mr Rooney, but Mr Ryan can certainly speak on the considerable attention that is paid to the issue of nutrition in both the standards and in the monitoring of the standards. I know Mr Ryan has spoken about this before.

Mr N Ryan: The research which you're discussing is the Lantern project out of Bond University in Queensland. Dr Cherie Hugo led that research. Her research showed that the provision of food was just under $6.10 a day of food—not necessarily preparation of food. It's established by nutritionists that older people have a lower nutritional need because their digestion slows down. We are deeply concerned by the research as it's shown. It's certainly the requirement that there's sufficient food and hydration and nutrition for every resident. That is absolutely paramount. It's an area that we focus on very carefully. We find areas of non-compliance around that, and where we find it we call it. I note that food is an area for the royal commission to look at. We think that there is some innovative work in the industry, which the royal commission might showcase in terms of not just nutrition but the mealtime experience, the broader process of not just getting nutrients in, but the celebration of the meal and so forth. Certainly we're very concerned that every resident receives adequate nutrition and hydration relative to their needs.

Senator HINCH: I'm sure the department, the same way as many senators here, would get emails and photographs of the quality of some of the food that's being served up to people—some that's mush, party pies for dinner et cetera. Is that your experience as well?

Ms Lamb: We also receive that material through complaints. I assure the senator that we certainly look into those to ensure that the people involved are receiving adequate nutrition and proper food for their needs.

Senator HINCH: So you are saying that the royal commission will look at that very, very seriously?

Ms Lamb: I can't speak for the royal commission, but I'm certainly saying that people have complained.

Senator HINCH: It is on the agenda.

Dr McCarthy: In the letters patent there is a very long list of what constitutes quality, including nutrition.

Senator Scullion: That will be included by the royal commission, but as Commissioner Lamb was indicating, she gets a number of these complaints and responds to those complaints every time to ensure that the correct amount of nutrition and hydration is available to that particular person.

Senator HINCH: I have one more question which moves off the topic a little bit. I want to talk about the new policy in some healthcare centres. Japara is one of them. In Japara healthcare staff have been told not to check in on residents overnight—presumably to make sure they're still breathing or they haven't fallen out of bed—because 'this is not a valid reason to check'. Last year a resident in a for-profit nursing home—not run by Japara—her name is Barbara Pell, fell out of bed, broke her forearm, stripping skin—what they call 'degloving', apparently. She was left for almost an hour until staff came in and found her that morning. Japara's new policy, which they call 'respecting night time for residents—etiquette guidelines', is saying that even though they're increasing bed numbers, that is not a valid reason to check on people during the night. What's the department's reaction to that?

Dr McCarthy: I think you may have raised the Japara policy at the last estimates, if I remember correctly. I think my colleague, Ms Laffan, may have spoken, not specifically in relation to a particular provider, but about the need for providers to balance clinical care needs and residents' privacy and dignity. So I think the department's view would be that, in relation to every individual in the aged-care facility, the provider needs to balance a range of factors, depending on their individual needs.

Senator HINCH: This is why there's the understandable opposition to CCTV cameras in people's rooms, because you have to look after people's privacy as well. I do realise that some facilities have sensor mats alongside the bed. In the case of Ms Bell, that didn't work. Is that a general thing these days? If somebody does fall out of bed—

Dr McCarthy: I think it varies across facilities. Some use technology to a high degree, others less so.

Mr N Ryan: With regard to Japara, we have met with that provider based on that information that was in the media. We've worked closely with them so that they understand that their requirement is for appropriate care around the clock. Of course, it's a question if a resident is asleep and there's no particular need to go in frequently, but they have an obligation—and they acknowledge their obligation—that adequate care and services are provided in a timely fashion.

Senator HINCH: Am I right in saying that, if you're in aged care in your own home, it's legal to have a protective rail to stop you falling out of bed, but in most aged-care centres that's not allowed because it's regarded as restraining or restrictive? Are you aware of that?

Ms Lamb: With all of these things, it's really very much a matter of assessing an individual's need. If we get a complaint from someone who's concerned about something that's happened in any of these areas, it's about looking at what that individual needs and whether that home is providing what that person needs, which is what they are supposed to do.

Dr McCarthy: And, indeed, that they're providing that in direct consultation with the person concerned, their families and representatives.

Senator HINCH: What's the department's attitude to the new system of care that's coming in of graded aged-care facilities? In airlines you have a gold pass, a silver pass, a platinum pass et cetera. Some aged-care centres are now bringing in, or thinking of bringing in, where you'll virtually have platinum care, gold-pass care or basic residential care.

Dr McCarthy: I think you might be referring to the bundling—

Senator HINCH: Of packages.

Dr McCarthy: of services in relation to the amount—

Senator HINCH: In relation to the quality of care—how much care you get, probably the quality of your room or size of your room et cetera. I have been told by people in the industry that it's like the airline system; you get a silver card or a gold card.

Dr McCarthy: We might be talking about a few different things.

Ms Lamb: We receive a number of complaints from people who come to us saying that they are concerned about being charged additional fees for additional services. It's a matter, again, of establishing whether or not they're being charged for things that they do or don't want or they can or can't use. Again, it's about working it through on an individual basis. But you are right—there are some facilities which are offering a different level of services in return for additional payments.

Dr McCarthy: That is separate to quality-of-care issues. All providers are required to provide the level of care that the resident needs, as assessed by the facility. That's what I meant when I said we're talking about a couple of different things.

Senator HINCH: I get where you are coming from. That's fine.

Senator POLLEY: Just to finalise questions on the royal commission, in relation to our quest to get the dates when that advice was given to the ministers, can we have that today, please?

Ms Beauchamp: No, I don't think so, because I would have to go back and look at written advice, verbal advice and when I met with ministers. As I said, these things happen over a long time frame. I'd need to have a look at various pieces of advices to see what the dates were.

Senator POLLEY: Okay. Can we move on to home care packages, please. Can the department confirm how many of the 14,000 home care packages will roll out in this current financial year—that's 2018-19?

Dr McCarthy: It's 8,700 this financial year.

Senator POLLEY: Excellent. Can the department confirm how many of the 14,000 home care packages will roll out in the next financial year—that's 2019-20?

Dr McCarthy: We do have that. We've got a colleague coming to the table.

Senator POLLEY: While we're waiting—because time is of the essence—can we know how many of the 14,000 home care packages have rolled out since 1 July this year?

Mr Haslam: Next financial year, approximately 5½ thousand of the 14,000 high-care packages will be rolled out, with the remainder over the following two years for the forward estimates.

Senator POLLEY: How many were rolled out since 1 July this year?

Mr Haslam: Those additional home care packages form part of the overall growth in high-level home care packages. They're released throughout the year, so I can't give you exactly how many right now, at this point in time. However, that figure is throughout the year.

Dr McCarthy: I think what Mr Haslam is saying is that the new packages were added to an existing number that was already going to be rolled out.

Senator POLLEY: Yes, but you would know, having had 14,000 over the time. From 1 July until now, you should be able to give a figure of how many of those 14,000 have been rolled out currently.

Ms Buffinton: On the 8,700 high-level packages this year, we can take on notice at this point in time exactly how many, but I'm just letting you know that it has been proportioned across. We do a weekly release, and they've been fairly evenly proportioned across the year.

Senator POLLEY: So how many are you rolling out weekly?

Ms Buffinton: More broadly and, say, in recent weeks, we've been offering about 2,300 packages of all level types. What you're asking for is the subset of the new packages and how many of those are being rolled out. That's the part that I will need to take on notice.

Senator POLLEY: If you could, I would appreciate that. If you could get those figures to us today, that would be even better.

Senator WATT: Could I just clarify the figures that Mr Haslam gave us? I might be misreading this, but what we were told was that 8,700 of the 14,000 will be rolled out this financial year and about 5½ thousand would be rolled out next financial year, with more to come in the following financial years. My maths tells me that's already more than 14,000, just over those two years. Is there something I'm missing here?

Mr Haslam: Effectively, with the bulk of those packages, there is only a small number in addition to those 14,000 that are in the last two financial years. I'll come back to you with the exact figure, but what I can say, just to confirm what Ms Buffinton said earlier, is that they're part of the overall growth and that they comprise growth that is, I think, over 80 per cent in higher level packages over the forward estimates, from 2017-18 figures.

Dr McCarthy: And, of course, the 14,000 were on top of an additional 6,000 in the MYEFO previous to the budget.

Senator POLLEY: Yes.

Ms Buffinton: My quick calculation is that it was actually about 13,700 in the first two years. The point of that is so that we can get them into the system early and get the benefit. Although it's through the forward estimates, it's in the first two years when the bulk of the additional packages are being rolled out.

Senator POLLEY: Right. Can we be provided with the levels of packages for each year across the forward estimates, in total?

Dr McCarthy: Sorry, I didn't quite hear what you were asking, Senator?

Senator POLLEY: Can the department provide the levels of packages for each year across the forward estimates?

Dr McCarthy: We can. I think Ms Buffinton has the information out.

Senator POLLEY: Do you want to table those for us?

Ms Buffinton: Whichever you'd prefer.

Senator POLLEY: If you could table those for us, that would be good. Can the department confirm that there was no additional money allocated to fund the 14,000 home care packages?

Ms Buffinton: Sorry, what was that question, please?

Senator POLLEY: Can you confirm that there was no additional money allocated to fund the 14,000 home care packages?

Dr McCarthy: I think we discussed this in some detail at the previous estimates hearing. As the secretary and my colleagues explained, as a result of a policy decision to combine the residential care and home care appropriations, funding was able to be allocated to home care packages that would otherwise have been lost to aged care.

Senator POLLEY: Can you confirm that the 14,000 home care packages were funded entirely by a more than 26,000 reduction in projected residential care places between 2017-18 and 2020-21, as supported by the Macquarie University analysis of the 2018-19 budget?

Dr McCarthy: As I think we've discussed before, the home care packages were funded using funds that would otherwise have been lost to aged care. For example, fewer aged-care facilities were coming online in the time that providers had indicated to us that they would come online. So that is funding that would never have flowed to—

Senator POLLEY: So you disagree with—

Dr McCarthy: the aged-care system, because under the demand-driven appropriation it wouldn't have been used. That funding, instead of being lost to aged care was then, through a policy decision, made available to be used more flexibly—in this case for home care packages.

Senator POLLEY: So you disagree with Macquarie University's analysis?

Dr McCarthy: I don't have the Macquarie University's analysis in front of me, but I'm stating the way in which it occurred.

Senator WATT: The money came from residential aged care—

Senator POLLEY: Aged care.

Senator WATT: The money was moved from residential aged care into home care packages.

Dr McCarthy: And, as I think we explained before, it was funding that would not otherwise have been used.

Senator WATT: We understand that. But that is correct: the money was moved from residential aged care into home care?

Senator POLLEY: Into home care packages.

Dr McCarthy: The appropriations were combined in order for them to be used more flexibly.

Senator POLLEY: So, the answer is yes.

CHAIR: We now adjourn for a tea break and we'll convene back here at 11.16 am.

Proceedings suspended from 11:01 to 11:16

CHAIR: It is time to get back to it. Senator Polley, you have the call.

Senator POLLEY: Can the department explain if the 14,000 home care packages announced in the budget are enough to keep up with the current demand?

Dr McCarthy: We know that home care is and always has been very popular. We also know that we only now understand the level of demand. We only now understand how many people are waiting because of changes that were made in February 2017 to establish a national queue.

Ms Beauchamp: Senator, can I also add something on the previous question you asked about the rollout of each of the level 1, 2, 3 and 4 over the forward estimates. We've actually found a question on notice from the last estimates, SQ18-000555, that gives you a breakdown between June 2018 and June 2022 on the number of places being rolled out between level 1, 2, 3 and 4 for each of those years.

Senator POLLEY: Thank you for that. Can the department confirm if you've been undertaking any work in relation to rolling out a level 5 home care package?

Ms Beauchamp: That was an issue that was canvassed in Mr Tune's review, the Legislated Review of Aged Care. We are not considering it. There are no plans to roll out a level 5 package at the moment. The focus is on the very significant increases that are being made to the number of home care packages, including at those higher levels.

Senator POLLEY: Can you confirm, then, if there are any other interventions being undertaken by the department to address the home care package wait list?

Ms Buffinton: One of the things that we've done is that we have engaged with providers, and we're also seeking to communicate with consumers as we write out with offers. As Dr McCarthy mentioned, we are genuinely learning about the queue. One of the things we know about the queue is that people might be on, for example, a level 2 interim home care package and their assessment is for level 4, but, given their informal care arrangements and so forth, they are actually feeling satisfied with a level 2 at the moment. What we are doing is asking providers to engage in a conversation with consumers and discuss their care needs so that, if an offer of a level 3 comes forward—which is at the moment an automatic upgrade—if somebody feels that they're actually quite comfortable with that level 2, they can let us know that and they will still keep their position in the queue so that, as soon as they say they need a level 3, they can come back and not lose their place in the queue. But we're not offering them a level of care that they don't currently require.

Senator POLLEY: It's a good segue into an email that we had on behalf of an aged woman, just out of hospital—her heart valve was worn out. She has been waiting since early 2017 for the aged care package level 3 and is more in need now, having had trouble with, as I'm aware, inexperienced staff at My Aged Care in getting them to call the authorised person. The question from aged care to us is, 'What do I want to have done?' This woman is 99.5 years old, and is possibly in the final months of her life. Her doctor wants her to be granted her wish to die at home, and she needs some care to keep her comfortable. Her family is spending alternate nights with her, and paying for a morning and evening nurse and meals. What does the department, and what does this government, say to a woman who's almost 100 and who has been waiting since early 2017 for a level 3 package? They're the faces of real people, and I can talk about others who have been in contact with my office.

Ms Beauchamp: We can take the details and get that information. Of course, we do get lots of approaches in the department and through our aged care portal in terms of how we can help people who have been assessed for a certain level with other supports and care. A lot of people that are waiting for higher-level packages are already in receipt of the Commonwealth Home Support Program or a lower-level package and the like. But, if we can take

the details, we try to endeavour to meet the needs of that particular individual. If they're frail, obviously, and requiring special needs, then we'd look at that.

Dr McCarthy: It sounds like, for the person you're speaking about there, their circumstances have changed. So they would qualify for a reassessment. That person's GP, for example, can cause that to occur.

Senator POLLEY: Sorry, I just want to clarify this: they've already been assessed as needing level 3 care, which is significant care, and they've been waiting for that since 2017. We're now in October 2018. Even if they have a reassessment now and it says that they need level 4, I doubt very much that they're going to get that level 4 assessment delivered.

Dr McCarthy: There are two parts to this.

Ms Buffinton: The first thing is that we would encourage anybody who is assessed for a level 3, as we've discussed before, to take a level 2, because that gets them the connection to home care. If their circumstances change, as Dr McCarthy was outlining—so it sounds like there is a level 3 at a medium priority in place there—and the ACAT does an assessment and is of the opinion that their circumstances have changed, there may be an upgrade to a high priority, in which case she would be offered a package much sooner.

Senator POLLEY: I have spoken before about other constituents and their families who have been in crisis. This family is obviously still in crisis. When a 94-year-old gentleman is told that he could have to wait—this is from your department—12 to 18 months for his level 4 package, it's really not acceptable. If we're talking about trying to keep people out of acute hospitals, which cost governments far more money than supporting people at home, can you tell me what the current waitlist is now? We keep having delays in that information coming out to us. Can you give me the current waitlist numbers of people in Australia? The most recent figure we have, which is a couple of months out of date, is 121,000 Australians. How many are on that list now?

Ms Buffinton: That's publicly available—that's the data report that's been released. As at 30 June, it is 121,487.

Senator POLLEY: But you would know how many are currently on that waiting list. It would have increased since then. What's that figure?

Dr McCarthy: Those reports are issued on a regular basis.

Senator POLLEY: No, they're regularly late.

Dr McCarthy: Those reports are issued on a regular basis, after very significant analysis and checking. We provide regular reports, making the data available after it's been validated through a very thorough process.

Senator POLLEY: But the last two reports have been significantly delayed—we're talking months—in being made public. Are you saying you don't know what the figure is, as the department that has the responsibility for monitoring these waitlists? Or is it that you just don't want to tell us?

Senator Scullion: There's a regular reporting of this—

Senator POLLEY: It's late, Minister, and you know that.

Senator Scullion: and you can imagine the complexity day to day, week by week, as somebody moves from a level 2 package to a level 3 package, and then someone moves to take that second level 2 package. What we've agreed is to publicly report on those processes regularly, and the last report—and that's what we've agreed to do—was in June of this year.

Senator POLLEY: When was that released, Minister? When were the figures for June released? In September. That's three months late. If I can move on, because I don't want to waste time—

Senator Scullion: It's very difficult to write down the figures of 30 June on that date. We've said it's on that date. So you have to work out exactly what that date was, because of the complexities I just indicated.

Senator POLLEY: But not three months. It doesn't take three months.

Senator Scullion: Well, it did take three months to make sure that—

Senator POLLEY: That's because you didn't want to release them before the by-election, for political reasons.

Senator Scullion: No, that's not the case. It was nothing to do with the by-election. That is just in your mind. It is a fantasy that we would operate around such a thing.

Senator POLLEY: You're wasting time. Can I just clarify: you're suggesting that the woman who I highlighted here, who's 99.5 years old—almost 100—should accept a level 2 package?

Ms Beauchamp: I can confirm that, if we can get the details, we can look at what sort of support she can be provided. Obviously, when people are looking at packages, there may be some other wraparound services we can look at. I think it would be good to get the details. If someone is in crisis and either needs to be reassessed or needs services immediately, then, of course, we're going to be looking at how we provide that. On the waiting list: the waiting list is only a new thing that's been put forward over the last couple of years. We do need to do further analysis and understand what we're talking about, because half the people on the waiting list are on the waiting list but also in receipt of some sort of package. Also, I think—

Senator POLLEY: We are aware of that.

Ms Beauchamp: there are about three-quarters who receive the Commonwealth Home Support Program. It's not as if people are waiting to get something, but—

Senator WATT: But they're not getting the care they need.

Senator POLLEY: That's right. A significant—

Senator Scullion: That may not be true if you factor in—

Senator POLLEY: number of those 121,000 older Australians who need level 4 packages are living with dementia as well as other ageing issues. We're well aware that some people get a certain amount. But there's a huge amount of people, out of that 121,000, who don't get anything.

Senator Scullion: That's not true.

Senator POLLEY: Sorry, Minister, it is true.

Senator Scullion: You have just said a majority, or a huge number of people, of the 121,000 are getting nothing. That isn't true. If you factor in the $5.5 billion—

Senator POLLEY: There are 54,000 who aren't getting anything.

Senator Scullion: Let me answer.

Senator POLLEY: There are 54,000 who aren't getting any home care package at all.

Senator Scullion: How many?

Senator POLLEY: There are 54,000 of them who don't get any assistance at all from the home care package. They're your figures.

Senator Scullion: So $5.5 billion in addition to those packages ensures that people can stay at home longer, because that's their choice.

Senator POLLEY: Well, you tell a 99-year-old woman who needs a level 4 package that she should wait.

Senator Scullion: No, no.

Senator POLLEY: That's what you're saying, Minister.

Senator Scullion: That is not what we've said.

Senator POLLEY: That's what your government is saying to her.

Senator Scullion: No, we have not said that at all. We have said, 'Let's provide that information to the department.' I've given an undertaking to the secretary: let's get hold of that information and let's contact them—

Senator POLLEY: She's 99 and been waiting since 2017. She's 99!

Senator Scullion: The issue is not about chronology. That's been accepted. It's about a needs basis. Some people at 95 are doing quite well and don't require any services. Let's have a look at the service provision that's been provided. As the department has indicated, we'll ensure that that's looked at.

Senator POLLEY: If you're not prepared to give us the figures about the current waiting list, can we move on to—

Ms Beauchamp: Those are public.

Senator Scullion: We've just provided those. They're public, Senator Polley. We haven't refused, as you just asserted, to provide those.

Senator POLLEY: They are out of date, and I still believe the department should be able to give us that figure.

Senator Scullion: If I provide you some figures on that today, they will be out of date. We all acknowledge that.

Senator WATT: When will the next report be released?

Senator Scullion: They have been released on 30 June, and I think—when is the next release planned?

Senator POLLEY: When is the next report going to be released?

Ms Buffinton: We aim to have that report out sometime in the period of two months after the end of the month. So the end of September figures will be out at some point by the end of November.

Senator WATT: But the most recent figures are as at 30 June, correct?

Ms Buffinton: Yes, and there are quarterly data reports, so the 30 September data report—

Senator WATT: So we should have, by now, had the figures from 31 July, because two months have elapsed.

Ms Buffinton: No, it's quarterly data.

Senator Scullion: It's a quarterly account.

Senator WATT: Okay; I take that back.

Senator POLLEY: So are you anticipating that those figures will be announced on time, rather than delayed like the last two have been? Is that the intention of the department?

Ms Beauchamp: We'll do our best endeavours to make sure that we can get the report out in a timely manner.

Senator POLLEY: Okay. Who made the decision to announce the latest quarter of data on the eve of the grand final weekend?

Senator Scullion: We don't take sporting events into consideration with the release of our data.

Senator POLLEY: Oh, come on!

Senator SIEWERT: You don't take into account when you release these things? Pull the other one!

Senator Scullion: I'm just stating as a fact that this government does not take into account sporting events around the release of its data.

Senator POLLEY: Who made the decision to announce it on the eve of the grand final?

Senator Scullion: Nobody made a decision to announce anything on the eve of the grand final, as I just indicated.

Senator POLLEY: Who made the decision to make the announcement?

Senator Scullion: I've just made it very clear that we have not made a decision to announce anything in the context of a sporting event. That's very clear; you don't need anything further on the matter.

Senator POLLEY: Who made the decision to announce the data on a day which happened to be the eve of one of the biggest sporting events in this country?

Ms Beauchamp: The minister announced the release of that information. It would have ultimately been the minister's decision.

Senator POLLEY: How long had the minister had the data before he announced it on the eve of the grand final?

Ms Beauchamp: I'd have to take that on notice because, as Ms Buffinton said, there is a lot of analysis and work that needs to be done to better understand what is actually in that report.

Senator Scullion: In this great sporting nation, Senator Polley, you will not find a date that doesn't somehow intersect with a sporting event of note.

Senator POLLEY: In taking that on notice, would you be able to come back to us after the lunch break?

Ms Beauchamp: Sure.

Senator POLLEY: And can you also provide the dates of when the data was provided to the minister's office for the last three releases of data—that's December 2017, March 2018 and June 2018. That data was released, at all times, three months late on the eve of the grand final. Can I ask why there isn't some consistency in the approach the department has? Why is there that delay of three months from when the data is given to the department and to the minister? Why does it take three months to then make that public, and are there any processes being put in place to ensure that that data is released in a timely manner?

Dr McCarthy: As I think we've explained, it's a very complex dataset that requires a lot of analysis and checking and validation before it's made public.

Senator Scullion: We don't actually know what that is on the date we're reporting it on. It takes us time to work out that moment and date, and to work out the exact data so that we can report on that day.

Senator POLLEY: That's why it will be very pertinent to have the date on which the minister received the information for those three times—December 2017, March 2018 and June 2018. I understand it's his decision when he makes that announcement, so he would've decided to make the latest data available to the Australian people on the eve of the grand final.

Senator Scullion: We'll take that on notice, but I don't think we'll be able to provide the three sporting events, because they don't exist.

Senator POLLEY: Can I then talk about the Commonwealth Home Support Program and the government's decision to expend money on a campaign. Can the department confirm there was $8.2 million included in the 2017-18 budget for a communications campaign to support the package of reforms in the 2018-19 budget?

Dr McCarthy: That was a communications campaign relating to an entire budget package, More Choices for a Longer Life. That package was a cross-portfolio package, demonstrating from a whole-of-government, whole-of-nation perspective the importance of policy responses to an ageing population. That campaign was designed to raise people's awareness about the need to plan for a longer life. The package, as you may be aware, had a range of measures, not only aged-care measures, although they were very significant, including a very large increase in the number of home care packages, but also measures relating to jobs, skills, financial planning, combatting elder abuse and so on. So it was a campaign in relation to a very significant budget package relating to healthy ageing.

Senator POLLEY: The funding, as I understand it, went to advertising for home care packages via print, digital and television. Is that correct? And wasn't it the single biggest advertising spend in the 2018-19 budget?

Dr McCarthy: I think, as we may have said at the last estimates, the Department of Finance is better able to comment than we are on relativities between spending on campaigns. But the campaign was in relation to the entire package; it wasn't just in relation to that single home care packages measure.

Senator POLLEY: Who made the decision to roll out the advertising campaign to promote the 14,000 home care packages, when the waiting list was already growing?

Dr McCarthy: The decision to advertise a very significant package relating to better ageing was a decision of government through the budget process.

Senator POLLEY: Did the department provide information and advice to the minister in relation to the funding of this campaign?

Ms Beauchamp: Yes, we did.

Senator POLLEY: Were these funds from the health budget?

Ms Beauchamp: They were funds allocated in the budget context, and, as Dr McCarthy said, it wasn't just advertising home care packages; it was around jobs and skills, financial literacy, health checks, and aged-care services. So there was quite a large package in the last budget—

Senator POLLEY: And that came out of the health budget?

Dr McCarthy: It was a measure in the Department of Health's budget.

Senator WATT: Can I ask about the advice that was provided to the minister about this advertising campaign. Did the minister request that advice and say: 'I'm keen to run an advertising program. Can you please provide me with some advice on what that might look like'? Or was it more the department advising up that an advertising campaign was required?

Ms Beauchamp: It was a broader decision of government. I think it was looking at how we pull all the threads together across government around issues that impact on ageing and making sure younger people provide for themselves. There was a task force that was established in the Department of the Prime Minister and Cabinet looking at all of these measures. It was part of the decision-making process of government.

Senator WATT: So the advice you provided was in response to a request from government or, put another way, from ministers, rather than something that originated in the department?

Ms Beauchamp: It was an option included in the development of the whole ageing package: how do we tell people about it? It's really in the context of communication.

Senator POLLEY: Wasn't there always a risk that the advertising was encouraging the community that there were home care packages but, at the time, there was no availability for them? In fact, during that time, the home care package waitlist went from 108,000 older Australians to 121,000 older Australians. So wasn't that really about advertising for packages that just were not going to be able to be delivered?

Ms Beauchamp: I don't think the waitlist was dependent on the communications campaign. The communications campaign was a much broader communications strategy.

Senator POLLEY: Yes, but we're talking about the home care package—advertising it, under this budget—

Ms Beauchamp: The demand for aged-care packages and home care packages comes from the basis of need and assessment—

Senator POLLEY: So it wasn't from this—

Ms Beauchamp: population growth and the like.

Senator POLLEY: advertising campaign?

Ms Beauchamp: Well, I can't be definitive, but there are other factors that go into considering whether someone is eligible for a home care package.

Senator POLLEY: Yes, and we realise that, because you only have to look at the amount of people who are on waiting lists. So you don't accept my observation that that list could have and would have grown because of the advertising campaign?

Ms Beauchamp: As I said, the advertising wasn't about advertising home care packages; it was about advertising everyone's literacy around what you need to take into account as you age—whether it's health, finance, employment or, indeed, future support for aged-care services.

Senator POLLEY: But, in that period of time, we are talking about 13,000 additional people going on that waiting list. If you look at the increasing rate of people who are still waiting for a home care package, there was a significant jump during that time, from 108,000 to 121,000—

Senator Scullion: We don't believe—

Senator POLLEY: with 13,000 additional people going onto that list—

Senator Scullion: We understand the question. And—

Senator POLLEY: Excuse me! I haven't finished.

Senator Scullion: No, but perhaps you could get to the question—

Senator POLLEY: If you're looking at the amount of people, it increased during that period of time—13,000. That's a greater increase than the period before. Can we expect, as to the increase from the 121,000, that, when we finally get the list of the last quarter, it's going to be significantly increased?

Ms Beauchamp: We'd have to look at that, and I'm not making any assumptions, but, again, the government has already provided for an additional 20,000 in MYEFO; 6,000; 14,000 extra in the budget, and of course we need to look at what the future demand is going to be.

Senator POLLEY: So 20,000 additional places since the budget, the MYEFO—20,000 additional places. The 14,000 is over three years. And we have, now, in excess of, I would suggest, 121,000 older Australians who are waiting for care, and too many of those aren't getting any care.

Dr McCarthy: We estimate around three-quarters of those people are receiving some form of Commonwealth subsidised care, and around half have been connected to a home care package. As Ms Buffinton has said, as Minister Wyatt has said, we encourage people to accept an interim-level package whenever it is offered so that they can be connected to care, and where there are those particular circumstances, such as the one you've mentioned, we can look further into those matters to help ensure those people are aware of the range of services that might be available.

Senator POLLEY: The campaign that was run certainly made people aware of the support they could get, but it did nothing to allay the fears of people who are on the waiting list who aren't getting any care and also those who are not getting the level of care that they want. Many of those 121,000 are level 4 packages, who are people also living with dementia who aren't getting their support. Is that not right? And I just want to confirm that you are—

Senator Scullion: Well, perhaps we could get an opportunity to answer that question, Senator.

Senator POLLEY: I haven't finished my question. Sorry.

Senator Scullion: Well, I'm just answering your previous question, Senator, because you've got about four in a row. I just wonder if it's possible to take on notice those people who they've claimed have dementia and are waiting for a new level of support that the senator asserts. Can I just say, Senator, how much better we are off now than when you were in government. You know why you didn't have a lift?

Senator POLLEY: You haven't done anything—

Senator Scullion: Because there was no transparency provided whatsoever.

Senator POLLEY: Your government is so good at looking after older Australians you've had to call a royal commission into your failures.

Senator Scullion: We're doing a much better job that you've ever done, Senator. I can promise you that.

Senator POLLEY: That's how good you are. When a 99-year-old woman has to wait since 2017—

Senator Scullion: Well, we have to establish that, and we have indicated that we will do just that.

Senator POLLEY: I am bringing this evidence to the committee, and I stand by it She's 99 years of age and has been waiting since 2017.

Senator Scullion: Well, it is not evidence, Senator. You have provided us with a statement, and we have indicated that we will respond to that.

Senator POLLEY: I think the Australian public have every right to have concerns about your ability to run this area.

Senator Scullion: Well, Senator, we are looking into that. You've provided us a statement, and we've indicated that we will look into that.

CHAIR: May I jump in at that point and ask: when is the last time the former Labor government had the wait list data? Do we ever have that?

Senator WATT: I thought we were doing estimates for this year, but we're going back years now.

Senator POLLEY: We are going back five years.

Senator Scullion: We've actually been mentioning well before this year, so I think it's a pretty reasonable precedent.

CHAIR: You started comparing—

Senator DEAN SMITH: The answer to the issue actually might be in the historical decisions that were taken.

Dr McCarthy: As I mentioned in answer to an earlier question, the national queuing process, the transparency of the waiting list, has only been available since some very significant changes to home care that were made in February 2017.

Senator POLLEY: Can I move on, then. This relates to this area. Can the department confirm that it has received and read a letter that the shadow minister wrote to the Prime Minister regarding the Home Care Packages Program, and can the department confirm if it has provided any advice to the minister in relation to that correspondence?

Dr McCarthy: I don't have the correspondence in front of me.

Senator Scullion: Could you table the letter.

Senator POLLEY: I certainly can. I am very happy to table the letter. So can the department confirm whether you have given any advice to the Prime Minister or the minister on that letter?

Dr McCarthy: We will have a look at the letter, Senator, and we will endeavour to answer your question.

Senator SIEWERT: Before you go on, can I jump in and ask another question on home care?

Senator POLLEY: Yes, sure.

Senator SIEWERT: Can I go to the issue of admin fees on home care packages? I've actually got a copy of the bill, or an invoice, that shows fees of 38 per cent. When I talked to somebody else about how outrageous that was, I got told by somebody they've heard figures of 45 per cent. I know that we've gone to this issue before, but are you monitoring the admin fees?

Dr McCarthy: Well, we're doing more than monitoring. In fact, this is an issue of great concern to the minister also, and so we've been in discussions with the sector about ensuring that older Australians have much greater transparency in relation to administrative fees and what they actually comprise. As part of the budget, there will be much better information available on My Aged Care for older Australians so that they know exactly what services are being offered, so that they can compare and contrast across providers and get the best service possible.

Senator SIEWERT: Are you considering putting a cap on the fees?

Ms Buffinton: At the moment, we've got a committee that is working through this. Just as Dr McCarthy outlined, actually the minister has instituted a three-step process. He got a roundtable of both consumer representatives and provider representatives to join with the department on how to get greater transparency and look into the issue of administrative fees. What the minister did, first of all, is to get the transparency. He asked

providers to immediately publish their current pricing on the My Aged Care service finder. He wrote to all providers. He is requiring all providers to publish their current pricing information on the My Aged Care service finder by the end of November.

Senator SIEWERT: The current pricing?

Ms Buffinton: Their current pricing. Then, based on the work of this committee—and this includes consumers and organisations like Seniors and Council of the Ageing—we're coming to: how should prices be rendered to get the maximum transparency, where it's quite clear what fees are for what purpose and that there is comparability so that you can literally put three providers' price side-by-side. They're going to need to fill in a template that will be on My Aged Care so you compare the methodology of all three providers and understand clearly the transparency. There will be a link, then, to the detailed pricing sheets of all providers coming off My Aged Care.

Senator SIEWERT: If they've already got similar pricing and they're already up around 38 per cent, that doesn't help people to find a lower cost provider. So my question is are you considering, or have you considered, capping?

Ms Buffinton: One of the discussions for the group, including with consumers, has been on the nature of administration fees—do you make them transparent and let the market engage with that, which we've seen with exit fees, the drive-down in the market of those fees, or do you cap—that's part of the discussion that has been taking place within that group.

Senator SIEWERT: So the government hasn't made a decision?

Ms Buffinton: They have not.

Senator SIEWERT: So you said a three-step process? You said roundtable?

Ms Buffinton: Yes. We're in the process at the moment at the final stages—because we need to get this on the website for the end of April.

Senator SIEWERT: Next year?

Ms Buffinton: Yes. That's why the minister had a three-step process, realising that by the time you design the templates, you get them written into the IT, that they're actually released into the IT environment—that's why he's expecting their current fee schedules to be in place by the end of November. And then—

Senator SIEWERT: So that's the second stage?

Ms Buffinton: And the new method would come in by the end of April.

Senator SIEWERT: That's the end of the third stage? Is that what you are saying?

Ms Buffinton: That's correct.

Senator SIEWERT: When I asked about the issue around capping, you said there's still a discussion, but it sounds like in fact it's not being discussed?

Dr McCarthy: Any capping of any fees would obviously be a decision for government.

Ms Buffinton: But certainly, if I—

Senator SIEWERT: Yes, if you let me finish.

Ms Buffinton: Sorry.

Senator SIEWERT: You said there was the three-step process; you just took me through the three-step process. When I asked about capping you said it's still under discussion, but you said the end point is publishing the fees in April next year.

Ms Buffinton: Yes.

Senator SIEWERT: That does not include a discussion of capping.

Ms Buffinton: So that would be how you display an administration fee, if it's going to be displayed, is it going to be a single unit price, is it going to be—

Senator SIEWERT: So can I be clear—

Ms Buffinton: Certainly, if I could reflect on the group, that in fact consumer groups at this stage are open to the fact that you might not have capping, as you describe, because actually they're wanting to be able to compare different services, including some that are coming in with a very low overhead but no wraparound care, others that are offering genuine package management, and then are there organisations that are just purely charging a very high administration fee and not offering any additional care. So that is part of what the discussion has been.

Senator SIEWERT: Or are charging more for additional care, which is what I'm saying. So they're charging high admin fees and then in fact extra for additional care. So the consumer is getting the worst of both.

Ms Buffinton: I think it's fair to say that we're very aware of the problem and that's what has been part of this group with this discussion.

Senator SIEWERT: During those discussions, you're talking about the My Aged Care site, and one of the overwhelming criticisms I hear is the complexity of the My Aged Care site, still?

Ms Buffinton: As part of the budget package, we have additional money. We've just been in the process of finalising a tender for a new digital provider—so a website provider. One of the things that we're aware of is that we have had limitations on that. We've acknowledged that in previous estimates hearings. In terms of making a new service finder, each time we're making it much better. The new service finder is going to be much more easily searched, with greater clarity of information. But, equally, people can ring and get the same information orally through the contact centre. We will be linking to individual service providers, as well. We're also stipulating what needs to be attached to the individual service agreement. So this same page will be attached to that service agreement so that that can't change without a consumer being very aware of what they've signed up to, what is the level of administration cost and what's the cost of the care. So we're going for a much greater level of transparency than we've had.

Dr McCarthy: In relation to the complexity of My Aged Care, I also draw your attention to a very significant revamp earlier this year. So now, for those consumers who choose to use the website—and they can choose to use the website or they can call one of the contact centres—the display is now, I think, a great improvement on what it was before.

Senator SIEWERT: I acknowledge there's improvement, but I'm still getting people complaining about the complexity. There's a mixture between the complexity of the issues and the nature of the decisions that have to be made and the timeline—

Dr McCarthy: Yes, you are absolutely right.

Senator SIEWERT: intersecting with the complexity of accessing the information.

Dr McCarthy: Yes.

Senator SIEWERT: I acknowledge they get rolled together.

Ms Buffinton: We acknowledge that it's complex, which is why we're constantly trying to work with consumers to improve that access over time.

Senator SIEWERT: That is why, bearing that in mind, I am not terribly convinced yet that, given what we've just said, putting that information side by side at the moment is actually going to help people reach an informed decision.

Dr McCarthy: We'll make sure. As Ms Buffinton said, we work with consumers, with people who are actually accessing the services, to try to ensure that whatever changes we make are able to be understood by the people who will be accessing the services. We can always do better—absolutely—but we are trying to ensure that those improvements are made in close consultation with consumers.

Ms Buffinton: So, for example, over time, we've changed the content of the home care booklet quite a bit, both in terms of how we pitch the information but also how consumers can be informed to help step them through, in very simple terms, what questions they should ask when they are talking to a Home Care Package provider or how they should compare and contrast the different offerings. One of the things we are looking at is a small pamphlet. ACATs already give a lot of information out when they're doing the assessment, but we acknowledge that there can often be quite a period of time before you are making that decision. So it's about sending out information to help the consumer as the offer is coming through. We actually give them answers to, 'How do you search?', 'What are the really important questions?' and 'How do you compare different providers?'

Dr McCarthy: I should also mention that, beyond My Aged Care itself, one of the measures in the budget was funding over two years to trial navigator services to assist people seeking information. This was a recommendation of David Tune. The trials are in relation to leveraging the Financial Information Service offices. You probably know about that. It's a service provided out of DHS. The trials for that are commencing in coming weeks and a request for tender was issued on 28 September to seek an organisation to coordinate and deliver those trials. So that's another measure designed to help ensure that people, particularly those who have particular difficulty accessing and understanding services—that's a trial to see how we can do better there.

Senator SIEWERT: Thank you. Can I go to the issue of unspent home care funds. Do you have a picture of what that level is now?

Dr McCarthy: We do in aggregate.

Senator SIEWERT: Are you able to provide that?

Ms Buffinton: I will double-check. Here it is. We know the figures are provided once a year by home care providers into the Aged Care Financing Authority. Their last report was for 30 June 2017, and that was $329 million. That ACFA report usually comes out in about November, so we will have the next report in the next month or so.

Senator SIEWERT: Okay. Do you have an idea whether that has continued to grow, or is it starting to stabilise?

Ms Buffinton: Generally, at this stage, I don't know. But, with the level of funding going into the sector, I would imagine that there is a proportional growth.

Dr McCarthy: Yes, so it will always grow—assuming the same proportion of people might want to accrue unspent funds, it will grow. So, we'd need to do some per capita analysis in trends over time.

Senator SIEWERT: Looking at the issues, I'm aware of some people that save some money for crisis. But there are also other reasons why people aren't spending the money, including delay in decision-making, complexity of the issues we've just talked about. In terms of the analysis of that process, have you done, or are you doing, an analysis of what they are?

Ms Buffinton: We've certainly been having a look at the issue of unspent funds. So the first part of when we did our modelling leading into home care is: what portion of funds across the system would we expect for an older person saving for, for example, respite care? Certainly we looked at about 10 to 12 per cent of funds being held as what we would consider to be something you'd expect because of the nature of home care and the fact of respite care or a major piece of capital equipment or something like that.

In terms of unspent funds, some of the areas that we've also looked at included the use of level 2 and level 4 as opposed to the use of level 1 and level 3, which is quite significant. We've had this discussion before. Because we used to have high and low, assessors have been used to giving out, 'What's a low? That's a 2' and 'What's a high? That's a 4,' as opposed to the use of level 3, remembering level 3 is about $33,000, significant care, and level 4. So we were getting feedback that a number of people had historic ACATs and then their level of care need, really, even though they're now getting level 4, probably might not yet be that level of frailty of level 4—so that area of unspent funds. So that has caused us to engage with providers in looking at how we write to consumers and outlining that, if they don't feel they need that level of care—and we've got lots of examples of people actually taking this up and saying, 'Thank you; actually, I don't feel like I need that at this point in time'—assuring them that, if they do come into the system again, because of their date of their ACAT, they will come immediately in when they're ready to get that level of care.

Senator SIEWERT: They don't go on a waiting list then if they scale it back?

Ms Buffinton: Well, they're on the waiting list, but they don't lose their place on the waiting list. If they do what you might say was the right thing, if they sit to the side and come in when they have that little bit of frailty, their original date is when—if we've already offered them a level 3, when they say, 'I now would like a level 3,' and six months have gone by, they will get a level 3 pretty well immediately, because their date is their original date. We don't change that date.

Dr McCarthy: You never lose your place.

Ms Buffinton: That's where we're trying to encourage that dialogue between the consumer and the provider. We've also talked with ACATs in getting the consistency around Australia of how they're using level 1, 2, 3 and 4, and we've seen that greater level of consistency.

Senator POLLEY: Can I now go back to the letter that I've tabled. Can you advise whether or not the department has given advice to the Prime Minister or the minister in relation to that correspondence, and then we can move on?

Senator Scullion: The letter is actually to the Prime Minister. I know it's cc'd to Ken Wyatt, the minister—

Senator POLLEY: Yes, I did ask whether advice had been given to the Prime Minister or the minister.

Senator Scullion: I was just trying to be help, Senator. Off you go.

Ms Beauchamp: Can I take it on notice? I'm not aware, personally, whether we provided advice to Prime Minister and Cabinet, seeing it was written to the Prime Minister.

Senator POLLEY: And to the minister. So is it—

Ms Beauchamp: It was a cc to the minister, I think.

Senator POLLEY: Yes, it was—so whether you've given advice to the Prime Minister or to the minister in relation to it. Can you come back to us on that today?

Dr McCarthy: We will endeavour to come back to you.

Senator POLLEY: Excellent. In the interest of time, I'm prepared to put on notice Commonwealth Home Support Program questions. Chair, I'm proposing to move over Commonwealth Home Support Program and go to Aged Care Quality Agency unannounced visits.

Senator DEAN SMITH: Before we do, I've got a couple of questions I'd like to ask.

Senator POLLEY: On what?

Senator DEAN SMITH: On where you've just been, actually.

Senator DEAN SMITH: I'm just curious, if I've heard your evidence correctly, the current experience is the result of the introduction of the national queuing process, an added level of transparency. What would the consumer experience look like if those reforms hadn't been introduced?

Dr McCarthy: There were a number of aspects in relation to the previous arrangements.

Ms Beauchamp: Consumers wouldn't have had any visibility of what was happening nationally, what sort of waiting periods there were. The information that was provided previously was demand coming through providers, so it wasn't reflecting exactly the assessment process around consumers, and it was down to regions. It was a plethora of information that was not coordinated in any way and didn't focus on the consumer, only focused on the provider system.

Dr McCarthy: The consumer, were they to move interstate or to another area, would lose access to that package, because the package was allocated to the provider, not the consumer. Now, as the secretary has said, not only is there much more transparency about how long they might need to wait, but also the package belongs to the consumer, and they can be assured that their priority is part of a national priority and not simply dependent on how many packages had been allocated to providers in their local area.

Senator DEAN SMITH: So if you're a consumer, you've got a greater degree of comfort because you're allocated a package that stays with you, even if you might actually shift geographical location.

Dr McCarthy: That's right.

Senator DEAN SMITH: The system is more focused on the consumer, because under the previous arrangements it was the provider that was providing the information.

Dr McCarthy: Yes.

Senator DEAN SMITH: What other failings of the previous system were there that led to the current reforms?

Dr McCarthy: I think one of the objectives that the change in policy was seeking to achieve was more equity in the allocation of packages. So it doesn't depend on where you live and how successful the providers in your area had been in applying for packages. It depends on your need as assessed, and that's now part of a transparent national queue.

Senator DEAN SMITH: So, the individual needs of the aged care recipient are now the priority, whereas, under the previous system, your need would have been governed by who your provider was and, as you said, their ability to access?

Dr McCarthy: Your need was assessed under the previous system, as Ms Buffinton indicated: high versus low. But you, the consumer, had to find a provider who had packages available, as opposed to the current system, with the provider having to market themselves to people to whom packages have been allocated.

Senator DEAN SMITH: Hearing your evidence, there's obviously been a bit of a mismatch between demand and the number of places that have become, or been, available? Is that a correct summation?

Dr McCarthy: There is very high demand for home care. There always has been—

Senator DEAN SMITH: Was the demand now being experienced planned for? Was it expected? Was it known?

Dr McCarthy: Until the decision was taken to create a national queue, there was not the understanding that we have now of the level of demand, because that level of demand was, as Ms Beauchamp said, a function of the aggregate of the waiting lists of every individual provider. It's always been the case that under the previous system, where providers had to apply in a competitive round for home care packages, they were always highly

competitive rounds. So, we knew there was very high demand. We did not know, though, to the level of detail we know now, how many people were waiting to receive a package.

Senator DEAN SMITH: So, under the old regime, how was it possible to plan?

Dr McCarthy: Under the old regime providers would not have had access to the information that we now make available, region by region. I have just checked that and, yes, that's correct.

Senator DEAN SMITH: Were the previous targets that were set inadequate?

Dr McCarthy: The estimates work is that there's what's called a planning ratio—a certain number of, as it was at the time, home care packages, residential care places, per thousand population. So, those ratios have been in place for many years. And the planning that's done via the forward estimates is based on those ratios.

Ms Beauchamp: I think there are now a lot more people, particularly with the flexibility arrangements, wanting to stay at home. So, there has been a substantial demand and probably will be an increase in demand for home care packages for people to stay at home for as long as possible.

Dr McCarthy: Hence the measures over MYEFO and the budget to put more home care packages into the system.

Senator DEAN SMITH: I understand.

Senator POLLEY: We're moving on now to the issue around unannounced visits. Can the committee be advised about how many full-time-equivalent agency staff make up an assessment team and the teams that go out to accredit or audit residential aged care homes?

Mr N Ryan: Depending on the number of beds and the size of the home, we will send between one and three surveyors onsite. The vast majority of our surveyors—and I think I have some data specific to that—are employees of the quality agency. We do have a number of contract staff who are on non-ongoing contracts, and we do maintain a large number of external surveyors. They will do a minimum requirement each year to maintain currency. At 30 September 2018, there were 295 registered quality assessors—169 were employed by us, and 126 were external assessors on a contractual basis—and 193 of our quality assessors have been registered for more than five years. I'm happy to answer any further questions.

Senator POLLEY: Can you explain the process that's undertaken by the agency when it comes to unannounced visits? Do agency staff simply turn up at the home at the front door? Does any notification happen prior to any of these unannounced visits? How does it actually work?

Mr N Ryan: All visits, or the vast majority of visits, now undertaken by the quality agency are unannounced. As you might recall, unannounced assessment contacts, the so-called unannounced annual visit, have been unannounced for the period of the scheme up until now. You will note that the government—Minister Wyatt—announced the move to unannounced reaccreditation audits for all homes applying for reaccreditation after 1 July this year. Of the homes that had applied for reaccreditation in the last financial year, I think we've gone through all—there might be one or two left to go, but they've all been completed. So, all reaccreditation audits now are completely unannounced. They know when we're there, because we knock on the door or we present ourselves to the front counter.

Senator POLLEY: Prior to any unannounced visits taking place—that is, prior to the government adopting the Carnell-Paterson recommendation—can you confirm how much funding was provided to the agency for these site visits?

Mr N Ryan: I beg your pardon. Could you repeat the question? I didn't quite hear.

Senator POLLEY: Prior to the government's adopting the Carnell-Paterson recommendations, have you been given any additional funding to carry out these site visits?

Mr N Ryan: You'll note that government announced a new injection of funding about a month ago. Excuse me for not having the date. We did receive some additional resources at that time.

Senator POLLEY: How much?

Mr N Ryan: I beg your pardon?

Senator POLLEY: How much is it?

Mr N Ryan: About 2.8 FTEs at this time. That's for surveyors. We maintain an ongoing conversation with the Department of Health around ensuring that there are adequate resources to meet the growth in referrals from the complaints commissioner, the growth in review audits that we undertake and the growth in findings of serious risk that we undertake. I maintain very close contact with the secretary and her senior staff around that matter.

Senator WATT: Before we go to that new funding—we might come back to that—can we just go back. I don't think Senator Polley quite got an answer to her original question: prior to the adoption of the Carnell-Paterson recommendations about unannounced visits, before that recommendation, what funding was provided to the agency for site visits?

Mr N Ryan: Christina Bolger will answer that, thank you, Senator.

Ms Bolger: Just to clarify the earlier question in relation to unannounced reaccreditation audits, we are in a transition period because the date of application relates to the application for reaccreditation, so in this transition period we have both unannounced and announced audits undertaken, until the remainder of those who had applied under the previous rules are processed. But that will all be complete by the end of this year, and we are increasing the rate of unannounced audits over that period.

Senator POLLEY: What number is there of those that haven't been completed?

Ms Bolger: I can take that on notice, Senator. Each month, obviously, that rate increases as more providers are being processed under the new rules.

Senator WATT: And I still don't think we've had an answer to the funding that was provided.

Ms Bolger: Yes, I'll come back to that as well. Reaccreditation is a cost-recovered activity. Under the previous arrangements and under the new arrangements for unannounced reaccreditation audits, that isn't appropriated funding. It's actually cost-recovered from the industry. That is published in our Cost Recovery Implementation Statement on our website.

Senator WATT: That's for reaccreditation audits?

Ms Bolger: Reaccreditation audits are cost recovered.

Senator WATT: As opposed to unannounced site visits?

Mr N Ryan: Compliance visits.

Ms Bolger: Yes.

Senator WATT: Or site visits.

Ms Bolger: The other figures that Mr Ryan cited relate to increased compliance monitoring and activity on assessment contacts, which is part of our ongoing compliance monitoring.

Senator WATT: What we're trying to get to is what the change has been. I still don't think we've had an answer. Prior to the Carnell-Paterson recommendations, site visits used to occur—correct?

Mr N Ryan: Correct.

Senator WATT: Not unannounced reaccreditation visits?

Mr N Ryan: They both occurred.

Senator WATT: So you used to have unannounced—well, my understanding is that the old system was that you had announced accreditation visits as opposed to unannounced accreditation visits.

Ms Bolger: That's correct.

Senator WATT: And you also had site visits?

Mr N Ryan: Correct. As Ms Bolger has said, the volume of money for reaccreditation audits, which used to be announced and are now unannounced, is fully cost recovered. So that funding increases relative to the activity, and it's fully cost-recovered under government policy. The range of other activities that we undertake—unannounced assessment contacts, the unannounced visits and a range of other compliance activities—is funded by appropriation.

Senator WATT: What was the appropriation provided for those visits—leave aside the cost-recovered ones—prior to the Carnell-Paterson recommendations?

Mr N Ryan: I would need to take that on notice so that I'm completely accurate with that.

Senator WATT: And can we get what the new figure is, following the change?

Mr N Ryan: Correct. Yes, we will take that on notice.

Senator WATT: But if we're thinking about the reaccreditation visits, which have changed from announced to unannounced, what you're saying is that they've always been and continue to be cost-recovered. So it might be that government funding has gone up or down, but, whatever the case, the money is retrieved from providers?

Mr N Ryan: Yes. There was a review in the cost-recovery approach about two years ago. They had been funded on a cost-recovery basis, but there was a refinement under the CRIS approach two years ago. So that

volume of activity is self-funded; it's far more specifically funded under the new approach. We'll come back to you, just so that I can be clear, with the appropriation for everything other than reaccreditation and cost-recovered activity, pre and post the announcement.

Senator WATT: Did you say that, with this change to unannounced reaccreditation visits, there's been an increase of 2.8 FTEs to do that?

Mr N Ryan: Correct.

Senator WATT: So we've moved from a system of announced visits to unannounced, and the minister has committed to more of them?

Mr N Ryan: Yes.

Senator WATT: And we've actually not even got three full-time extra employees to do that?

Mr N Ryan: Yes. But, if you look at the range of work, we have a funding methodology that says that equates to some hundreds of activities. We make good use of our staff, and we make sure that we talk with the Department of Health to ensure that, as the activity grows, we have funding. You will appreciate that, because of the public, parliamentary and media scrutiny over aged care, there have been significantly more referrals to Rae Lamb, the complaints commissioner. There were just shy of 1,100 referrals to us last year. So our activity is increasing around compliance monitoring, and we continue to talk with the department to ensure that we have the funding to meet that need.

Senator POLLEY: In relation to this funding that you've been given—and you say it's 2.8 equivalents—was there any provision for the agency to organise outside-of-office-hours visits—that is, outside nine-to-five working arrangements, including nights, weekends and public holidays to take these unannounced visits?

Mr N Ryan: Whilst it's accurate that the majority of our work does happen during working hours, we can and do on a frequent basis—where we have particular concern, regulatory intelligence or other forms of concern—conduct unannounced visits after hours, on weekends et cetera. If I receive, or if my agency receives, a level 3 referral from the complaints commissioner—that's where she has assessed that there are some matters—we will fly staff to those locations on the next available flight. That might be after hours and it might be on weekends.

Senator POLLEY: Can you provide us the numbers of night, weekend or public holiday unannounced visits?

Mr N Ryan: I'm happy to take that on notice, Senator.

Senator POLLEY: In terms of unannounced visits outside normal work hours, you're saying that you currently undertake those where needed on a weekend or a public holiday or at night—

Mr N Ryan: Correct.

Senator POLLEY: but you can't provide that information to us now?

Mr N Ryan: No, we hadn't anticipated that specific question, but we would be happy to come back with the data.

Senator POLLEY: So you were always funded to be able to undertake these unannounced visits out of normal work hours?

Mr N Ryan: We are funded to undertake a scheme of activity. We are funded to do compliance monitoring and, where risk or urgency is indicated, we will do that whenever we get there, including after hours, public holidays and weekends.

Senator POLLEY: So you'll be able to provide to us a list of details of when these have taken place. Have you changed the process that you have of having assessors going in on a regular basis to the same providers?

Mr N Ryan: We're very concerned about what's called regulatory capture—that is, where the same surveyor or teams of surveyors go to the same site time and time and time again. They often can't see what's in front of them because they're so familiar. So, for the integrity of our regulatory scheme, we actively mix and match surveyors. We do so relative to the specific needs of that particular visit. Around a compliance visit, if we had particular concerns around the clinical conduct of the home, we would assign a highly experienced nurse. Often, especially if we've got a volume of work, we will fly our surveyors interstate to avoid that kind of regulatory capture or the risk of regulatory capture.

Senator POLLEY: In relation to the unannounced visits, we heard from the minister in terms of the concern around safety, and the new safety and quality commission will increase these unannounced visits. Can you tell me how many of these will be out of hours, of a night and on public holidays?

Senator Scullion: It's hard to predict.

Mr N Ryan: That's very, very hard to say. I think the most accurate answer that I can provide is: if we have specific intelligence, or a referral from the department—from the secretary or her delegate—or from the Complaints Commissioner or her delegate, or other information, we will prioritise the timing and the extent and the resources based on risk. We are a risk based regulator.

Dr McCarthy: There's a measure in the budget that will enable the new commissioner—work has started on this already—to do even better and more effective risk profiling. It's through tools such as that that decisions can be made about when a visit takes place, how often, et cetera, including if it needs to be out of hours.

Senator POLLEY: Can you elaborate a bit further in terms of the preparation that you're doing? Can you give us some more detail on that?

Ms Beauchamp: The budget last year announced the bringing together of three functions into the new Aged Care Quality and Safety Commission. That will give the commission much more flexibility in terms of how it should allocate its resources. I think we're looking at over 400 ASL and a budget that goes from about $64 million to $79 million per annum over the forwards. In addition, the government has also announced another $15.6 million just recently, last month, which is about getting more compliance activity—more opportunities for these unannounced visits and the like on the ground. The new commissioner and the new organisation will then be able to determine whether to put effort into the front end or into the back end around compliance. And it needs that balance, so that'll be up to the new commissioner, based on the information that has come from Mr Ryan and Ms Lamb as well, in terms of their experience. But I think the bringing together of the three functions will provide that added flexibility. Of course, looking at the risk profile is going to be important in terms of understanding where those frontline staff need to be allocated.

Senator POLLEY: Would it be a fair assessment to say that, yes, things will change for the better but that there has been concern that it hasn't been a common practice to have these unannounced visits out of hours?

Mr N Ryan: In the last three years, building on what the secretary has said, we have moved to a mathematical performance model with the CAT tool, which we've talked about before in these hearings. Clearly, the government's announcements to do greater identification of risk profiling in residential aged care will inform that from a broader policy point of view. We have done many more after-hours and weekend visits over the last 18 months to two years, relative to risk. In fact, all of the work that the secretary has talked about will increase the coordination of the functions—better information systems, better understanding of risk, better targeting of regulatory response.

Senator POLLEY: So you're now saying that there was a regular amount of unannounced visits undertaken out of normal hours of a weekend and public holidays.

Mr N Ryan: That was a regular activity, but the volume of it—we'll need to collate figures.

Senator POLLEY: What do you call 'regular'? How do you define 'regular'?

Mr N Ryan: Well, regular would be relative to—if you wanted to look at the way that we would understand it, if we had particular concerns based on a referral from the complaints commissioner or a referral from the department or other information, we prioritise our visits based on our assessment of risk.

Ms Bolger: And, if I could just add, they were much more likely to be a compliance-monitoring visit—which is like a surveillance visit to understand the extent of a risk or respond proactively to a referral—than they were reaccreditation audits, because the reaccreditation audits, under the previous arrangements, were on application and there was a process around those. So it was much more likely to be a compliance-monitoring visit that we would do in the circumstances of an indication of risk.

Senator WATT: I appreciate that you're going to come back with some actual figures and I appreciate that these unannounced visits occur after risk-based analysis, but do the after-hours ones happen generally on a weekly basis or monthly or a couple of times a year? Have you got any sense of that at all?

Mr N Ryan: I would ask Ann Wunsch, who is Executive Director Operations, to come and provide an answer on that. Ms Wunsch has oversight of the day-to-day service delivery of our organisation.

Ms Wunsch: The rationale for conducting a compliance-monitoring visit out of hours would be information that was before the quality agency about—

Senator POLLEY: We know that.

Senator WATT: I've got the rationale. What I'm trying to establish is how regular are the after-hours unannounced visits. Is it a weekly thing or monthly or a couple of times a year?

Ms Wunsch: There are two types of these visits. One is where a review audit or an unannounced visit is over a number of days, and it may start later in the week. We take the view that we would like to have the audit

assessment team spend a couple of hours on a Saturday or a Sunday with access to weekend staff, to interview them and to understand what, say, the weekend activity program looks like or what the staffing levels are et cetera. That may be an activity that has been arranged to occur through the week, but we want to sample specific information during the weekend.

Senator WATT: But, if you're saying these are ones that have started sometime earlier in the week, they're hardly unannounced, are they, if someone turns up?

Ms Wunsch: No, they are unannounced.

Senator POLLEY: Well, they are when they first arrive, but they won't be at the weekend.

Ms Wunsch: But this activity will take some days, so it's unannounced from the outset.

Senator WATT: What I think we're trying to get to is visits where your people turn up for the first time, unannounced, after hours.

Ms Wunsch: Understood.

Senator POLLEY: On a Friday night.

Ms Wunsch: Understood.

Mr N Ryan: We will come back with that.

Ms Wunsch: We'll come back, but it is not something that is occurring weekly. It's more likely something that is occurring less frequently than that, and it's based on information that we have before us. If it's about an overnight staffing issue, for instance, or about concerns around weekend care practices, that would be a rationale to commence the visit at night or on a weekend, and we would use that intelligence to inform the need to assign a team to commence at that point in time.

Senator WATT: Do any of these unannounced visits begin on a public holiday?

Mr N Ryan: That would not be regular.

Senator WATT: Okay, but on a night shift you're saying it would be regular to commence?

Ms Wunsch: The consideration of assigning a team to commence at that time is regular. The actual assignment would depend on what we understand the risk to be, and it would be less frequent than monthly.

Senator WATT: Less frequent than monthly for a night shift?

Ms Wunsch: But I would like us to provide the data to you, because it wasn't a question we anticipated, and we would like to give you a full account of this.

Senator WATT: That's fine. Can I just clarify one other thing coming out of Senator Polley's questions: the point about the process for one of these unannounced visits. Mr Ryan, I think you said we've got the unannounced reaccreditation visits.

Mr N Ryan: Yes.

Senator WATT: And we've got the general unannounced site visits.

Mr N Ryan: We've got a couple of general unannounced site visits. We do a minimum of one unannounced assessment contact every year, but if we have a particular compliance concern—that's where we think there's specific risk—we will go more than once a year. Where we have particular concerns, if we were to do an assessment contact and we found something of concern, we would do what's called a review audit.

Senator WATT: Whichever type of unannounced visit we're talking about, you're saying that in every single case, for an unannounced visit, the first the provider knows about this is when your people turn up at the door?

Mr N Ryan: Correct.

Senator WATT: They don't get a phone call saying, 'Hi, we're coming in a couple of hours'?

Mr N Ryan: No.

Ms Beauchamp: Okay.

Senator POLLEY: I just want to confirm that it's not a regular criterion that you make unannounced visits at night, but, if you look at the complaints that are raised and at what happened on the *Four Corners* programs, there are a lot of incidents that happen at night, and they don't stop on the weekend and certainly not on a public holiday. So that's an area where you concede, do you not, that it hasn't been as regular as it will be in the future?

Mr N Ryan: I can't speak for the new commissioner, whose appointment is being announced today. I can't speak for Ms Anderson on that point. Where we have any concerns, we have access to all sorts of information to help us understand what happens overnight, even though we might not be there to witness it at that particular

time. We have access to all of the clinical files. We have access to the staff rosters. There's a whole range of information. So the fact that we're not there at night doesn't mean we can't understand what occurs on a regular basis overnight, and it doesn't stop us interviewing residents. In fact, one of the good stories over the last 12 months is that the 10 consistent questions around consumer experience reports give much greater effect and voice of the experience of consumers. But, if your point is asking if we take into consideration the need to visit after hours and on public holidays and weekends, of course we do. As we strengthen and as the new quality and safety commission strengthens its risk approach, that may well increase.

Senator POLLEY: Can you confirm that the agency will reach the target set by Minister Hunt and Minister Wyatt of 500 unannounced reaccreditation audits this year? Accordingly, to do a simple calculation to meet this target, there would need to be around two visits each week. How many days are actually being done now?

Ms Wunsch: You're talking about unannounced reaccreditation audits?

Senator POLLEY: Yes.

Ms Wunsch: The teaming for unannounced reaccreditation audits has been established over time. It is allocated on the basis of the size of the home, and it is translated into the number of assessor days. Size, complexity of the care recipient cohort, risk and intel inform the size of the team and the number of days allocated to that visit.

Mr N Ryan: We will complete the visits.

Senator POLLEY: You're confident you'll meet the 500 unannounced reaccreditation visits?

Ms Wunsch: Yes.

Mr N Ryan: As we do every year, yes.

Ms Wunsch: Yes.

Senator POLLEY: Thank you.

Senator SIEWERT: In terms of the mental health announcement made in the budget, should I be asking about that here or in mental health, or both? I just don't want to get to mental health and have them go, 'Oh, you should have asked in aged care.'

Ms Beauchamp: It's probably better in the mental health area, as part of the bigger package.

Senator SIEWERT: Okay. But can I ask you if you've been engaged in discussions with either PHNs or mental health around how that funding that was allocated in the budget for increased access to mental health services.

Dr McCarthy: Yes. My colleagues in that outcome will be able to speak about that in more detail, but there has already been quite a lot of consultation on the guidance material that will be provided to the PHNs in relation to how the measure is rolled out.

Senator SIEWERT: Okay, I'll follow up with them later on.

Ms Jolly: I will just add to that they came to the last NACA meeting and gave quite a detailed presentation about where they're up to, and had quite a good engagement with the committee at that time.

Senator SIEWERT: Okay, thank you very much. Could I go on to the workforce task force report. First off, can you give us an update on what actions you're taking in relation to that report—where to from here?

Ms Beauchamp: Can I just confirm it's the John Pollaers task force?

Senator SIEWERT: I beg your pardon, yes, sorry.

Ms Beauchamp: Okay. I just wanted to check.

Senator SIEWERT: I was making an assumption you knew what I was talking about, sorry.

Ms Beauchamp: There has been significant work going on, obviously, and it has continued to be led by John Pollaers. What the government expects is that the industry itself look at how to improve the quality of the workforce, but I'll ask Dr McCarthy and Ms Grinbergs to go through some of those details.

Dr McCarthy: As you know, Mr Pollaers will continue to work with the industry. He worked with the industry in the development of the report, and the government has since asked him to take that forward with industry to ensure that he's assisting them to drive what is, as he has said, a strategy for industry to be driven by industry. I know that he has already met with industry representatives. You will recall, Senator, that one of the actions related to the Aged Services Industry References Committee. The members of that committee were announced today in a joint announcement by Minister Cash and Minister Wyatt, so that's now kicking off. I will ask Ms Grinbergs to provide any more information on updates.

Ms Grinbergs: Along with the measures that Dr McCarthy has just mentioned, there are a range of activities across a number of the other strategic actions that are occurring in other areas, including through the MBS review, for example, and also work looking at research in other areas.

Senator SIEWERT: What are the areas of research that have been undertaken?

Ms Grinbergs: We've been looking specifically at what work has been occurring through the Dementia and Aged Care Services Fund in the past, and what we might look at directing funding towards in the future in terms of investment that will support the workforce.

Senator SIEWERT: Okay. What time line have you got on that?

Ms Grinbergs: We don't have a specific time line at this point. There's no specific time line that has been set for us in that regard.

Senator SIEWERT: What levels of costing has been carried out in terms of looking particularly at staffing levels, training and qualifications? Have you done any costings around workforce and, particularly, has Professor Pollaers done any work there?

Ms Grinbergs: Are you asking: did the task force undertake any costings?

Senator SIEWERT: I didn't understand that they had—not that are publicly available.

Ms Grinbergs: That's correct. The task force itself didn't undertake any of that sort of analysis.

Senator SIEWERT: Yes, that's what I understood.

Ms Grinbergs: There's a range of submissions that were made. For example, there's a submission by StewartBrown, which is publicly available—

Senator SIEWERT: Yes, I'm aware of that one.

Ms Grinbergs: where they've modelled a series of costs.

Senator SIEWERT: Yes. Have there been any others done or have you commissioned any others?

Ms Grinbergs: Not that I'm aware of.

Dr McCarthy: Not that we're aware of, Senator.

Senator SIEWERT: I will be really clear: none have been presented to government? Other than the StewartBrown one in the submission, which I'm aware of, have any others been done by government or presented to government?

Ms Grinbergs: Specifically related to the workforce? Not that I'm aware of.

Senator SIEWERT: That leads me to the next question. When you say, 'Not specifically relating to workforce,' have others been?

Dr McCarthy: Obviously, we cost measures as a matter of course through the course of the year.

Senator SIEWERT: Yes, but have you commissioned any other work on costings related to any aspect of the task force report?

Dr McCarthy: No.

Senator SIEWERT: So no further work has been done on the overarching cost of the workforce, other than the StewartBrown work?

Ms Beauchamp : No, not yet, and we're waiting for the outcomes of what John Pollaers is looking at. But, of course, now with the royal commission, with the focus on staffing quality, that will also factor into any future considerations that government might want to have.

Senator SIEWERT: Do I take from that that you may not pursue that, then, until after the royal commission?

Ms Beauchamp : Pursue what?

Senator SIEWERT: Pursue further work and costing on workforce until after the royal commission?

Dr McCarthy: I don't think we can pre-empt—

Ms Beauchamp : No. I think they will obviously be decisions for government. It's very clear that the Prime Minister and our ministers have said that the reform work will continue. And it will continue, and we'll wait for the outcome of the John Pollaers work around quality of the workforce. As Dr McCarthy said, I think a reference group has been established this morning as well to look at the skills of the aged-care sector workforce. So I think we'd be pre-empting—it'd be too early to do any work on providing any advice to government at this stage.

Ms Jolly: Senator, I just wanted to ensure that you weren't hearing from this that we're not progressing the measures under the workforce task force report. For example, on recommendation 9 around strengthening the interface between aged care and primary acute care, there is work happening at the Commonwealth-state level around ageing and aged care, and there's quite an active discussion around how those interfaces will work going forward. I just wanted to ensure that, whilst we're having a discussion about costings, there is actually work progressing through the recommendations of this report that are relevant to the Commonwealth. It's just not in a formal answer to your previous question.

Senator SIEWERT: Is it possible to take on notice, then, where things are up to against each of those recommendations? I'm aware I'm going to run out of time.

Dr McCarthy: Yes.

Senator SIEWERT: That would be great if you could take that on notice. I want to go back to the work of Professor Pollaers. Is there a document or something that outlines the nature of the work he's continuing to do?

Ms Grinbergs: No, not at this stage.

Senator SIEWERT: So what is he doing. I think it's good that work's continuing; I just want to know, more precisely, the nature of the work that he is doing.

Ms Jolly: At this stage Professor Pollaers has been working with the minister's office and the peaks to really define what it is that you're asking for and to look at how to take forward the industry actions under the plan, of which are the vast majority. So it's really a negotiated discussion. It's not that government has said, 'This is exactly what we want you to do by this particular date.' Those discussions, really, are happening and we're working with the minister's office and then with John and others on how to then define that and take that forward.

Senator SIEWERT: Okay, so there will be more form around it once those discussions have been held?

Ms Jolly: Well, the minister's office has been leading some of those discussions, and we continue to support them in what they would like us to do in terms of supporting the work that John's indicating he's doing.

Senator SIEWERT: It's interesting to note that the reference group was announced this morning; I haven't yet seen that. Could you provide us with a link to that? That would be useful, if that's possible.

Ms Jolly: Yes, sure.

Senator SIEWERT: Thank you. In terms of the actions that you've taken on notice to report against, are you setting timelines on some of those and, if so, could you include that, please?

Ms Jolly: Yes, we can.

Senator SIEWERT: Okay, thank you.

Dr McCarthy: Chair, I have an answer to Senator Polley's earlier question about the letter from Ms Collins, if I can read that in.

CHAIR: Yes.

Dr McCarthy: The letter that was tabled was responded to by the Assistant Minister to the Prime Minister, Steve Irons MP, and signed on 9 October, so there has been a response.

Senator POLLEY: So you did give advice then? Advice was sought from you?

Dr McCarthy: Well, I think as we explained, it was a letter to the Prime Minister copied to Minister Wyatt. It's been responded to.

Senator POLLEY: So you didn't actually give any advice on the letter?

Dr McCarthy: We advise our minister.

Senator POLLEY: Right, so there was no advice—I just wanted to clarify that.

Dr McCarthy: Again, we'd need to check back. It would be usual for the Prime Minister's department to seek advice. So we might have provided information to the Prime Minister's department, but you'll appreciate we don't provide advice directly to the Prime Minister.

Senator POLLEY: Yes, I understand that, but you'll take that on notice to see whether there was advice given.

Dr McCarthy: We can do that.

Senator POLLEY: That's great. I have one more question. It relates to the announcement today of the new safety and quality commission. It will increase the unannounced visits. I was just wondering whether any of those will be after hours or at night or on public holidays. Since Minister Wyatt has had the responsibility for the Aged

Care portfolio, has the department ever briefed him on how the assessment teams operate, including at what times, at residential aged-care facilities?

Ms Beauchamp: On the first part of the question, in terms of the announcement today and the new commissioner, I mentioned the strengthening of the new commission. Of course, now that it's combining the three functions, it will look at what it needs to do around after-hours visits on public holidays and in the evenings, and that will be taken on board. In terms of advice that Mr Ryan has provided to the minister about the prevalence of the visits, I'll hand over to you, Mr Ryan.

Mr N Ryan: Thank you, Secretary. We have never advised the minister in terms of trend data or performance as an overall period of time. We will have advised the minister and his office from time to time if there was a particular home of concern where we did an unannounced visit on a particular evening or weekend. But, as I understand your question, it is: is that like a dataset that we provide to the minister and/or to the secretary? We don't.

Senator POLLEY: So you haven't provided any information or advice to the minister in relation to having out-of-hours assessment teams go in, even following the *Four Corners* program?

Mr N Ryan: I think I've answered the question: other than specific advice to the minister or his office around particular activities related to a home, or a particular concern. That is advice that we have and do provide on a regular basis. As for there being a dataset that says, 'X per cent' or, 'Y per cent of activities are conducted after 5 o'clock at night or on the weekend', we have never gathered or reported that or advised the minister on that data in that form.

Senator POLLEY: So you've never given him any advice that you needed additional funding to carry out those out-of-hours, weekend and public holiday assessments of unannounced visits?

Mr N Ryan: We provide regular advice and we work very closely with the department to make sure that we have adequate resources to undertake our work. Those are ongoing discussions, as with any statutory agency like ours. I've never had that specific conversation, because the way that we administer our funding is relative to risk, volume and broader activities. That's not a specific lens that we do, other than in determining risk, which team and what time we should go, and that's on a case-by-case basis.

Senator POLLEY: I have some final questions for the Aged Care Complaints Commissioner—after all, you've been here sitting through this. Can you give us an update on the number of full-time equivalent staff working in your agency?

Ms Lamb: In the last figures I saw, which I think are very recent, we have something like 154 FTEs. We try to maintain 157, but it's a constant struggle. There's a lot of churn.

Senator POLLEY: Did the agency provide any briefings or advice to the department, the Minister for Health or the minister for Australian seniors, or their staff, prior to the *Four Corners* program airing?

Ms Lamb: We're constantly, like the other agencies, providing advice relating to my functions. Under the Aged Care Act, if either the secretary or the minister asks for advice relating to my functions, I'm required to provide it. It's an ongoing process. I couldn't pinpoint anything specific to a request relating to *Four Corners*.

Senator POLLEY: Have you provided any briefings or advice to the department, the Minister for Health, the minister for senior Australians, or their staff, about the need for the government to hold a royal commission?

Mr N Ryan: That's not an area I would venture into. As a statutory officeholder that's a policy decision or a political decision.

Senator POLLEY: With the growing number of complaints across residential and home care, when do you determine is the best time to provide your concerns to the department or the ministerial office?

Ms Lamb: We focus on trying to resolve the matters ourselves. That's our remit. Obviously, I operate on a no-surprises basis, so, if I have particular concerns about trends I'm seeing and things like that, then obviously I make both the department and the minister aware of those things. Again, it's an ongoing conversation that happens and it's happened with previous ministers I've worked for, too, or worked with.

Senator POLLEY: Do you have regular meetings with the Minister for Senior Australians and Aged Care and the Minister for Health?

Ms Lamb: I haven't met the Minister for Health very often, but I do meet with Minister Wyatt quite regularly and have also done so with his predecessors.

Senator POLLEY: Do you meet regularly with the department?

Ms Lamb: Yes.

Senator POLLEY: Would you be able to provide the dates of the meetings that you've had with the Minister for Senior Australians and Aged Care?

Ms Lamb: Yes, we can take that on notice.

Senator POLLEY: In relation to the increased number of complaints that you've had, is it something that you're able to cope with, with the staffing levels? Have you sought any additional funding?

Ms Lamb: We have coped to date, but, in recent times, obviously, if you've seen the annual report, you will have seen that we've had a very significant increase over time. I have been, as I indicated earlier, in ongoing discussions with both the department and the minister. As you may be aware, in the recent budget announcement, there is some funding for complaints. There are still active discussions going on with the new commission.

Senator POLLEY: You made a comment earlier in relation to the churn that's happening. Can you explain to us why that's happening?

Ms Lamb: It's a bit the nature of the business. Complaints, as you'll appreciate, is a pretty difficult area to work in. There are very high stakes, there's a lot of emotion involved and there's significant time and investment spent in training people. It suits some people more than others. Even those who are extremely good at it need time out. I've worked in previous complaints roles and it is the nature of the game to some extent that you do have a large amount of staff turnover, and that's been my experience here.

Senator POLLEY: Has that increased since the airing of the *Four Corners* program?

Ms Lamb: No, not to my knowledge. Again, it's an ongoing thing that we're constantly dealing with. We are recruiting all the time with the support of the department.

Senator POLLEY: What would be the churn rate at the moment?

Ms Lamb: I'd have to take that on notice. We can certainly give you that figure. To my knowledge, it hasn't changed significantly. It has been high and higher than the department's rate for a while.

Senator POLLEY: Thank you very much.

Proceedings suspended from 13:00 to 14:01

CHAIR: I now call the meeting to order. We are starting with outcome 1. Senator Murray Watt.

Senator WATT: I will begin with questions about the Medical Research Future Fund. You'll remember that we dealt with this at the last estimates round as well and there were some questions on notice taken, which I think have now been answered. I will take you to one of those questions, SQ18-000730. I don't know if you've got copy with you, but it basically asked for a breakdown of commitments that had been made from the fund. Are you familiar with that one? Yes? I think that provided a breakdown—presumably, as of the date of that answer, which I think was in June. Has the government made any further commitments from the MRFF since that response was provided in June?

Ms Edwards: There have been no further allocations of funds. There have been some decisions made about suballocation of things within the things already committed in the streams. But, no, the total of $1.7 billion is still correct.

Senator WATT: How much has that fund got in it all up?

Ms Edwards: This is a Finance question, so I can only go so far—

Senator WATT: Yes, I remember that.

Ms Edwards: but the estimate is: by the end of '18-19, $9.471 billion. That is the estimate that Finance have told us.

Senator WATT: Could you say that figure again?

Ms Edwards: $9.471 billion by the end of '18-19 is the estimate that the Department of Finance indicated.

Senator WATT: That's the amount that's available for allocation?

Ms Edwards: That's the amount that's in the whole of the fund, going for a total of $20 billion in '20-21. And then there are amounts available for distribution, which is a different amount.

Senator WATT: Up until now, about $1.7 billion of commitments have been made from that fund?

Ms Edwards: That would be the amount of it, yes.

Senator WATT: And nothing further since the date of that question on notice?

Ms Edwards: No.

Senator WATT: I don't think your response included one of the things that I had asked for, which was a breakdown, an annual profile, of each subprogram—for example, a breakdown of the $20 million for Mackenzie's Mission, which is a part of the $500 million Genomics Health Futures Mission. Is it possible to get a breakdown of those subprograms, even if that's on notice?

Ms Edwards: We can certainly take it on notice. Some of these items may not have had breakdowns arrived at yet because of work going on, but we can certainly take on notice to see what actually has been available.

Senator WATT: If you could do that, that would be great. As much as you're able to for subprograms. Has the government contracted anymore funds since this response?

Ms Edwards: I think that is a yes, although I wouldn't be across the detail of exactly what has happened in that time frame.

Senator WATT: Just so I understand the stages here: the fund has been created, it has about $9 billion available for allocation—

Ms Edwards: The fund has been created. It has about $9 billion in it currently. There's an amount earmarked as possible disbursements. Disbursement amounts are allocated against particular priorities, following the strategy and the priorities sent by the advisory board. Then, within those allocations, actual arrangements are put in place to have money given to researchers and so on, and those are through a variety of mechanisms depending on the nature of the research and the allocation.

Senator WATT: There have been some contracts signed since that response was provided?

Ms Edwards: My understanding is yes, where it's an ongoing process, but I don't have that detail, Senator. Perhaps we could take on notice what—

Senator WATT: I'm happy for you to take some details of that on notice. Do you know the dollar value that is being contracted?

Mr McBride: We're at various stages in the process for various programs. For example, rare cancers, rare diseases and unmet need went out to tender on 24 June and closed 16 August, but we're still finalising that. Whereas, for example, $199 million in project funding for a wide range of health challenges including cancer, cardiovascular disease, stillbirths and mental health has been announced, and we're now going through a grant process. All those things that were announced, and that we went through in the last estimates, are at various stages of rolling out to contract.

Senator WATT: I just had another look at the question on notice. You had table 2, which was funds contracted on or before 18 June 2018. I suppose what I'd ideally like to get today if I can is what the total is since. I see you have a total there of $69.7 million for funds contracted on or before the 18th. I wouldn't mind getting an updated figure for that.

Ms Edwards: We don't have it here, but we will see whether we can come back to you today on that, as at the end of September or sometime. I'm not sure how it works, but we'll have a look at it.

Senator WATT: In an ideal world, if you can come back to me today with the total and then if you can take on notice the breakdown of the greater detail of what those contracts have been for.

Mr McBride: So total contracted since budget or total contracted overall?

Senator WATT: I think I'm mainly interested in since 18 June. Do you know how much has been contracted—this table says 'funds contracted on or before 18 June 2018'. Does that go back to the inception of this fund?

Mr McBride: That's my understanding.

Senator WATT: If you were to give me the extra that has been contracted since then, we're probably going to get the total. Have any stakeholders expressed any concerns to the department about the governance or politicisation of this fund?

Ms Edwards: We don't have any stakeholders. We have very close engagement with members of the research community and we talk to them, both through the set processes and a one-off. Myself, Mr McBride, Ms Kneipp and various members of our staff are talking to people all the time. It's certainly true to say that people might raise issues about whether they do or don't get access to funds. In terms of the specific question—

Senator WATT: Have any stakeholders, whether they be researchers or others, in particular expressed concerns about the involvement of the minister in deciding priorities or particular projects that should be funded?

Ms Edwards: Not to me.

Ms Kneipp: Contestability is really important in the field of funding research. Australia's reputation is based on research excellence. The act itself, of course, is limited to funding research. The board developed a set of funding principles in 2016 that the government subsequently endorsed in 2017. Those principles talk about the importance of contestability. When programs are designed, the program design features work with the act and with those principles for funding that the board has.

Senator WATT: What I'm asking is whether you are aware—for instance, some stakeholders have expressed concerns to the opposition about some disbursements, saying they were captain's calls by the minister. No-one has heard similar concerns in the department?

Ms Edwards: Senator, at the end of the day, the decisions are a matter for the minister. There's a very complex process that we go into in order to provide advice, including through the advisory board. It wouldn't surprise me at all that some researchers or other members of the community might not like where the final decision goes or think something should have been done in a process in a different way. We certainly have discussions about those sorts of things.

Senator WATT: In any grant program there are always going to be winners and losers. There are going to be people who are going to be upset that they missed out. I see that as quite a different thing from stakeholders expressing concerns about a minister or a minister's office getting involved, getting their hands dirty and really directing where the funding is going. Has anything happened like that?

Ms Edwards: Certainly nothing like that formally that has come across my desk or that I'm aware of. The main thing I get from researchers is great enthusiasm at the huge amount of investment that has been made and great enthusiasm to get involved for their research and so on. Obviously, there are conversations happening all the time. I couldn't say whether that particular issue came up or not, but certainly no-one has written or raised formally with me, or, I believe, the secretary, anything to that effect.

Senator WATT: You'd be aware that the Australian Medical Research Advisory Board provides guidance to the government about this fund's strategy and priorities. Have any members of the advisory board expressed concerns about the governance or politicisation of this fund?

Ms Edwards: That's the board that Ms Kneipp was talking about just now in terms of providing strategy and priorities.

Senator WATT: Never been raised?

Ms Beauchamp: Not with me.

Ms Kneipp: Not formally, no.

Senator WATT: You don't know, either, Mr McBride?

Mr McBride: I've only been in the department two weeks. I don't know anything at all!

Senator WATT: Where did you come from? You were at DSS, weren't you? I was trying to remember.

Mr McBride: If you've got any questions about DSS!

Senator WATT: I'm very pleased that you stayed within the community affairs committee, so I still get the chance to ask you questions.

Senator SINGH: You just said 'not formally'. Does that mean there have been concerns raised informally?

Ms Edwards: I think I was just saying to Senator Watt that we have all sorts of conversations all the time, and there are definitely people saying, 'You should have done this one differently,' or, 'This one should have been contested' or—

Senator SINGH: It's not about that. This is about governance and process. We're talking about something fairly specific when we talk about governance and the process of—it's not just any old concern in relation to what we're specifically asking.

Mr McBride: The priorities are published, and then you contrast the minister's decision against those priorities that have been independently advised. That gives a level of transparency and accountability that I think is appropriate. If you compare the two, the announced measures have been in line with the priorities.

Ms Kneipp: I think, as Senator Watt said, there are always people who are disappointed with the outcome of grant rounds. The thing with the MRFF is that it's creating lots more opportunities for researchers to compete and bring their ideas forward.

Senator WATT: Leaving aside any complaints having been made to the department, are any of you aware of any concerns about governance or politicisation being raised with the minister?

Ms Edwards: I'm not aware of any.

Senator WATT: Minister, are you aware of that?

Senator Scullion: Well, no, I'm not aware at this point. That would clear: the reason why I wouldn't be aware is that I haven't had a conversation with them about this. Can I say, you're probably at a bit of a disadvantage. If either of you have a particular research grant that someone has taken umbrage with, please, if you want us to ask about that particular matter, perhaps a question on notice around that specific issue would be better to deal with it. No, I haven't had any.

Senator WATT: I will certainly have a think about that. Maybe, Minister, if you could take on notice whether any concerns have been raised with the minister or his office about the governance or politicisation of this fund, particularly around the minister's involvement in decisions regarding the allocations from the fund?

Senator Scullion: Certainly.

Ms Edwards: Noting of course that the decisions are matters for the minister.

Senator WATT: Sure. You would hope under advisement, though. That's the way it's supposed to happen.

Ms Edwards: There's a very large structure around the strategy, the priorities and the advice from the department; all sorts of round tables and advice.

Mr McBride: Consultation.

Ms Edwards: Plenty of advice.

Senator WATT: Is anyone in the department aware of any assurances the minister has given the board or others that he won't make any more so-called captain's calls?

Senator Scullion: I don't think it has been established that he's already made any, Senator.

Senator WATT: So it is a separate—

Mr McBride: Given that every decision is a decision for the minister, it is hard to characterise what would be—

Senator WATT: I think the objection is to decisions that the minister is making in isolation from advice that he's receiving.

Ms Edwards: Not aware of any such assurance or conversation to that effect.

Ms Beauchamp: I think the fact that we're going through a quite substantial consultation process on the next round of priorities probably reflects the minister's desire to get as much input from the research community as possible—public forums have been held, we have a number of submissions and I think more than 1,000 stakeholders have been engaged in the overall consultation process on the next priorities, which to me obviously indicates that we need to get engagement from the research community in terms of the next wave.

Senator WATT: Could you take on notice for me whether the minister has provided any assurances to the board, either verbally or in writing, that he won't make any more so-called captain's calls regarding funding allocations?

Ms Beauchamp: That is quite a—

Senator Scullion: If we have to accept the premise—you understand that, Senator—that there have been captain's calls made, and I don't think anyone has established that. If you like, we will check with the minister's office whether or not any complaints around those matters you articulated before have been made.

Senator WATT: Thank you. And whether any assurances have been given by the minister that that sort of thing won't happen in future.

Ms Edwards: We're a bit perplexed, because the legislation says he's to make the decision, so he's not going to give an assurance that he won't make any more decisions.

Senator Scullion: He is making the decision—

Senator WATT: I think the point is: in isolation from advice.

Mr McBride: So, you would say: inconsistent with the priorities?

Senator WATT: Yes.

Ms Edwards: We will take that on notice.

Senator WATT: That would be great.

Senator Scullion: We will do our best.

Ms Beauchamp: The premise of the question is that he has made captain's calls, in your terms. I think that's the first thing that needs to be established.

Senator WATT: Captain's calls are bringing back knighthoods without the rest of your cabinet agreeing with you. In a health sense it's probably ministers making decisions separate to advice that's been received.

Ms Edwards: We can take on notice whether the minister has given any assurance about making decisions without advice or in contradiction to the strategic priorities.

Senator WATT: That's probably a good way to put it.

Senator GRIFF: I'd like to refer to the MyHospitals website, which was set up around eight years ago, I believe.

Ms Beauchamp: We're still in outcome 1. I want to get the right people up here.

Ms Edwards: There is nobody in the room at the moment who—

Senator Scullion: Perhaps if you can ask some questions, there might be someone—

Ms Edwards: I don't think any of us were around eight years ago.

Senator GRIFF: I'm not going back eight years, I'm coming to now. It was set up eight years ago but it continues to list a large number of important safety and performance indicators as 'under development', which have been there since its inception. Mortality indicators are one of the indicators listed as 'under development'. Is there a reason why Australian patients are effectively being kept in the dark as to whether the hospitals they visit have a worse mortality outcome than the national average?

Ms Edwards: I think our first step is to have a look at this website and see if it's one of ours and, if it is, find out who manages it. We certainly are not keeping anyone in the dark about anything. We need to get to the bottom of—

Ms Beauchamp: It is the Australian Institute of Health and Welfare.

Ms Edwards: It is a website managed by the Australian Institute of Health and Welfare, which is a statutory authority. I think they were here in the discussion earlier this morning and then they were let go and were expected back sometime later this afternoon. Or you could put them on notice.

Senator Scullion: We might be able to assist. Can we try some questions. We can certainly get them back here as soon as we can. Perhaps if you can just have a discussion about what you'd like to know about that site and see how we go.

Senator GRIFF: It's only that the majority of indicators there are 'under development'. Being under development for eight years is a very long time. If you look at that site now you will see that 'unplanned readmission rates', 'mortality' and a whole series of other categories there have been under development. When are they going to show this information, or, if it's not going to be provided, don't list it as being under development, because it's been under development for a very long time.

Ms Beauchamp: We'll have to see where that information is currently held. I know there are a number of PDF files there that have got December 2017 and others, but I think we'll wait for the Australian Institute of Health and Welfare to come back. They were here at 9 o'clock this morning, and I think they're coming back under outcome 4.

Ms Edwards: They are.

Senator Scullion: We'll make sure we get that question to them so they can come back armed.

Senator GRIFF: This next question might also fall under their area, but I'd like to ask it to you as well. At the COAG Health Council meeting in August, ministers agreed:

… to commit to create a data and reporting environment that increases patient choice through greater public disclosure of hospital and clinician performance and information.

Those are very positive words, but we've now been waiting over six years for those indicators as per 'under development'. Have there been concrete steps the department has taken to implement the COAG commitment for public hospitals, private hospitals and clinicians?

Ms Edwards: To be clear, is this a resolution from the most recent—

Senator GRIFF: August.

Ms Edwards: There's a lot of data work being done with the AIHW, the department and the states and territories. The AIHW, as you've pointed to, has a website. They're doing a lot of projects. One of the things we're doing is looking at collecting data on primary care to try to have a repository of that and on making sure that our

hospital data for the states and the Commonwealth work together to make sure that that's a seamless data asset. We use AIHW as an independent data expert to work with us on those sort of things. We totally recognise that data—and this is something that our COAG health ministers recognise—is absolutely fundamental to actually doing improvements and reforms across the health system. So a lot of the policy work we're doing in primary care, in hospitals and on funding arrangements across the board are based on that.

There are very important data arrangements that work in the department so that we can give access to researchers to de-identify de-aggregated data. So there's a lot of work and safeguards that go on in relation to that for the MBS and PBS. There's also work across other departments, such as with the Department of Social Services and the Department of Education and Training, to see the extent to which we need to share data and match it and so on in a very careful way. As the minister has said, the Institute of Health and Welfare will be here later this afternoon, and they're obviously the absolute experts on data management. We work closely with them. But were there some more specific questions you had for us at this point?

Senator GRIFF: It's really about stages. In August it was agreed. You have a website that's been there for eight years and, for at least six-plus years, has been under development. My understanding is the AIHW only reports currently on staph bacteria and nothing else for hospitals other than financial information as well. Do there's a whole lot of information that I imagine is available, and it would make sense to start publishing it so patients can see the status of where they're going to be.

Ms Edwards: I hear your concerns. I think we need to ask the institute about that website and how long that has been in development, because I'm not across that. It is certainly a really high priority. For example, the data needs across the Commonwealth and the states is one of the hot topics we're talking about in the development of the new health agreement going forward to make sure that we can increase the data assets and increase the sharing of them in a safe and secure way. We've got pilot projects going on in collaboration between states, the Commonwealth and the institute about how we match up data, follow patient pathways and so on. It's a huge area. I'd say we definitely take it seriously. Ministers take it seriously in all jurisdictions. There's a high commitment and a high resource allocation to it. The institute will be able to answer your specific questions about that website. The work that was agreed in August is an important piece of work, but it's one piece within a whole suite of data work that's been done in collaboration between states, territories and the Commonwealth and that we're moving ahead with quickly and carefully.

Senator GRIFF: I think the important thing is that, while states and the Commonwealth sharing information is great, it needs to be made public. That's the most important part of this whole exercise.

Ms Edwards: It needs to be made public in a safe and secure way, and that's why we have quite an important process to release data for research purposes and so on in a de-identified, de-aggregated way. We need to be extremely careful, as you'd be aware, about how we make data public. That's one of our key considerations. But, yes, we need to be transparent on data, to the greatest extent we can, and we need to give researchers and others access to that data so that they can really drive health improvements in policy.

Senator GRIFF: There needs to be a publicly searchable database that's very much not just for researchers. I think that's the key thing.

Ms Edwards: To the extent that it's possible, without any risk of revealing personal information.

Senator GRIFF: Yes.

Senator Scullion: There are four areas, it appears as well, that have been developed and they are in costs and time of waiting—so, costs of cancer and costs of acute admissions, and those sorts of matters. But, you're quite right. Hopefully, whoever is arriving will have some answers to that one.

Senator GRIFF: Minister, are you aware of whether the health minister has directed AIHW to make this a priority and set a target date?

Senator Scullion: No, I'm unaware of that. Perhaps you can ask the department as to whether they are aware.

Ms Edwards: I don't know—

Ms Beauchamp : I think, as you mentioned, it came through COAG. There has been lots of discussion with the states and territories about sharing of information. In the context of renegotiation of the next agreement, it was agreed the AIHW would collect all of this information. The states and territories would feel much more comfortable if AIHW did it rather than just providing information direct to the department. It is a priority for all ministers in the context of finalising the next healthcare hospitals agreement.

Senator GRIFF: Thank you. Chair, I have some My Health Record questions next. Do you wish to stay where we are?

CHAIR: That is all right, we will come to Senator Di Natale.

Senator DI NATALE: I also have My Health Record questions.

CHAIR: Okay, so we will go to Senator Watt.

Senator WATT: We also have some My Health Record questions. I think we all have My Health Record questions, but Senator Di Natale might have other questions in this outcome as well.

Senator DI NATALE: No, I don't.

CHAIR: We will go to the next outcome. Senator Steele-John, do you have questions in outcome 1?

Senator STEELE-JOHN: Chair, I do apologise. I have questions for the National Health and Medical Research Council. I'm failing to see which outcome they are in. Are they after or—

Senator Scullion: Was that outcome 1?

Ms Edwards: The NHMRC was not called to estimates on this occasion.

Senator Scullion: But, Senator, you can still ask the questions and we will do our best to try to provide those questions on notice.

Ms Edwards: You can put them on notice for the council.

Senator WATT: Which outcome do they fall under?

Ms Edwards: Outcome 1—we're in the right outcome.

Senator STEELE-JOHN: What would be most beneficial: would it be better for me, since they're not here, to put them on notice, in writing?

CHAIR: Yes, I think so.

Ms Edwards: That would be convenient to us, Senator. You could try us if you want to.

Senator STEELE-JOHN: I could try you. Senator Scullion, do you have a preference?

Senator Scullion: You can do a bit of both.

Ms Edwards: You could ask the first question.

Senator Scullion: We're keen to provide information. If we don't have it, we'll take it on notice.

Senator STEELE-JOHN: All right. Firstly, a really basic one that you might be able to help with, Minister. On 10 September, the parliamentary friends group of ME/CFS wrote to Minister Hunt regarding research that we had been presented, as a parliamentary friends group, in relation to the recent breakthrough research by Dr Staines and by Griffith University, Sunshine Coast, in relation to this condition. I wondered whether you might be able to provide me with an update as to when we might be able to get a response from the minister?

Ms Edwards: Thank you, Senator, for explaining the sorts of questions you've got. Those are things we are aware of, but they really are detailed matters for the NHMRC, so I think it would be more convenient to put them on notice.

Senator Scullion: That one we will put on notice, but if you have others—

Ms Edwards: If that's the general theme of them—very detailed ones—we wouldn’t be able to answer them.

Senator STEELE-JOHN: No, sorry. I might have misspoken. I'm referring to a letter that the committee wrote to the minister. That wasn't actually a question for the NHMRC.

Ms Edwards: We can take that on notice—

Senator Scullion: We'll take that on notice.

Ms Edwards: and we'll liaise with the NHMRC to the extent required in answering that.

Senator STEELE-JOHN: If that is considered a detailed question, I will put the rest of these questions on notice. Thank you.

Senator WATT: It sounds like all of our remaining questions relate to the My Health Record. Mr Kelsey, I suspect most of these questions will come to you. The last we heard—I think this was at the Senate inquiry we had recently—was that about 900,000 people had opted out of the My Health Record. What's the current figure?

Mr Kelsey: The current figure is 1,147,000.

Senator WATT: So now over a million people have opted out from My Health Record.

Mr Kelsey: That's correct.

Ms Edwards: What's happened since the last occasion—remember, it was about three per cent. As we had expected and hoped, the rate of opt-out has trended down quite significantly. It's still coming in. We're getting close to the end of the opt-out period. We're still well under five per cent. So we're certainly on track to where we had expected and where the minister indicated he wanted us to land.

Senator WATT: On this point about coming to the end of the opt-out period, you're probably aware that last week this committee recommended a 12-month extension to the opt-out period, but that recommendation was immediately rejected by the minister. Probably, Minister, I need to put this to you: why is the government refusing to follow this sensible suggestion?

Senator Scullion: I can understand that you would believe it's a sensible suggestion, Senator, because it's your suggestion. Could I just indicate that we wanted a closure of the database in so much as we knew that the day after the books are closed anyone can close their My Health Record in any event, because the process is there at any time to say, 'I want to opt out now.' For those people in the future, there's not an opt-out date that is not available. We needed to close those in order to give the benefits of the My Health Record to the wider Australian population. It is so important to note that people can opt out the next day. The very next day, the following day, they still have an opportunity, as anyone does, across the process, to exercise their right to opt out. That is the reason that I understand the minister decided he would not follow specifically your advice.

Senator WATT: Just remind me: the current opt-out date is 15 November—is that right?

Ms Beauchamp: That's correct.

Senator WATT: When the minister previously extended the opt-out period for one month, he said that it 'gives Australians more time to consider their options as we strengthen the 2012 My Health Record legislation'. He linked that opt-out extension to the new and improved legislation. We had been told that that legislation would be passed by now, and that was part of the reason why we rushed our inquiry. Of course, that hasn't happened, and we now won't be sitting until a couple of days before the opt-out period closes. If it was so important to extend the opt-out period on the basis of the new and improved legislation, why wouldn't the government extend the opt-out period at least until a point after the legislation will be passed?

Ms Edwards: On the timing, in the period in which people can opt out—although, as the minister says, they can continue to leave the system at any time—the records won't be immediately created. There's about a month-long period after that in which paper forms, which we have talked about before, have to be reconciled and so on. There's actually a period until a date in December. The legislation will be back before the parliament well before then, we anticipate.

Senator WATT: You'd be aware that the opposition and others have floated a range of amendments that we think need to be made to this legislation to give people greater protection. Wouldn't it be a better way to go to wait until those protections are made and the legislation is strengthened before people face that cut-off date for an opt-out?

Ms Edwards: The amendments and the matters are for another day—

Senator WATT: It's for the parliament, yes.

Ms Edwards: All of the matters in the report are being considered. The legislation will continue in the parliament shortly. The opt-out period ends on 15 November, but then there's a month's period before any records are created. Obviously, the report has come down, it's being studied carefully in the department and advice will be provided by the agency. The key issue that the minister made clear in deciding not to further extend the opt-out period is the desire to make sure people have the benefit of the My Health Record as quickly as possible.

Senator WATT: Minister, does the government contend that the existing My Health Record legislation is now strong enough for the rollout to proceed, even though it hasn't been amended yet?

Senator Scullion: My understanding is that there'll be consideration not only of the report of this committee, which is a multiparty committee. And I understand there'll be consideration of improving the privacy elements of that. Certainly there's been a lot of input from stakeholders, from the privacy commissioner to the President of the AMA, which you'd be well aware of. I would think that the government—and someone can yell at me—will be considering amendments to the legislation to take into consideration some of those matters.

Senator WATT: Yes. That is the exactly the point, Minister: there have been a range of stakeholders providing some really constructive suggestions about how that legislation can be strengthened. The opt-out period closes on 15 November. We may not even get to debate this legislation and the amendments before the opt-out period ends.

Senator Scullion: On 16 November you can still opt out—that's the point. In terms of just this issue of opt-out, we're just ending it so we can actually say: 'That's the demographic we're dealing with. We can move this forward.' If somebody says, for any reason, 'I've changed my mind; I want to opt out,' they can opt out whilst this process is going on.

Ms Edwards: Some important issues have been raised in the course of the public debate. There are some things in the legislation already before the parliament. There are some additional matters in the Senate report. We're interested in all of those things, in terms of both potential legislation that might be preferred and administrative processes that the agency's looking at hard—to protect victims of domestic violence and all those other issues that are raised. This is a balance in making sure that as many Australians as possible can have the real health benefits, to save lives, through having a broad-spread My Health Record.

It's important also to remember the context. There are already more than six million people with My Health Record. Although I wouldn't for a moment say we don't take very seriously the concerns that have been raised—we do—there has not, to date, been any significant instance of the sorts of issues that have been raised. So we are confident that there are significant safeguards and standards in the existing legislation sufficient for it to continue, and we'll continue to look at improvement through the current bill, through the matters in the report and otherwise.

Senator WATT: Sure. But over a million people have now opted out, presumably because they lack confidence in the system.

Ms Edwards: For a range of reasons, no doubt—as they can. As the minister says, anybody who's concerned now can leave the system at any time.

Senator WATT: You'd be aware that both the AMA and the College of GPs have called for a further extension in the last week. Are those groups wrong to do so?

Ms Edwards: It's a matter of public discussion. Different views will be around. Those groups have also been really clear about the great benefits of My Health Record.

Senator WATT: You would remember that the opposition supports the concept of My Health Record as well. But it's now not only a Senate committee that has called for an extension. You've got two of the leading groups in the country, the AMA and the College of GPs, also calling for a further extension, and the government is just charging on.

Senator Scullion: No, what we've said is that it closes on the 15th; if you still want to opt out on the 16th, 17th or 18th it's still available to you. I'm not sure on what basis the AMA and the other organisations you've met have those concerns but, as we've indicated, we'll be seeking to clarify the My Health Records Act when it comes before parliament.

Senator WATT: In August, Minister Hunt justified the extension that he gave to the opt-out period at the time by saying it was a key request from the AMA and the College of GPs, so why is it that the minister listened to them then but he refuses to listen to them now?

Ms Edwards: I'm sure the minister's listening very closely to all comments being made and following debate. It's a matter of balance between the very great benefits that are to be gained by moving to a widespread My Health Record and responding to stakeholder concerns. We have to do all things at once—look at the things that have been raised; see what changes, administrative or otherwise, need to be made; and move towards a real step change in the way health works in this country.

Senator WATT: Has the minister, or his office, requested the department to work on any amendments or additions to the legislation in light of the recommendations of our Senate inquiries?

Ms Edwards: The minister has asked us for analysis of everything there and what options might be to either address them or not. We provided a range of advice on the things over months and months, including in relation to the report and including potential amendments. But it was generally advice on what's been raised and what we can or should do about it.

Senator WATT: So the minister has effectively provided the Senate inquiry reports to the department and asked for advice?

Ms Edwards: I think we got it straight off the website the minute it went up.

Senator WATT: Yes, I'm sure. He's asked for advice on the recommendations that were made.

Ms Edwards: It's an ongoing discussion. We've been providing advice and having discussions about this in an ongoing way. Whether there's a formal request to do it I'm not sure, but it's certainly our understanding that we're providing analysis and advice.

Ms Beauchamp: It's normal for the government to respond to such committee reports. Of course, we have been asked to look at the recommendations, and I think the minister wants not only to give due consideration to the committee reports but to maintain dialogue with other stakeholders as well. So I think he wants to take a very considered approach in terms of whether there should be any amendments to legislation, whether it needs to be clarified and what the minister said. So, yes, we're providing that advice.

Senator WATT: Has the department provided any advice that involves further amendments to the legislation?

Ms Beauchamp: We have provided options and advice, yes.

Senator WATT: But, to your knowledge, no decision has been made on that at this point?

Ms Beauchamp: The matter is currently under consideration.

Senator WATT: Okay. So you haven't been asked to progress any further amendments? It's a matter still under consideration?

Ms Beauchamp: Further amendments will be subject to the minister and the government, and the department quite rightly is providing options and advice on legislation.

Senator WATT: Okay. Back in July, the minister undertook to launch a new public information campaign about the My Health Record, and that now does appear to be rolling out with some advertisements starting to appear on TV. How extensive is that campaign?

Mr Kelsey: I'll take that. Can I invite my colleague Ronan O'Connor to come to the table, please.

Mr O'Connor: The communications campaign has ramped up for that additional month. You'll have noticed that the TV campaign started last Sunday. That's running for a period of three weeks until the end of opt-out. It ran last week, it's running this week, there'll be a break, and then it will run for the last week of the opt-out period.

Senator WATT: That's the TV component of it?

Mr O'Connor: Yes.

Senator WATT: My recollection is that there were other components for this as well, weren't there?

Mr O'Connor: Yes. We have increased paid media in relation to digital. We've also increased slots within AM radio, and we have also continued with the community engagement that has been happening on the ground, which has been led by PHNs.

Senator WATT: And what's the overall budgeted cost of that campaign?

Mr O'Connor: Which component of the campaign?

Senator WATT: The overall communications campaign for the My Health Record.

Mr O'Connor: The overall communications element for My Health Record, just from a comms perspective, is $27.75 million. That can be broken down into a number of different components. In relation to the paid advertising campaign, it's $5.45 million. Then there have been additional costs associated with the additional month in relation to the extension, and that comes in just over $5 million.

Senator WATT: So it was initially $5.45 million for paid advertising—TV, radio, online, in newspapers and whatever else. But there's now an additional $5 million.

Mr O'Connor: As a consequence of the month's extension and the increasing communication, yes, just over $5 million.

Senator WATT: Okay. Sorry, Minister. Just for me to wrap up on this point about a further extension of the opt-out, you're right that people can opt out at any point into the future, but the problem here is that, if people don't opt out before 15 November, whether they like it or not, a record's going to be created for them. That's different to the system we've had up until now, where someone had to actively choose to have a record created for them. So the problem is that, whether I like it or not, I'll have a record created for me, and I might not know about it if I haven't seen this communications campaign. The Senate inquiry highlighted a whole range of problems with these records around privacy and other issues. So again I'd just ask you to give some consideration to a further extension so that the legislation can be passed and the privacy issues can be dealt with before people start having records created for them.

Senator Scullion: I will pass that view on to the minister.

Senator WATT: And as I said, it's not just my view; it's that of the AMA and the college of GPs as well.

Senator DI NATALE: I also have some questions around My Health Record. Can I ask about the polling or research that's been done amongst health providers? Do you have any information on that? Can you talk to me about what the nature of that work looked like?

Mr Kelsey: We have a whole raft of benefits realisation projects looking at behaviours.

Senator DI NATALE: What are they called: benefits realisation projects?

Mr Kelsey: Yes. To determine the impact on clinical quality and efficiency of—

Senator DI NATALE: It sounds a bit 'hollow man' to me: benefits realisation project.

Mr Kelsey: Yes. It's the normal phrase in this—

Ms McMahon: I can maybe add to that. We constantly monitor the impact of the My Health Record as feedback on whether or not we're actually achieving the sorts of benefits that the government would expect from this investment. It's measuring a range of implementations of the My Health Record—whether there are any changes in clinical practice or consumer behaviours. One of those projects is the polling to which you referred earlier.

Senator DI NATALE: How is that done?

Ms McMahon: We basically run surveys. We have undertaken two surveys with just over 500 clinicians.

Senator DI NATALE: How do you select those? Is that a randomised sample?

Ms McMahon: I'll need to take that on notice. We went to market and have selected a provider to do that.

Senator DI NATALE: Is that a cross section of all GPs? It's not a self-selecting group who want to participate in the survey?

Ms McMahon: No. I will take the methodology on notice.

Senator DI NATALE: I am assuming they're reputable and they have done that—you've got a good cross-section. I think we spoke about this during the inquiry and I don't know that we had any hard data, but if you have any hard data on that. What are some of the questions that were tested?

Ms McMahon: Some of the questions were—in using the My Health Record have you experienced any benefits?—and, if yes, there's a range of options. For example, have you changed your prescribing behaviour? Have you had an improvement in the way that you have managed the medicines of the patient? For a pharmacy, it asks if they've had any changes in dispensing. For a general practitioner, if they have changed the way that they would order a pathology test. One of the benefits we expect is that fewer pathology tests will be ordered if people are able to see them.

Senator DI NATALE: You obviously test general trust in the system and doctors' confidence that information will be kept private. Is that one of the questions?

Ms McMahon: Yes, one of the questions—

Senator DI NATALE: Are you tracking that? I'm interested in knowing whether there was a change at all over the recent public media attention, shall we call it, in terms of doctors and health care professionals trusting the system, and their concerns around privacy.

Ms McMahon: Yes. We did ask a question in the sample where—we asked the question in April and May and then in July and August.

Mr Kelsey: We're going to have to take that on notice. We included some summary results in the submission we provided to the Senate inquiry. There is some data. To remind senators of those results, in the first wave, which was the first polling we did, which is statistically weighted and demographically significant, 14 per cent of GPs surveyed reported not needing to order a pathology or diagnostic imaging test, because they were able to see a previous test result through the My Health Record.

Senator DI NATALE: On the percentage of health professionals who believe patient information will be kept private? I'm interested in the most recent survey results, both before and after the recent controversies, I'll call them. The percentage of health professionals who believe that it will be safe from unauthorised access. The proportion of health professionals who use it for themselves or for their families, and whether they'd recommend it to patients, family or friends. And on people's attitudes towards the system—whether they believe there are potential benefits—whether those numbers are tracking up or down. I'm very interested in the trends over time with each of those specific indicators.

Mr Kelsey: We'll take that on notice. Some of the questions aren't quite the same as the ones you've asked, but we'll provide you with data.

Senator DI NATALE: Are you able to provide us with a full survey?

Mr Kelsey: Yes.

Senator Scullion: I think quite a sample of that survey is made by submission into the Senate inquiry.

Senator DI NATALE: I know you're not trying to hide it and you have said you're happy for us to look at it. It does impact on what the next steps look like, in terms of people's trust and clinicians' trust and how we continue to build that. Delete means delete. Can you tell me what the time frame for implementing that looks like?

Mr O'Connor: It will be implemented as soon as practically possible when the legislation changes.

Senator DI NATALE: What does that mean? Is that a technical challenge for you? When you say 'as soon as possible', what does that actually mean?

Mr O'Connor: We need to wait for the outcome of the legislative process to determine what it is. We're planning on the basis of hard deletes, complete deletion of all the records off the databases and so forth as well. There's a process in place where we'll make that happen as soon as practically possible after the legislation changes.

Senator DI NATALE: What's as soon as practical after the legislation.

Ms Edwards: I think the point is that until the legislation is passed—we need to know exactly what the parameters are. What's in the draft could change.

Senator DI NATALE: A hard delete is a hard delete.

Ms Edwards: Assuming that's what the parliament supports at the end of the day.

Senator DI NATALE: Hypothetically, if tomorrow there was a law that said hard delete means a hard delete—

Ms Edwards: In accordance with the current draft.

Senator DI NATALE: how long would it take?

Mr Kelsey: To clarify, if the legislation was passed through the Senate in the sitting week of 12 November, our anticipation is we would have introduced the changes to hard delete by about 7 December—before records are created, depending on the time in the legislation.

Senator DI NATALE: Is it possible to fully delete a record—is it going to create issues where you've got that gap, where records are created but the hard delete doesn't occur until afterwards?

Mr Kelsey: At the moment, depending on the timing of the legislation, the hard delete technology would be created before the records were created.

Senator DI NATALE: What was the date you said?

Mr Kelsey: 7 December, depending on the process of the legislation.

Senator DI NATALE: Is there any work undertaken to allow record-holders to delete individual items from their record?

Ms McMahon: They exist today. Today a consumer can go into their privacy settings and identify a particular document—

Senator DI NATALE: You can hide it.

Ms McMahon: You can hide it. You can also effectively remove it, which deletes it from the system.

Senator DI NATALE: That's a hard delete?

Ms McMahon: Of that specific part, but not the entire My Health Record of that person.

Ms Beauchamp: You can also tell clinicians not to upload it.

Senator DI NATALE: But in some instances I suppose that will happen regardless. I might go to the question of information being uploaded. Let's go to pathology and radiology providers, for example. One of the concerns that people have is that there are instances that actually happen right now where you might get a result and the result finds its way to a patient before the doctor has an opportunity to sit down and explain the result. Sometimes it can be something nasty. We know that happens now, but it's likely that we're going to see that become more common because doctors aren't going to be required to review tests before the results are uploaded. Is that right?

Mr Kelsey: That's not correct, no. Pathology and radiology reports have a seven-day lag before they are made available on My Health Record to the consumer.

Senator DI NATALE: **But not** all clinicians will talk to patients within those seven days. That result will be uploaded after seven days.

Mr Kelsey: We work closely with all relevant clinical bodies on determining that.

Senator DI NATALE: I understand that. I think in most cases doctors will do that, but there are always cases that slip through. In seven days a doctor might be busy, forgets to check a result, whatever, and it doesn't happen. Suddenly the patient can see it.

Mr Kelsey: That is correct.

Senator DI NATALE: That's a possibility, and that will be more common now because people will have the results uploaded to their own record, which they can access at any time. Are there any systems or processes in that setting that are there to protect patients?

Ms McMahon: I think we said more the opposite. You made a comment earlier in your question that this system changes the requirement for a doctor to review the results before speaking to the patient. The My Health Record doesn't change that requirement. The doctor is still required to do that before speaking to the patient and there's an obligation on them to provide feedback to the patient if there's an issue. We see My Health Record as providing the consumer the opportunity, in the event there's a failure in the test orderer actually reviewing that and getting on to them to provide them feedback, to see if there's a result and follow that up to preserve their own clinical safety and improve the quality of their—

Senator DI NATALE: I'm not saying there are not benefits to it, but there are also risks. At the moment, as a consumer, you don't have access to a centralised database where you can look up your own stuff and go, 'I had my pathology test done eight days ago, and here it is.'

Ms McMahon: Yes.

Senator DI NATALE: That doesn't happen now, whereas it will soon.

Ms McMahon: That's right.

Senator DI NATALE: And for those instances—there are certainly benefits to what's being proposed, but there are also risks. One of the risks is that—

Mr Kelsey: I think at the moment, if I'm not mistaken, if you've been a resident in Australia for up to three years you are able, for example, when your doctor orders a pathology test, to get the test results to be directed to you as well as your doctor at the same instance. I think there is quite a large volume—I don't know the exact numbers—of people seeing their tests at exactly the same time as their doctor.

Senator DI NATALE: As I said, it does happen now but it doesn't happen frequently. Usually tests are sent to the prescribing or authorising doctor, and you go back to see the doctor—your way of accessing that information is to go and see the doctor. That's the pathway. If a doctor hasn't seen it in seven days, it ends up on My Health Record and the patient's got access to this record—this can happen to everybody. It's going to be even more common where those errors are more likely to be picked up by patients who access their record and are curious. There are examples, in the instances you've just described, where someone asks and says, 'I want to see the result of my MRI scan.' I think there's one example of where someone got an MRI sent to their home and they found out they had a brain tumour, and they hadn't had a discussion with the doctor yet. You end up with this pathology result saying, 'No support, don't know what questions to ask, but I've got the radiologist's report that says "brain tumour".' My question is: what are the supports that are being built around that?

Ms Edwards: I understand the point, but it seems to us that, if you have a brain tumour and your doctor has failed to look at your report within seven days, the problem there is not with the—

Senator DI NATALE: No, no, sorry. In practice—I know from experience—a hundred people come in with a headache, and you might write a hundred referrals for a MRI but you don't know which one is going to have a brain tumour.

Ms Edwards: No, but on the one that does, you would look at it quickly and you'd ring them straight away.

Senator DI NATALE: You're getting these results in all the time. You would hope there is not a breakdown, but there are breakdowns. There are breakdowns. What I'm highlighting is that it's going to be more common. That's an extreme example, but there will be others. There'll also be language in reports that sounds alarming, but it may not be. There'll be questions raised by pathologists or radiologists where they're raising the possibility of X, even though it's a small possibility, and that might find its way to a patient.

Ms Edwards: We understand the point. There's been a lot of consultation with the sector about what is a reasonable period to expect the doctor to have a chance to look at it and contact the patient, and seven days has been arrived at as a fair point. There will be instances—and some of those instances will be saved by the fact that the patient's looked at it and been able to bring it to the attention of the doctor—where people might find nasty results when their doctor hasn't got around to it, or ones that they've misunderstood. We appreciate that. It is a

balance between consumer choice and control over their own health and records and trying to avoid these circumstances.

Senator DI NATALE: I'm asking what thought has been given to structures and processes around that, for example. Let me give you a practical one: what if someone goes away on holidays? Can the doctor request that the result is not uploaded for longer than seven days? Is that possible, or is that seven-day period locked in?

Mr Kelsey: If the doctor and the patient agree that the results should not be uploaded to the My Health Record, that's well within the gift of the patient at the time the test is ordered. But it needs to the based on the consent of the patient. So, yes, absolutely, if that's the common view, that someone is going on holiday and they don't want to receive their result until the doctor has seen it, then it would not be uploaded to My Health Record at their discretion.

Senator DI NATALE: But, as far as you are aware, at this stage, the seven days is agreed and the responsibility is entirely now on the doctor to take care of what happens in those circumstances?

Mr Kelsey: That's the agreement that's been reached with the sector, yes.

Senator DI NATALE: Okay. Have we got more questions on My Health Record?

Senator SINGH: Yes, I do.

Senator DI NATALE: Perhaps we can go across to Senator Singh, Chair, and I'll just get organised here and come back.

Senator SINGH: Mr Kelsey, I think you'll remember that last time you were in this committee's hearings I asked you about your interaction with journalists; in particular, if you had sought for any journalist to change or remove any critical coverage, directly or indirectly. You chose to take that on notice. I've gone through some of your answers on notice. Over and above what you've already provided in answer to that question on notice, have you had any interactions with the website Healthcare IT?

Mr Kelsey: Healthcare IT?

Senator WATT: Or their US owner.

Senator SINGH: There are two different ones, but I'm asking about that one first.

Mr Kelsey: I'd have to take that on notice but, as I said at the last meeting, there are many, many health websites, those sorts of online websites. As I said at the last inquiry—I think it was an inquiry, rather than estimates—

Senator SINGH: Yes.

Mr Kelsey: we talked about the fact that the job of the agency is to correct, where appropriate, inaccurate commentary on My Health Record. It is not to seek to correct criticism; it's purely based on factual accuracy. If there were factual inaccuracies in reports on the Healthcare IT website then, yes, the standard practice would have been to seek correction of those items.

Senator SINGH: That's why I'm asking about that particular website. The other one is the one Senator Watt referred to, the HIMSS. That is the Healthcare Information and Management Systems Society, which is a US-owned website.

Mr Kelsey: I'm not aware it's a website. HIMSS is an organisation that organises events.

Senator SINGH: Well, it has an online—

Mr Kelsey: It may well have a website, yes.

Senator SINGH: Yes, it has an online news interaction. I'm asking specifically about media coverage on either of those two platforms.

Mr Kelsey: There may well have been cases where we sought correction of articles published on those websites. Were they not included in the—

Senator SINGH: No, they're not included in the answer to the question on notice. You raise, obviously, a few other websites.

Mr Kelsey: We'll go back and provide any further interaction with that.

Senator SINGH: So there's no-one at ADHA who knows about those two platforms and who could answer that?

Mr Kelsey: Healthcare IT News is one of many websites that report on things like My Health Record. I think the request on the—

Senator SINGH: Okay. You'll take it on notice?

Mr Kelsey: Yes, that's fine.

Senator SINGH: Does ADHA have any sort of commercial or financial arrangements with HIMSS?

Mr Kelsey: I'd have to take that on notice. HIMSS is a company that organises events and runs a system for measuring the digital maturity of hospitals. I would say now that I don't think we do have any commercial arrangements with HIMSS. They actually have a big conference coming up in a couple of weeks in Australia. We may sponsor—

Senator SINGH: Are you a sponsor of that conference?

Mr Kelsey: It could be that we sponsor a booth at that conference.

Senator SINGH: Is there a financial component to sponsoring the booth?

Mr Kelsey: There would be if we were taking a booth.

Senator SINGH: Right.

Mr Kelsey: I'm informed by my colleague that we have a booth at the forthcoming HIMSS conference in Brisbane, which would involve a financial transaction of some sort.

Senator SINGH: How much are you paying HIMSS for that sponsorship?

Mr Kelsey: That I'd have to take on notice. It'd be small. I don't know exactly how much. It would be an exhibition stand, essentially. It's a conference which has many, many exhibitors. I can certainly find out how much we're paying for the stand.

Senator SINGH: Okay. So you are aware that there's some financial component as far as your sponsorship of the HIMSS conference is concerned, but you are not aware of any other interactions in relation to copy that HIMSS have published?

Mr Kelsey: Healthcare IT News, I'm pretty sure, is an online news report that HIMSS owns. But I don't think HIMSS itself publishes material. It doesn't have a website as such. But Healthcare IT News is—let me just check—

Senator SINGH: I'm actually online looking at it at the moment.

Mr Kelsey: Okay—Healthcare IT News. They publish—just like Pulse+IT and the other online trade journals—information about digital health, and they have certainly reported on My Health Record.

Senator SINGH: That's right. They have.

Mr Kelsey: What we will do is provide on notice any interactions we've had with them where we've sought correction of copy.

Senator SINGH: Yes, that was the question.

Mr Kelsey: I will provide that on notice.

Senator SINGH: Okay. I'd like to explore the issue of the Parliamentary Library's July FlagPost about My Health Record. As you're aware, that post was taken down and later amended after an intervention by the health department. Earlier this week we heard from the Finance and Public Administration Committee's hearings that the department's chief operating officer, Matt Yannopoulos, was the first to contact the Parliamentary Library with concerns. Welcome, Mr Yannopoulos. Who first alerted Mr Yannopoulos to the existence of this My Health Record FlagPost?

Ms Beauchamp: Before I let Mr Yannopoulos respond, could I just correct a statement you just made.

Senator SINGH: Yes.

Mr Kelsey: I think you said that the Department of Health and the interventions we made led to the decision by the Library to pull down the article. The Library, as was articulated by Dr Heriot in the earlier committee, is an independent body and an independent agency. They make decisions based on the merits or otherwise of their own information. At no time did we ask them to amend or pull down the article. It was their decision. As to when the department was first informed of the article or the blog, I'll let Mr Yannopoulos say where he heard the information.

Senator DEAN SMITH: Secretary, your account is an accurate one. The Parliamentary Librarian made it very clear that the decision was hers and hers alone as an independent officer. I was a member of the Finance and Public Administration Committee earlier in the week, when she made that statement.

Ms Beauchamp: That's correct, yes.

Senator SINGH: Just to correct, what I said earlier was that the post was taken down and later amended after an interaction with the Department of Health.

Ms Beauchamp: I thought you said 'an intervention'.

Senator DEAN SMITH: Well, Senator Singh is changing her language now.

Senator SINGH: No, I'm not, because I have it written in front of me. So I know clearly what I said, because it's written down in front of me. So I'm not changing it, Senator Smith. We can go back through the Hansard and look at it.

Senator DEAN SMITH: I'm sure it will say exactly the same as what I just said now. So I guess we will unravel some of that, Ms Beauchamp. I wanted to ask Mr Yannopoulos: was it your idea to call the Parliamentary Library's Jonathan Curtis?

Mr Yannopoulos: It was a discussion I was having with Mr Kelsey and others. We were monitoring the media each day through the My Health Record opt-out period. The FlagPost was published, I think two days earlier, on 23 July. As it was getting a lot of media focus, particularly the focus on the legislation issue, we decided—and I took the action—to call Mr Curtis. I don't know if you've seen that *Hansard* from earlier in the week. I suggested that I would like them to have a look at the article. I would put in writing to Mr Curtis our concerns. I did that at 1.31 on 25 July. At 4.42 on that day—and these emails were tabled, I believe, earlier in the week because they were sought under FOI—he wrote back and said he disagreed and they weren't going to alter the article. We had another look and put some more points to him later that evening. I think I sent the email at 9.58 pm. Then, of their own accord, on the morning of 26 July they removed the article, and he emailed me at 8.42 to say he was doing that. I emailed him back shortly thereafter and said thank you. Then Mr Curtis rang my general counsel at 2 o'clock to say that they intended to republish the article with updates, and, at 6.24 pm on 26 July, the article was republished.

Senator SINGH: Thank you for those dates, Mr Yannopoulos.

CHAIR: We have five minutes to go for output 1.

Senator SINGH: I just need to finish this particular issue about the Parliamentary Library with the Department of Health. We're nearly there! In finance and public administration estimates on Monday, we heard that, after Mr Yannopoulos' contact with Mr Curtis, the Parliamentary Librarian, Dianne Heriot, got a message to contact you, Ms Beauchamp. How was this request conveyed to her?

Ms Beauchamp: I tried to ring her, after speaking to Mr Yannopoulos and our people, just to give her a heads-up in terms of some of the comments we had on the FlagPost.

Senator SINGH: To give her a heads-up?

Ms Beauchamp: Yes, that Mr Yannopoulos had been in contact with her people.

Senator SINGH: Why did you feel the need to personally intervene in that way?

Ms Beauchamp: It's not unusual for people to draw to the attention of whoever is in charge some comments and liaisons that agencies are having with their staff. I also reiterated the fact that there were some errors in the article, particularly the article's description of the My Health Record Act as a 'significant reduction in the legal threshold' in terms of protecting the privacy of an individual's health information.

Senator SINGH: Did the minister or anyone in his office ask you to intervene?

Ms Beauchamp: No. This was after I spoke to the Chief Operating Officer.

Senator SINGH: Did you have any conversations or contact with the minister or anyone in his office about this issue before you spoke with Dr Heriot?

Ms Beauchamp: No.

Senator SINGH: I've run out of time, but I want to ask Mr Yannopoulos: when was the last time you or anyone else from this department initiated contact with the Parliamentary Library about a FlagPost concerning health policy?

Mr Yannopoulos: I've never done it. For anyone else, I would have to take it on notice.

Senator SINGH: You've never done it. Have you ever done it, Ms Beauchamp?

Ms Beauchamp: It would be remiss of us in terms of any factual information that was provided about a policy that we were administering on behalf of the government if we thought there were inaccuracies. It's not unusual for us to contact various organisations where we think there might be a problem.

Senator SINGH: So it's not unusual, but you've never done it before?

Ms Beauchamp: I haven't rung the Parliamentary Librarian because no other information like this has been brought to my attention. It was the week after the commencement of the opt-out period for My Health Record. There was some confusion in the public domain, and I just wanted to put on the record what our view was in terms of administering the policy directions of government based on what the Digital Health Agency had raised with us.

Senator SINGH: Does the Department of Health have proper formal processes and procedures for contacting the Parliamentary Library?

Ms Beauchamp: I don't think we need processes and procedures to have a conversation with a public official.

Senator SINGH: Okay; thanks.

Senator GRIFF: Can I go back to the 1.4 million who opted out. Have you got that broken down by state?

Mr Kelsey: We don't, I'm afraid.

Senator GRIFF: On notice, could you provide that by state and also by gender and age?

Mr Kelsey: I'm not sure we will be able to do that, because, obviously, when people opt out they don't provide us with a geographical location. But if we can, we will provide it.

Ms Edwards: If I can jump in: of course, the opt-out period hasn't ended and the paper forms are not yet reconciled. I wonder if what you're really after is those breakdowns of the final—

Senator GRIFF: I would like to see it at this stage—at this point.

Ms Edwards: I only raise it because I think it might be a large amount of effort on an unfinished process—

Senator GRIFF: Yes, fair point.

Ms Edwards: and I'm not sure whether it's actually going to be feasible or easy to do it. Obviously, I understand why you want the information, and it would be very important at the end. But, for example, you'll have virtually none in remote areas because we're doing paper forms there for their convenience. So I wonder whether if it would be possible to give you a breakdown of the final, if it's possible.

Mr Kelsey: If it's possible, yes. I'd agree with my colleague that it would be more useful to have that breakdown at the end of the process.

Senator GRIFF: That's fine. I'd also like to know, and perhaps you might be able to explain—whether it was your drafters or after the approaches of others—how section 70 of the act, relating to law enforcement agencies, became part of the actual act. Was it a decision made by health department drafters or was it after approaches by the A-G's Department or someone else?

Ms Edwards: You're talking about in the original legislation?

Senator GRIFF: Section 70, yes.

Ms Edwards: I don't know if we have anyone who'd have the detail, but they're reasonably standard types of provisions. I don't know what exactly happened, but there are things that the drafters say to you, like, 'These are the sorts of things that you have in a normal act like this.' It's some years ago now, obviously, but certainly it's not a surprising provision to find—the one that we're now proposing to alter.

Senator GRIFF: Have there been any access requests from law enforcement agencies to date?

Ms Edwards: 'No', I think, is the answer.

Mr Kelsey: Not to the agency.

CHAIR: We've run out of time, because it's now past 3.15.

Senator GRIFF: Chair, I've got about 10 minutes worth on My Health Record. Everybody else has had that.

CHAIR: Are we at outcome 2?

Senator WATT: We'd be happy for this to go on a bit longer, Chair, if you'd like.

CHAIR: Then we give up outcome 2?

Senator WATT: Yes. We think, particularly later in the night, we'll be able to really contract the amount of discussion.

Senator SIEWERT: Save time.

Senator WATT: For outcome 5, for instance, we don't have too much.

CHAIR: Okay. And what happens to outcome 2? That's mental health.

Senator SIEWERT: No, we'll need our time there.

Senator WATT: I think we'll need all our time there. It's just Senator Griff's been waiting a fair while, so we'd be happy—

CHAIR: I think some of those questions will have to go on notice, unfortunately, because I need to give Senator Di Natale some time.

Senator DI NATALE: I think what Senator Watt's saying is we're probably going to make up quite a bit of time, because, like you, Senator Watt, we're going to be able to contract some of outcome 5. I suppose what we're seeking is permission to maybe just spend a little longer on this.

CHAIR: Do we know what outcome you'll be giving up? Because we will let the people go.

Senator SINGH: We'll make the time up, I think.

Senator WATT: Yes. It's not so much that we will not do anything, but we won't need as much time for outcome 5 as the program says.

Senator SINGH: We'll make up it up later on.

CHAIR: All right.

Senator GRIFF: Okay.

Ms Rishniw: Senator, you asked about law enforcement agencies and requests. The department is aware of only one request from a law enforcement agency in the six years of the operation of My Health Record. It was at that time from the Tasmanian police in relation to a serious murder investigation, and no records were released.

Senator GRIFF: All right. I understand from some clinics that the default option for their practice management system is to upload all new patient records to the system. For patients with an MHR, the new record goes into their MHR, which is pretty obvious. But what happens to the records of patients who do not have an MHR if their records are being uploaded to your system?

Ms McMahon: If a patient doesn't have a My Health Record, no records from the local system are uploaded into the My Health Record.

Senator GRIFF: But I understand that the practice management system is still giving you everyone, with new records included even if patients don't have one, because the practice doesn't necessarily know that that person has opted out. So, if the bulk is given to you, do just ignore all records that don't have a match in My Health Record?

Ms McMahon: No, it doesn't work that way. There's a call made from the practice management system which is called, I think, 'get My Health Record', and it's a query to the system: does a My Health Record exist for this individual? It uses the individual healthcare identifier, or the IHI. An answer is returned, which is 'no' if they don't have one, and then no documents are sent.

Senator GRIFF: I've also had a constituent approach my office with concerns about records that have been removed from his MHR by an entity defined only as 'an external provider'. He contacted MHR and was told three different stories. One person told him it looked like the records had been removed by a doctor, another said Medicare had removed them, and a third said it appeared to be a coding error. That is obviously an unsatisfactory state of affairs. Given it's a system that permits record owners to know exactly who has accessed their My Health Record, why is an identity defined as 'an external provider'? How can that happen?

Mr Kelsey: It's difficult to comment on an individual case. We'd have to look at that. But I'm not immediately aware of such a denomination being possible within the system. The only denomination of a provider would be the name that is given to what's called the HPI-O, the organisational identifier. If there were one that was attributed to something called an external provider, that would be the name of a thing. And I'm unaware of the name of a hospital or the name of a pathology company that's 'external provider'. If that individual wants to make contact with the agency, ring the call centre, we can obviously investigate that. But the way the system is set up is to identify the identity of the organisation.

Senator GRIFF: Okay. I will pass that on to my office.

Ms Edwards: Just to be clear, I don't think—in our understanding of how the system operates and how it is coded—that aligns with the agency's understanding. We'd say that obviously there needs to be an investigation. If you can provide all those details to the agency, we will investigate that particular case and come back to you directly.

Senator GRIFF: Have you established metrics for dealing with problems within your organisation? Are there particular metrics that you have in place for how long it will take?

Mr Kelsey: Yes. We monitor customer complaints. Ronan, perhaps you could speak to that.

Mr O'Connor: In relation to customer complaints and consumer interaction through the call centre, there is a small survey that we ask people to complete at the end of their calls. On that basis, the satisfaction rates at the moment are roughly 95 per cent. That's particular to the call centre itself. We also have a process internally, within an agency, where we capture correspondence in that agency, and that's responded to.

Senator GRIFF: Thank you. That will do for me, Chair.

Senator DI NATALE: I'm interested in what the government's doing in terms of engagement with the College of General Practitioners; in particular, the concerns they have around the current practice incentive payments used as the tool to incentivise, if you like, GPs. I think the college and others are concerned that that's not an appropriate tool to remunerate GPs for the time it takes to fill in the information. The whole thing relies on uploading data. Are you currently considering any other forms of remuneration for general practitioners to complete this information?

Ms Edwards: So you're asking about ePIP?

Senator DI NATALE: Yes.

Ms Edwards: We haven't got the ePIP people here. The people who know that stuff aren't physically here at the moment.

Ms Rishniw: I can answer part of that question. In terms of the Electronic Practice Incentive Program, which is part of the broader incentive program to GPs: that is a program and a payment that actually looks at a range of things. It looks at better digital practice, common use of terminology, improvements in systems. My Health Record is one of five criteria of eligibility that are used under that program, and it is by no means the only criterion. So it's one incentive payment to try to improve digitisation of GPs across—

Senator DI NATALE: Yes, across general practice.

Ms Rishniw: Indeed.

Senator DI NATALE: I suppose my question is: is there any other payment model that's being looked at to make sure the information is being uploaded to My Health Record?

Ms Rishniw: We would hope that the benefits of the system actually incentivise upload by GPs.

Senator DI NATALE: But it takes time. All this stuff takes time in general practice. I know there's a long-term benefit, but they've had a huge freeze on their Medicare indexation for many, many years. The cost of providing those general practice services increases but their payments haven't, and this is another burden on their time.

Ms Edwards: It's a big question. We are, as you would know, redesigning some of the other PIPs at the moment and talking very intensely with the college and others about that—that's the one that's going to be the PIPQI. We are obviously going to have a look at the ePIP requirements, because the one that relates to My Health Record will be affected by the opt-out, given that so many records were created, and so on. We have a number of forums where we talk with the AMA, the RACGP and others about all sorts of issues, including PIP, My Health Record and so on. If you're asking: is there a current proposal to pay GPs to upload to My Health Record? No, there isn't. But we're continuing to talk to them generally about primary care and all the different bits that make up the way we have payments to GPs in primary care.

Senator DI NATALE: Is it fair to say that you are looking specifically at trying to provide a model that remunerates GPs for uploading information?

Ms Edwards: No, we're not.

Senator DI NATALE: So you're saying you feel that the current ePIP—I mean, it might be redesigned, but it's not targeted specifically to My Health Record—

Ms Edwards: We're having a general discussion with the peaks about how primary care happens and how we're going to improve it, but we do not have a specific proposal to pay people for uploading into My Health Record.

Senator DI NATALE: You're asking GPs to do something that's going to take time and means they can see fewer patients, which means they get less income—it's pretty straightforward. I know there's a benefit. As I said, I support doing it. But you are putting another impost on general practitioners, who have been right royally screwed over because of the MBS freeze. This is another burden. I'm just wondering whether any consideration is given to remunerating them for it.

Ms Rishniw: I'm sure the agency can clarify. My Health Record, for most practitioners: the more they use it, the simpler it will be. It's a two-click process at the moment if they're using it and they've got compliant software.

Senator DI NATALE: That's not the feedback I'm getting.

Ms Rishniw: Ideally, the more practices use My Health Record and the more consumers use My Health Record, the simpler it will be and the more useful.

Senator DI NATALE: Sure. Again, right here and now you're asking them to do something that means they're going to see fewer patients and they're going to take a hit.

Ms Edwards: We hear the comment, and it goes to the whole issue of primary care and so on. I think what Mr Kelsey and others can talk to you about is all the work that's been done with the medical software industry to make it a very seamless and, as Ms Rishniw said, a two-click or even less process. That stuff is still embedding and it'll become less difficult—it's a training and learning thing as well. That doesn't go to all of the things you've raised, but it is actually the key focus. I don't know if you want to comment on that, Mr Kelsey?

Mr Kelsey: Not on remuneration.

Ms Edwards: No, but on how—

Mr Kelsey: Yes. Perhaps I could invite my colleague Dr Meredith Makeham to give a sense of the amount of work we have done to work with the College of GPs and other colleges representing general practitioners, as well as the broader medical community, on making My Health Record as streamlined and as useful to them as possible.

Prof. Makeham: Thank you. The first point to make about this is the actual time that it takes for a general practitioner to put a shared health summary into My Health Record. I'm a practising general practitioner also, for context. It's actually, in the proprietary software that's most commonly used, three clicks or four clicks. It should take 20 seconds or so, perhaps 30 seconds. And it would depend on the quality of the data in the GP's system and their appetite to check the accuracy of the information going into the shared health summaries they actually upload.

In terms of the effort that's been put into making the software more user-friendly, there's been a lot of work that the Australian Digital Health Agency has done in collaboration with the vendors who create the software and that interface. In fact, the systems have been streamlined as much as possible. There's also been a lot of work that's been done with the Royal Australian College of General Practitioners. I'm a former member of the Expert Committee—eHealth and Practice Systems. I am aware that, yes, it does take a little bit of time to put a shared health summary up, but it's quite minimal.

Senator DI NATALE: As you said, it depends a bit on what your system already looks like, doesn't it?

Prof. Makeham: Yes.

Senator DI NATALE: Part of the problem here is that if you're running a very modern, efficient digital practice then it's reasonably straightforward, but if you're not then the demands are significantly higher than what you've outlined, aren't they?

Prof. Makeham: Yes. I think the important thing to reflect on about that is that My Health Record is actually shining a spotlight on the data quality sitting in all of our practice software systems. Of course, as we become more familiar with the method for putting shared health summaries up and we're exposed to the data quality in our systems, it's actually an opportunity for us to have a conversation with our patients about the accuracy of their medications. It's a great safety benefit for people to have that opportunity to have a shared health summary put up.

Senator DI NATALE: Thank you. I'm done.

Senator GRIFF: Just very briefly, I'd like a bit of clarification in relation to accessing public and private hospitals. Will every junior doctor and every nurse have their own, as I understand it, HPI-I, an Individual Healthcare Identifier, or will they have access through a HPI-O—in other words, the organisation? Is it through an organisation or will they all have an individual identifier?

Ms McMahon: In terms of hospital staff, there's a legal requirement, and we have a portal operator agreement—a contract—with each hospital so that, when they connect to the My Health Record, they have the hospital connection. That is the core connection. Some hospitals—basically all of the private hospitals and some public hospitals—also enter and send us the HPI-I for each of those healthcare providers, but others use their local authentication—that is, the local log-ins that the nurse or junior doctor or others would use to authenticate themselves within their local system.

Senator GRIFF: So, one log-in to the system per hospital is possible?

Ms McMahon: No. We have one connection for the hospital, which is the link from that hospital through to the My Health Record. We capture that and—

Senator GRIFF: But, if somebody is logging into the terminal, they would either have—

Ms McMahon: If they're logging into the terminal, then their local log-in is retained or they capture the HPI-I. They must do one or the other, but it must go down to the individual person who is logging in. That's a requirement in the legislation and under our portal operator agreement.

Mr Kelsey: You can't log in as an organisation.

Senator GRIFF: I'm getting a little confused because you're kind of saying both. It could be one or another?

Ms McMahon: It is.

Senator GRIFF: I'm working in XYZ hospital and we just have a log-in for the organisation. So Dr Di Natale, next to me, could use that to go in, although he might have a separate identifier as well. But he could go in and log in or I could log in using the same password if it's an organisation set-up. Is that correct?

Ms McMahon: No. Dr Di Natale would have his own log-in as Dr Di Natale to the Cerner implementation, or whatever it is, in Royal Prince Alfred Hospital. And then we have one pipe from that hospital to the My Health Record which sends information around the authentication of that person. It could be that Dr Di Natale has an HPI-I captured by that hospital system or it could be just the local log-in they use with their user name and password. But, either way, Dr Di Natale would need to be identified as an individual.

Senator GRIFF: Everyone on that floor would be using an individual log-in?

Mr Kelsey: Yes, by law they have to do that.

Senator GRIFF: Thank you.

ACTING CHAIR: Thank you. Are there any other questions? There being none, we'll move on to outcome 2.

Mr Kelsey: Sorry, Chair, could I clarify one point that I made earlier on. Healthcare IT News, as we clarified, is an online news provider in digital health. I was mistaken in that, in the question on notice that we provided back to you, you asked, 'Could you provide some examples on areas where you sought to correct inaccuracy?' and, in fact, Healthcare IT News isn't included on the list which covers a number of other providers. So we will, as I say, on notice, provide you with requests for correction of Healthcare IT News reports. But I was wrong to say I thought they were already included in the response to the prior question taken on notice.

Senator SINGH: [inaudible] on notice.

Mr Kelsey: Okay; yes.

Senator SINGH: Both—the one for which you're paying sponsorship to the conference.

Mr Kelsey: Yes, we will.

ACTING CHAIR: Thank you. We are about to move on to outcome 2. I thank officials for making themselves available. Just before we begin outcome 2 and for the interest of the senators and the minister, we welcome Minister McKenzie. Labor senators have expressed an interest in asking questions in outcome 2, which deals with health access and support services, as have senators Siewert, Di Natale, Rice, Waters, Leyonhjelm and Griff. Who would like to begin?

Senator SINGH: I'll start, thank you. Just before we go there, this morning, I think Ms Beauchamp or Ms Edwards, you said that I had to come back here to ask about the national action plans?

Ms Beauchamp: Yes, national action plans that's correct, under the preventive health program.

Senator SINGH: So that's 2.4. Is that what you're saying?

Ms Beauchamp: Yes.

Senator SINGH: Is that correct, 2.4?

Ms Beauchamp: Yes.

ACTING CHAIR: It says on the program 2.4 preventive health and chronic disease support, yes.

Senator SINGH: We'll go to mental health first.

ACTING CHAIR: We will, that's right. Are you leading?

Senator SINGH: Yes.

ACTING CHAIR: Thank you, Senator Singh. Off you go.

Senator SINGH: Obviously, we are aware now that the government called another inquiry into mental health on 7 October. The Productivity Commission is now conducting an inquiry into mental health. I want to know how this inquiry is going to differ from the plethora of previous inquiries we have had into mental health, over a

number of years, that have already been undertaken. What's this one going to do that is going to be any different from past inquiries?

Ms Edwards: Obviously, we can tell you about the terms of reference and where the inquiry is up to, but we don't manage the Productivity Commission, so those questions primarily would go to Treasury I presume. We have information about it.

Senator SINGH: That's publicly available isn't it, the terms of reference?

Ms Edwards: They're publicly available. We can tell you—

Senator SINGH: I don't need you to read out the terms of reference. That's fine.

Ms Edwards: We can tell you a little bit about it but it's primarily managed in another portfolio. Although, of course, we're very interested in it and will be engaged in it—

Senator SINGH: Are you aware that since the nineties there have been 150 state and federal government review, inquiries and reports into mental health?

Ms Edwards: I'm was not aware of that particular number, but I'm not surprised. It's a very important and complex area.

Senator SINGH: Are you aware of how many reviews or inquiries into mental health the department has been involved in?

Ms Edwards: No. Many, I presume, over the years.

Dr Morehead: Every few years.

Senator SINGH: Does waiting on this new Productivity Commission inquiry's report have the potential to delay reform needed in mental health?

Ms Edwards: I wouldn't have thought so. We have a very big agenda in mental health and we're progressing that quickly. It's very important. We hope and expect the Productivity Commission report to really contribute to the knowledge and to provide us guidance, but we certainly wouldn't stop doing what we're doing or thinking about new things in the interim.

Senator SINGH: Has the commission been in any kind of correspondence with the department or vice versa in giving advice regarding this inquiry since it was called by the former Chair of the Mental Health Commission?

Ms Gleeson: The former Chair of the National Mental Health Commission advisory broad, Professor Alan Fels, wrote to the Minister for Health on the matter, not directly but to the department.

Senator SINGH: That would have been about 18 months ago was it?

Ms Gleeson: That's correct. It was 2 March 2017.

Senator SINGH: There's been no other correspondence with the department?

Ms Gleeson: Not directly with the department. We do consult with the commission in our everyday work.

Senator SINGH: What about the minister, has the minister been in correspondence with the department since this was called for by Mr Fels?

Dr Morehead: Yes. There have been discussions about it since 2 March 2017 when Professor Allan Fels did make a request to the minister. The minister has been quite active in terms of consultations with the states and territories about what the scope of the commission inquiry should be, noting that it is the Treasurer who hands the terms of reference formally to the Productivity Commission. The Productivity Commission is within that portfolio, so it does need to be activated as an inquiry by the Treasurer. However, Minister Hunt, as the minister responsible for mental health, has been talking to states and territories to get an idea of how broad that scope should be and what sorts of things states and territories would want to see in such an inquiry. That has been happening in the interim. The formal terms of reference, as we know, have not been released. The announcement has been made that there will be an inquiry but the formal terms of reference have not yet been released.

Senator SINGH: Ms Edwards, you were alluding to the terms of reference before.

Ms Edwards: I was just generally saying we can tell you what's publically available and what's happening.

Senator SINGH: Would that have been a draft terms of reference you were going to talk to?

Ms Beauchamp: Yes. I think there's been consultation occurring at the moment with states and territories. Certainly our minister and the Treasurer have had ongoing correspondence and discussions about this, particularly from a Productivity Commission's role in terms of looking at the role of mental health in the Australian economy around employers, prevalence and emerging issues. I'm not too sure where the minister is up to in terms of

consultation, but the government is expecting to have the terms of reference finalised this month. It will probably take in the order of 18 months to finish the inquiry.

Senator SINGH: This month has not got much time left, so it'll probably be in the next week.

Ms Beauchamp: We hope so.

Senator SINGH: You said you know where the minister is up to in his consultations with the various states and territories. Are you not playing any role with the minister in that consultation process?

Ms Gleeson: I can answer that. The minister wrote to the states and territories on 3 July and the final feedback was received on 18 September, so the department has received all that correspondence, yes.

Senator SINGH: So the consultations are finished then?

Ms Gleeson: That's correct.

Senator SINGH: Who made the decision to call the inquiry during Mental Health Week?

Ms Edwards: That's the Productivity Commission in the Treasury portfolio. We wouldn't be able to comment on the decisions made in that portfolio. The government made the decisions.

Senator SINGH: So the Department of Health didn't. Is that correct?

Dr Morehead: The Department of Health didn't advise on what a suitable time would be to announce that. That wouldn't be our role. Obviously, Mental Health Week does get a lot of awareness. I think that announcing that Productivity Commission inquiry during that week was because everyone's attention was on mental health. It is a week where all things mental health are done. In terms of the decision making around it, the department doesn't play a role, but I guess one could see that it is an appropriate time during that full week of focus on mental health to announce such an inquiry.

Senator SINGH: Just help me out here: who made the announcement? Was it Minister Hunt?

Dr Morehead: It was Minister Hunt with the Treasurer.

Senator SINGH: Minister Hunt with the Treasurer?

Dr Morehead: Yes.

Senator SINGH: I thought it was. I just wanted to make that clear, because you're saying to me that the minister's department, the Department of Health, did not advise or play a role in the decision about it being made in Mental Health Week.

Dr Morehead: We knew that the announcement would come in Mental Health Week, in terms of being across what the minister's office is doing. It is not up to us to make a decision as to when such inquiries are announced publicly.

Senator SINGH: You didn't advise the minister to make the decision in Mental Health Week, so that was done in the minister's office?

Ms Edwards: The Treasurer made the announcement and the minister was involved. We heard about it. As Dr Morehead said, it seems like a sensible time to have done it, but it wasn't our role and we weren't involved in it.

Senator SINGH: You may need to take this last one on notice. In light of the Productivity Commission's inquiry, are you able to provide a breakdown now of the forward estimates in relation to mental health programs and services from the Health portfolio being funded in the 2018-19 year?

I am aware of some media reports where the minister has said that there would not be a chance of any reduction in funding, so I'm interested to see that breakdown.

Ms Edwards: Yes. I think we provided a question on notice from the last estimates which gave pretty much that information; we could refresh that if you'd like. You might want to check if that's the sort of information you want, before we—

Dr Morehead: In general terms, in 2018-19, the estimated Health portfolio expenditure on mental health services is $4.7 billion. This is an increase in the estimated funding over 2017-18 by 9.6 per cent. So it's gone up 9.6 per cent over a year—the Commonwealth funding on mental health.

Senator SINGH: So you can take on notice the breakdown of programs if you like.

Dr Morehead: Yes.

Senator SINGH: But thanks for that, for the spend.

Senator SIEWERT: Obviously these are questions that I'm going to try to get through quickly, given the time. First, as to the National Mental Health Service Planning Framework, I'm trying to find out where it's at—basically, where it's up to and when it's going to be available.

Ms Gleeson: The framework is available to state and territory departments and to PHNs.

Senator SIEWERT: Sorry, I should have said 'publicly'—when it will actually finally be published.

Ms Gleeson: There's not currently an intention to make it public. It operates under a licensing arrangement that's been agreed through the Mental Health Principal Committee of AHMAC. The reason for the licensing arrangement is: it's quite a complex tool to use, and those who do use it need to go through a training process in order to make sure that the outputs of the tool are used and calculated appropriately. That's been an agreement that's been in place for a couple of years now.

Senator SIEWERT: So it's now available to the PHNs in the states and territories?

Ms Gleeson: That's correct.

Senator SIEWERT: Is some of the data that is being used—the population dynamics et cetera that are fed into it—going be available?

Ms Gleeson: Data is also available through the AIHW, and I would have to take on notice the specifics of that. What we do make available publicly, in regard to the framework, and what we're going, increasingly, to make available, is information about the taxonomy that underpins the tool, so that there's a greater understanding of how the tool operates.

Senator SIEWERT: Do you monitor how it's being applied?

Ms Gleeson: We have canvassed the jurisdictions in terms of their utilisation of the tool. If you give me a moment—

Ms Edwards: I think we went both to the stakeholders involved in development and to the states and territories about who should have access to it, and we're aware that it's important for it to be available as widely as appropriate, but with the safeguards Ms Gleeson has been talking about, to be careful. The decision was made: at this point, PHNs and states and territories. But we'll be continuing to liaise with states and territories about whether there are additional people who should have access to it and how we might facilitate that over time. But at this point that is limited to PHNs and states. We'll see how it's going, how it's going up. We agree that where possible, we should be making things more available. But we just need to be cautious to make sure it's properly used and so on. So it's a work in progress.

Senator SIEWERT: In terms of that process—and I understand what you've just said—do you have a time frame for when that might happen?

Ms Edwards: I think it'll be an ongoing process. I don't think we've got a particular review point at the moment. It's a new thing.

Ms Gleeson: Yes. I chair an interjurisdictional group that looks after the licensing and training arrangements to support the tool and further development of the tool, and we monitor access on an ongoing basis. We're currently considering a number of requests—

Senator SIEWERT: For access, you mean?

Ms Gleeson: That's right—not broad public access, but for organisations.

Senator SIEWERT: Organisations?

Ms Gleeson: That's right.

Senator SIEWERT: It's picking up along the way that organisations are questioning its use and whether the PHNs, in the states and territories, can get access to it as well?

Ms Edwards: Yes. We've got requests about that. There's no in-principle objection to it. It's just about assessing each application. It's a very meaty tool. We need to make sure it's used possibly, so we'll consider each request with the states and territories in turn. We certainly hope that we can increase the legitimate uses that organisations have for it, but we're cautious.

Senator SIEWERT: I might put a few more questions on notice about that. I'll move on to aged care. At estimates in May, there was a fairly general discussion. There was a new announcement through the budget that it was going to go through the PHNs.

Ms Edwards: Are we talking about the servicing and residential care?

Senator SIEWERT: Yes.

Ms Edwards: The $82.5 million measure?

Senator SIEWERT: Yes. Sorry, I was talking in shorthand. I beg your pardon. Could you outline the progress you've made in determining how that's going to be allocated and what it's going to focus on? Also, importantly, is that money ring-fenced just for mental health in residential aged-care facilities or is it going into a general pot for PHNs?

Ms Edwards: It's ring-fenced. It will be a particular schedule. The headline is that we think the measure is on track to commence from January. Obviously it's phased to have a slower start-up. We're starting slowly. We have contract variations happening with the PHNs now—those are all with the PHNs, as I recall—and those will come back incrementally and then money will be released. The PHNs are proceeding to roll it out. We've got a workshop planned in mid-November to discuss implementation approaches and to support PHNs for initial services. We're consulting with the mental health and aged-care subgroup. We're consulting with other advisory groups in relation to aged care, including the National Aged Care Alliance and the Aged Care Sector Committee. All 31 primary health networks will be required to commission the primary mental health services to meet the needs of individuals living in residential care. The initial services to be delivered will be determined by the PHNs, depending on the need and so on. This could start with a brand new service in some aged-care facilities ahead of broader implementation or it could extend an existing service which is meeting the need that our PHNs are finding in their region, and PHNs will certainly be encouraged to support accesses as equitably and efficiently as possible. As we talked about last time, we're looking at giving PHNs real direction—that they have to provide these services for people in these facilities, leaving enough leeway so we can try new approaches to try to meet this need. We're working with them at the moment to roll that out, commencing in January.

Senator SIEWERT: Thank you. When you say all 31 will be required, how is funding being allocated to those 31?

Ms Edwards: Each PHN has a funding offer at the moment, dependent on how many people and so on.

Senator SIEWERT: That's what I'm asking, sorry. On what basis is the money being allocated to each of the 31?

Ms Edwards: I'm not exactly sure how the formula has been devised. We could take that on notice.

Senator SIEWERT: Could you take on notice the formula?

Ms Edwards: It relates to numbers in each PHN region.

Senator SIEWERT: Does it also take into account regionality and remoteness?

Ms Edwards: Yes.

Senator SIEWERT: Could you take on notice what it's going to look like and, once those arrangements are finalised, the allocation to each PHN?

Ms Edwards: Given that the variation is coming back now, we should be able to provide that on notice shortly.

Senator SIEWERT: That's what I was sort of figuring. Thank you. In terms of how the PHNs are going to allocate the resources and the services, how does the department engage with that decision-making to ensure that PHNs are actually providing the types of services that meet the residential aged-care needs?

Dr Morehead: As Ms Edwards said, we have specified to PHNs that it could be a brand new service if they feel that is what is appropriate for their area. Because the PHNs are on the ground and in their local communities and already providing quite a lot of mental health services, they're the best ones to decide what would be appropriate to fund. They will then go ahead with the money that we have given them and they make all the decisions about how to commission those services. They would usually put a call out to see who wants to tender for the services. They then select the most appropriate service provider. That would commence from that day.

Ms Beauchamp: Being a new initiative, we have to make sure we monitor the demand.

Senator SIEWERT: Absolutely. That's why I was asking what role you have.

Ms Beauchamp: When we're looking at equity and priorities in terms of need we have to monitor this pretty early, particularly as it's being rolled out over the next few years to 2021. We will have a role in that with the PHNs.

Senator SIEWERT: You'll be monitoring both the service and the demand for the services and the need?

Ms Beauchamp: Yes.

Ms Edwards: And the effectiveness of the approaches that are tried. We want to give flexibility to try new things so we can see how it's best to deliver it. If it's working we want to export it and share it with other PHNs. If it's not working, we want to work with the PHNs to change the approach.

Mr Bedford: To add a little more to what my colleagues have said, under the contract the PHNs are required to provide a needs assessment. That's identifying the needs within their region. That aligns with what the funding schedule sets out. Following that they have to provide an activity work plan to the department too. Both those deliverables are viewed by the department and assessed to make sure that they're in line and suitable with both the funding agreement contractually as well as what the needs of the community are.

Senator SIEWERT: Can I go to PIR?

Ms Edwards: Are you talking about NDIS transition or PIR—

Senator SIEWERT: I'm talking about both, actually. Tomorrow I'm going to be chasing up the new psychosocial stream. I know I frequently stray between the two because it's quite complicated between the agencies.

Ms Edwards: I'm still learning it, so that's why I'm asking.

Senator SIEWERT: What I'm after is what's happening with PIR—people that are transitioning, but also relating back to the allocation of continuity of support funding and gap funding. I understand there's been some additional money allocated to address the block funding that was going to be removed for some of the programs. Do I have a correct understanding there?

Ms Edwards: Let me summarise quickly what I think the streams are. We have people applying to transition to the NDIS from PIR and Day to Day Living in Health and also other programs that aren't in the Health portfolio.

Senator SIEWERT: I'm going to be asking about those tomorrow.

Ms Edwards: They're transitioning. Those that transition get a package under the NDIS and so on. Those that aren't eligible for the NDIS are entitled to the continuity of support program. That's a particular commitment that will be through the PHNs to say those people should continue to get equivalent support, not necessarily exactly the same, going forward if they're not eligible for the NDIS, in addition to the psychosocial measure we have talked about previously. That is now all agreed with the states and territories. That's $160 million all up, including the state and territory contribution. That's there to address new demand or additional demand for psychosocial. It's in addition to continuity of support. Of course we want PHNs to be working with—

Senator SIEWERT: Yes. It's what we call gap.

Ms Edwards: The commitment for people who were on PIR or Day to Day Living, is a psychosocial in addition. In addition to that we've departmentally made some investments into the PHNs to try and improve the front door nature of it. If people come looking for the NDIS or mental health services we're facilitating them being able to flip seamlessly back between the two to try to help with the transition. The additional thing I think you're referring to is that we are making sure that if there's any delay in people being—

Senator SIEWERT: That's what I wanted to find out about, too.

Ms Edwards: You can raise tomorrow about the great efforts and new work they're doing with this stuff in the NDIS to make it easier for psychosocial.

Senator SIEWERT: I will follow it up there.

Ms Edwards: But if you're on PIR or Day to Day Living now and you haven't had your assessments checked by 30 June or you haven't had a package allocated yet—and we don't know if there'll be any or many of those—we have a commitment, working with DHS, to make sure you continue on support in the interim period. The gap you think might be there is being covered over.

Senator SIEWERT: I want to know about the other programs. I may end up putting questions on notice. I want to know for that group, the very group that you mentioned last that haven't transitioned yet and aren't through the process—we'll come to the front door in a minute—that group that are with existing providers, my understanding is that—you just touched on it—there is additional funding to help that group that aren't yet due for continuity of service, aren't going through that process yet, and haven't tested their eligibility yet.

Ms Edwards: I'm not sure about additional funding. What we're doing is making sure that the funding remains with the providers while they still have the clients.

Senator SIEWERT: Has additional funding been specifically allocated for that, so that the providers have surety about being able to support those clients?

Ms Edwards: The providers have surety, but it is really a matter of making sure the money follows the person. It isn't additional money that is being given. The position is, 'You're still in the program; you haven't transitioned yet; you will continue to have that.' There might come a point where there is a particular provider who only has one client left, and it might be better to transition someone into the continuity of support or the psychosocial or whatever. Those things we are leaving open and working closely with. The commitment is that, as we always said, if you're on PIR or Day to Day Living you will have continuity of support; and if you find yourself in no person's land because you haven't yet been assessed or put on a package, we will continue to give you support also.

CHAIR: The committee will resume at 4.15.

Proceedings suspended from 16:01 to 16:16

Senator GRIFF: I just have a couple of areas I want to touch on very briefly while we're still on 2.1. I would firstly like to refer to the Head to Health website that was launched in October last year. When I do a Google search of 'mental health help', it comes up with about 673 million pages of relevant sites, and Head to Health doesn't feature anywhere near the top, even if you limit the search to Australia. What is Head to Health intended to achieve that isn't a duplication of what's already out there?

Ms Edwards: I think the key thing about Head to Health is that it refers you to websites that have been examined and accredited as actually being quality.

Senator GRIFF: Run that past me again.

Ms Edwards: You can go and search on Google for a mental health support app. The quality of it, whether it's clinically proven, whether it's dangerous and all of that stuff are really a bit at large. One of the things about Head to Health is that we have tested and checked the accreditation of these sites. They're actually of benefit to people and trustworthy and current. That's why there's a much smaller number on Head to Health.

Senator GRIFF: But, unless you actually know about it, you wouldn't find that site at all.

Ms Edwards: It's disappointing if you weren't able to find it. We think we've put in all the triggers, hooks and so on for it to be found. The key thing is to try to help people find online resources which really are credible and safe. Ms Jarvis might be able to help.

Ms Jarvis: Since 6 October there have actually been 360,163 active sessions, which is an average of around 1,000 sessions a day, so the website is actually getting quite a bit of traffic.

Senator GRIFF: That's good to hear. How much has actually been spent on the project in total?

Ms Jarvis: $28.6 million has been allocated.

Senator GRIFF: What period is that for?

Ms Jarvis: From 2015-16 to 2019-20.

National Mental Health Commission

[16:18]

Senator GRIFF: Thank you. My next question relates to the National Mental Health Commission.

Ms Edwards: Is it to the National Mental Health Commission?

Senator GRIFF: Yes.

Ms Edwards: That's the question, Chair. Are we to call the National Mental Health Commission now?

Senator WATT: We have some questions for the National Mental Health Commission which we were going to do a little bit later, but are you on a bit of a time frame?

Senator GRIFF: I'm happy to put it wherever you would like to put it if you think it's more appropriate to put it into another number.

Senator WATT: We probably have a couple of other things that we want to get through first if that's okay. They are still in mental health, though.

Senator GRIFF: Okay.

Ms Edwards: It's all the same item. It's just whether we get those officers, who have now arrived.

Senator GRIFF: In your national report, published a couple of weeks ago, you express concerns about:

… the lack of information on the Provider of Last Resort arrangements (PLR) and would encourage the NDIA to release its PLR policy as a matter of urgency.

Has there been any response from the NDIA to your encouragement?

Ms Lewis: We work very closely with the NDIA. We have established new working relationships with them and with their mental health adviser. They have taken that on notice, in terms of trying to provide a response to us, but we don't have a date as yet.

Senator GRIFF: Do you have figures on the number of people who need provider of last resort assistance and are not receiving it?

Ms Lewis: No, we wouldn't have those figures.

Senator GRIFF: Your report indicates that, despite a tripling of funds spent on annual health services over the past 20 years, to about $9 billion annually, the prevalence of mental illness has 'barely changed'. You state:

A natural inference from this is that the expenditure is either insufficient or ineffective, or possibly both.

Nine billion dollars is a lot to spend on services which don't appear to be having much effect. What work have you done to determine how this money could be better spent?

Ms Lewis: In that report, we talked about looking into expenditure further across all sectors of mental health. Obviously, the commission recommended the PC inquiry into mental health services for this very reason.

Senator GRIFF: Okay, so what are your priorities for the next 12 months in this regard?

Ms Lewis: Our priorities are obviously to work closely with the PC inquiry, when the terms of reference are finalised, and to look at the key areas we have issues with—not issues, but concerns in terms of expenditure. More importantly, mental health shouldn't just sit in the Health portfolio. It's an issue across portfolios in terms of housing, social services, justice and forensic child protection, and we're really keen to make sure mental health becomes something on everyone's agenda.

Senator GRIFF: Which would make sense if there were a minister responsible for mental health—just a statement.

Ms Edwards: We do have a minister responsible for mental health. Mr Hunt is responsible for mental health.

Senator GRIFF: A separate, dedicated minister would be my view.

Senator WATT: While we have the National Mental Health Commission up at the table—and thanks for coming today—I'd like to ask a few questions about your suicide prevention target and your recommendations to that effect. My understanding is that in your 2014 review it was recommended that the government at the time adopt the target of reducing suicides and suicide attempts by 50 per cent over the next decade. How did the commission come to recommend that government adopt a suicide prevention target?

Ms Lewis: I would have to take that on notice, because it was pre my time at the commission. I've only been there since 2016. However, there has been discussion with commissioners and with mental health more broadly that currently our view is we don't agree with a 50 per cent reduction target, because we don't believe that it's okay for any person to die of suicide, and it's something we'd like to discuss further.

Senator WATT: So it's no longer your position that there should be a suicide reduction target?

Ms Lewis: There should be a suicide reduction target, but we've had discussions and thoughts that it should be zero. That may seem unrealistic; however, it's not okay or acceptable for anybody to die of suicide.

Senator WATT: Sure. You'd be aware, though, of the range of organisations and evidence that support the setting of a target as an effective mechanism to reduce suicide. Can you give us a couple of examples of that.

Ms Lewis: I guess our perspective is that there are lots of different views. We've heard about the zero target, and certainly people have mentioned that. On the whole, in states and territories, some people have 50 per cent targets and some have 30 per cent targets. Our view is that it's something we need to bring people together to urgently talk about, to get an agreed target on suicide prevention.

Senator WATT: My understanding, for instance, is that, in addition to your organisation's review in 2014—and, by the way, is there anyone from the organisation who was involved in that review here?

Ms Lewis: I don't think there's anyone at the commission who was involved in that review.

Senator WATT: Right. So, it's a completely new staffing complement?

Ms Lewis: Yes.

Senator WATT: But you'd be aware that in 2013 the World Health Assembly adopted a global target to reduce suicide and that the Chairman of Lifeline, Mr Brogden, said there should be a 25 per cent reduction target. So, there are a range of organisations that have supported the setting of a target. I absolutely acknowledge that we

don't want anyone to die of suicide, or attempt suicide, but do you believe that setting a zero target is realistic and achievable?

Ms Lewis: It might be more so towards zero, but I do think we need to look at it closely. It's something we are pushing to meet urgently with the sector, in terms of suicide prevention, to actually get some agreement and consensus on that and then work towards it. As you say, there are lots of people with different numbers of targets—we would like that resolved.

Senator WATT: Is it still the commission's view that a target—whatever number that might be—should be set and is a valuable tool in reducing suicide?

Ms Lewis: I think there needs to be a reduction. Whether that's a target or not, that is something that should be considered once we've got all the information from the sector as a whole.

Senator WATT: A 2014 review isn't from that long ago, so why has there been such a significant shift in the commission's thinking?

Ms Lewis: I think part of that was some of our commissioners, who were on the board at the time. Ms Jackie Crowe was one of our commissioners who passed away. Her view was very strong, to the CEO and to the other commissioners, that it's not okay to have a 50 per cent target and that the commission had to come out with a statement and change their view from 2014.

Senator WATT: Has the minister or his office ever spoken to you about their views regarding the setting of a target?

Ms Lewis: Not to me. Personally, no.

Senator WATT: And you're not aware of any contact having been made with your officers?

Ms Lewis: No.

Senator WATT: That 2014 review made a number of other recommendations. Have they all fallen by the wayside now as well?

Ms Lewis: No. Actually, in our annual report this year there is a section that talks about, since the 2014 review, which actions are progressing, and it's the majority of them.

Senator WATT: Really the notion of a target is one of the few recommendations that is no longer supported by the commission?

Ms Lewis: Correct.

Senator WATT: Or at least a 50 per cent target?

Ms Lewis: Yes, the 50 per cent. Correct.

Senator WATT: I might leave those questions, but I think Senator Singh has got some more for you.

ACTING CHAIR (Senator Dean Smith): Are they still on the issue of targets?

Senator WATT: No.

Senator SINGH: They're still on the commission.

ACTING CHAIR: I've got some questions with regard to targets. What was the position of the COAG's report, *The Fifth National Mental Health and Suicide Prevention Plan*, when it came to the issue of targets?

Ms Lewis: I don't think, in that particular report, we talked about targets. There's an indicator that measures suicides in the fifth national mental health report, but it doesn't go into the question of should there or shouldn't there be a target.

ACTING CHAIR: Why would that be? Why wouldn't the issue of targets have been canvassed?

Ms Lewis: It's because in the particular actions of the fifth plan the job is to monitor what the rates are. This year we have a baseline report, because it's the first progress report. From there on in, we will start to see if there's some sort of trend, and then we will provide commentary on that.

ACTING CHAIR: Just at a general level, what is the evidence that supports the use of targets?

Ms Lewis: A lot of people talk about the WHO and obviously take leadership from WHO, in terms of the fact that they have a target. I think it's up for debate at the moment. It's kind of an opinion view. That's why we want to bring the key people together—the key leaders and the experts—to see what that should be or if there should be a target.

ACTING CHAIR: So the effectiveness of targets in reducing suicide is contested. Is that what you're saying?

Ms Lewis: That's the commission's view.

ACTING CHAIR: When people talk about having a target of 40 per cent or 50 per cent or 60 per cent, is there an evidence base that supports the idea that it should be at 40 or at 50 or at 60?

Ms Lewis: There may be an evidence base, but the commission are contesting that at the moment.

ACTING CHAIR: Thank you.

Senator SIEWERT: On whether we have targets or not, before we change topics, is the commission planning to look at what would be a substitute in terms of areas and what you could use as a target to make sure we've got progression in reducing the rate?

Ms Lewis: Sure. That's the purpose of bringing the key leaders in this space together shortly to discuss that. If it's not a target, what is it? The aim for all of us is to reduce suicides.

Senator SIEWERT: Are you investigating or doing some research around what the things are that we could use to take to the table in that discussion?

Ms Lewis: The purpose when we have the discussion is bringing all parties to the table to have that discussion. We'll all be bringing information together. The commission hasn't done a lot in that space previously, with our limited resources at the time. However, it is a space we're moving into in our monitoring and reporting role. So all parties who come to that discussion will absolutely be bringing those things to the table.

Senator SIEWERT: When is that planned for?

Ms Lewis: We're hoping to bring people together in early December.

Senator SIEWERT: So it is relatively soon?

Ms Lewis: Very soon.

Senator SIEWERT: Thank you.

Senator SINGH: We have some more questions for the commission. Ms Lewis, obviously you're aware of the ongoing suffering and trauma of children on Nauru. Given the NMHC is the government advisory body on mental health, and the mental health of those children has been fairly well reported and evidence has been provided, has the government approached the commission for any advice on the mental health of those children and/or their families on Nauru in detention, and/or have you provided and offered such advice?

Ms Lewis: It's an area that the commission has not looked into in the past. Now that we've been strengthened in the last budget, we now have almost doubled our staff. So it is something that's on the commission's agenda, and in fact we've been talking with commissioners about this very matter. We have meetings in November with them, and it's something that we are going to look at and address. We haven't been approached by anyone for a view on that.

Senator SINGH: You haven't been approached by anyone from government.

Ms Lewis: No, not yet.

Senator SINGH: Are you saying it's been a budget issue, staffing wise?

Ms Lewis: Yes, staffing wise. We had four policy staff previously. We now have 12. We now have the new role with the fifth plan in terms of monitoring and reporting. Prior to our strengthening, we had a very limited capacity. However, that's not the case now—hence why we will be looking into this issue.

Senator SINGH: At your November meeting?

Ms Lewis: Yes.

Senator SINGH: Great. Do you think it's odd that the commission has not been approached at all considering this has been going on for a length of time? You haven't been approached for any advice on this issue?

Ms Lewis: I'm not sure that it's odd, because I think people were aware of the size of the commission. If all we are to do with four staff is to monitor and report, that would take up all of our resources. So I don't think it's odd if you look back on things. To be honest, right now, because we haven't had a chance to discuss it with our commissioners and have a commission view—because it's important the commission's view is in with the view of the staff at the commission—we probably wouldn't be able to offer any advice—hence why it's on the agenda for November. We realise we do need to get into the space.

Senator SINGH: Thank you.

Department of Health

[16:33]

Senator WATT: Do you mind if I ask a couple of other mental health related things?

CHAIR: Okay.

Senator WATT: In terms of the government's recent announcements regarding headspace funding, could you provide a breakdown of the announcement over the forward estimates by each component. My understanding is that the funding was announced partly to continue the existing eheadspace for another two years. There was partly a top-up or an extension of existing base funding, and there was a one-off funding allocation for relocation or upgrades. Is that correct? Is that pretty much how it breaks down?

Dr Morehead: Yes. The funding announcement on 14 October was for $51.8 million over four years for headspace. That is broken down into $33 million over four years to support the existing national network of headspace services; $6 million over three years from 2019-20 to support capital works improvements for the existing headspace network, such as refurbishing or relocating premises; and then $12.8 million over two years from 2019-20 for headspace national to, as you say, continue to operate eheadspace in 2019-20 and 2020-21.

Senator WATT: Have you got a document there you could table, Dr Morehead, that breaks that funding down over the forward estimates for each of those three components?

Ms Edwards: We probably can't table that document, but we can get it to you now.

Senator WATT: If you could, that would be great. Thanks. Where did that funding come from?

Dr Morehead: That is new funding.

Senator WATT: New funding that wasn't ever within the—

Dr Morehead: It hasn't come out of the existing mental health—nothing has been saved within mental health in order to put it there.

Senator WATT: What about within the health budget overall?

Dr Morehead: It was a government decision, so the government decision was to have that as money coming in, and that—

Senator WATT: From outside the health portfolio all together?

Dr Morehead: It was new money, yes.

Senator WATT: That's your understanding, Ms Beauchamp, as well?

Ms Beauchamp: As I have said earlier, the budget involves ons and offs all over the place. There's not such a thing as hypothecation. The bottom line budget, as we went through with Dr Di Natale, shows that on every program funding has gone up over the forward estimates, and similarly in this program there's been additional funding provided for mental health services in the order, I think, at last budget of $374 million or something—

Ms Edwards: It was $388 million at the budget but this money is in addition to the mental health program that we have previously talked about.

Senator WATT: There's the eheadspace funding and then there's $39 million in base funding and infrastructure funding for existing physical headspace services?

Dr Morehead: Yes. Six million for actual capital works and then $33 million just to be given out to the existing headspace services on top of their normal funding. So it's a funding boost to the existing headspace services—for services; not for capital works.

Senator WATT: That's one of the things I was going to ask. With this $33 million, they already had funding in the budget for the next four years to operate and this extra money is on top of that?

Dr Morehead: Correct.

Senator WATT: For the next four years. So, that does mean that there will be genuinely additional services provided? It won't just be a continuation of however many they're providing now?

Ms Edwards: It's responding to demand.

Senator WATT: The minister's press release on this said that it would provide for around 14,000 additional services. Are you able to explain how that 14,000 figure was derived?

Ms Gleeson: Yes. We looked at the number of the services that are currently provided through headspace centres and we modelled what the number of services provided was, so then we could extrapolate out to calculate what the additional funding would provide. The headspace funding model is a bit complicated in that there are two sources of funding that come through to headspace centres. They get a grant, which is what we're increasing here, but they can also access MBS items—Better Access—and that's a demand-driven component. So there are actually two streams of funding that go through. So 14,000 is an estimate of additional services, but it might be more depending on access to the demand-driven MBS items.

Senator WATT: My understanding is that this money will be provided to headspace and they will allocate the money to particular services, or is the department saying, 'This service gets this much and this service gets this much.'

Dr Morehead: It is done through the 31 PHNs, or the PHNs will give that money out to the headspace services. The PHNs are the ones who commission the headspace services, so they will get the money and it will go through them via a deed of variation.

Senator WATT: There's no money for new headspaces in this is there?

Dr Morehead: No. Not in that particular allocation, no.

Senator WATT: Do you have a list of the existing headspace centres and what the financial impact on each of them will be from this announcement?

Ms Gleeson: We're working on that as the moment. We intend to provide that shortly, as soon as we finish the calculations.

Ms Beauchamp: In a general sense, I think all centres will receive funding. I think it averages out to about eight per cent additional funding for each headspace.

Senator WATT: Is any extra funding that's being provided, whether to headspace overall or to individual centres, going to be contingent on additional services being provided?

Ms Gleeson: No.

Senator WATT: Has any thought been given to that?

Ms Gleeson: The funding is provided for the purpose of centres increasing their capacity to deliver services. It could involve increases to the available workforce, which will support increased service provision.

Senator WATT: Do the PHNs get an equal share of the extra funding?

Ms Edwards: No. A component of the $33 million will go to them just to operationally hand—you know, give this money out to the existing headspace services.

Senator WATT: How is it being decided which PHN gets what?

Ms Gleeson: It's based on the number of centres that currently exist. There are three more due to open shortly. We know the locations of all of those and we will calculate the amount of money per PHN based on the number of centres in their region.

Senator WATT: Each centre, effectively, will get an equal share?

Ms Gleeson: On average, eight per cent. I think it works out to 8.135 per cent.

Senator WATT: Of the overall bucket?

Ms Gleeson: Of the current allocation.

Dr Morehead: Of the 33 million. Added to their—

Senator WATT: So, if one PHN has three headspaces it will get three times as much as a PHN with only one headspace?

Ms Gleeson: It depends on the size of the service. Headspace centres are funded at slightly different levels across the country.

Senator WATT: Depending on the number of people they're servicing and that kind of thing?

Ms Gleeson: Yes, and what round they were established in. For example, a service in Bondi gets about $1 million per year for a grant, whereas there's an outpost service in Devonport that gets $350,000 per year.

Senator WATT: I heard what you said, that you're currently preparing a list of which centre will get what. Can you take that on notice and provide that to the committee when that's finalised?

Dr Morehead: Yes.

Senator WATT: In terms of the process of making this decision, did the department advise the minister that a funding increase to eheadspace was a good idea?

Ms Gleeson: Eheadspace is delivered by headspace national. We knew that the funding agreement was due to expire, so—

Ms Edwards: Senator, we provided lots of advice to the minister about headspace, eheadspace and everything. We wouldn't normally tell you the content of that advice, but it's certainly a topic which we provide advice about regularly, as do stakeholders, who approach the minister or write to us and so on. It's an issue which has been live in the department and among the service.

Senator WATT: When was the final advice provided to the minister about this funding announcement prior to the announcement?

Ms Edwards: We'll have to take that on notice.

Senator WATT: Okay. Who made the decision? Was it just the minister on his own?

Ms Edwards: We got a decision from the minister.

Senator WATT: So, advice was provided to the minister about headspaces and he or his office advised you that the minister wanted to do this? Is that—

Ms Edwards: That's right.

Senator WATT: a phone call from the minister's office or—

Ms Gleeson: We talk about these issues on a regular basis.

Ms Edwards: There'd be some sort of paper trail, but I'm not sure what it was.

Senator WATT: Can you tell me when the decision was actually made to provide this extra funding.

Ms Edwards: Well, we wouldn't normally disclose the to and froing of advice. You know the date it was announced. It was a decision by the minister. It was communicated to us. We're not aware of whether the minister talked to anybody else.

Senator WATT: You can tell us the date that a decision was made.

Ms Beauchamp: We'll take that on notice. I haven't got it in front of me.

Senator WATT: Do you know if it was very long before the announcement was made?

Senator McKenzie: I think the officials have taken it on notice.

Senator WATT: I know, but that's the precise date. I'm just asking in general terms.

Ms Edwards: I'm not sure exactly how it happened. We'll have to take it on notice for you.

Senator WATT: Was headspace national consulted about this decision prior to it being made?

Ms Gleeson: Yes, they were.

Senator WATT: When, roughly, were they consulted?

Ms Gleeson: We've been consulting with them over a number of months in regard to issues relating to demand, waiting lists and workforce. Prior to the announcement, we let them know that the announcement was proceeding.

Senator WATT: We've only got one other mental health topic. Is it convenient for us to knock that over and for Senator Siewert to keep going on mental health after that.

CHAIR: Yes. As long as you're within time.

Senator SINGH: I want to go to some of the mental health data issues in relation to the survey of health and wellbeing. Can the department confirm there are currently gaps in nationally consistent mental health data? Is that correct?

Ms Gleeson: I don't know that I would characterise it as gaps. The AIHW provide a number of data across mental health. We collect PHN data through a minimum data set. The survey of adult mental health and wellbeing was conducted by the ABS in 2007. There's also a survey of young people called young minds matter, which was conducted, I think, in around 2011 or 2012.

Senator SINGH: You don't think there are gaps?

Ms Gleeson: I'm not sure what sort of gap you'd be referring to.

Ms Edwards: We think we need to continuously improve it. Data generally across health is something we're on. Yes, there is a way to go to have better data. As Ms Gleeson says, whether there are gaps gives an impression there's a particular—we think we can do better, and we're working on it.

Senator SINGH: As you know, there have been two national mental health surveys for the adult population by the ABS. The first was in 1997 and the second was in 2007. The AIHW has stated the need for the survey to proceed. You would think it's fairly overdue in that sense, of looking at those two dates. What are the reasons that the survey still has not gone ahead?

Dr Morehead: Each portfolio agency, of course, would love there to be more data. We all make calls on the ABS and wish that they would do our particular subject matter and have more data. It has been a long time, since

2007, for that. There are some other ABS surveys that can gather some information on mental health, but there is no decision of government at this stage to do another survey.

Senator SINGH: Isn't there? Okay.

Dr Morehead: To do another ABS survey.

Senator SINGH: Because it's, kind of, a year late if you look at those dates. There should have been one in 2017.

Dr Morehead: Yes. You can look on the ABS site and see what surveys they run and when they're coming out, and there isn't another one booked in.

Senator SINGH: Are you in correspondence with the minister about this? I mean, there lies the gap. I think that's the answer, really, to the first question. What kind of correspondence are you engaged in with the minister or the ABS on this?

Ms Gleeson: Nothing that I'm aware of at the moment, Senator. I guess I would make the comment that, while those two surveys were 10 years apart, they weren't established to occur on a regular basis. Surveys are very expensive, and so no decision has been taken to do another one 10 years after the last one.

Senator SINGH: The Department of Health hasn't done any kind of scoping on this survey?

Ms Edwards: I think we're going into what the ABS program of work is. We, of course, would love to have more data. As Dr Morehead says, all agencies are always asking the ABS to run lots of things. It's a matter for them. You really have to direct the questions about their programming and scheduling to the ABS.

Senator SINGH: I asked whether the Department of Health has done any scoping on this survey.

Ms Edwards: Scoping of what the ABS should do?

Senator SINGH: Yes.

Ms Edwards: No.

Dr Morehead: We do meet with the ABS and discuss with them various pieces of data. We might say to them, 'In one of your household surveys or the census data, for example, we could look at that.' There's a lot of call, for example, on the next census. A lot of portfolio agencies are now saying, 'Could you please put in one question on something or other.' Obviously, we would love them to have a mental health question there, but these are all matters for the ABS as to what to decide on. There has not been a decision by our portfolio to fund the ABS to run a specific mental health survey nationally by the ABS.

Senator SINGH: Well, I asked specifically about scoping. I think, Ms Edwards, you may want to correct the record, because, in October last year—this time last year—in estimates, the department told us that scoping studies were being done to go out to market towards the end of 2017 or early 2018.

Ms Edwards: I'm happy to be corrected. I'm not aware of any.

Dr Morehead: We have consultations with the ABS. I can state quite categorically that we are not planning to fund a survey by the ABS on mental health at the moment.

Senator SINGH: Right, because I understand you were talking about funding it this time last year.

Ms Edwards: I think the ABS would scope its own studies, which was the point of my answer, rather than us doing it for them. We can take on notice what was said previously by other officers. Perhaps they know stuff we don't know. We're happy to take that on notice and correct it if needed. We'd have to go back and have a look.

Ms Beauchamp: The focus of the department is on making sure we've got access to good data across the states and territories and the Commonwealth. There are many people involved in the provision of mental health services, and marrying up NBS data with PHN data and other data from our grants, for example, is a real focus of where we need to put efforts to get better information about mental health.

Senator SINGH: From the answer you gave a year ago, it just sounds like the department, and therefore the government, is now walking away from this survey, and indeed funding it, compared to the answer that was given last year.

Ms Edwards: It would be good to have the reference to what was said now, if you could provide it directly, so we can have a look. Perhaps we need to go and talk to other officers. If I've made an error then I'm happy to correct it, but there's certainly nothing to indicate the government doing anything. It's simply a matter of perhaps we're not aware of things that have happened before. I think the safest thing to do is for us to examine that record, talk to other officers who may have been here previously and come back to you on notice with the position. As far as we're aware at the moment, we do meet with the ABS; we are pushing for extra collection of data. We haven't

done scoping of what the ABS might do, but if there's previous work done then we'll dig it out and report back to you.

Senator SINGH: Okay. I know there was a letter that shadow minister Collins sent to the minister on 25 September in relation to the progress of this survey. Are you aware of that? Has the department given any advice to the minister relating to that letter?

Dr Morehead: Yes. If we could, we'll take that on notice. I do know the letter that you are referring to; I just can't find it here in front of me. But I am aware of the letter that you're referring to. So it has come to the department for response, for us to consider the response to that. I'm aware of the correspondence, but if I could take on notice the exact—

Senator SINGH: So it's still in the department's cogs at the moment?

Dr Morehead: Yes, that's right.

Senator SIEWERT: I just want to clarify something around telehealth as it relates to the delivery of mental health services. I'm aware of the change that was made to not require face-to-face any more, and it was announced particularly in relation to services for farmers during the drought. Is that now a permanent change? It won't revert back?

Dr Morehead: Yes; that's correct.

Senator SIEWERT: It is a permanent change?

Dr Morehead: Yes, it is.

Senator SIEWERT: Can I go back to the psychosocial $80 million?

Ms Edwards: Yes.

Senator SIEWERT: As I understand it the states have all now agreed?

Ms Edwards: Yes.

Senator SIEWERT: So what I want to know is: when will the bilaterals be completed with each of the states?

Ms Edwards: I asked exactly this question in anticipation of your question. Apparently we're very close. We would try to have a good answer for you, but certainly in the next week or so we're hopeful that we'll be able to publish. It's taken some effort because we had to get agreement across all the jurisdictions and so on. We'll certainly take it on notice, and I think we can provide you all that very shortly.

Senator SIEWERT: When you say 'take on notice', you mean when they will be published?

Ms Edwards: The bilateral information will be published on health.gov.au soon.

Senator SIEWERT: Okay.

Unidentified speaker: It's today.

Ms Edwards: My notes say by Wednesday, 24 October, which I thought couldn't be right. But my colleague tells me, yes, it is; it's going up.

Senator SIEWERT: That's the second announcement that's been made today. Geez, we should have estimates more often!

Senator McKenzie: And the room groans!

Senator SIEWERT: Well, we seem to get announcements around estimates. It's fantastic. Okay. I haven't checked that area of the website today. They're up on the website. Thank you.

Ms Edwards: So I'm informed.

Senator SIEWERT: Will they also tell me how much each state and territory is receiving and what they're spending it on?

Ms Jarvis: The web page that has gone live today includes the links to what jurisdictions are planning to fund; however, only the Northern Territory and Victoria have provided those links at this stage. As the other departments provide the links, we will publish them as they come through.

Senator SIEWERT: Do they contain the bilaterals themselves?

Ms Jarvis: It contains the clauses of the bilaterals that are common across the jurisdictions.

Senator SIEWERT: So my excitement was premature? It sounds like the common things the states have agreed to have been published, but not what individual states and territories are doing and what they're spending. Is that correct?

Ms Jarvis: We're linking to the jurisdictions' web pages around what they're doing. At this stage, only the Northern Territory and Victoria have provided those links. The others should be coming through shortly.

Senator SIEWERT: Is it anticipated that the variations across the states and territories, what they're doing differently, will eventually be published? What they are doing and have committed to under the bilaterals, is it intended that those variations that aren't common will be published?

Ms Jarvis: The intention is that what they're each doing will be on their own websites, which we will then link to. We won't have a consolidated—

Senator SIEWERT: What's the reason for not putting it on the federal website, given that they're bilaterals with the states and territories?

Ms Jarvis: We'll have to take that on notice.

Senator SIEWERT: Could you take that on notice? Services and communities in the states would quite like to know what is being committed to. Could you take on notice what is the Commonwealth going to do if the states don't publish it?

Ms Jarvis: Sure.

Senator SIEWERT: Thank you. Can I go back to the front door process?

Ms Edwards: Before we go there, I'd like to go back to Senator Singh's questions. I have a question on notice—

Senator SINGH: I have the *Hansard* for you as well.

Ms Edwards: In the *Hansard*, Ms Cole apparently referred, in oral testimony, to some 'scoping studies'. A QON was then put in that clarified the position, which said that the department was undertaking work to progress the initial development and design phase of a potential third adult general population national survey of mental health. That is more correct in terms of exactly what we're doing, which is working with the ABS and having some ideas. That sort of explains the discrepancy—that is, we are pressing for better data across the ABS, AIHW and so on, but we wouldn't scope that sort of thing in a technical sense. That's SQ18-000793. You might want to look at that. We'll still take on notice what we did before, but I just wanted to clear up that it's not as unclear as I had feared.

Senator SINGH: I haven't got that QON in front of me, but I think the exchange between Senator O'Neill and Ms Cole, specifically about the ABS—they were talking about the ABS survey—was around whether it would go ahead. Was there a guarantee about it going ahead? And Ms Cole said last year it took two years.

Ms Edwards: I appreciate that, but I just wanted the context that there actually was a follow-up QON that went to it. It's a bit clearer that it was more a, 'We're looking at it, but there's no decision at the moment about whether such a survey would go ahead.'

Dr Morehead: As I was saying, we do consult with the ABS quite regularly. Like other departments, obviously the department would like to have a survey on its topic, because we love to have more data. We do talk to the ABS about it; we do talk about ways that we could collect more mental health data. It is something that we discuss with them fairly regularly. As I said, there has been no decision by the health portfolio to fund the ABS to do another survey. That's the status of where it is at the moment.

Senator SINGH: But it is funded by the health portfolio, isn't it?

Dr Morehead: The ABS itself funds only a few core surveys. If other portfolios do want surveys to be done, they provide the money to the ABS to run further surveys. So the work of the ABS is its core surveys—

Senator SINGH: We're talking about this survey; I'm not talking about any other survey, but this survey.

Dr Morehead: We would need to fund the ABS to do it.

Senator SINGH: Yes, that's the evidence that was provided a year ago by Ms Cole.

Dr Morehead: Yes. A decision has not been made by the health department or the portfolio to fund the ABS to do that survey, but we do consult regularly with the ABS to talk about what we could do to get more data on mental health.

Senator SINGH: Who makes that decision?

Dr Morehead: That's a decision for government.

Senator SINGH: For the minister?

Dr Morehead: Yes.

Senator SINGH: Have you given any advice to the minister on the basis of making that decision?

Dr Morehead: The minister's office would know that we consult with the ABS, I presume. We would talk about—

Senator SINGH: Don't try to find a way to answer the question if you don't want to. I'm just trying to understand. There is a gap now in the data. We had 1997; we had 2007; we should have had 2017, but we don't. Nevertheless, we are trying to ascertain whether this mental health survey is going to happen in the forward years. Is the money allocated in the forward estimates for it?

Dr Morehead: No.

Ms Edwards: At this point there is no decision to have a survey. I want to clarify that what was said in testimony actually was followed up. It was looked at in context. We will come back to you, as we said we would, on notice.

Senator SIEWERT: I want to clarify a question in relation to whether I should ask it here or later. It relates to mental health and it relates to GPs. One of the issues that we've heard—we've been on the road with the rural, regional and remote mental health inquiry—is GPs actually refusing to deal with mental health. If you look at the *General Practice: Health of the Nation 2018* report, they report mental health as one of the main reasons people go see your GP. I'm sure you're aware of that. Should we be asking questions around some of the payments here, in terms of indexation, or take that—

Ms Edwards: If it's about MBS items, it probably should be—

Senator SIEWERT: And GPs.

Ms Edwards: What we'll do, just in case you get to that thing and there are some questions that are asked, we will keep monitoring and make sure we can come and answer if needed at that point. I expect those questions to be primarily for outcome 4.

Senator SIEWERT: That's what I thought you'd say. I wanted to make sure someone was around just in case, so that I'm not being told later on that I should have asked it here. Also, your area of expertise is mental health.

Ms Edwards: Absolutely. Perhaps if you ask it early on in that outcome we can make sure we have the right people.

Senator SIEWERT: I take that on board. Have you had discussions with that area in terms of the issue and how it's playing out and the way GPs are able to address mental health?

Ms Edwards: We work with them very closely on any issue that comes up in relation to MBS scheduling that affects mental health—that and many other issues. Yes.

Senator SIEWERT: I will leave it there. I want to go back to the PHNs' front door. Has there been additional funding provided to the PHNs for the front door?

Ms Edwards: Yes. There has.

Senator SIEWERT: How much is that?

Ms Edwards: It's $19.1 million in this financial year only.

Senator SIEWERT: It's just a 2018-19 initiative?

Ms Edwards: It's an injection to help them set up arrangements.

Senator SIEWERT: Can you point me somewhere where I can go and find out more detail about it?

Ms Edwards: I can tell you a bit about it. It's support for establishment of the continuity of support arrangements—obviously PIR, Day to Day Living and PHaMs. It's also to strengthen the interface between the mainstream service system and the NDIS. It's that idea that you can turn up wherever and be directed to the right place. We are still working out the detail of it. I think there's a workshop in early November where we're getting in the PHNs and the sector to talk about how we do that best.

Senator SIEWERT: Obviously I'm going to be asking NDIA tomorrow, but I'm struggling to understand where it fits in with the new LAC process, the new path or the new psychosocial stream—the new process of planning and people being put in the local area coordinator offices.

Ms Edwards: You should follow this up with DSS tomorrow, but my understanding is that it is primarily about the fact that PHNs obviously have a whole stack of new functions, both the continuity of support functions and the psychosocial functions. They are also getting people who will be new clients, where rather than sticking them straight into a psychosocial program, you might say, 'You should knock on the door of the NDIA and check whether you're eligible for a package.' It's to cater for that interface. We're aware that when funding starts on that day, we want them to be streamlined and assisted. It's to do that sort of thing. It's primarily in relation to the

psychosocial, the continuity of support, but we're making sure we have a way for clients to move back and forth between the NDIS and our one. We'll have to come back to you on the exact detail of that. It is still being worked out.

Senator SIEWERT: PHNs aren't supposed to be service providers.

Ms Edwards: No.

Senator SIEWERT: It sounds like a service to me. How do I find a service? I don't want to say—

Ms Edwards: PHNs do do quite a lot of things themselves in terms of providing support and so on. Some of them do provide services. This is about how we make that work best.

Senator SIEWERT: Will there be a person or people that do this in the PHNs?

Ms Edwards: There will be activities done in the PHN, yes.

Senator SIEWERT: How do I find my way there? How do I know to go there? Do GPs point me in that direction?

Ms Edwards: I think those pathways are part of the things they're actually designing now.

Senator SINGH: Can I have one follow-up on the surveys? What's the impact of Australia not now having this data, which we've had consistently over a number of decades, going forward, when we are looking at the various range of issues around health and wellbeing, mental health obviously being a really important issue for the country, when we don't have that 2017 or even 2018 data about the current state of Australians living with mental health issues? What's the impact of that?

Dr Morehead: We don't have that national overview picture, but there are various collections of data at lower level. In fact, when we do have a big national picture, you often can't drill right down to the local level. For example, with the drought measures that the government's announced on mental health, there was evidence available on recent surveys and studies that had been done—the University of Newcastle was one—where they had recently done a survey of several hundred farmers in New South Wales and were able to give very specific guidance to us in terms of an evidence base as to what effects drought had on people's mental health. That type of information is found around the country, and that was extremely useful for us in designing the drought measures. I guess it's more that we don't have that big national data collection, but we do have smaller amounts. Funding a gold standard large Australian mental health survey could cost upwards of around $20 million. If you said to the ABS, 'Could you go out and do a great mental health survey?' that's about the quantum of money that you would be looking at.

Senator SINGH: Is that what it cost in 2007?

Dr Morehead: I can get you the costs for 2007 on notice.

Ms Edwards: A survey like that would be rich data, but since the first one we've actually got data from all sorts of other sources.

Senator SINGH: Well, you've had to.

Ms Edwards: We have been building the data asset in all sorts of ways. We would like to have additional surveys. We would like to have a lot of things. But we do have a growing base of data and evidence in relation to mental health, which we are drawing on, which is improving. When we got back to the very beginning, we wouldn't say there are gaps; we would say it's a work in progress and we are continuing to improve data. The survey, while one potential element, is not the be-all and end-all. There is lots of other work going on.

Dr Morehead: Particularly if you want data at the granular, local level, which a lot of our funding is designed to support.

Senator DEAN SMITH: Going to Senator Siewert's point about the government's telehealth initiatives, how has that been received by the sector?

Ms Edwards: It's certainly been used a lot.

Senator DEAN SMITH: That was my second question in regard to uptake. So why don't we start with the uptake question? Then we'll come back to how the sector's responded. Can you give us a sense of the uptake in terms of quantum? Do you have that by geographical dispersion, by chance?

Ms Edwards: Not here today, I don't think. We don't have geographical here, but we do have uptake. Since 1 November 2017, to 31 July 2018 there's been a total of 2,833 services.

Senator DEAN SMITH: Do you have the 2,833 by gender or age breakdown?

Ms Edwards: We would have to take that on notice.

Senator DEAN SMITH: Do you collect that data?

Ms Edwards: We would have to take that on notice.

Senator DEAN SMITH: On eating disorders, I thought I had read somewhere that matters around eating disorders had received significant investment.

Ms Beauchamp: The minister's made a number of announcements around eating disorders. Some of those include a trial in southern Queensland of a new model of care. I think $3.26 million was provided for that. I think the government has also committed $1.5 million to establish endED Butterfly House, Australia's first residential eating disorder treatment facility. That's on top of $3 million provided to the national helpline, ED HOPE, and $2.7 million provided to the National Eating Disorders Collaboration initiative—the NEDC.

Senator DEAN SMITH: The name of the residential facility is—

Ms Beauchamp: endED Butterfly House. There's been a lot of work happening under the MBS review taskforce as well looking at investigating Medicare coverage for treatment needs of those with an eating disorder.

Senator SINGH: I want to come back to national action plans from this morning. I won't go through all the national action plans, because we would be here all day, but to recap, I listed 10 and then I was given women's health, men's health, cardiovascular and stroke diseases as extras. I understand you're preparing three additional national action plans over and above those, in the Indigenous health space. Is that correct?

Dr Studdert: We will just have to get ourselves organised, because they will be with our Indigenous health colleagues.

Senator SINGH: This is still national action plans.

Dr Studdert: Yes. In the population health and prevention and chronic disease space, there is the list you referred to this morning. I can take you through that and make sure you have the full list. But the ones in Indigenous health would be in addition to those, and we would need our colleagues.

Senator SINGH: It's in the same area—2.4.

Dr Studdert: No, it would be on Friday, in cross-portfolio Indigenous matters.

Senator SINGH: We will leave those for now then. I now have the full list from this morning.

Dr Studdert: I just want to make sure I have given you that correctly.

Senator SINGH: I mentioned 10, and you mentioned three extras. That's 13.

Dr Studdert: I think there's another one that we identified. Should I just run through them quickly to make sure you have got them?

Senator SINGH: No, to save time. There are 14?

Dr Studdert: Yes.

Senator SINGH: There is obviously one missing, though. Women's health and men's health, cardiovascular and stroke. Is that one—cardiovascular and stroke together?

Ms Soper: Yes.

Senator SINGH: There must be one more.

Ms Soper: Why don't you go through them?

Dr Studdert: Okay. Arthritis, childhood heart disease—

Senator SINGH: That's it—arthritis. I didn't have arthritis listed. So that's 14 national action plans announced in just 18 months.

Dr Studdert: Work on them is underway, and it's at various stages. Endometriosis, as you're probably aware, has been finalised and launched by the minister. Then there are others at various stages of development.

Senator SINGH: But there have been 14 national action plans announced in 18 months?

Dr Studdert: Or it has been announced that there is intention to work on them, yes.

Senator SINGH: Okay. Why has there been such a sudden flurry of announcements of national action plans?

Dr Studdert: As you would be aware, last year the government and the department finalised the National Strategic Framework for Chronic Conditions, and that was the outcome of a long and detailed piece of work with the states and territories and endorsed by COAG. Since then, we've been working with a range of stakeholders, who have identified ways they want to take forward priority actions that fall under that framework. These action plans, which are very targeted, tight pieces of work and are specific to specific conditions, have been taken on as something that the government is supporting the development of.

Senator SINGH: So is this something the department has been driving, or is it the minister?

Dr Studdert: As with all our work, it's done in consultation, but ultimately it's the minister's decision to commit those resources.

Senator SINGH: The minister wanted to announce 14 national action plans in 18 months?

Ms Beauchamp: It's been a way of bringing stakeholders together and getting alignment around developing action plans for the future on specific disease areas.

Senator SINGH: Okay. Thank you for the speech. What, then, is a national action plan?

Ms Beauchamp: I think it's looking at a work program and what we do collectively to address these key priority areas of disease.

Dr Studdert: It includes things like research.

Senator SINGH: Is that the agreed definition in the department—that it's a work program?

Dr Studdert: It's priority areas for action and investment. Not all of them are for the Commonwealth to take forward. Some of them are for clinicians to take forward. Some of them are for the states and territories. Some of them are for the advocacy groups. But it's getting everyone on the same page with a set of priorities that will advance the outcomes for patients and consumers in terms of those particular conditions. In the case of, for example, the endometriosis plan, I think that's done an enormous amount to bring attention to that condition; to have consumer voices heard, which has not often been the case to date; and to enable consumers, clinicians and researchers to agree on a way forward that will seek to improve those outcomes.

Senator SINGH: Do you anticipate that any of these national action plans will be completed before the next election, in May—if the election is in May?

Dr Studdert: I think quite a number of them will. I could go through them individually and tell you where they're up to. But, as I said, they're at various stages of development. I don't know if my colleagues can identify which ones would be finished in the coming months.

Senator SINGH: I'm happy for you to take it on notice, because there are obviously 14 of them and it will take a while to go through each one.

Dr Studdert: Yes, we'd be happy to provide you with that information.

Senator SINGH: Perhaps just some sort of table with the 14 and where each of them is up to, the dates they will be finalised and those sorts of things.

Ms Flynn: They're all due to be completed this financial year. Approximately half of them are due to be completed by December and the other half early next year, in February-March.

Senator SINGH: Okay. I just want to know: how do sufferers of these diseases actually benefit from a national action plan? Is that a bit philosophical? You're saying it's a work program for the department.

Dr Studdert: Overall, I would posit that the overarching objective of each of them is to improve outcomes for those people that are affected by the conditions or to prevent the conditions in the first place, as would be the case, say, with the cardiovascular, heart and stroke action plan.

Senator SINGH: But what about people that already have these diseases?

Dr Studdert: Yes. Again, using the example of endometriosis, consumers—and by that I mean people who are affected and suffer from the condition—are absolutely front and centre in the development of that, and their voice is what is taken as paramount in terms of understanding how to take action that will improve outcomes for them. So, absolutely, that is the key objective.

Senator SINGH: What about the funding for these 14 national action plans?

Dr Studdert: I think those will be taken on a case-by-case basis, and it depends on what the priorities are and who they fall to best taking responsibility for implementing.

Senator SINGH: Is their funding in the delivery of these?

Dr Studdert: There is funding in the portfolio for chronic disease prevention.

Senator SINGH: Is that a yes?

Dr Studdert: Yes.

Ms Beauchamp: There is funding for development of each of the action plans. In terms of the work program and outcomes from each of the action plans, it may be a reprioritisation of existing funding or better targeting of

existing funding—not just at the Commonwealth level but also from the states and territories and other funders in the system around these particular areas.

Senator SINGH: There's no allocated Department of Health funding?

Ms Beauchamp: There's allocated money for some of the diseases, endometriosis being one of them, that have been focused on in terms of the action plans. There has been money allocated for the development of the action plans. This is to provide much better coordination with all the players in the area and a national approach.

Senator SINGH: You seep saying 'existing funding'. There's no new funding. You've had 14 national action plans announced in 18 months. I'm trying to find out whether there is new money associated with these, or have these just been hollow announcements by Minister Hunt?

Ms Beauchamp: As Ms Flynn mentioned, we're looking at finalising those action plans over the next six to 12 months and looking at what the actions might be out of that—to then go back either to government or key stakeholders in terms of delivering on these work plans.

Senator SINGH: Right, so no new funding. I note your comment before, I think Dr Studdert, to do with the Indigenous Health Division being here on Friday. That, as you know, only goes for one hour. I think that you should be able to answer these questions to do with these national action plans for Indigenous health now.

Dr Studdert: That's a different program area, and the staff that are responsible for that aren't here. I would be happy to talk to my colleagues and ensure that the staff are absolutely ready to deal with that.

Ms Beauchamp: Are there any particular areas you're looking at?

Senator SINGH: Yes, there are. I wanted to ask specifically around ear health, rheumatic heart disease and suicide.

Ms Edwards: It might be helpful for everyone to have a little bit in advance of Friday, when the Indigenous folk are here. There's the implementation plan in relation to the National Aboriginal and Torres Strait Islander Health Plan, which our big national plan. We don't have national action plans so-called, necessarily, in the same way, which is why we want to talk to the team a bit about it. But we do have in development what we're calling road maps in relation to rheumatic heart disease, renal, ear health and eye health—I think they're the ones, and they're in development now. We would be able to either take that on notice or answer it on Friday, if there's time, to tell you exactly where those are up to, but they're in development through Minister Wyatt. From speaking to my colleague on the phone just now, there might be other less significant—important issues to the people, I'm sure—action plans that are also around that we were going to dig out by Friday to check we had a comprehensive list. But the key ones are those four road maps.

Senator SINGH: On Friday, if you could give us the time frame for the delivery of those.

Ms Edwards: Of the four road maps, yes.

Senator SINGH: Yes, on those four road maps. What's the difference between a road map and a national action plan?

Ms Edwards: Documents often are put together in a different way, depending on the stakeholders. This is something that's being developed in collaboration with Indigenous stakeholders and other experts in the field—and that's the way it's been described, and they're moving forward with it. It will no doubt include actions, which is the key point of it.

Senator SINGH: So road maps include actions, but they're not a national action plan—and a national action plan is a work program? I'm just trying to get the definitions right.

Ms Beauchamp: There's probably not much difference.

Senator SINGH: Yes, there's probably not much difference, okay.

Ms Beauchamp: In terms of outcomes and actions, and getting key stakeholders together, there's probably not much difference.

Ms Edwards: I'm not privy to what's in the national action plans. But the road maps are about—

Dr Studdert: To a large extent, we've tried to be responsive to stakeholders and what their terminology and interests have been.

Senator SINGH: Do road maps have new funding attached to them? The national action plans don't.

Ms Edwards: The road maps are in development, and so it will depend. If we're talking about renal and RHD, you would know there's significant investments connected with those, and the road maps would help guide how we roll those out—same with eyes and ears, in fact. There are big commitments about these; we're working with

stakeholders to develop a road map, which is a way of making sure the investment is actually targeted in the way that's agreed to be the best way to tackle these really difficult issues.

Dr Studdert: If I could just be clear, it's not to say there isn't money. The plans are being, as I said, dealt with case by case. In the case of endometriosis—

Senator SINGH: That's the only one you seem to be talking about.

Dr Studdert: That's the only one that's been finalised and launched.

Senator SINGH: There are 14 of them.

Dr Studdert: And there are others coming. There has been funding allocated to that, and I think the government is minded to look at each of them on a case-by-case basis and to determine—

Senator SINGH: But you will take it on notice?

Dr Studdert: Yes.

Senator SINGH: Thanks.

Dr Studdert: You asked for the dates by which they would be finalised?

Senator SINGH: Correct, and the funding as well.

Dr Studdert: To the extent that any have been finalised and decisions have been made about funding, absolutely, yes.

Senator WATT: Can I move to a different topic in outcome 2, which is the National Cancer Screening Register?

Dr Studdert: Yes.

Senator WATT: Thank you for coming today. I assume you are aware of the recent report from the Joint Committee of Public Accounts and Audit on the National Cancer Screening Register.

Dr Studdert: Yes.

Senator WATT: It is a pretty scathing report, I think you'd agree.

Dr Studdert: It certainly has a lot of advice for us.

Senator WATT: It does. What was notable to me—not being a member of the committee— was that it was a unanimous report.

Senator DEAN SMITH: No, that's not a correct characterisation.

Senator WATT: Isn't it?

Senator DEAN SMITH: I'm the chairman of that committee. The committee made a report, and Labor members of the committee made some additional comments. The additional comments are not unanimous. They were additional comments.

Senator WATT: Okay. I stand corrected.

Senator DEAN SMITH: You do.

Senator WATT: But there was a bipartisan report separate to the additional comments?

Senator DEAN SMITH: Yes. When you're asking your question, you might want to assist officials by drawing a distinction between what is in the part of the report that is agreed by the whole committee and the elements that are additional comments from Labor members of the committee.

Senator WATT: Okay.

Senator McKenzie: Thank you, Senator.

Senator WATT: My understanding is that the recommendations I'm going to be referring to are bipartisan recommendations, but I'm sure Senator Smith will help us out if that's not the case.

Senator DEAN SMITH: I will be the first to correct you if that's necessary.

Senator WATT: I'm sure you will, Senator Smith.

Senator DEAN SMITH: The second after officials!

Senator WATT: Have you had an opportunity to review those recommendations?

Dr Studdert: Yes.

Senator WATT: Do you accept those recommendations?

Dr Studdert: I think that will be a matter for government, ultimately, but we are certainly considering them carefully and preparing responses. We are considering what the responses will look like and, in some cases, would probably like to add additional information, noting that some time has lapsed since those recommendations were drafted, and quite a lot of progress has been made in that time.

Senator WATT: You will have noted that the recommendations were, if you like, addressed to the Department of Health, not to the minister. So they have been made for the department to consider. That's why I'm asking whether the department accepts them.

Ms Beauchamp: There are some recommendations that were made in the JCPAA report that obviously reflect on the prior ANAO report. Of course, once that ANAO report was provided, we did take actions, for example, around conflicts of interest—so making sure all our senior executive leadership team have filled out and declared conflicts of interests. So that was one area. Another area we've looked at is the risk profile and how we manage risk projects. That came out of the ANAO report, even though we only got one recommendation in the ANAO report. So there are certain learnings and things we have done already as a department following up on the prior ANAO report.

Senator WATT: When do you expect to be able to respond to these recommendations?

Ms Beauchamp: They are currently under consideration, and we will respond to them in the normal way that we respond to JCPAA reports.

Senator WATT: Many of the issues are things that have been raised. This has got to be my sixth hearing where I have been raising concerns about this.

Dr Studdert: And I would note that at each hearing we've been able to give you an update that shows there has been progress and there have been significant developments in implementing the register and the new HPV screening program. So I think we do progress.

Senator WATT: Okay. Turning to specific recommendations, recommendation 11, which I understand was a bipartisan recommendation, was:

… the Department of Health give consideration and report back to the Committee on:

- whether, in the circumstances of such serious underperformance by Telstra Health, it may be in the Commonwealth's interests to terminate the contract and pursue other options for either or both registers—

being cervical and bowel cancer. Do you accept the recommendation that you should reconsider the contract?

Mr Boyley: To answer that recommendation, it's important to consider where the project is up to at the moment. The short answer is that it's not my position that it's in the department's interests or the public's interests to terminate the contract currently, and I'll—

Senator WATT: It's not in the interests?

Mr Boyley: No, and I'll explain why. To explain why, it's important to understand where the project is up to today. We have had a live cervical cancer screening component of the register, since 2 July. We have migrated over 10 million cervical screening records from the eight separate state and territory registers into one register. We've been able to discover that 20 per cent of those records were duplicates, meaning that one in five of the participant records held in state and territory registers in each disparate system prior were, in fact, duplicates. That means that, when certain women attended to have screening services taken, they, in 20 per cent of the cases, did not having complete records for pathology diagnosis processes that occur after that. We have had an active call centre since 2 July that's taking an average of 817 calls per week.

Senator WATT: Mr Boyler, just in the interests of time, it looks like you're reading from something. It would be really valuable to get an update, but could I suggest you table that rather than go through it so that I can stick to some questions about the contract itself?

Mr Boyley: Senator, I'd be happy to table this document—not the entire document, but an update. Suffice to say, there's been significant delivery since the JCPAA hearings themselves, and the report recommendations don't take that into account, of course, because they weren't aware of it. It would not be in the interests of certainly the Commonwealth or the screening public, in my view, to terminate the contract at this stage, because of substantial delivery and we're on track. We have bowel screening register dates that I'm happy to share with the committee today, if you'd like those, or I can include them as part of the update. What I'm saying is that the position since March and April, when the committee met, to today is significantly different to where it was.

CHAIR: Senator Watt, we need to move to Senator Di Natale.

Senator WATT: Senator Gichuhi, I've only just started questions on this topic. Am I going to be able to resume that?

CHAIR: I'm not sure. We need to finish this at the latest 5.50, so I need to give them a bit of time.

Senator WATT: With respect, there are three senators who rolled in here 20 minutes before the end of this section.

Senator DI NATALE: Hang on, I've been here for—

Senator WATT: You've been in and out, admittedly.

Senator DEAN SMITH: To be fair, they had foreshadowed their interest in this outcome prior to today's Senate estimates, which is part of the—

Senator WATT: I understand that, but—

Senator DEAN SMITH: It's not just your committee.

Senator WATT: I know that, but three people rolled in with 20 minutes to go and expected to run the rest of the program.

Senator RICE: Come on! We came in when the outcome came on.

Senator WATT: If we could go a bit further on outcome 2, that would be a good outcome, but we do need more time here.

CHAIR: As long as we get questions for outcome 3. We can start them at 6 but will finish at 6.30—that is, sports and recreation. That way we'll be able to get 15 extra minutes for outcome 2, in which case I'll go to Senator Di Natale and then we'll get back to you. We'll come back to you when we are finished, but for now we'll go to Senator Di Natale.

Senator DI NATALE: I'm happy for Senator Griff to go first and I'll go on the back of Senator Griff.

CHAIR: In five minute, unless you put them on notice, because we can't accommodate all of them. Did you want to put them on notice?

Senator GRIFF: No, I'm not going to put them on notice.

Senator DI NATALE: That's okay. Senator Di Natale.

Senator GRIFF: How does that work?

Senator DI NATALE: You want me to go?

CHAIR: Yes.

Senator DI NATALE: I want to ask questions firstly on DrinkWise and prevention. When did discussions with DrinkWise commence to provide funding for their alcohol and pregnancy campaign?

Dr Studdert: So your question was: what date did the discussions start with DrinkWise—

Senator DI NATALE: Yes.

Dr Studdert: about funding for that?

Senator DI NATALE: For their alcohol and pregnancy campaign.

Mr Laffan: I don't have a specific date in relation to conversations that were had with DrinkWise in relation to the funding, but I can tell you that we received an unsolicited proposal from them. I'd have to take on notice the date that was received.

Senator DI NATALE: Tell me about the process for awarding funding to DrinkWise. You got an unsolicited proposal—

Dr Studdert: And then we provide advice to the minister about that, and the decision is made by the minister.

Senator DI NATALE: So there was no tender, no open process, no—

Dr Studdert: Not in this case.

Senator DI NATALE: This is an industry-funded body. They sent you a proposal to run a campaign. And you basically just accepted it, holus-bolus?

Dr Studdert: No. We review the proposal, and, as I said, we provide advice on the basis of the proposal—the evidence that underpins it; the value-for-money proposition—and that is considered by the minister.

Senator DI NATALE: That's pretty remarkable. So the process for what is a very critical public health measure—that is, to run health promotion campaigns, and, obviously, around labelling—was an unsolicited proposal from DrinkWise. The department didn't seek to open, or had not—

Dr Studdert: To give the full picture, there are other unsolicited proposals, including in this space, that we have funded over time.

Senator DI NATALE: Talk me through the process of this specific unsolicited proposal.

Mr Laffan: As Dr Studdert has said, the proposal was received, and advice was provided by the minister, who—

Senator DI NATALE: Can you get the date from one of your officers? That should be available—

Dr Studdert: We can certainly endeavour to do that.

Mr Laffan: We can seek to do that.

Senator DI NATALE: Sorry; continue on. You received the proposal. What happened next?

Mr Laffan: We provided advice to the minister in relation to that proposal, and the minister made a decision on funding in relation to DrinkWise—

Senator DI NATALE: Tell me what—

Mr Laffan: and, at the same time, provided some additional funds to the Foundation for Alcohol Research and Education in relation to the Women Want to Know and Pregnant Pause campaigns.

Senator DI NATALE: Tell me: what were the proposals? What was the proposal from DrinkWise?

Mr Laffan: I don't have the details of the specific proposal here with me—just what the outcome of the minister's decision was.

Dr Studdert: It was an education campaign for GPs' surgeries, wasn't it?

Mr Laffan: Part of it was an education campaign. It was developing some video content, rolled out and integrated with the Red Dust Role Models education program and strong young men program in relation to educating people on FASD, and video media across a thousand regional and remote primary care sites, supplemented by resources for GPs and staff.

Senator DI NATALE: Were other health promotion organisations with perhaps a bit more experience in this space considered, to roll out those programs?

Dr Studdert: I think, as Mr Laffan mentioned, in recent times there has also been money funded to FARE, which also works in this space.

Senator DI NATALE: No, but for this specific initiative—this is a proposal, to roll out a specific intervention, by an industry-funded body; was any consideration given to saying: 'Hang on. On this intervention, we're going to consider opening this up to other people with specific expertise in this area'?

Mr Laffan: As part of the same decision, as mentioned, the Foundation for Alcohol Research and Education were funded to continue their campaigns.

Senator DI NATALE: Separately—that's a separate issue. I'm talking about this proposal from an industry-funded organisation, and you've given them more money.

Dr Studdert: But, to go back to the point I made earlier: where we provide advice to the minister, it will also include advice on what other initiatives in a similar space are funded, and whether this fills a gap that's not currently funded. That's part of the picture that is provided, and the information—

Senator DI NATALE: So can I take it that other health promotion organisations with specific experience weren't considered to roll out this program?

Mr Laffan: There was no decision to fund any additional organisations.

Ms Beauchamp: We would have assessed this proposal on its merits and provided that advice to the minister.

Senator DI NATALE: Is it fair to say that, of the campaign, one of the specific target groups is Aboriginal and Torres Strait Islander peoples?

Mr Laffan: Yes.

Ms Beauchamp: Yes, that's correct.

Senator DI NATALE: For what reasons would you choose to give money to an industry-funded body? The alcohol industry funds DrinkWise. You're giving money to run an intervention targeting Aboriginal communities. Why wouldn't you invest in NACCHO, the Menzies School of Health Research, the Ord Valley Aboriginal partnership, the Telethon Kids Institute, Health Promotion Resources or other organisations who've got a proven track record in this area, rather than giving more money to an industry-funded group with no proven track record in this area?

CHAIR: Senator Di Natale, you're coming to the end of your time.

Senator DI NATALE: I've just started.

CHAIR: I know, but the reality is: it's just five minutes each.

Dr Studdert: Would you like me to—

Senator DI NATALE: Well, it would be nice to have an answer to a question. I'm not saying it's your—

Dr Studdert: I will continue to provide the same advice, which is that, on many occasions, we get unsolicited proposals, and we provide advice to the minister.

Senator DI NATALE: So if I write to you and say, 'Give me some money because I want to run a program in an Aboriginal community,' you don't think, 'Perhaps we might give that money to somebody with a proven track record of doing it'?

Dr Studdert: That would be part of the advice that we would provide—who else is working in this space, what the other programs are and what the opportunities are.

Senator DI NATALE: So would you suggest there are other bodies that are more suitable to running or to implementing a program like this?

Dr Studdert: I couldn't say that right here and now because I don't have that information at hand.

Senator DI NATALE: Mr Laffan?

Mr Laffan: As part of the approval process, there is a clause in the contract with DrinkWise which requires that all resources developed under that funding agreement are reviewed for clinical accuracy prior to the department's approval.

Senator DI NATALE: What consultation was undertaken with Aboriginal and Torres Strait Islander peoples in the development of this resource?

Dr Studdert: That would've been part of the agreement with the organisation in developing the proposals.

Senator DI NATALE: I'm asking specifically: given that you've given money to an alcohol-funded industry group to work on interventions in Aboriginal communities, what consultation took place?

Dr Studdert: We would put it to the organisation that they would, in developing the materials and the program, work with—

Senator DI NATALE: Did they provide that as part of the proposal?

Dr Studdert: It would've been part of their proposal, I would expect, but I'd be happy to check.

Senator DI NATALE: I wouldn't expect you to give money to an industry group in this way, so just to say that you 'expect' this is what happened is not good enough. Did it happen?

Dr Studdert: I would be happy to take that on notice and get you some further advice.

Senator DI NATALE: In 2018, DrinkWise had to recall a national campaign from GPs' surgeries after groups such as the AMA and the Foundation for Alcohol Research and Education raised concerns that the campaign was misleading. Is that the sort of track record that an organisation has to have for you to be able to fund it?

Dr Studdert: That's an opinion, Senator. I don't—

Senator DI NATALE: Well, I'm asking—

Senator McKenzie: You're asking the official for an opinion. That is her answer, Senator Di Natale.

Senator DI NATALE: No, hang on. You're saying that this was an unsolicited proposal from an industry-funded lobby group. They have a track record of running misleading campaigns—so much so that posters put up in GPs' surgeries had to be recalled. And you've given them more funding?

Ms Beauchamp: We said we'd take the issue on notice. The proposal would have been assessed on its merits, and we would have provided advice to the minister, and the government has decided to fund the proposal that was provided to us.

Senator DI NATALE: Did you provide the minister with evidence—or perhaps I'll rephrase that, because you're unlikely to tell me what you've told the minister. Was the provision of dangerous health advice raised with DrinkWise prior to awarding them a quarter of a million dollars of public money?

Dr Studdert: I think, as Mr Laffan explained, it was required of them in the funding agreement that all the information that was going to be used had to be reviewed and shown to be clinically sound, and that was the agreement—that we had to review it and sign off on it before it was released.

Senator DI NATALE: They'd run a misleading campaign. The AMA said it was 'fundamentally incorrect'. We had to withdraw posters from surgeries. How does that recommend an organisation to get more government funding?

Mr Laffan: I think it's also worth noting here that the criticism in the media for the projects for those posters happened on 28 August and the funding for DrinkWise was provided prior to that.

Senator DI NATALE: The campaign was running well before the funding was withdrawn. Do you agree with that? The issue was raised well before 28 August.

Mr Laffan: Sorry, Senator—

Dr Studdert: I think we would have to take it on notice to review the time line of events there.

CHAIR: May I ask at this point, what other funding has previously been provided to DrinkWise by previous governments?

Mr Laffan: Previous funding for DrinkWise: in 2012 the Australian government contributed $600,000 for point-of-sale education material to highlight the message that it's safest not to drink while pregnant as a one-off grant. Between 2002 and 2006 the Australian government contributed $5 million to DrinkWise to develop alcohol education programs, in particular the Kids Absorb Your Drinking campaign.

Senator SINGH: I want to ask about this Roundup glyphosate situation. You're aware of the court case in the US that's triggered concerns about glyphosate as carcinogenic. I understand the food standards code—

Senator DI NATALE: Sorry, that's not here. That's FSANZ. We're doing prevention now, is that right?

Senator SINGH: It's 2.4.

Senator McKenzie: FSANZ is within the prevention, outcome 2—

Senator SINGH: Yes, it's prevention—

Senator DI NATALE: No—

Senator SINGH: It's in 2.4.

Senator DI NATALE: We were on preventive health and chronic disease sport. I thought we were leaving the FSANZ questions until later?

Senator SINGH: You keep going then, Senator Di Natale.

Senator DI NATALE: I think Senator Griff had some questions.

Senator GRIFF: Okay, I'll go. I'd like to ask questions about the National FASD Strategy 2018 - 2028, which is kind of an interesting name for a strategy when the consultation on the updated strategy concluded last year and no further information has since been released. Given we're nearer the end of 2018, when will the National FASD Strategy 2018 - 28 be finalised?

Mr Laffan: The FASD strategic action plan has been through, as you say, the consultation and other stages of development and is currently being considered by the Ministerial Drug and Alcohol Forum out of session. We hope that that FASD strategic action plan is finalised very soon.

Senator GRIFF: It concluded last year. I know certain things are out of your control, but it is a strategy for the years 2018-28, so how long is soon do you anticipate?

Mr Laffan: Of course it's up for a decision for the ministers that form part of that forum. But we would anticipate that it would be out in 2018.

Dr Studdert: I think that's a commitment they've made in previous communiques from their meetings that that was their intention.

Senator GRIFF: Are you aware if the national action plan will incorporate any of the 19 recommendations from the 2012 House of Representatives inquiry into FASD?

Mr Laffan: Certainly, the work from the 2012 inquiry's ongoing. There was an action plan that was a budget measure in 2013 in relation to FASD that picked up a lot of those recommendations. That work continued through the budget measure that was announced by government in 2016, and I would see the FASD strategic action plan as the next step in advancing that work.

Senator GRIFF: Has any new funding been attached to the delivery of the strategy?

Mr Laffan: Not at this time.

Senator GRIFF: But you believe—

Dr Studdert: You would anticipate funding to be made in the process of finalising the strategy and releasing it and that would be a matter for all governments not just federal.

Senator GRIFF: In the interests of time I'm going to skip around a couple of areas. I have a couple of questions in relation to vaping. Has there been any research undertaken to look at whether vaping by young adults is a gateway to smoking tobacco?

Dr Studdert: I believe there's a very active body of research on this, and I'm sure my colleague can talk a bit about some of the more recent pieces of research, including quite a significant piece done by the CSIRO. And, yes, certainly the impact on young people and the risk to young people is one that's a very active consideration.

Mr Laffan: In relation to the CSIRO, just as a summary, they said that evidence consistently suggests that the use of e-cigarettes by non-smoking youth predicts future smoking. Another piece of evidence from the United States National Academies of Sciences, Engineering, and Medicine that was released in January 2018 concluded that there was substantial evidence that e-cigarette use increases the risk of ever using combustible tobacco cigarettes among youth and young adults, and moderate evidence that e-cigarette use increases the frequency and intensity of subsequent combustible tobacco cigarette smoking.

Senator GRIFF: Is there any health based regulation in Australia on the flavour compounds permitted to be used in vaping products?

Mr Laffan: Not specifically in relation to e-cigarettes, no.

Senator GRIFF: So there aren't any restrictions at all on the flavour compounds that can be used in any form of vaping product?

Mr Laffan: No. The restrictions are in relation to scheduling of nicotine.

Senator GRIFF: Is the department planning on commissioning any research into the possible harms of flavoured compounds in vaping?

Mr Laffan: That was one of the recommendations of a Senate committee I think recently—that the Australian government establish a regulatory process for assessing and, if necessary, restricting colourings and flavourings used in electronic cigarettes. The department is currently preparing the response for government's consideration there.

Senator GRIFF: That's all I have for 2.4.

CHAIR: We will go to Senator Rice on food standards, then Senator Waters on food standards. Then we will come back to Senator Leyonhjelm and Senator Singh. Hopefully we'll be done by 6.15.

Food Standards Australia New Zealand

[17:52]

Senator RICE: My questions are for FSANZ. In August 2016 FSANZ held a workshop with states and territories regarding new breeding techniques. There were some talking points for that workshop which stated that, from a scientific and safety perspective, we're quite comfortable with foods derived from those types of techniques not having to undergo pre-market assessment and approval, given their similarity to conventional food products. Is this still the position of FSANZ on these new breeding techniques?

Mr Booth: I'll pass over to Dr Crerar in a second, but, essentially, we've been doing a significant amount of work on new breeding techniques over the last year or so. We've gone out and been doing consultation on exactly the issues you have talked about. We did a big series of consultations earlier this year, and earlier this year we produced a summary of submissions to a discussion document on new breeding techniques. We have not made any decision as yet, because it's not been to our board, but that summary of submissions is in the public domain and we're continuing to work on that. I'll ask Dr Crerar if there is anything to add to that.

Dr Crerar: In relation to your question, the scientific conclusions from that workshop and the consensus were in general that some of these techniques, from a risk basis, possibly in the future didn't have to be encompassed in a pre-market safety assessment. But, as Mr Booth has said, we have not come to any decisions on what sorts of techniques would be captured in a standard going forward at this stage. We have had lots of discussions, and so we're working on possible options at this stage.

Senator RICE: So for some of those techniques you would stand by the statement that you are comfortable with them not having to undergo premarket assessment and approval?

Dr Crerar: From a risk perspective, yes. But obviously there are other factors that come into that, in terms of perceptions, stakeholder views and, importantly, the jurisdictional comfort with how we would capture some of these techniques.

Senator RICE: I presume that FSANZ is aware of the recent European Court of Justice decision that ruled the new GM techniques pose similar risks to the older GM techniques and need to be assessed for safety in the same way?

Dr Crerar: We are.

Senator RICE: In terms of these GM techniques, how does that influence you in the regulations and labelling that would be required?

Dr Crerar: Obviously, we look at what's happening throughout the world in terms of decisions of that nature—how other bodies and agencies are regulating the particular area. We do still have a labelling regime. If it is considered a GM food captured for premarket assessment, it needs to be labelled if it does have foreign DNA or protein in the food product. That is the case, and we haven't changed that as of yet.

Senator RICE: Have you reviewed your position on new GM techniques since the European Court of Justice decision?

Dr Crerar: We haven't reviewed it in direct response to that decision but, as I said, we will take that into account in terms of what options we go forward with.

Mr Booth: That's the purpose of the work that we've been doing, which is this review. We've been out to ask communities and different groups what their views are to inform a decision going forward, but we've not actually made any decisions yet.

Senator RICE: And you haven't done an internal review in response to that CJ decision?

Mr Booth: No, because it's been part of the NBT work that is ongoing, and we expect something more to come out of that possibly in the first half of next year.

Senator RICE: If you went down the path of potentially deregulating these foods—as you said, you're comfortable that some of them wouldn't need to be assessed—would you therefore be comfortable they wouldn't need to be labelled as GM?

Mr Booth: I think that's bit of a hypothetical at the moment. I guess our position is that we're doing that work, we are taking the work that we've done to the FSANZ board, and we'll be having a discussion with them. It's difficult to give a hypothetical as of where we would head without doing that.

Senator RICE: But you said that you were comfortable with some of them not having to undergo further premarket assessment and approval, essentially saying that they aren't recognised as GM foods.

Mr Booth: I'm saying—and to reiterate what Dr Crerar said—that is one of the positions that has come out on a risk assessment basis but there are a whole host of other issues to take into account. And that's the work that we're doing at the moment. So nothing has changed. We're doing the work at the moment to actually look at the NBTs.

Senator RICE: Do you agree that by doing that work and heading down the track of basically saying that at least some of them would not be recognised in Australia—they wouldn't have to be identified in Australia as GM—it could be very problematic in terms of the European Court of Justice saying that foods created with these gene-editing techniques would have to be labelled as GM? Isn't this going to interfere with our ability to export products, if they are not being labelled as GM in Australia?

Mr Booth: I think, again, it's a kind of hypothetical.

Senator RICE: It's not a hypothetical—

Mr Booth: You're taking a stance up-front, because we are not there.

Senator RICE: because you're saying, with at least some of these, your current position is that you accept they essentially don't need to be labelled.

Mr Booth: That's why we're doing the work at the moment, and we will take that position forward to see whether or not the board agrees with it.

Senator RICE: But do you agree that, if that were the case, it would be problematic given the decision of the European Court of Justice on labelling?

Mr Booth: I'm not saying anything until we've done the work on it.

Dr Crerar: Senator, could I add that if there were an importing country requirement for labelling then the exporting body or country would have to comply with it.

Senator RICE: Given that polling has suggested that over 90 per cent of Australians think all GM food should be labelled, if you go down the track of having some of these foods, which in Europe would have to be

labelled as GM, not labelled here, how does that fit with the key objective of the food acts, which is the provision of adequate information relating to food to enable consumers to make informed choices?

Mr Booth: Again, I think we're jumping ahead here, because we've not finished the work on NBTs that we set out to do some time ago, which followed on from the workshop that you're talking about. We've gone out, we've done public consultation, we've done a lot of talking to people. We've put those opinions and views up on the website. They're out there. And we're now doing the work to take it to the board to actually talk about these issues.

Senator RICE: Can you talk me through the timing, then, for when you're expecting to take it to the board and a final decision to be made?

Mr Booth: Well, I can't say when a final decision would be and where it goes afterwards, but we're certainly hoping to have a substantive discussion at our December board meeting, which is in early December, and we're looking to get something out, potentially, in the first half of next year.

Senator RICE: What's the process once it goes through your board, as to whether your recommendations get adopted?

Dr Crerar: In terms of wanting a steer from the board, a direction, in terms of, I suppose, where they want to go with options in this area. Then we would have to raise a proposal through our statutory requirements, if there are going to be any changes to standards, and then that would be the subject of public consultation. That could be a number of rounds of consultation. In that sense, we're not too sure of the time frame, but, pending the board saying they're happy with us to go with options, it would be some time in the first half of next year we'd have some initial consultation.

Senator RICE: And then, depending on how that went, your timing would then develop from there.

Dr Crerar: Yes.

Senator RICE: Thank you, Chair.

CHAIR: You're welcome. Senator Waters.

Senator WATERS: Thank you, Chair. I've got some questions about maternity services. I don't think that's you guys. Do we have the folk in the room?

Ms Edwards: Fire away.

Senator WATERS: Thanks. The 2008 national review of maternity services showed that women want access to primary midwifery care as close to home as possible. Can you provide me an update on what you're doing to advance that?

Ms Edwards: What the Commonwealth is doing at the moment is convening the development of a national strategic approach to maternity services, and that's part way through development at the moment. There's been a big consultation process happening, and there was a discussion paper, which you might have seen, Senator, which raises issues such as continuity of midwifery care and so on.

Senator WATERS: That's the primary way through which you are progressing the earlier—

Ms Edwards: That's our primary activity: having a big consultation with states and territories and with stakeholders in order to come up with a national strategy. The primary responsibility for maternity services lies with the states and territories.

Senator WATERS: Moving to NSAMS, the national strategic approach, does that include a review of funding or is it merely structural: who's going to do what in the future?

Ms Edwards: It's not really about funding. I'm just looking for the correct words in my briefing. It's to provide an overarching national approach to maintaining Australia's high-quality maternity care service and work towards further improvements in line with contemporary practice, research and international developments. It's being led by the chief nurse, so it's really got to do with clinical services, the views of obstetricians, midwives, other industry and, in particular, women and their families.

Senator WATERS: I do have some questions about consultation, but, sticking with the document itself, if it's about the future direction of maternity services, how come it doesn't include funding considerations?

Ms Edwards: It's about clinical services and what good practice is. The discussion paper collected all the data and so on.

Senator WATERS: Again, why is it not considering the funding for those—

Ms Edwards: Funding is a matter for states and territories—how services are funded, including maternity services. What this is about is bringing together expertise and the experience of women for the best way to deliver those services.

Senator WATERS: Okay, but the Commonwealth does play a role in funding.

Ms Edwards: Well, we provide funding through the MBS and PBS systems and through hospitals. But, really, these sorts of issues are primarily matters for states and territories. We work with them through the intergovernmental arrangements. We don't purport to tell them how to do it, but we do want to collect the evidence.

Senator WATERS: Was that decision for this national strategic approach to not include funding issues a decision of you or of government? Who made that call?

Ms Edwards: It was set up by the Australian Health Ministers' Advisory Council, so a collaboration of all states and territories and the Commonwealth.

Senator WATERS: I'll ask some questions on notice about that particular aspect. I'm advised that currently a small number of hospitals have an exemption to be able to bill Medicare for services provided for maternity care. Has the government considered expanding this exemption to all sites offering primary maternity care?

Ms Edwards: We're not aware of the detail of those exemptions. We're aware there is scope for—

Senator WATERS: Section 19(2)?

Ms Edwards: Yes. That allows block funded institutions to also bill Medicare. But I'm not aware of the particular hospitals or the issues that are at play at the moment.

Senator WATERS: My question goes to whether there's consideration of expanding that. Who can avail themselves of that block funding?

Ms Edwards: I think that's probably dealt with by our colleagues whose deal with outcome 4, in relation to MBS, because it goes to that.

Senator WATERS: I will take it up with them; thank you. The feedback to my office about the consultation process that you mentioned earlier on NSAMS is that women want midwifery continuity of care—at least many women do—and obviously the Commonwealth has got a role to play in that through Medicare. But my understanding is there's no specific recommendations to expand Medicare access for midwives in the consultation paper. Why not? And is that issue coming up in the feedback? I'll have some more questions about the feedback that's been received.

Ms Edwards: I discussed this issue with the chief nurse the other day—she wasn't able to be here today. It's an issue raised in item 2.1 of the discussion paper, and it's an issue in the course of discussions. But we wouldn't want to pre-empt where we're going to go with the agreement on how the strategy works on that issue.

Senator WATERS: Can you tell me about the feedback that you're receiving so far on midwifery continuity of care through the consultation?

Ms Edwards: I can take that on notice; I'm not across the detail of that.

Senator WATERS: Thank you. Will there be any sort of summary of the public consultation and the feedback received, and will that be made public?

Ms Edwards: I'm sorry, I don't know the answer to that; I'll have to take it on notice. I think it will depend on the nature of the things people have said and the basis on which they've said it. You'd be aware there have been some focus groups of women; I doubt we'll be making public what particular women are saying. Perhaps we could take on notice to provide to you what's planned to do with the outcomes of the consultation. Obviously the outcomes will be reflected in the final strategy.

Senator WATERS: You'd hope so, yes.

Ms Edwards: But the extent to which it would be (a) appropriate and (b) intended to release it—

Senator WATERS: Surely it would be de-identified.

Ms Edwards: Yes.

Senator WATERS: I'm not suggesting that we reveal people's personal information, but certainly their views.

Ms Edwards: Yes.

Ms Beauchamp: We could look at that. I think there were 200 submissions and then there was another survey of another 535—a template-type approach. But we can look at consolidating and see what we can provide.

Ms Edwards: Yes, I think that sounds like it would be eminently reasonable. But I just don't want to speak for the chief nurse.

Senator WATERS: Thank you. I look forward to your advice both on how that feedback will be summarised and then whether or not that will be made available to the public as well as to someone like me, on notice. Can you tell me how consumers have been involved in this strategy and what the representation is of consumers on the respective committees?

Ms Edwards: Yes, I can. As I said, there have been focus groups which were held with women, trying to get a really grassroots approach; it was held around the country. In addition, perhaps I could table the list of people who have been on the committees—

Senator WATERS: Sure.

Ms Edwards: It includes, for example, Safe Motherhood for All, which is maternity consumers' group, the refugee and migrant research program, the Federation of Ethnic Communities Councils of Australia and a range of consumer groups.

Senator WATERS: Thank you. If we can have that tabled, I'd love to get a copy of that detail. Is it roughly an even split of consumers and other health practitioners? What proportion of those committee members could be classed as consumers?

Ms Edwards: I think the simplest thing would be to table the list. It was a very inclusive process.

Senator WATERS: You'll know a bit more about what category they fit in than I will, I fear—so your view would be helpful.

Ms Edwards: I'm not sure I would, actually, Senator; that's probably one of the issues here. But it's representatives of midwives, obstetricians, general practitioners, but also consumers. On the list I have here there are a range of people represented. There would be six or seven groups representing consumers.

Senator WATERS: Out of how many?

Ms Edwards: Out of about 20.

Senator WATERS: So roughly a quarter?

Ms Beauchamp: Why don't we table it?

Ms Edwards: Yes, I think we should table the document.

Senator WATERS: Will I be able to work it out?

Ms Edwards: As well as I am!

Senator WATERS: I'm happy to receive the document. Could you take on notice the proportion of consumers—

Ms Edwards: I will table the document. I would note that we haven't asked permission of the individuals who are named as the contacts. Would you like me to take the contacts off and give it to you without that part?

Senator WATERS: Whatever you consider appropriate. I won't share it around. Whatever the normal practice is fine.

Ms Edwards: It should be okay. I just mention that.

Senator WATERS: I'm also interested in whether you're weighing that consumer input to the same degree as other expert input on those committees? Is that weighted?

Ms Edwards: Again, this is a matter for the chief nurse, but we are weighing all views. All views are welcome. This is a matter of trying to find a way through that really represents all of the people involved, from specialists through to women having babies.

Senator WATERS: Can you tell me about the time frame? When will this consultation be finished? When will it progress to the next stage?

Ms Edwards: I think the consultation has concluded. And the report is expected—

Ms Beauchamp: Sorry, there's further consultation.

Ms Edwards: Yes, until October-November, and then the report is due to be concluded in late 2019.

Senator WATERS: Late next year?

Ms Edwards: Yes.

Senator WATERS: Goodness. That seems like an awfully long time to finish a report.

Ms Edwards: July 2019, I beg your pardon. But, still, it goes back through all the states and territories and so on. This is a collaborative effort. Those processes are significant.

Senator WATERS: Will the report be the thing that—

Ms Edwards: The strategy will be agreed. That is the intention of all states and territories.

Senator WATERS: So the strategy itself will be completed in July 2019?

Ms Edwards: We expect it to be completed by then. Obviously, there are processes.

Senator WATERS: Thank you. I'll pop some more questions on notice.

Senator LEYONHJELM: Good afternoon. You may have to help me as to the scope of your responsibilities. My understanding is you regulate imported food but not domestically produced food—is that right?

Mr Booth: We're not regulators; we're standard-setters. We don't do the regulation. In terms of responsibility for imports, it would fall to Agriculture and Water Resources.

Senator LEYONHJELM: And Biosecurity. They take advice from you on keeping food safe?

Mr Booth: They take advice from us in terms of food that comes in. We set a number of markers, I guess, in terms of food that comes in. Yes, we provide that advice.

Senator LEYONHJELM: Would it be true to say that imported food is more likely to be safe than domestically produced food because of the work you do?

Mr Booth: No. We set standards for food and the standards for domestically produced food need to reach our standards, just as much as imported—

Senator LEYONHJELM: They would be the same, you think?

Mr Booth: I had a feeling that might be the case. That ruins my line of questioning. I want to have a quick follow-up on the vaping questioning from earlier, if I can, please.

Ms Beauchamp: Do we need FSANZ anymore?

Senator LEYONHJELM: I don't need FSANZ anymore. No-one else does.

Senator WATT: I will put some things on notice.

Senator LEYONHJELM: There are a couple of aspects in response to your answers to Senator Griff—particularly your response, Mr Laffan, and your concerns about e-cigarettes being a gateway to smoking. Do you think the health authorities in countries which have approved e-cigarettes have got it wrong, because they take a different view?

Dr Studdert: Senator, I think you're asking for an opinion from my officials. There are, as you would know, evidence reviews that frequently arrive at different conclusions, but at this stage, for Australia, we are working off the NHMRC's considered advice, and that has been updated. We have continued to pursue active engagement with the research literature. We're reviewing the CSIRO data, and the minister has indicated he continues to ask for more data and literature and to review that as it becomes available.

Senator LEYONHJELM: Yes, I'm aware of all that. The National Health Service in the UK is actively encouraging smokers to take up e-cigarettes as a quitting device. I was wondering whether you think that would be an appropriate policy for Australia.

Dr Studdert: To be promoted as a quitting device in Australia would mean it would have to be reviewed by the Therapeutic Goods Administration and registered on the Australian Register of Therapeutic Goods as a therapeutic product, with evidence to support its effectiveness as a quitting mechanism.

Senator LEYONHJELM: Has it been through that process in the UK?

Dr Studdert: I believe the MHRA—which, if I recall correctly, is the TGA equivalent—has approved one device or product as a therapeutic product for quitting purposes.

Senator LEYONHJELM: Would that process be relevant to how it would be approached here?

Dr Studdert: Australia has its own processes. I'm sure you could talk to my colleagues from the TGA later about how we cross-reference and keep an eye on and in some cases use evidence from other regulators and their reviews of products. But to be on the Australian Register of Therapeutic Goods it would have to go through the Australian process.

Senator LEYONHJELM: Is it your view, Dr Studdert, or your colleagues' view that the major tobacco companies have a dominant role in the e-cigarette market?

Dr Studdert: I wouldn't want to express a view. I think they've made it very clear that they do have a role and have been actively engaged in conversations and promotions given that role.

Senator LEYONHJELM: Relative to their role in selling tobacco products, do you have a view as to whether it's greater or lesser than in e-cigarettes?

Dr Studdert: Their role?

Senator LEYONHJELM: Or their share of the market.

Dr Studdert: Again, you're asking me and my colleagues for a view, and we can't give that. I'm not quite sure how I would assess that.

Senator LEYONHJELM: You haven't looked at that—okay. I'm just wondering whether you are under the impression that the tobacco companies dominate the e-cigarette market in any countries or internationally or whatever. I'm just wondering whether that's a perception that is common in the department.

Ms Beauchamp: I don't think we would offer a view. Obviously there's a lot of research going on, so we'd have to draw on the evidence. So why don't we have a look at what the evidence is and what research is being done in this regard? I think views and perceptions are not something that we should offer any comment on.

Senator LEYONHJELM: Okay. It's just that I have heard that view expressed, and it seems to have been sourced from your department. I guess I'm just wondering whether it has ever occurred to you folks in the department that, for every month, year or whatever that e-cigarettes are not available in Australia, the tobacco companies make more money. In other words, their share of the e-cigarette market is substantially less than their share of the tobacco market. Obviously, if you add them all up, their share of the tobacco market is 100 per cent. They have less than half of the e-cigarette market. So preventing people from switching to e-cigarettes is, in fact, assisting the tobacco companies to sell their products. I wonder whether that's ever been a consideration or has ever been talked about in the department.

Dr Studdert: Our assessments and advice to government are entirely based on the public health evidence that is available and, as I said earlier, is reviewed on a regular basis. Obviously, the role of tobacco companies has been prominent in much of what the department has done over the years in relation to tobacco control, but I don't think it's a consideration in terms of the public health advice we provide to government as to the harms, benefits or otherwise of tobacco-related products.

Senator LEYONHJELM: I anticipate e-cigarettes will be widely available in New Zealand soon. I know there was some discussion about whether that's still going to occur, but I understand that it will occur. What's your impression of the enforceability of the current prohibition on e-cigarettes in Australia if they are widely available in New Zealand?

Dr Studdert: Just to clarify, the position for the Australian government is the regulation of nicotine. Somewhat in contrast to the New Zealand situation, there is also a lot of regulation around e-cigarettes in the states and territories.

Senator LEYONHJELM: By state governments, yes.

Dr Studdert: So there would be a dual role in consideration here. For the Commonwealth, the importation of nicotine would have to be something that would be under prescription, other than for a limited amount of personal use.

CHAIR: Senator Leyonhjelm, you have two minutes.

Senator LEYONHJELM: Okay. This is my last question. My question was around enforceability. Have you turned your mind to enforceability if they're widely available in New Zealand?

Ms Beauchamp: Are you talking about the nicotine based e-cigarettes?

Senator LEYONHJELM: Nicotine based e-cigarettes.

Ms Beauchamp: I think we would have to rely on the current regulatory arrangements through Home Affairs, Border Force and border protection.

Senator LEYONHJELM: All right. I will leave that there.

Senator DEAN SMITH: Chair, if the committee is in agreement, I propose that we deal with outcome 3 now, given that Senator Farrell is here, and proceed perhaps a little into the dinner break and then, after bringing that to conclusion, come back to outcome 2 first up after dinner.

Senator WATT: I'm happy with that, and I'm happy to flag that the only remaining outcome 2 questions we have will be about the Cancer Screening Register.

Senator DI NATALE: I have a couple more prevention questions.

Senator WATT: Yes, I think Senator Di Natale has other questions, which he may or may not wish to flag. It's up to him.

Senator DI NATALE: Yes, I have some prevention questions when we come back.

CHAIR: We will go to outcome 3 now, and then, when we come back after dinner, we will go back to outcome 2.

Senator DI NATALE: Great.

Ms Beauchamp: Chair, can I just confirm that the Independent Hospital Pricing Authority and the National Health Funding Body will not be required?

Senator WATT: We had intended to ask them questions, but, given the time, we're going to have to let that go and put some things on notice instead.

Ms Beauchamp: Also, there were health workforce issues under program 2.3?

Senator WATT: The same. From the opposition, we're going to have to let that go as well.

Ms Beauchamp: Thank you for the clarification.

[18:23]

CHAIR: So we are on outcome 3.

Senator FARRELL: Thank you for the cooperation of the committee to bring on sport before dinner. I will try to be as brief as I can be.

Senator McKenzie: My favourite shadow minister! We like each other. He said so in his press release.

Senator FARRELL: I just want to thank all of the agencies who are coming in as we speak and the officials for making yourselves available and for the hard work that you've been doing since the last round of estimates. Minister, we finally have a sports plan.

Senator McKenzie: We do. I promised you would have it before the next estimates

Senator FARRELL: Yes, you did.

Senator McKenzie: And I love that you have brought it along.

Senator FARRELL: You have delivered, so congratulations.

Senator McKenzie: Thank you, Senator Farrell.

Senator FARRELL: I just want to indicate that I think most people, including me, would broadly agree with the plan's strategic priorities and its target outcomes. My questions will be in relation to how those objectives will be achieved.

Senator McKenzie: Yes, sure.

Senator FARRELL: I would like to start by referencing the fact that you've announced this morning a $50 million high-performance sports funding for over two years.

Senator McKenzie: Yes.

Senator FARRELL: I note that it's on the same day you're moving to Indi to take on Cathy McGowan.

Senator McKenzie: Yes, I'm going home, Senator Farrell.

Senator FARRELL: I know.

Senator McKenzie: Born and raised.

Senator FARRELL: I think you were born there.

Senator McKenzie: I was born in a little town called Alexandra, and I grew up in Benalla.

Senator FARRELL: I just thought you would like to use this audience to perhaps make a formal announcement or an indication—

Senator McKenzie: Thank you for the opportunity, but I think there's been enough commentary. I am looking forward to going home as soon as possible.

Senator FARRELL: So the story is accurate? It's true?

Senator McKenzie: Yes. I am heading to Indi, with my office set up in Wodonga, and I'm looking for some digs.

Senator FARRELL: Very good.

Senator WATT: Sophie Mirabella had a house there. You might be able to grab that one.

Senator McKenzie: Senator Watt, do you have somewhere to be?

Senator FARRELL: Your announcement about the $50 million worth of high-performance sports funding came hours before the Olympic Committee with Matt Carroll made his address at the National Press Club this afternoon. I noticed you were at that event.

Senator McKenzie: Yes.

Senator FARRELL: Matt Carroll called for an extra $60 million per year—not over two years—to be invested in the Olympic and the Paralympic sports. With respect to your $50 million that you announced this morning, did you discuss that with Prime Minister Turnbull?

Senator McKenzie: We made a decision, as a government, to invest an additional $50 million into high-performance sport in order to assist our elite athletes and our national sporting organisations in their bid for the Tokyo 2020 Olympics. Bear in mind that at the budget we also announced a suite of initiatives around strengthening community participation. I note that Matt Carroll also notes the AOC supports that dual role of sport in our—

Senator FARRELL: I'm just talking about this $50 million. Was that discussed with Prime Minister Turnbull?

Senator McKenzie: The $50 million that we announced was part of our budget bid going into the budget this year.

Senator FARRELL: So you say this is money that's already in the budget? This is not new money?

Senator McKenzie: This is new money. This is a new $50 million, in addition to the $100 million we give every year.

Senator FARRELL: Yes. My question is a simple enough question: did you discuss the $50 million proposal with Prime Minister Turnbull?

Senator McKenzie: It was provisioned for in our budget.

Senator FARRELL: You say it's already in the budget. Therefore, it's not any new money. If it's in the budget—

Senator McKenzie: It wasn't around prior to our budget. For instance, high-performance funding in this country gets an ongoing provision of close to $100 million per annum, year in, year out, for them to do their business. We decided, as a government, given the need to inject some money into support our Tokyo 2020 bid, that some additional resources were required, and that was done within the budget context this year.

Senator FARRELL: So your announcement today was not new money; it was money that was previously announced in the last budget?

Senator McKenzie: It was part of a decision taken but not yet announced. It was the announcement of a decision taken in the budget, but, if you go through the budget papers, there's a provision for decisions taken but not yet announced. This $50 million was part of that.

Senator FARRELL: Why did you wait until today to do it? Did you know Mr Carroll was going to make his comments about lack of funding in sport?

Senator McKenzie: I've been in discussions with national sporting organisations since the budget. I knew that they needed that funding prior to the end of the year, so I found an appropriate time in my diary and an appropriate time in the athletes' diaries. You will note, Senator Farrell, who else was at that announcement this morning: our Paralympic Committee, the Australian Olympic Committee, the Chair of Sport Australia and the federal government.

Senator FARRELL: Yes.

Senator McKenzie: To actually get all of those people at the same place at the same time, with our Olympic athletes and with the rowers from Canberra Grammar School, required a bit of diary juggling, but we got it done.

Senator FARRELL: I can see, by the smile on your face, that even you know that it was a funny—

Senator McKenzie: I think it's a great announcement, Senator Farrell.

Senator FARRELL: I'm not complaining about the announcement. I know everybody in sport is desperate for some funding.

Senator McKenzie: Yes.

Senator FARRELL: I get that. I will leave it at this, but I think it's a strange coincidence that, on the day that Matt Carroll comes to Canberra to tell people that there's a lack of funding in sport, you make an announcement which—

Senator McKenzie: Which was a decision taken in May.

Senator FARRELL: I get that. Of the $50 million that you've announced today, there was $19.8 million in the budget set aside as an exemption from the efficiency dividend. Is this $50 million inclusive of that $19.8 million or in addition to?

Senator McKenzie: This is additional funding. This has nothing to do with the efficiency dividend. This is $50 million—$25 million this year and $25 million next year—given to Sport Australia to give to our national sporting organisations to assist them with our Tokyo 2020 campaign.

Senator FARRELL: In the media release, you broadly mentioned AIS initiatives, programs and supplementing existing high-performance grants. Ms Palmer, could you perhaps provide a more detailed breakdown of exactly how much funding will be provided to which sports and which activities or initiatives with this $25 million each year for the next two years?

Ms Palmer: The decisions around any additional investment in sports have not been decided as yet, and need to be approved by the minister, so I can't provide details on that. One of the really critical pieces that we funded through that is our athlete wellbeing and engagement program. It's one of the most critical programs. We're investing significantly, actually four-fold, into that program across the nation and putting resources into a range of sports to help athletes, especially in the mental health space—I think that's one of the really key investments—but also in solving some of the performance problems that sports have in the technology and innovation area. They're some of the key examples that we will be investing in.

Senator FARRELL: Okay. Do you have a proportion that would be allocated to both of those two areas that you've just mentioned?

Ms Palmer: No, we don't. It's based on our strategy and priorities. A new investment model will look at what core funding is required, then funding that's needed to meet requirements for Tokyo and then beyond that into Paris.

Senator FARRELL: Will any of the money go directly to athlete support grants?

Ms Palmer: It's unlikely it will go to dAIS funding. At the moment, dAIS funding is at $12 million annually. Where the grants are provided, that would go to sports to provide for their high-performance programs.

Senator McKenzie: Under dAIS we're currently supporting 934 athletes with that ongoing funding piece I talked about earlier.

Senator FARRELL: But none of this new money—or this reannounced money—

Senator McKenzie: It's not reannounced, Senator Farrell.

Senator FARRELL: No, first announcement—

Senator McKenzie: A decision was taken in the budget and we announced it today to much acclaim.

Senator FARRELL: We are limited in time, so we won't go over ground already covered, thanks, Minister. How much will go to Paralympic or other disability sports?

Ms Palmer: Again, that will be decided through the allocation of the investment model that has not yet been approved. But, certainly, Paralympians receive the same amount of dAIS funding, the athlete funding, but it depends on the disciplines that are being represented in Tokyo.

Senator FARRELL: It was terrific to see all those athletes at the Invictus Games on Sunday afternoon, wasn't it, Minister?

Senator McKenzie: Yes, it really was. I think, since we last met, Senator Farrell, the inclusion of our para-athletes in the Commonwealth Games piece was incredibly inspirational. It is a key component of this funding, and it will be appropriated to both.

Senator FARRELL: I appreciate that. I take it, Ms Palmer, that, when you finally decide how this $25 million per year for the next two years is going to be spent, the minister has to approve that allocation?

Ms Palmer: Yes, that's correct.

Senator FARRELL: Do you have a time frame for that?

Ms Palmer: Next week.

Senator FARRELL: Next week!

Senator McKenzie: No.

Ms Palmer: The Sport Australia board approved the final investment framework at their board meeting last week, and now we'll prepare a report and brief for the minister to review.

Senator FARRELL: Let's hope it doesn't take as long as the sports plan to be approved.

Senator McKenzie: Well, I think it was worth the wait, Senator Farrell.

Senator FARRELL: Sorry, I don't want to encourage you to go off on a tangent. Mr Carroll mentioned no new funding announced with the launch of the sports 2030 plan, so obviously this is new money, although it came out of the budget. Recommendation 10 of the report of the review of Australia's sports integrity arrangements refers to allowing online in-play wagering. I won't read the particular section, but I'm sure you're familiar with that particular recommendation. Legalising online in-play sports betting and then taxing it, is that how you plan to fund future investment in sport, Minister?

Senator McKenzie: Well, Senator Farrell, I'd like to correct a couple of things you said. I don't necessarily agree with Mr Carroll saying that Sport 2030—which is a 13-year plan, quite frankly, around the pipeline from participation to elite performance, integrity and other issues around the sport ecosystem in this country—didn't come with significant investment. There was $230 million attached to this, which we have seen rolled out in community sporting infrastructure grants, participation grants, grants to assist older Australians get more active and a whole suite of initiatives, including increasing funding to our local sporting champions to assist families with the cost of getting their kids into participation. That was a significant additional investment.

Senator FARRELL: You think Mr Carroll was wrong?

Senator McKenzie: Sorry, Senator Farrell, I really want to correct this.

Senator FARRELL: I'll let you.

Senator McKenzie: People running around saying there was no investment by the federal government in our vision for sport in this country are simply incorrect. There was an additional $230 million in the federal budget for this, bearing in mind, as you and I know, sport in this country—yes, responsibility for some components lies with the federal government but in other areas it's with the sports themselves, with our professional codes and with our state and territory counterparts.

Senator FARRELL: And they're spending big.

Senator McKenzie: There's a lot of money going into sport in this country, and we've got to avoid duplication and make sure it's spent effectively.

Senator FARRELL: Your point is that Mr Carroll was wrong in the comments he made at the National Press Club today—is that what you're saying?

Senator McKenzie: It's not just my view. I'm happy to throw to the CEO of Sport Australia. I'm happy to go to the department. The reality was the plan had $280 million attached to the first tranche—

Senator FARRELL: Okay, but I—

Senator McKenzie: Sorry, Senator Farrell. 13 years. Attached to the first tranche of its implementation.

Senator FARRELL: To summarise, Mr Carroll was wrong?

Senator McKenzie: To summarise, $280 million was given to fulfil the first tranche of implementation of Sport 2030 in the federal budget in May. I'm happy to walk you through each and every component. We can do that. Do you want us to do that? We can do that.

Senator FARRELL: No.

Senator McKenzie: On top of the ongoing funding.

Senator FARRELL: Unfortunately, we've only got a few minutes left—

Senator McKenzie: Hundreds of millions of dollars.

Senator FARRELL: Can I get back to the direction of the question I was asking?

Senator McKenzie: Yes, you're trying to do a gotcha, Senator Farrell. You're trying to make me say something. I have answered your question.

Senator FARRELL: Well, you've disputed Mr Carroll's characterisation—I understand that—

Senator McKenzie: Well, I've given you the facts, Senator Farrell.

Senator FARRELL: and you've sought to provide another—

Senator McKenzie: There's $280 million to fund this plan.

Senator FARRELL: I'm asking you to think about recommendation 10 of the sports and integrity review arrangements, which propose to allow online in-play wagering. My question is: is that the mechanism—you might recall, at the last estimates I asked some questions about whether this was going to be a source of income for sports. I didn't get an answer. I'd previously asked these questions at estimates before that. What I'm asking you now is: is this the direction in which the government plans to go to fund sports? You've talked about this huge amount of money that you're planning to invest in sport. Are you going to pay for it by legalising online in-play sports betting?

Senator McKenzie: Senator Farrell, when you talk about the Wood review, the most comprehensive review into sports integrity in our nation's history, it uncovered a lot of issues in our sport, not just domestically but internationally. I'm happy for Mr Godkin to take you through what that might look like. There are 52 recommendations and we've been leading a whole-of-government response. And I'm not going to be announcing—

Senator FARRELL: Minister, I'd just like you to focus on one—

Senator McKenzie: Excuse me, Senator Farrell, I'm not going to be announcing the whole-of-government response here at estimates. I've got to work with everybody. I don't have responsibility for every single area that's covered by the Wood review.

Senator FARRELL: I might put the rest of the questions on notice. I notice ASADA is here.

Senator McKenzie: Yes, we've got ASADA.

Senator FARRELL: I hate getting people in and not giving them an opportunity to answer some questions.

Australian Sports Anti-Doping Authority

[18:41]

Senator FARRELL: Mr Sharpe, can you tell us whether you anticipate that ASADA's new operating model will require additional funding or a different funding profile, given the increased focus on intelligence?

Mr Sharpe: The injection of new funding, to the tune of $3.8 million earlier announced in the budget this year, has funded the new model that we have launched; with a key focus on hiring, intelligence and facilitators.

Senator FARRELL: Is that working?

Mr Sharpe: Absolutely. Already at this point, our engagement strategy that goes with that, under our three key pillars, has enabled us to gain greater access to intelligence. But we've been able to compile the first ever assessment of doping in this country. That's just been completed. It is an assessment of 20 years of data to better inform how we move forward.

Senator FARRELL: Are you doing that at the Invictus Games?

Mr Sharpe: No, Senator, we're not part of the Invictus Games.

Senator FARRELL: Does that mean that there's no testing?

Mr Sharpe: My understanding is there's no testing.

Senator FARRELL: Are there any other changes you foresee in terms of how ASADA will need to be resourced, whether that be in the terms of funding, revenue or staffing?

Mr Sharpe: The model, based on a number of reviews that have been conducted—you would have seen that in our corporate plan—

Senator FARRELL: Yes.

Mr Sharpe: has actually informed our new operating model, and we've been given funding to be able to enact that model.

Senator DI NATALE: Mr Sharpe, I had some other questions for the previous witnesses, but I'll put those on notice. My questions relate to testing and anti-doping violations. How many anti-doping violations have we had?

Mr Sharpe: This financial year, Senator?

Senator DI NATALE: Yes.

Mr Sharpe: I'll pass that over to my—

Senator DI NATALE: And how many tests?

Mr Sharpe: Just in excess of 5,200 tests in total over the last financial year.

Mr Mullaly: In the financial year 2016-17, we've had sanctions imposed on 34 individuals across 13 sports. In 2017-18, we had 29 sanctions imposed across 14 sports.

Senator DI NATALE: As a proportion of tests, are they broadly similar?

Mr Mullaly: They are, there was only a five-sanction difference across those two years.

Senator DI NATALE: And the same number of tests?

Mr Mullaly: Proportionately, it's very similar.

Senator DI NATALE: About 5,000 tests done?

Mr Mullaly: Correct.

Senator DI NATALE: How many of those have had their hearing through the Court of Arbitration for Sport?

Mr Mullaly: I'll have to take that on notice. We have had some hearings before the Court of Arbitration for Sport.

Senator DI NATALE: And how many—obviously accepting it was just a sanction after the violation? Perhaps you could take that on notice. With regard to the athlete biological passport, it's a pretty invasive testing procedure. Do you agree with that?

Mr Sharpe: Yes.

Senator DI NATALE: What's the basis for it?

Mr Sharpe: The basis for that is forming the athlete's biological passport to see if, in any way, that has been altered.

Senator DI NATALE: So you're building a profile of the patient's physiology through that, aren't you?

Mr Sharpe: Yes, that's correct.

Senator DI NATALE: And you're just looking for changes over time.

Mr Sharpe: Looking for dramatic or significant changes.

Senator DI NATALE: Whose testing procedures do you follow? Is it WADA's?

Mr Sharpe: Yes, that's correct.

Senator DI NATALE: WADA's guidelines state that you guys are responsible for adopting, implementing and administering programming in accordance with their guidelines. That's right isn't it?

Mr Sharpe: That's correct.

Senator DI NATALE: In order to do that, do you have an athlete passport management unit?

Mr Sharpe: Yes, we have a science unit that manages that.

Senator DI NATALE: Do they give recommendations regarding the procedures? Do you guys follow the procedures from that unit?

Mr Sharpe: That's right. Our field staff and the way that is conducted are certainly under a very strict regime in compliance with WADA.

Senator DI NATALE: Do we have a WADA accredited testing laboratory?

Mr Sharpe: That's correct.

Senator DI NATALE: They're responsible for blood, urine—that's basically what you use it for?

Mr Sharpe: Yes.

Senator DI NATALE: And with urine, you can look at steroid profiles and so on. That is one of the reasons you do it?

Mr Sharpe: Correct.

Senator DI NATALE: Does the laboratory then issue a certificate of analysis or a lab documentation package to give to the athlete that they've tested?

Mr Sharpe: Yes, it is issued. It's part of a sanctioned regime under the National Anti-Doping scheme.

Mr Mullaly: The laboratory issues a certificate of analysis in the event that there's an adverse analytical finding or an atypical finding. The laboratory documentation pack is made available to athletes, should they choose to access that particular document.

Senator DI NATALE: So your procedure is that you do issue that certificate of analysis to somebody who's had an adverse finding?

Mr Mullaly: Correct.

Senator DI NATALE: Do you provide any additional information to help interpret those results? How does it work, if you've had an adverse finding? What's the procedure for sitting down with the athlete?

Mr Mullaly: We follow the procedure that is set out in the legislation, in terms of the documentation that we have to provide to the athletes, and also the requirements that have to go into the letter, in terms of providing athletes with opportunities to make submissions and the like. Also, if you go right from the beginning of the process, after someone gets that certificate of analysis, there's the B sample question—the elections for athletes to have their B sample analysed, and go through that process. Everything that goes into the letter and correspondence to the athlete is set out in the National Anti-Doping scheme.

Senator DI NATALE: I understand. You don't make media comments, obviously, while an investigation is under way?

Mr Sharpe: That's correct, although there is an exception to that in the act.

Senator DI NATALE: What are the consequences of revealing names of athletes before hearings have been completed?

Mr Sharpe: It's a sanction under the act that no comment can be made under the act publicly around an athlete or the case, unless there is public comment made by or attributed to the athlete. In that case, if it's around correcting the record, the legislation enables that.

Senator DI NATALE: Can you guys disclose a positive test or a doping violation before the athlete's been found to have committed a violation, and before a hearing is concluded?

Mr Mullaly: The World Anti-Doping Code rules, which are the world rules that everyone follows, have something that is referred to as a 'provisional suspension'. There is a requirement for ASADA, if it gets an adverse analytical finding, to notify the sport, in addition to the athlete, so that the sport can take appropriate steps to provisionally suspend the athlete and stop them from competing. It's not the case that ASADA can just quarantine information and sit on it, because there are practical measures under the code that we have to follow.

Senator DI NATALE: How does that translate to confidentiality for the athlete? How does that work?

Mr Mullaly: Sport anti-doping policies, which, essentially, form part of the contractual agreement between the athletes and the sport, which incorporate all of the anti-doping rules, have the provision in there that athletes sign up to knowing that, if they test positive to an adverse analytical finding—

Senator DI NATALE: But this is someone who could subsequently not have that test confirmed. Say there is a B sample or a complementary analysis and the person is subsequently found not to have had a violation. But prior to that you're able still to suspend the athlete?

Mr Mullaly: Correct.

Senator DI NATALE: And that obviously then can become public, and that person can obviously have significant damage to their reputation because they're basically labelled a drug cheat. They're suspended. Even though you're not saying publicly that that's happened, it becomes a public matter because of the actions that you've taken, and then the person subsequently is found not to have committed a violation.

Mr Mullaly: That's what the world rules require. If there's an adverse analytical finding in an A sample for certain substances—and they tend to be the more serious substances—it's a mandatory provisional suspension, so there's not an option, in terms of ASADA following and applying the World Anti-Doping Code, not to do that. So that is a requirement that we have to follow and implement.

Senator DI NATALE: So, under the world code, you've basically got no choice. When you get the A sample with a positive test, you take action. Even though you're not allowed to speak publicly unless there's a specific reason to correct the record, just by taking action it becomes a public matter. Then the person has their B sample or some other complementary test done, and it's negative. That person has to basically live with the fact that they're labelled a drug cheat even though they're not.

Mr Mullaly: In theory that's a possibility, but I've got to say that, in almost 12 years of my time at ASADA, I haven't had that experience where a B sample has not confirmed an A. So the level of risk or the possibility of that happening is not something which occurs frequently at all.

Senator DI NATALE: All right. Thanks.

Proceedings suspended from 18:51 to 19:53

Department of Health

CHAIR: I call this session to order. Senator Watts, you've got the call.

Senator WATT: Thank you. Could we get the Cancer Screening Register people back up? Okay. Thanks everyone. Great to have you back, Minister. We missed you.

Senator Scullion: Thanks.

Senator WATT: I had only just started asking questions about screening register before we moved on to other topics. I think, Mr Boyley, you were going to table a copy of the sort of update that you were providing us?

Mr Boyley: Yes.

Senator WATT: In the limited time we have got, I want to stick to matters around the contract with Telstra. Has the department sought any legal advice on whether the contract has been breached due to underperformance by Telstra?

Mr Boyley: We get legal advice as a normal course of business around the contract. I have been with this task force since May. I haven't seen any advice along those lines in relation to breach. Certainly, since my arrival the focus has been on getting this delivered—what do we need to do to make this work?—and working with Telstra to ensure they have the right people, the right resources, the right focus and the right assistance from us to get the register across the line.

Senator WATT: Just to take a step back, what I think you were telling us a little earlier was that, notwithstanding the performance issues around Telstra, and notwithstanding the range of issues there'd been along the way with delivery and notwithstanding the recommendations of this joint committee it's still the department's intention to plough on with Telstra and get this delivered?

Mr Boyley: Yes. That is the position that I stated before.

Ms Beauchamp: I will just add, in terms of the contract itself it's a robust contract based on milestones. In a sense only 15 million of the 220 has been paid out. Telstra Health has borne the risk of the delay. I think that contract that we have in place has been well thought through in terms of the Commonwealth carrying risks. I just wanted to reiterate something that the JCPAA picked up too, which is the complexity of the project, and some of the unanticipated complexity and delays in a sense in terms of the project that we took on and Telstra Health took on. I think there have been comments made by the JCPAA, and other additional comments, about the register that relate to the program and there are two separate things . There's the cancer screening program—for example, the loss of life-type issue—and then there's the register to back up the program. So, it's probably worth separating those two to fully understand how the project has been developing.

Senator WATT: Mr Boyley, I appreciate you've only been in the job a relatively short time, but Dr Studdert you've been around for a while as has Ms Beauchamp, neither of you are aware of the department having obtained legal advice as to whether the contract has been breached by Telstra due to underperformance?

Dr Studdert: No. As Mr Boyley said, there is ongoing legal advice as part of the project management team. But, yes, the delays have been real, understood and negotiated as we have gone. As the secretary just mentioned, as painful as they've been, they haven't actually cost us money, because we haven't paid money until milestones have been reached. Whilst it's been a slow and arduous process at times, we have made key milestones in recent times. With significant investment now in our own engagement and relationship with Telstra and their significant investment—quite frankly at very little gain for them in terms of budget—we feel we're at a point where we will get real deliverables and outcomes for the participants in the screening program, because—

Senator WATT: You can imagine my scepticism, given I feel like I've been hearing that for a while.

Dr Studdert: I guess I'd like to—

Senator WATT: I'm not having a go, but every estimates I have been assured it's just about to get better—

Ms Beauchamp: I've only been here 12 months, but now we do have a program, and we can go through the figures in terms of the women accessing that program, but we've also got a fully functional register.

Senator WATT: I might get you to table those figures. I think that's part of your update as well.

Mr Boyley: Yes.

Senator WATT: Under the contract, would the Commonwealth incur costs or penalties if it were to cancel the contract?

Mr Boyley: Putting aside whether there are legal grounds for termination or the like, when I consider a position as to whether we should continue with a project such as this or not, having done these for a number of years in other agencies, the view I form considers what the alternative is if we stop. If we pull out now and walk away, what are we left with? What does that mean in terms of support for the program that we have running? How do we manage cervical cancer screening in this country, given that we have migrated the state and territory

registers into this register and most of them are now closed or closing? What are we left with if we stop and how do we move forward with another register? Procurement time frames for registers such as this are over 12 to 18 months before you've gone to market with your fully formed requirements that have taken you many months to prepare, selected a tenderer, negotiated terms and conditions, got a start-up period running, the team's on the ground and things are being built. You're talking 12 to 18 months delay minimum before you have even got to the starting gate. The question I ask myself is, is there a reasonable probability in my mind that the delivery can be achieved with the existing provider, with all the investment that they've made and with what I'm observing in terms of commitment, skilled resources, retaining those staff and the delivery they have done from May till now?

The opinion I've got is that we delivered the cervical component on 2 July. It went fully live. It supported the program, which has been in police since 1 December last year. Those results have all been applied to the individual records that were migrated from all the state and territory registers. The view I formed was, we have half of this thing delivered—

Dr Studdert: More than half.

Mr Boyley: and what would stopping give us? Stopping would give us half a register, which we would be hard pressed to take over and run ourselves. We would then have to procure someone else to build the rest of it.

Senator WATT: I suppose what has changed is that only a week ago a joint committee recommended that the department give consideration and report back to that committee as to whether it's in the Commonwealth's interests to terminate. Can I take it from what you have said that, if not that recommendation, the notion of terminating the contract has been considered and ruled out? Or is that something that will still be considered in light of the committee's recommendation?

Mr Boyley: When I arrived I considered that as part of the options for delivery. When you're walking into these roles, it is one of the options as part of any outsourced delivery at any stage, providing you have cause. I'm not entering into the legal rights or wrongs or whether we have cause or not. That's a separate discussion that I'm not qualified to give an answer on.

Ms Beauchamp: In the course of providing a formal response to the committee, which we will do—we've given our initial thoughts—of course we will do a proper cost benefit looking at what the options are and provide a more considered response.

Mr Boyley: Absolutely. The secretary's covered it far more succinctly than I was about to. I have given it one thought, but I will give it another thought. We will look at it in the due course.

Senator WATT: To my earlier question, I hear what you're saying, that in your view at the moment the department should not terminate the contract. What I'd still like to know is whether the department could terminate the contract legally and whether it would incur costs or penalties in doing so? Does anyone know the answer to that?

Mr Boyley: It's a complex answer.

Senator WATT: Most commercial contracts have termination clauses.

Mr Boyley: Absolutely. They are standard clauses in these types of contracts. As to whether the department would incur costs, that would depend on the grounds for termination, any actions we had done to contribute to any delays, all those sorts of factors.

Senator WATT: Could you come back to us on notice about that?

Mr Boyley: We will have to come back on notice. It is not a straightforward answer.

Senator WATT: Have a look at the contract and let us know what can be done.

Mr Boyley: I would like to be able to consider those comments in the context of the formal response to the committee.

Senator WATT: Another part of that recommendation 11 from the joint committee is that the department consider and report back on what penalties the Commonwealth could consider seeking from Telstra, given the significant extra costs incurred as a result of this delay. At our last estimates hearing in May, I think it was Ms Konti told the committee that Telstra had been paid about $11 million under the contract, but would be paid more once it delivered the cervical screening register in June. I think you said before they have now been paid $15 million.

Mr Boyley: Yes. The actual payments to date are $16.9 million, which includes some change requests that we made along the way to the tune of $30,000. But there is also the business-as-usual costs that have been running

since the cervical component had been delivered. So the $15 million, plus we are paying $600,000 a month since they went live with the cervical screening component.

Senator WATT: That is what triggered that additional payment, was it?

Mr Boyley: The additional payment was the delivery of the cervical screening component, absolutely. There were a number of milestones within that.

Senator WATT: And that happened in June?

Mr Boyley: Yes, at the end of June.

Senator WATT: In May Ms Beauchamp and Dr Studdert clarified that payments were being delayed until Telstra met certain milestones, but the department had not at that point imposed any penalties. Is that still the case?

Mr Boyley: That is still the case.

Dr Studdert: In effect, the penalty is that they are not getting paid.

Senator WATT: But there are no additional financial penalties that they're required to pay?

Mr Boyley: No.

Senator WATT: You probably saw—I can table it if you need me to—a report from *The Australian* on 24 September titled 'Telstra Health's $50 million cancer screening delay'. That report talked about $50 million being diverted from Telstra to the Department of Human Services to fund the ongoing operation of the current bowel cancer screening register.

Mr Boyley: Yes.

Senator WATT: Was that $50 million delayed or denied?

Mr Boyley: In effect it's $50 million revenue forgone for Telstra.

Senator WATT: It's now a $170 million contract, effectively?

Mr Boyley: Roughly. If you are looking at the initial term of the contract, the $220 million, that's correct.

Senator WATT: So work that previously was going to be performed by Telstra will now be done by the Department of Human Services?

Mr Boyley: In essence, the costs foregone are relating to time they would have been receiving business-as-usual payments for running the register, which they simply won't get to do now because of the delay.

Senator WATT: But they will ultimately still run that register and receive payments for it at that point in time?

Mr Boyley: Yes. But it's a matter of how can you catch up revenue that you have foregone? What I'm saying is that it's within the entirety of the $220 million funding envelope. I haven't seen that article, but $50 million or thereabouts, instead of Telstra earning it for the register that should have been running on the original contractual budget schedule, has instead been used to pay for the DHS bowel screening register to continue for additional time.

Senator WATT: In May, Ms Konti also told us that there were provisions under the contract that would allow the department to penalise Telstra—impose financial penalties for poor performance. That hasn't occurred so far?

Mr Boyley: No. That would relate to service level agreements being breached.

Senator WATT: Surely by now things have got to a point that the contract allows you to impose financial penalties on Telstra for non-performance?

Mr Boyley: I would need to take that on notice. The question I think I would need to take on notice is, are there financial penalties triggered by the delay? My reading of the contract—it's about three inches thick—was that there were none that we should have or could have triggered for the delay.

Mr Paull: I might be able to help. The delay or non-payment of milestone payments through the implementation or the build phase is effectively a financial penalty. Once BAU operations commence, it's an outcomes-based contract. The lack of or non-achievement of the outcomes has financial penalties against it.

Senator WATT: When will the bowel screening register be delivered?

Mr Boyley: I have some dates I can give you. We indicated at the last Senate estimates, I believe, that it was going to be delivered inside the 2019 calendar year.

Senator WATT: Yes—the latter half of 2019.

Mr Boyley: I can give you an indication. We have been checking and working together with Telstra Health on the schedule to a point where we're now reasonably satisfied that it's feasible. It's been broken up into four releases. The first of those will be April 2019.

Senator WATT: Is this a milestone in April 2019?

Mr Boyley: It's not a milestone contractually, but what we've done is broken up the delivery of the bowel register into three blocks, effectively.

Senator WATT: What's the significance of April 2019? What happens then?

Mr Boyley: In April 2019 there will be key elements of some scope that was deferred from the cervical register component. There will be improved reporting, a business intelligence tool that will be available to external partners, including the state and territory cervical screening program managers. In August 2019 there will be the completion of all the functionality of the bowel screening register to support the National Bowel Cancer Screening Program and operations once transitioned has occurred. And in November 2019 we anticipate that the migration of the bowel screening data will have occurred from DHS and that the operations will be able to commence for the bowel screening register to be run by the NCSR.

Senator WATT: So it could go live in November 2019?

Mr Boyley: Yes.

Senator WATT: That would be a 2½ year delay from the original start date, if that time frame is met.

Mr Boyley: Yes. Then we will have some final mop-up work from earlier releases, basically a clean-up run of anything that's been deferred and missed along the way, in March 2020. But that's mop-up work, because the register will be running in November 2019 with the bowel screening component.

Senator WATT: Are there payments to Telstra triggered at each of those milestones?

Mr Boyley: Yes.

Senator WATT: Are you able to tell us the dollar figures?

Mr Boyley: I would need to take that on notice. I don't have to contract with me.

Senator WATT: The joint committee recommended you report back to them on when the new bowel screening register will be delivered. I suspect you probably have just done that by giving those milestones.

Mr Boyley: Absolutely. We will provide that in the official response as well.

Senator WATT: As I often do, when we're talking about this—I know this is before your time, Mr Boyley—we were told at the Senate inquiry about the legislation that it had to be passed early in 2016, and that the inefficient paper based processes that we have for the National Bowel Cancer Screening Register mean that, for example, when women move interstate their records and their capacity to be supported and followed up by a screening register can slip through the cracks. It's pretty easy to draw the conclusion that these delays are jeopardising people's health and safety, isn't it?

Dr Studdert: Can I correct something there? I think there's a mix there of two programs. The cervical screening program was the one where we had state-based registers and where, yes, there were some disconnects potentially if women moved between jurisdictions. The bowel screening program is already a national program and the register is a national register. From the get-go there will be no visible difference to the participants, which is now a large number of Australians between the ages of 50 and 74 getting kits every two years. The program is already fully operational and will continue to be. So it's the back of house, if you like, that changes with the transition to Telstra.

Senator DEAN SMITH: Just in the interests of full disclosure, earlier today I referenced the fact that I'm the chairman of the Joint Committee of Public Accounts and Audit. There's a media report—I think it was in the *Herald Sun*—on 18 October where the opposition health spokesman, Catherine King, says:

> The Liberal Government's disastrous handling of their own privatisation of the critical cancer screening register has cost taxpayers millions, and risked the lives of Australian women due to delays with the new cervical cancer screening program replacing the old pap-smear test.

Is that an accurate statement?

Ms Beauchamp: I might ask our CMO to comment. I don't believe that is an accurate statement. I will get the expert to provide comments.

Prof. Murphy: I think a number of media and other people have misinterpreted a statement that was made in the original explanatory memorandum to the legislation that suggested that the renewal program would save 140 or a certain number of lives a year. But that modelling was done over the whole screening life of a woman, where

the HPV screening picks up abnormalities about 10 to15 years before you get a developed cancer. There is no evidence that a seven-month delay in the HPV testing, which is all that happened with the register delay, will have any impact on cervical cancer detection. That modelling is only applicable over the whole lifetime of a woman being screened. It's not possible to extrapolate that back to a seven-month delay, where someone might have HPV detected seven months later than they would otherwise have done. At the time of the delay to the HPV screening we sought expert advice from all the people who'd been guiding the program, and they were very comfortable that that delay was not putting women's lives at risk. You could not interpret any number of cancers going undetected from that delay.

Senator DEAN SMITH: The additional comments to the JCPAA report, which was signed off by Labor members of the committee, said:

For the sake of clarity, and given the importance of this issue, the report would have benefited from a clear statement of our concerns regarding the impact on Australian women of the unacceptable delay by Health and Telstra Health in delivering the new program.

Have I heard correctly, Professor, that you're saying there have been no negative impacts?

Prof. Murphy: You simply cannot interpret from that original statement that over a woman's lifetime of screening, from 25 to quite an advanced age, the seven-month delay in access to HPV screening, which is a marginal benefit, would have any impact. I've actually written a letter to the *Herald Sun* suggesting that the record be corrected on that basis. We can table that letter if you would like us to.

Senator DEAN SMITH: Yes, please. Let's table that now.

Senator WATT: On that question, though, Professor Murphy, it is correct, isn't it, that the explanatory memorandum to the bill said, 'Once implemented, the changes to the National Cancer Screening Program are expected to prevent an additional 140 cervical cancers each year'?

Prof. Murphy: Yes, but that modelling was over the lifetime of a woman's screening. HPV detection occurs about 10 to 15 years before cancer. Over a lifetime of, say, 30 years of screening, given that some women may fail to come back for a pap smear or you might miss some evidential element of the pap smear, the marginal benefit of having the HPV test at an early age would add to that increased detection over a lifetime—but not over a seven-month delay; there's no modelling that would suggest that.

Senator WATT: I'm not saying necessarily that over the seven months is when exactly 140 people would be picked up. But, if the bill is saying that these changes will prevent an additional 140 cervical cancers each year, it's not unreasonable—

Prof. Murphy: It's each year over a woman's lifetime.

Senator WATT: Yes. I'm not saying it's over those seven months.

Prof. Murphy: The impact is cumulative. The detection of cancer is over a whole lifetime. It would add up to 140 women a year but it implies a modelling of the entire program of their screening, because HPV is a very-early-detection technique. It's well before you get abnormalities on the pap smear. The natural history of this disease is that, after chronic HPV infection, it can take 10 to 15 years to get the abnormalities that cause cancer.

Senator WATT: Sure. I take the point that this is over a lifetime. But if what we were told in the EM to the bill was that the changes would prevent 140 each year then it's reasonable to expect that.

Prof. Murphy: No, it's not, because the modelling that came to that 140 conclusion was based on a lifetime of screening for those women.

Senator WATT: If that's the case, why wouldn't we just push this whole thing back by five years?

Prof. Murphy: Because it is much more convenient and better for women. You have a five-yearly test, and if you can have those high-risk HPV detections earlier then the treatment and management is much less invasive.

Senator WATT: Exactly. So the earlier we can get this in place, the better.

Prof. Murphy: Yes, but we're one of the first countries in the world to move to HPV screening—

Senator WATT: It's great. I'm a big supporter. I'd just like it to happen.

Prof. Murphy: and a seven-month delay is, frankly, immaterial in that program.

Senator WATT: Really?

Prof. Murphy: Yes. That was the advice of our experts.

Senator WATT: Immaterial? Okay.

Prof. Murphy: In the program.

Senator WATT: I'll leave it at that.

Ms Beauchamp: That's what I was saying earlier. The availability of the test and the program is separate from the register to back up all the data and the histories.

Senator WATT: That's true. But, again, all I can do is keep pointing you to what we were told in the bill about the screening program itself. It was going to be about protecting more women from cervical cancer, and that's why we want to get it done as quickly as possible.

Senator DI NATALE: I just don't understand how you can make a statement that delaying this test means that some preventable cervical cancers won't be prevented?

Prof. Murphy: All the modelling that we've done, as I said, showed the advantage of this test is that, over a lifetime of pap smear screening, some women may miss a screen; some early abnormalities may not be detected. But in the main, the pap smear is a very effective test. This is a marginal additional benefit. If you cumulatively add that up over a whole lifetime screening, you do get significant savings.

Senator DI NATALE: But you might take issue at 80.

Prof. Murphy: Yes.

Senator DI NATALE: But there's a benefit of this over current—

Prof. Murphy: There is, but nobody has modelled it.

Senator DI NATALE: But it has to have some effect. I mean, it is likely that, whether it's a small number—one, two, whatever it might be—

Prof. Murphy: You could postulate and try to do some modelling on that line, but we're talking about—

Senator DI NATALE: You know that you're introducing a screening test because you would be able to pick up what would be a preventable illness.

Prof. Murphy: That is correct.

Senator DI NATALE: And if the evidence base behind that test is strong enough for you to implement the test then delaying the test means you aren't going to be picking up some potentially preventable illnesses. That's just screening 101.

Prof. Murphy: Indeed. But over what is a very brief period, if someone had chronic HPV detected in May last year or December last year, it really wouldn't matter all that much, because they would have a 10 to 15 year development of the cancer. So I think, sure, you could do some detailed modelling; you might be able to suggest one or two. But the point I was making was that modelling of 140 women a year was based on a lifetime of screening.

Senator DI NATALE: No, I understand that.

Senator DEAN SMITH: We've had time to circulate your letter to the editor of the *Herald Sun* and I might just read the whole paragraph. It says:

> The claim published on the 18th of October 2018 in an article by Sue Dunlevy, National Health Correspondent, the Herald Sun, that around 80 Australian women could have developed cervical cancer because of serious delays in the rollout of the National Cancer Screening Register by Telstra Health is alarmist and false and undermines the successful implementation of the national cervical screening program.

Are they are your words?

Prof. Murphy: They are my words, yes.

Senator DEAN SMITH: Why are they alarmist and false?

Prof. Murphy: Because anything in my mind that creates fear in the community that a risk of cancer is increased is alarmist. I think women have a right to be properly informed and the suggestion that you could draw from that article that a significant number of women's lives might be put at risk by this delay is untrue and it's alarmist. As Ms Beauchamp said, we need to distinguish between the issues with the register, which have been well discussed today, and the highly successful implementation of the renewal, the HPV screening liquid based cytology, which has gone really well and is very well accepted by the profession, the pathologists and is functioning extremely well. So I think the new program was introduced really well. There are obviously issues to be resolved with the register. But I think the two should not be conflated.

Senator DEAN SMITH: At the end of your letter, you go on to say that since the 1st of December 2017, 1,342,688 women have received an HPV screening test and, as at the 17th of October 2018, 2,208,556 electronic pathology results have been received by the register. That's an accurate statement obviously?

Prof. Murphy: That's true, yes.

Senator DEAN SMITH: Is it your intention to make that letter available to the JCPAA?

Prof. Murphy: We can do so.

Senator DEAN SMITH: You may want to incorporate the letter.

Prof. Murphy: Subject to my boss's approval.

Senator DEAN SMITH: Just reminding people too, who might be listening at home, you're not a mere bureaucrat, you are the Chief Medical Officer of Commonwealth.

Prof. Murphy: That's right.

Senator DEAN SMITH: Thanks very much. I mean that with all due respect. This is just not—

Senator WATT: There's one of him and about 300 of them!

Senator DEAN SMITH: Even Senator Di Natale will respect this. This is not just an ordinary letter with the Commonwealth crest; this is a letter signed by Chief Medical Officer of the Commonwealth. Thank you very much, Professor Murphy.

Senator Scullion: It is probably worth noting, through you, Madam Chair, that I understand this was sent only on 19 October. It's a letter to the editor of the *Herald Sun* and it hasn't been published as yet. We can only hope for the best.

Senator WATT: Mustn't have made the cut.

Senator Scullion: Obviously not.

Senator WATT: They have very high standards at the *Herald Sun*.

Senator Scullion: Indeed.

Senator DEAN SMITH: But even you would correct the record, Senator Watt, if you were significantly wrong.

Senator WATT: And I'm sure the *Herald Sun* would publish my letter if they thought it was worthy—with all due respect, Professor Murphy. We are done on that.

Senator DI NATALE: Can I ask questions on the 2010 Henry tax review, which suggested changes to alcohol taxation on both economic and health grounds. Has there been any work done by the department to look at alcohol taxation reform and different models for that?

Dr Studdert: I could say with some confidence—I will wait for my colleagues to get to the table—that, in recent times, some years we have not done any work on that, and, in fact, nor would we; that would be a matter for the Treasury.

Senator DI NATALE: You haven't done any work in that space at all?

Dr Studdert: No.

Senator DI NATALE: I'm not surprised. I'm interested in the recent debate around pill testing. Do you have any stats on how many deaths of young people attending music festivals are attributed to untested drugs over the last 10 years?

Dr Studdert: No.

Senator DI NATALE: Could you provide—

Dr Studdert: We could certainly look to some of the research institutes that we fund or if, elsewhere in the literature, there is some data on that. But we would have to go to our state and territory colleagues and emergency services to get that sort of data. We would be happy to provide what we can.

Senator DI NATALE: Good. Thank you. Are there any other commodities in Australia where government believes that consumers are safer not knowing whether they are contaminated with toxic substances, rather than knowing that information?

Dr Studdert: I think you're talking about a situation with illicit substances. I would imagine there are plenty of circumstances where people are using illicit substances where they're not fully aware of what the contents are.

Senator DI NATALE: Regardless of whether they are illicit or licit, the principle remains. Do you believe consumers are safer knowing what they're about to ingest rather than not knowing?

Dr Studdert: That's a matter of opinion that you're asking me.

Senator DI NATALE: You're obviously involved in the development of government policy around these areas, and I'm asking you a specific question—whether you think individuals are safer not knowing what's in a product rather than knowing what's in a product?

Dr Studdert: I think you're leading me to give an answer where clearly it is not part of government policy to engage on this particular issue. It's largely a matter for the states and territories and their policies around regulation of music festivals and other such events. The position of the federal government, which doesn't have any jurisdiction in this space, to a large degree, is that they're not supportive.

Senator DI NATALE: Is the government aware that when this was done at a recent ACT festival, Groovin the Moo, a number of pills that were tested and found to have potentially dangerous contents were discarded, saving these people from potentially fatal consequences?

Dr Studdert: We are aware of the outcomes of that trial. The Chief Health Officer of the ACT shared that with a jurisdictional group sometime after that festival, yes.

Senator DI NATALE: Professor Murphy, are you aware of the results of the Groovin the Moo pill testing?

Prof. Murphy: Not specifically. I've heard the media reports. I haven't specifically been made aware of them.

Senator DI NATALE: Have you seen any of the international literature that shows that people are much more likely to discard a pill if it's been tested and found to have been contaminated?

Prof. Murphy: I've seen some literature, yes.

Senator DI NATALE: What's the objective of government policy here?

Prof. Murphy: I think you'd have to ask government.

Senator DI NATALE: What's the objective of government policy here? You have an intervention that could potentially save young kids' lives. Why aren't we doing it?

Senator Scullion: As the department just indicated, this is not a matter that is controlled by the government or by Commonwealth government legislation. This is, in fact, a matter for the states and territories. As you've indicated, the trial was conducted by the Australian Capital Territory. We are but observers in this matter.

Senator DI NATALE: Despite the fact that the Australian government did its best to prevent that trial from happening?

Prof. Murphy: Indeed.

Dr Studdert: We had no role in that trial.

Prof. Murphy: None—no involvement at all.

Senator DI NATALE: Some people will beg to differ about that. Can I ask you then about another issue around illicit drugs, particularly going to oral substitution therapies—methadone, buprenorphine?

Dr Studdert: Opioid substitution therapies?

Senator DI NATALE: Yes, opiates—methadone, buprenorphine. Do you have average costs for methadone and buprenorphine dispensing? There's obviously the dispensing fee. What's the average cost associated with a dispensing fee now?

Mr Laffan: Sorry, I don't have a number per dose, but for 2016-17 there was $60 million provided by the government for buprenorphine, methadone and Suboxone.

Senator DI NATALE: That's the cost of the drug, yes?

Mr Laffan: That's correct.

Senator DI NATALE: But there's still a dispensing fee at pharmacies?

Dr Studdert: That might be a question best for our pharmaceutical benefits people because it is a program run—

Senator DI NATALE: Okay. I might leave that there. Can I go to the issue of obesity. There was recently a COAG announcement around an obesity strategy. Do you want to speak about that?

Ms Soper: Health ministers agreed that there would be a national obesity strategy. Minister McKenzie advised the CHC that the Australian government would develop a suite of activities to address obesity prevalence in rural and regional areas. The CHC also endorsed an obesity summit to identify and prioritise further action to reduce the impact obesity has on the Australian community and health system, including efforts in primary and secondary prevention to reflect that prevention occurs in health and other settings. They also noted that priority

action should include whole-of-government, economy and community efforts as well as specific actions that can be progressed in the public health system.

Senator DI NATALE: Has the federal government committed to the national summit?

Ms Soper: Yes.

Senator DI NATALE: Have you got any details about when that's going to occur?

Dr Studdert: I think it's very early days. The meeting was only just over a week ago, and we are working with other jurisdictions on that.

Senator DI NATALE: Any expectation when that might be?

Dr Studdert: We're looking at the early part of next year.

Ms Soper: Next calendar year.

Senator DI NATALE: Early next year?

Dr Studdert: Yes.

Senator DI NATALE: You mentioned a range of primary and secondary prevention strategies. Has the government given any consideration to the introduction of a sugar-sweetened beverages tax?

Ms Soper: No, it hasn't.

Senator DI NATALE: You haven't done any work on this?

Dr Studdert: No.

Senator DI NATALE: You haven't had any consultation with industry on this?

Dr Studdert: No.

Senator DI NATALE: In terms of advertising of junk food to children, particularly during children's viewing hours, have you done any work in that area?

Dr Studdert: No. There's been some work around exposure in children's sports settings that's been done across COAG.

Ms Flynn: Yes. It's been looked at by the jurisdictions of the Commonwealth in terms of settings: school settings, sport and recreational settings—areas of that nature.

Senator DI NATALE: But nothing in the space of advertising, particularly TV advertising?

Ms Flynn: No.

Senator DI NATALE: Where they get most of their exposure?

Ms Flynn: No.

Senator DI NATALE: When you talk about primary and secondary prevention, what are you talking about apart from sports settings?

Dr Studdert: As I think we've discussed before, there are a range of programs the government's supporting with the Heart Foundation. There is the Healthy Heart Initiative, the Health Star Rating program and dietary guidelines where we continue to work and promote through various programs. There's the Girls Make Your Move campaign. Quite a significant part of the sport package which we were talking about earlier is targeting physical inactivity in school settings, for the physically inactive, for older Australians. That was a big part of the investment in that package, largely with a focus on obesity and chronic disease prevention.

Senator DI NATALE: Specifically looking at school settings, has any work been done around harmonising the national guidelines around exposure to junk food within schools—vending machines, tuckshops?

Ms Flynn: We've taken a first step, which is to develop some criteria for what we mean by junk food, because one person's junk food is somebody else's okay food. An example would be salsa. You can have a healthy salsa or one that's high in fat and salt. So the jurisdiction—

Senator DI NATALE: Coke?

Ms Flynn: Yes.

Senator DI NATALE: You reckon that's junk food?

Ms Flynn: Well, yes—

Senator DI NATALE: Sugar-sweetened beverages?

Ms Flynn: if it meets the criteria. When they meet the criteria, these foods would not be sold in school canteens. That's an agreement that has to be driven through state and territory protocols and legislation.

Senator DI NATALE: What's the federal government's role in that?

Ms Flynn: We have funded the NHMRC to help unpack what we mean by 'discretionary foods' and to fill out the criteria that we're talking about.

Senator DI NATALE: There's a bunch of stuff that's already being sold right now that I don't think anyone would debate, like when you have a vending machine selling soft drink. You know, if it looks like a duck and quacks like a duck—why can't we get movement on this?

Ms Flynn: It's actually quite a bit more complicated than that. If you take, for example, yoghurts—

Senator DI NATALE: I'm talking about vending machines that sell sugar-sweetened beverages.

Ms Flynn: But I just want to give an example. Yoghurts are a known core food, but if you throw in some choc bits and confectionary and that kind of thing then it's not a core food anymore. There are a range of mixed foods, and we have to be quite specific about the criteria that we're using so that everybody understands what foods are in and what foods are out.

Senator DI NATALE: All I'm saying is that there are a number of foods that we would all agree should be out. Why do we have to wait?

Ms Flynn: A lot of those foods are out, in school canteens, right now. It's the in-between foods where the confusion is happening.

Senator DI NATALE: There are school canteens that still sell sugar-sweetened beverages.

Dr Studdert: Again, this is a matter for the states and territories and their administration of schools, but we are trying to work collaboratively with the states and territories to address some of the stumbling blocks that people encounter when they try to work on these initiatives.

Senator DI NATALE: I'm up to Health Care Homes—a few questions on that. Are we happy to go to 2.5?

Senator WATT: Actually, we did have one in what is probably prevention, as well—2.4? Should I knock that over now?

CHAIR: Yes.

Senator WATT: Minister Scullion, these ones probably should come to you. As the Minister for Indigenous Affairs, you would have seen a lot of evidence of the scourge of tobacco in Indigenous communities.

Senator Scullion: Indeed I have.

Senator WATT: Yes. What have you seen? How would you describe the impact of tobacco on Indigenous communities?

Senator Scullion: Well, the impact is in a number of ways, but I observe, particularly in remote communities, that tobacco appears to me to be used in a far greater way, across a much wider demographic, than I would see in similar communities in mainstream Australia.

Senator WATT: What sort of impact have you seen it having in those communities, on the health of—

Senator Scullion: Part of the impact is a financial impact. You don't often see Aboriginal people with a packet of cigarettes. There is a packet of cigarettes produced and, because of demand, it's shared. That's something that has a significant impact on the amount of cigarettes that are available in communities. I think price is having a significant impact.

Senator WATT: Given we're in Health estimates, what about the health impact on Indigenous communities? What have you witnessed yourself?

Senator Scullion: I've been witnessing this over a number of decades. Unsurprisingly, in people who've smoked for a long time, we're seeing them become far less mobile, far less active, as a consequence of having been smokers for most of their life; we're seeing emphysema and those sorts of presentations. But these are only anecdotal presentations. I'm sure Caroline Edwards would have a much more clinical experience.

Senator WATT: The reason I'm asking you is: frankly, you spend a lot more time in Indigenous communities than I do, or probably anyone here does, given that you're a Northern Territory senator and the minister. Have you seen evidence that it is contributing to people living shorter lives?

Senator Scullion: Not specifically. I mean, it's not something you observe, because it's not something you see instantly, but certainly those are matters that I think would be the same wherever you find yourself. I think smoking affects poorer people—that is probably a reasonable expression.

Senator WATT: I think you said you've seen evidence of higher emphysema presentations and things like that?

Senator Scullion: Yes. I'm not speaking from an evidentiary process, just from my personal experience.

Senator WATT: Just from your own experiences?

Senator Scullion: Indeed.

Senator WATT: Have you seen lung cancer, things like that?

Senator Scullion: I'd say anecdotally I have seen more than others, but I think my earlier comment is probably a reflection of what most people see in most parts of Australia, where there are poorer people present.

Senator WATT: Yes. Are you aware that, partly because of the higher Indigenous population in the Northern Territory, the smoking rate in the Northern Territory is far higher than the rest of Australia? I think the rate is 46 per cent in the Northern Territory.

Senator Scullion: Yes, I understand that there are higher presentations in the Northern Territory and part of that, of course, is because of the higher level of the population in the Territory.

Senator WATT: A higher level of Indigenous population—

Senator Scullion: There are more Aboriginal people. It is well over 30 per cent.

Senator WATT: and a higher level of smoking in those communities?

Senator Scullion: Indeed.

Senator Scullion: Does the National Party still accept political donations from tobacco companies?

Senator Scullion: I'm not sure. You'll have to speak to the party on that. It's not something I'd be across. I'm a member of the Country Liberal Party.

Senator WATT: But aren't you the leader of the National Party in the Senate?

Senator Scullion: I am.

Senator WATT: So wouldn't you have bit of an idea about who's making donations to your party and whether they might include tobacco companies?

Senator Scullion: No, that's a matter for the party and the party president. I have absolutely no idea about those matters.

Senator WATT: Do you know whether tobacco companies have made donations this year, last year?

Senator Scullion: No. I can remember a few years ago this becoming an issue. Questions were asked in the Senate—I can't recall if they were by you—along similar lines but they weren't asked of me; they were asked of former senator Nash. That's my only recollection of this matter.

Senator WATT: I asked Senator McKenzie, Deputy Leader of the Nationals, who said much the same as you're saying now—that it's not a matter for you; it's a matter for the National Party. We have just gone through this. Whether or not it's your role as Minister for Indigenous Affairs, you're a Northern Territory senator. You've talked to us about the impact you have seen from tobacco. Don't you think you could exercise a bit of leadership as leader of the National Party in the Senate?

Senator Scullion: These are, as I said, matters for the National Party and I don't think you should assume anything about issues that happen and discussions that happen within the National Party. I don't see that Senate estimates about health is a place to discuss that. But in answer directly to your question, my last recollection was it was Senator Nash but I stand corrected; it may well have been Senator McKenzie. But I don't have any other knowledge of that matter.

Senator WATT: Are you aware that Labor stopped taking tobacco donations 14 years ago, and even your coalition partner, the Liberals, stopped five years ago? Clearly, some effort was made by the parliamentary wing to stop the organisational wing of those parties taking donations. Couldn't you do the same?

Senator Scullion: I wasn't sure, and thank you for the accuracy around the dates, but, yes, I was vaguely aware that both the Liberal Party and the Labor Party had stopped taking donations from tobacco companies.

Senator WATT: Are you prepared to raise this issue with the National Party organisation?

Senator Scullion: As I said, I'm not prepared to talk about those matters, and you shouldn't make the assumption that I haven't already.

Senator WATT: So have you raised those matters?

Senator Scullion: I'm not speaking about matters within the National Party or in the Country Liberal Party at these estimates.

Senator WATT: I think you know where I'm going with this. It feels like it would be the right thing to do given the impact it's having on both your own Territory and the Indigenous community.

Senator Scullion: I consider that you've made your point and it's understood.

Senator WATT: Thanks, Minister. That's it for us for outcome 2.

[20:43]

CHAIR: We will now move on to outcome 4.

Senator WATT: Sorry, Ms Beauchamp. We would like the AIHW just to stay for a little while longer if that's all right.

Ms Beauchamp: Okay. I'm just confirming.

Senator DI NATALE: I would like an update re progress on the MBS review. I understand it was due to conclude by the end of 2018. Is that right?

Mr Weiss: There was an ambition early this year to have completed the clinical elements of the MBS review by the end of calendar 2018. The chair of the task force has recently advised the Minister for Health that that work is likely to slip into the early part of 2019.

Senator DI NATALE: So there is a blowout with the time line?

Mr Weiss: In the 2017-18 budget, the government agreed to three years worth of additional funding and activity for the MBS review. Subsequently there was an ambition to bring that forward by—

Senator DI NATALE: It wasn't an ambition. I came to estimates a number of times, and you said you were going to have it done by the end of the year.

Mr Weiss: It was the ambition to have it done by end of calendar 2018, which would have been approximately 18 months ahead of the timetable announced in the 2017-18 budget. That ambitious timetable will not be met, but it should be finished in the first half of calendar 2019.

Senator DI NATALE: You didn't talk about it as an ambitious timetable when I asked you at the previous estimates hearing when it was going to be finished. You said it was going to be finished at the end of this year, and it's not.

Ms Beauchamp: Senator, can I give you a reassurance that, of the 5,700 items in MBS, I think we'll have 90 per cent done by the end of this calendar year.

Senator DI NATALE: Will those 90 per cent be made public, or are you going to have to wait?

Ms Beauchamp: That will be a decision for the minister.

Senator DI NATALE: So it's not going to be concluded. Whether you've done 90 per cent or not is irrelevant to me. The only issue that's relevant here is that we've had previous estimates hearings where I've followed this closely. We were assured it was going to be done by the end of the year. It's not, and we won't get access to the information. Excuse my cynicism, but there's every chance we're not going to get to it before the next election.

Ms Shakespeare: We need to make sure that the review reports are complete and that their work is done properly. Part of that work is targeted consultations with stakeholder groups. Given we have quite a few reports coming out of the MBS task force all at the same time, some of those stakeholder groups have asked if they can have additional time to comment on what are fairly long, technical reports. In light of that feedback, I think the task force has made the reasonable decision that it needs to continue on for a few months into next year.

Senator DI NATALE: I understand all that. It doesn't distract from the fact that we were supposed to have had the report done by the end of this year and it's not going to be done. So what is the current time line? What does 'early next year' mean?

Ms Shakespeare: I think it's in the first part of next year. We'll need to see how we go.

Senator DI NATALE: What's the first part of next year? Is it January? Is it February? Is it March? Is it April?

Ms Shakespeare: I don't know that we should be setting hard deadlines on this. The task force would like to finish its clinical reports and provide advice to government. A longer time will then be required to respond to many of the recommendations, but I think the primary interest here is having reports that reflect what is best practice in clinical practice under the MBS. If it takes a little longer to reach that point, that's the main objective.

Senator DI NATALE: Absolutely, but again we were told at a number of estimates hearings that it would be done by the end of this year. There just happens to be an election around the corner, and it's going to be at some point next year. That gives us no certainty as to whether this thing's actually going to be done before the next

election. How many of the recommendations from the task force and related clinical committees have already been rejected by government?

Mr Weiss: From memory, there have been 103 recommendations provided to the government, and 92 have been accepted or accepted in part. The remaining 11 are still being considered by government. I'm not aware of a recommendation that's been rejected.

Senator DI NATALE: Have those recommendations been implemented and taken effect already?

Mr Weiss: The next batch of recommendations will take effect on 1 November.

Senator DI NATALE: Have you been able to demonstrate any savings already from the previous recommendations?

Ms Beauchamp: We have actually provided that information in questions on notice.

Senator DI NATALE: It should be easy, then, to get an answer.

Ms Shakespeare: It's estimated. In some cases, we have announced budget decisions and provided further follow-up information about the estimated savings from the implementation of government responses to a number of the recommendations.

Senator DI NATALE: Do you want to give me a total figure on estimated savings?

Ms Shakespeare: I think the total figures have been published in each of the budget updates. That included government responses to taskforce recommendations. The material that the secretary just referred to is in response to questions on notice from senators about particular groups of MBS items.

Senator DI NATALE: Can you give me a global figure?

Mr Weiss: At previous estimates we referred to a figure of about $600 million. They're the figures published in either budgets or MYEFOs. They're the forward estimates for the relevant budget or MYEFO. You can't just add them up and call it $600 million. That's the figure that's been discussed in previous estimates.

Senator DI NATALE: How many new items are going to come online from 1 November?

Ms Shakespeare: For instance, there are changes to—

Senator DI NATALE: You don't need to talk me through them specifically. How many changes—

Ms Shakespeare: I'm not sure that we can give you exact numbers. Some of the measures relate to groups of items. It is actually quite difficult when items are being restructured to say, 'This many MBS items are affected by the changes.' We can take you through what the general changes are.

Senator DI NATALE: Perhaps I'll ask you to do that on notice, given the time frame.

Senator WATT: Could I just ask one about the time frame for the review? The 2017 budget included funding for the review to run until June 2020.

Senator DI NATALE: That was going to be my next question.

Senator WATT: Sorry.

Senator DI NATALE: No, it's all right; go ahead.

Senator WATT: What you've told us is that you think it's more likely to be early 2019.

Ms Shakespeare: That's for the completion of the clinical reviews by the MBS taskforce. Those reviews then require government responses to be developed to them and then implemented. That work will go on for a period after.

Senator WATT: So the review, as a whole, wouldn't be completed until, roughly, June 2020?

Ms Shakespeare: We're still going to be looking at recommendations that we haven't seen yet from the taskforce. The size of the implementation associated with those is a bit difficult to tell until we've seen the recommendations.

Senator DI NATALE: Do we have a commitment that those savings are being reinvested back into health?

Ms Shakespeare: Yes. I think the government has included that commitment in budget papers and certainly in material around budget measures.

Senator DI NATALE: I think we had this discussion at Senate estimates last time and there was a bit of argy-bargy about exactly how that was accounted for. It's probably not in anyone's benefit to revisit that.

Ms Shakespeare: I can remind you that MBS is growing by $4.8 billion over the forward estimates. That includes those reductions that might be associated with some of the implementation of the MBS taskforce.

Senator DI NATALE: At this stage, you're not offering any commitment as to when this will be completed. Is that because you offered a commitment to have it done by the end by this year and you weren't able to meet that and you're just reluctant to give us a commitment to next year?

Ms Shakespeare: As I said, we certainly need to involve quite a few of the medical stakeholder groups in the process of finalising some of the reports. They've already asked us for additional time to consider some of the more complex reports, some of which run to about 700 pages. The government certainly would like to finalise the MBS reviews as early as possible, but we need to make sure that we're doing that in a way that's not impacting on all of the medical groups that need to be involved in the process.

Senator DI NATALE: I hear that there are some doctors who are a bit annoyed and don't feel they've been notified when changes occurred. How do you communicate changes to doctors about item numbers?

Ms Shakespeare: We have fairly well-established processes for making sure that doctors are involved in making changes to the MBS and are aware of changes. We rely very heavily on medical colleges to help us with this. So, any changes, whether as a result of the MBS reviews or if we have new items or changes to items as a result of—

Senator DI NATALE: So it's within the existing framework for how, as a GP, you'd find out whether there'd be something—a new item number, for example—listed, yes?

Ms Shakespeare: Those are fairly longstanding processes where we do make sure that items are developed with input from the medical colleges, so that they're giving us clinical input to make sure that the items and the restrictions make sense and are implementable in practice. But then the colleges also, in their role as educating doctors, take a strong role in letting people know when there are changes to the MBS. We have other departmental and Department of Human Services approaches to try and make sure people are aware of changes. There's askMBS and there's targeted consultation information that we provide to the sector. So we have a range of strategies.

Senator DI NATALE: Do you have any questions on the MBS review?

Senator WATT: Yes, just a couple. How many clinical committees are there?

Mr Simpson: Around 70 clinical committees.

Senator WATT: Seventy?

Mr Simpson: Around 70—over the life of the review. Some of those have concluded, but we expect around 70, and maybe some 60 to 70 clinical reports.

Senator WATT: I don't think you've given these figures already. How many are yet to report?

Mr Simpson: It would be in the order of between 30 and 40, but I'd probably have to take that on notice to give you an exact figure.

Senator WATT: Okay, if you could. Are there any that haven't yet met?

Mr Simpson: We have one meeting for the first time next week, but it's only considering about 20 items, so we're anticipating that it will only require a couple of meetings. The report should be able to be considered by the task force by the end of the year or early in the new year.

Senator WATT: Which one is that?

Mr Simpson: Optometry. There may be others, but I'd have to confirm for you.

Senator WATT: So one that you know of and there might be others?

Mr Simpson: Yes—just ensuring that we've covered off all of the items out of the 5,700 on the schedule going on at the moment.

Senator WATT: But you're confident that the review can be completed, despite that committee not having met yet and possibly others?

Mr Simpson: The task force has run nearly 70 committees. They have got their processes very well worked through, after three years of doing the work.

Senator WATT: We do have other questions on medical benefits but not on the review. So we still have others on 4.1.

Senator WATERS: I've got none on the review, but I've got less than five minutes on another matter, and then I'm going to another committee.

Senator WATT: In 4.1?

Senator WATERS: In 4.1, yes.

Senator WATT: You go.

Senator WATERS: Thank you, Chair, with your permission. I have questions about abortion and how the feds can get involved more, now that Queensland has decriminalised abortion or now that the bill has passed. Are you the right folk here for that?

Ms Beauchamp: Yes.

Ms Shakespeare: Yes, MBS and PBS.

Senator WATERS: Great. Can you walk me through—and these are genuine questions, because I don't know the answers—what the Commonwealth can now do, in terms of provision of pregnancy termination services through public hospitals, for example? What sorts of policy interventions could the Commonwealth now have to assist Queensland women, given that abortion has been now decriminalised?

Ms Shakespeare: We probably can't help as much on the public hospital side. Hospital funding was in an earlier outcome today. So we might need to take that on notice for you.

Senator WATERS: Okay.

Ms Shakespeare: Under the Medicare Benefits Schedule, though, we do have items that are available for, amongst other things, people to claim when they've had a termination of pregnancy. There are also items that can apply if a woman has had a miscarriage. So those items exist in the MBS, and, where people receive their hospital services as a private patient in Queensland hospitals, they would be able to claim those services and rebates.

Senator WATERS: Forgive my ignorance—why only for private hospitals?

Ms Shakespeare: We fund public hospitals, for public patients, through the National Health Reform Agreement, which is a separate sort of funding arrangement.

Senator WATERS: Does that mean those costs are covered and the consumer is not out of pocket?

Ms Shakespeare: Generally, for public patients in public hospitals—

Senator WATERS: It's just all covered?

Ms Shakespeare: they receive services free of charge.

Senator WATERS: So the MBS is only relevant for the private hospitals once there's been out-of-pocket—

Ms Shakespeare: Or private patients in public hospitals.

Senator WATERS: I understand. Thank you. You've taken on notice the information you could provide me about how public hospital funding could perhaps be boosted or have something else done to it to facilitate free access. Are there any other sorts of policy interventions, whether they be funding or whether they just be pure policy, that the Commonwealth could now have an elevated role in?

Ms Shakespeare: The Commonwealth also funds, through the Pharmaceutical Benefits Scheme, access to medicines for medical termination of pregnancy.

Senator WATERS: RU486 and the like?

Ms Shakespeare: That's right. That's covered under PBS.

Senator WATERS: Again, does anything need to change, or is it merely that, now the Queensland barrier has been removed, they could now be more readily used? You tell me.

Ms Shakespeare: Yes. Those benefits are available to anybody in Australia, including in Queensland, if there are no legal problems there.

Senator WATERS: Okay.

Ms Edwards: The hospitals team has gone away, but I'm still here. I can answer a little bit of the questioning.

Senator WATERS: Thank you.

Ms Edwards: The way hospital funding works, generally speaking, is that states and territories decide what procedures are to happen in a public hospital and have complete control about how that's managed. Then, under the National Health Reform Agreement, the Commonwealth provides a contribution to the costs of those services. Assuming a public hospital provides the procedure, it would be included in the calculations. The Commonwealth, speaking generally, provides an amount which is made up of the amount that it paid for the previous year plus 45 per cent for efficient growth—so for the growth in procedure. Say there are a large number more terminations than there had been the previous year. Then we would pay 45 per cent of what's calculated to be the efficient price of those procedures in the following year.

Senator WATERS: How does the efficient price does that differ from the actual price?

Ms Edwards: The Independent Hospital Pricing Authority determines what's the price worked out in a mathematical, actuarial way.

Senator WATERS: To stop rorting, for example?

Ms Edwards: That's an independent body, and that's the basis on which we move forward for the price of that particular procedure. It's rolled up. It's a very complicated mathematical procedure. Generally speaking, if a procedure happens in a public hospital, it's factored into the overall funding, and the Commonwealth provides a contribution to that. But the decision to provide a particular service in a particular hospital—

Senator WATERS: It sits with the states?

Ms Edwards: It is entirely a matter for the states, yes.

Senator WATERS: Should I understand that what you're saying is that the Commonwealth wouldn't need to change the funding arrangements, because they have already catered for it once the state listed it as a procedure that would be done?

Ms Edwards: If they are doing in the public hospital, yes, we will provide a contribution.

Senator WATERS: So that funding lift would effectively automatically flow once the states added that to the list?

Ms Edwards: Correct. We wouldn't pay for the whole of the growth, but it's a contribution to that, so the funding arrangements would change. If there are more procedures provided, the formula would apply: that we would pay 45 per cent of the growth.

Senator WATERS: Okay. I know there's been some history about where the line is drawn and whether it's 45 or more, so I won't go over that. I'll just ask Richard. I'm sure he can tell me the answer to that. Are there any plans to deliver national commitments to better sexual and reproductive health outcomes for rural and regional communities—in particular for women's reproductive options? I'm not sure who's best to answer that.

Ms Shakespeare: Certainly any services that are available under the Medicare Benefits Schedule are available to everybody.

Senator WATERS: Irrespective of location?

Ms Shakespeare: Regardless of which location they're in throughout Australia. So there are certainly services, but boosting access to services would probably be something that would fall under one of our other programs, possibly in population health.

Senator WATERS: Can you shed any light on that?

Ms Edwards: Generally speaking, there is a priority for everyone to make sure people have services to the greatest extent that they can in the place they live and to expand services in remote and regional areas. We have lots of activity happening across the department, in various ways, to try to boost that—for example, in the workforce area, in terms of trying to have additional doctors and nurses in remote and rural areas.

Senator WATERS: Is there anything specifically on women's reproductive health?

Ms Shakespeare: Could we take that on notice. There might be other people in the department as well working on that.

Senator WATERS: That would be great. I'd like to learn a bit more at this stage.

Ms Edwards: It's probably across the department too, in various places.

Prof. Murphy: It's probably worth pointing out that the big advance recently has been the advent of medical abortion. Medical abortions are mostly prescribed by general practitioners, and obviously they're available across the whole country. At less than nine weeks, you can do a medical abortion with the pharmaceutical benefit that we cover. That's significantly improved access, as surgical abortion services are generally more limited in certain facilities.

Senator WATERS: Can you just clarify for me: are those PBS rebates up to nine weeks still available where the Criminal Code is still in play, namely New South Wales and, technically, South Australia as well? My understanding was no, but, if I'm wrong, that's great news.

Ms Shakespeare: My only advice on the position in New South Wales is termination is generally considered lawful if performed to prevent serious danger to the woman's mental and physical health. In those circumstances, I think medical or surgical termination wouldn't be prevented by state law.

Senator WATERS: There's a long and complex history behind that phrase. That was what was in play in Queensland too. It was so uncertain it had a chilling effect on doctors' comfort to provide these services. That all

spiralled and there was generally a lack of access. Thank you for that, but I'm not satisfied that's sufficient. Certainly, we still want it decriminalised across the country. Maybe one of you could provide me with a bit more information on notice about that point about PBS availability and how that interacts with the need for a doctor to certify that the women's mental health or physical health is at risk from continuing the pregnancy?

Ms Shakespeare: Certainly. I've only got numbers of scripts at a national level here.

Senator WATERS: Yes, they're useful.

Ms Shakespeare: But if we take it on notice, we can break that down into states for you, I think.

Senator WATERS: Thank you. Could you give me those national figures as well?

Ms Shakespeare: For 2017-18 there were 20,494 patients who accessed the drugs mifepristone and misoprostol.

Senator WATERS: Now that we've segued to PBS, what's the status of efforts to list those long-acting reversible contraceptive insertions on the PBS?

Ms Shakespeare: I'm not sure. We'll have to take that on notice.

Senator WATERS: Thank you. I think I'm almost done. Can I ask about Medicare data collection on terminations? Perhaps it's just been peculiar to Queensland because of our Criminal Code status, but my understanding is the data has not been very fulsomely collected. Is that case nationally? Can you tell me about the rules to capture—

Ms Shakespeare: The issue with Medicare data is that it reflects the item and we do not know whether the service is provided for a termination of pregnancy or because a woman has miscarried. The item is evacuation of the contents of the gravid uterus.

Senator WATERS: So it could be a D&C or for any other sort of reason.

Ms Shakespeare: We certainly have data about the numbers of times that service is provided and claimed, but we don't have any breakdown of the reason for the evacuation.

Senator WATERS: Are there moves to consider separating out the item to desired—well, they're all desired—terminations versus other evacuations? I don't know what the appropriate terminology is, I'm sorry. Is there a move to make it more granular, so that you know what is a termination by choice versus, sadly, a termination not by choice?

Ms Shakespeare: We don't have any plans at the moment. The medical procedure itself is the same.

Senator WATERS: It's the same, presumably. I think that's it for me. Thank you very much. You have been very helpful.

Senator SINGH: Thank you. We're on program 4.1. Is that correct?

CHAIR: Yes.

Senator SINGH: To follow-on, I understand access to termination services is a state based issue, but you'd be very aware of what's occurred in Tasmania with a lack of access to terminations services. Today it was revealed that the Tasmanian health minister has failed to meet his own deadline of access to those termination services by October, which is now. Has the department in any way been in consultation or communication with the Tasmanian government in relation to this crisis?

Prof. Murphy: No.

Senator SINGH: All right. I want to move on and asked questions to AIHW, mainly about out-of-pocket costs in relation to Medicare services, particularly about cost barriers to care. For the record, how many people have been delayed or avoided GP care due to cost, in the most recent financial year, which I think you would be able to provide, 2016-17?

Mr Sandison: That's correct. It was eight per cent of the people that were involved using the patient experience survey who said that they'd put off and delayed interaction with a health service because of cost.

Senator SINGH: That's eight per cent of 15½ year-olds—

Mr Sandison: I will check on the exact numbers. I have just got the percentages down for the figures here. I can table a copy of the report?

Senator SINGH: That would be fantastic, yes. That's GP care?

Mr Sandison: Yes. We split it up between five different groupings, so GPs, specialists and so on. We will get a clean copy, mine's got a lot of notes—

Senator SINGH: The eight per cent, is that GP care?

Mr Sandison: That's across all of them. Then the survey breaks some of the information up across specialists, GPs and so on. The work we did on the out-of-pocket was to bring together Medicare related services, so it's only one part of the out-of-pocket expenses, and provide a break-up. There were geography related issues in there, because the primary focus of these reports is to look not just at national figures, but break-up by primary health care levels. Then the survey work that we did took data from the ABS. Again, it is on the website, but we can provide a copy of the report to the committee.

Senator SINGH: I don't know if the breakdown is on the website. I'm interested in GP care and specialist care, and the percentages of each of those, not just the overall—

Mr Sandison: I think the information we had was how many people delayed specialists and GPs. The overall figure was the eight per cent. We have break-up by specialist and GPs, diagnostic imaging and pathology in the report. So rather than read them out and so on I can just—

Senator SINGH: And you're able to table that now? That'd be great. What about figures varying by remoteness, is that in the report as well?

Mr Sandison: It is. It's in there by the 31 primary healthcare networks and the 333 statistical areas that we break the data up by.

Senator SINGH: Those figures are based on sort of modelling assumptions about 15-plus year-olds needing certain types of care.

Mr Sandison: It's not on modelling; it's on the survey. The out-of-pocket expenses had two elements to it. We used the Medicare dataset, the MBS dataset. That's straight from the data. That was for the work about out-of-pocket expenses itself. Then the survey is the ABS survey that is done, and that was picking up the information from—obviously, as a survey it's not the whole population and it's not modelling—the data taken from the survey.

Senator SINGH: Can you breakdown the proportion of 15-plus year-olds who needed GP care, specialist care and pathology?

Mr Sandison: Again, rather than reading through all of the report, the information has it there. And then we are more than ready to provide a briefing on any additional information, because a lot of it might not necessarily be in this report, but in other reports, and equally some of it will be in other survey data from the Australian Bureau of Statistics.

Senator SINGH: Alright. Thank you very much, Mr Sandison.

Senator WATT: We have other 4.1 questions. I think Senator Griff might have some questions for—

Senator GRIFF: Yes. Earlier, I'm not sure, Mr Sandison, whether you caught—

Mr Sandison: I have. MyHospital's website and the 17 indicators. Basically the MyHospital's website is looked after by the Institute of Health and Welfare. It moved to us couple of years ago. Prior to that it was with the National Health Performance Authority. The 17 indicators were determined about eight years ago, as you said this morning, and out of those seven are currently reported on at hospital level—noting there are over 1,000 hospitals in Australia, so that provides a greater consolidation—

Senator GRIFF: They're primarily public—

Mr Sandison: Yes, against those seven. Another one is reported on at state and territory level, because it's primarily their data anyway, and the most accurate reporting is straight from them. Three of them were reviewed and recommended for deletion. The statement about underdevelopment is probably incorrect. There was no formal decision not to take them forward, and that was because of the absence of data and the relevance of the indicators. One of the key things is that, only over the last couple of years, data integration has become far more available and you can only assess the data for some of those indicators using data integration—that is, using different data sets and bringing them together. Two years ago, there was a review of the framework. All of this is done under the performance and accountability framework. That's an agreement through COAG across the Australian health ministers. Two years ago, there was a decision to review the whole thing and have a new framework. It's on the COAG website. Again, we can point you to the website, Senator, although I have got a copy of the new Australian Health Performance Framework that I can table.

Senator GRIFF: Thank you.

Mr Sandison: It is from that that the new indicators are going to be developed with all jurisdictions and the Commonwealth, with the institute providing the support to look at the indicators that should be established that are measurable and are relevant to the key areas of health now rather than eight years ago.

Senator GRIFF: So the COAG Health Council August meeting will tie into this? That is what you're saying?

Mr Sandison: I'm not sure whether it's the August meeting. The framework was actually determined late last year. The institute, it's been agreed, has joined the—

Senator GRIFF: That was about disclosure of hospital and clinician performance across also private and public?

Mr Sandison: I won't speak on behalf of the department, but all of this tied into some of the work that was mentioned this morning about the enhancement of data as part of the reform agreements. This is one part of that. The institute's role is to support both AHMAC as well as the department.

Senator GRIFF: Could you provide on notice the status of the work on this?

Mr Sandison: On the new framework?

Senator GRIFF: Yes.

Mr Sandison: Certainly, Senator.

CHAIR: We will break for 15 minutes.

Senator WATT: I think Senator Griff was just saying he doesn't need AIHW to stay, and we are done as well with them.

Senator SINGH: They can leave.

Senator WATT: Thanks.

Proceedings suspended from 21:17 to 21:30

Senator GRIFF: I would like to just kick off by asking a question as a result of some concerns of some specialists in a state that have alerted me to the fact that there are some neurosurgeons demanding commissions from anaesthetists as part of referring work to them, although it appears that doctors paying each other kickbacks in exchange for referrals may be in breach of the relevant ethical codes. Is this type of conduct actually lawful under current legislation? It's an interesting question, but this is definitely happening, so I would be interested in the department's view on where this sits.

Ms Shakespeare: I'm fairly certain there are generally criminal laws around bribery that are not under health legislation but that might apply here if somebody is paying bribes to another person in order to obtain a financial benefit.

Senator GRIFF: So that wouldn't be an issue with anything whatsoever to do with the department?

Ms Shakespeare: With the claiming of Medicare benefits, we have Health portfolio legislation which certainly relates to things like inappropriate claims. But, where we have fraudulent claims—

Senator GRIFF: But commissions wouldn't fall under that, of course.

Ms Shakespeare: Fraudulent claims, for instance, are a criminal law matter, and I think bribes are probably going to fall into the same bucket.

Senator GRIFF: All right. We will take that a little further.

Senator Scullion: You might consider—because these are matters obviously not known to us—that there is the compliance. You can put the details of that, if you would like, in camera to the department, and they can perhaps get back to you. They may be unable, in such broad terms, to give you the answer that you require, but they could look in more detail at that and discern whether it's criminal behaviour. But that's a matter for you.

Senator GRIFF: I think it would be worthwhile. We will speak separately to you about that information, because, as the minister said, I think it would be worth you being aware of this.

Senator Scullion: Indeed. It sounds like we would be.

Ms Shakespeare: Thank you, Senator.

Senator GRIFF: I have a few questions about MBS item No. 16590, which is the antenatal planning and management fee. I note it is listed under the private health insurance reforms clinical categories. I have received reports that some obstetricians are charging as much as $10,000 for this item for a woman undergoing pregnancy through the private health system, and I think the Medicare approved fee for this item is $372. Are you aware of this?

Prof. Murphy: This is an issue that's come up in my Ministerial Advisory Committee on Out-of-Pocket Costs. I think the average fee was a bit over $4,000 for that item, but you're right. Some fees are up to $10,000.

Senator GRIFF: Some are up to $10,000.

Prof. Murphy: This has nothing to do with admitted fees. This is a non-admitted Medicare item, and the obstetricians have, as a matter of practice, exercised their view that the collective MBS reimbursements for management of a pregnancy are, in their view, inadequate. So they have all put a large fee on this particular item number. It has come up as a matter of quite significant concern. Perhaps its background was when the original Medicare safety nets were introduced. A lot of these obstetricians increased their fees, and the patients weren't paying for it.

Senator GRIFF: It's pretty substantial—$10,000.

Prof. Murphy: Then the safety net was capped, and they've kept their fees at that level. There is some evidence that those fees are now starting to drop, because private obstetrics is falling. There is significant data to suggest that a lot of couples with private health insurance are now choosing to go to the public sector, and a number of private hospitals have reported significant decline in private bookings, and many of the private obstetricians are finding that their workload's drying up. So market pressure is finally having some effect and we're starting to see—certainly in some jurisdictions like Brisbane—that the fees have dropped dramatically for the younger group. But the College of Obstetricians and Gynaecologists are very worried about this, and separately they've been doing some work with the private insurers and the department to look at what can be done to make the out-of-pocket experience for a pregnant couple less painful. It's certainly a significant issue, and it possibly is an issue leading to people not taking out private health insurance, because planned pregnancy was one of the reasons that a lot of couples did take up private health insurance. It is a significant issue. Market forces will have some effect, and it's certainly one of the topics we've looked at in our out-of-pocket costs committee.

Senator GRIFF: Just on that, at the COAG Health Council meeting in August it was agreed that the Commonwealth would release a detailed report on the activity of the Ministerial Advisory Committee on Out-of-Pocket Costs before the next COAG meeting, but, according to the notes of the October COAG Health Council meeting, the Commonwealth has still not provided a report.

Prof. Murphy: The report is not yet finalised. We had to clear it with our advisory committee, who are mostly busy medical leaders, and we had to get them together.

Senator GRIFF: So it's ready to release?

Prof. Murphy: It's finally being drafted. We had a meeting last Friday with the committee, and there are a number of amendments that will be made to it. Then it has to be delivered to the minister, because it's a ministerial advisory committee, and it will be up to the minister. He made the commitment at the COAG Health Council that he would make the information available, but it's up to him to receive the report first and decide when and how to release it.

Senator GRIFF: So you would imagine that that will be fairly soon, in the next month.

Prof. Murphy: That's up to the minister, but I think he's very keen to progress this issue.

Senator GRIFF: Have you examined out of pocket costs being charged across different specialities?

Prof. Murphy: Yes, we have some data on that. There are three areas that we've looked at. One is admitted out-of-pocket costs, and I think we've found that orthopaedics, neurosurgery and neurology are particularly featured, largely in anecdotal reports but also from some data that we've gained from various sources. The other particular area is private cancer, not so much because the individual fees are very large but because there is often a sequence of surgery, diagnostic imaging, radiotherapy and chemotherapy. If it's all done in the private sector, the cumulative costs can be significant. Then there are people with chronic disease who are having ambulatory care in the private sector with private specialist visits. It might only have a modest out-of-pocket cost of $40 or $50, but, if you're coming every fortnight and you're on a fixed income, that can be burdensome. The other issue that we've been very closely working on is the practice by a small number of specialists of charging hidden fees, such as booking or administration fees that are not disclosed to Medicare or the insurer. I have to say that the leadership of the medical profession is right behind doing something significant about this.

Senator GRIFF: Thank you. I'll do the rest on notice.

Senator SINGH: I want to go back to the Medicare freeze. In particular, I want to ask the department: is it correct that there are 100 GP items that are frozen until July 2020?

Ms Shakespeare: Medicare indexation commenced from 1 July last year on some items. GP bulk-billing items were indexed last year. There were a range of other GP consultation items that were indexed on 1 July this year. There are, I think, more specialist consultations as well. More specialist procedures will be indexed next year, and each year the indexation from the previous year's items continues. So there are many items that have been indexed, and some have been over two years now.

Senator SINGH: I'm just going on that Department of Health list, which has 1 July 2020 GP services, and it lists them all. That's why I'm asking how many items we're talking about.

Ms Shakespeare: I think we'd probably have to count them from that list.

Senator SINGH: We'll be here a while if that's the case! Do you accept that there will be greater upwards pressure on out-of-pocket costs for these items?

Ms Shakespeare: The reason that the government has now invested $1.5 billion in indexing Medicare items is to try and put downward pressure on out-of-pocket costs.

Senator SINGH: But I'm talking about the items that have been reindexed.

Ms Shakespeare: There is a commitment that those items will be indexed. It will be in a staged way—

Senator SINGH: In the meantime, will there be greater upwards pressure on out-of-pocket costs?

Ms Shakespeare: The other thing we can look at here is bulk-billing rates, which are continuing to increase.

Senator SINGH: I'm not asking about bulk-billing rates; I'm asking about these particular items and whether or not there will be greater upwards pressure on out-of-pocket costs than on the items that have been reindexed.

Ms Shakespeare: Competition between services and practices also has an impact on out-of-pocket costs. It's not just that these particular items haven't been indexed. I think, if we were to look at some of them, the ones from 2020 are targeted diagnostic imaging items.

Senator SINGH: Well, let's look at some of them. That's a good idea. Go on.

Ms Shakespeare: Some of the other GP services—we probably could get you bulk-billing statistics to look at those areas. Generally, more services are being provided at no cost to the patient, because bulk-billing rates are continuing to increase.

Senator SINGH: Okay. That doesn't really answer my question, Ms Shakespeare, but let's delve into it to try and get an answer. Let's look at those items that I referred to in the mbsonline.gov.au table. One of the items is item No. 2713, for mental health consultations. GPs have raised concerns that freezing this item while reindexing health items will either provide patients a lower rebate for mental health consultations than for standard physical consultations or force GPs to bill standard consultations, which will result in data inaccuracies regarding mental health prevalence and service provision. Which one do you expect will happen out of that scenario to do with that particular freezing of that item?

Ms Shakespeare: I think you're asking us to speculate on what will happen with services for an MBS item.

Senator SINGH: Item 2713 is a standard mental health consultation—is that correct?

Mr M Ryan: Yes, that is correct, that is a mental health services item.

Senator SINGH: My question, which I am happy to repeat, was in relation to the freezing of that item. The freezing factor of that item means that it will either provide patients with a lower rebate, obviously, for mental health consultations than for standard consultations or it will force GPs to bill it as a standard consultation, which will result in a data inaccuracy as compared to what it actually was. Which do you think is going to happen in that situation?

Ms Shakespeare: I'm not sure we can speculate on that. Perhaps that would be a question for GPs providing services. It's really a clinical judgement as to which MBS item you feel is appropriate to bill for the service that you've provided to a patient.

Mr M Ryan: If I could just add to that: the benefit for that item is $71.70, which is a higher rebate than a standard GP consultation, even after the indexation that has been applied to it. I would be surprised if GPs would change to a lower rebated item for this particular service.

Senator SINGH: Thank you.

Senator WATT: We think that's it for us for 4.1. We do have some for 4.2, Hearing Services.

[21:46]

Senator SINGH: Does the government still have plans to privatise Australian Hearing?

Senator WATT: It's probably something for the minister, really, isn't it?

Senator Scullion: I'm not aware of that, Senator. I'll have to ask if my department can provide me some advice on that matter.

Dr Studdert: My colleague Mr Martin can answer that question.

Mr Martin: My recollection is that there was an announcement in the 2017-18 budget that there were no plans for the government to privatise Australian Hearing, although that agency sits within the Human Services portfolio, so more detailed questions might need to be directed to them.

Senator SINGH: Minister, is that the case? Will the government commit to Australian Hearing remaining in government ownership in the next term of government, your own government?

Senator Scullion: My understanding is that the department has just provided you with a reflection of what was announced at the last budget. I'll take that on notice. If the answer to that is different, I'll provide a different answer.

Senator SINGH: If that's the case, Mr Martin, why then, in its response to the inquiry into hearing health and wellbeing in Australia, did the government simply note the committee's recommendation that the committee supports the decision not to privatise Australian Hearing and recommends that Australian Hearing be retained in government ownership?

Senator Scullion: Well, noted is often that we note that that is a part of the report. It's a pretty neutral response, because no responses have been required—

Senator SINGH: But noted gives no guarantee as to whether or not—

Senator Scullion: Well, no, but it's not—

Senator SINGH: It doesn't really mean a lot, to be honest; it just means you've read it.

Senator Scullion: Noted, by convention, means a particular thing. It's ambivalent on that. I have a number of things as minister. I note it, simply that it has been a part of the report. We noted the report, but I don't think that can mean something one way or the other. What is more applicable about this matter is the statement during the budget that my department just referred to, that we had no intention of privatising Australian Hearing.

Senator SINGH: Okay.

Senator WATT: On that basis, will the government commit to Australian Hearing remaining in government ownership in the next term of government?

Senator Scullion: As I've just indicated, my belief is that that has already been the case. As I've said, I'll take that on notice. If it's different, I'll provide you with a different answer.

Senator WATT: Okay. That is it for 4.2, but we have 4.3, on the PBS.

[21:49]

Senator WATT: I want to ask about a question on notice from the last estimates round, SQ18-000919, which I have a copy of if needed. It talks about the process for listing a drug, basically. The department's KPI:

… includes the percentage of new medicines recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) that are listed on the Pharmaceutical Benefits Scheme within six months of agreement of budget impact and price.

In 2015-16, eight per cent of medicines were delayed beyond this KPI, and you have said that equates to just one medicine, which is—I'm not going to get this pronunciation right—bendamustine, which is a chemotherapy medicine. Does that mean the government only listed 13 new medicines in 2016-17, if one is eight per cent?

Ms Shakespeare: The KPI refers to units and we count new molecules.

Senator WATT: New molecules? So it might be that there are other drugs that were listed that weren't new molecules?

Ms Shakespeare: Yes. There are many, many listings which are new indications, changes to indications. These might all have budget impacts or not. So, yes, but those numbers are counting new molecules listed.

Senator WATT: Okay. So similarly, 15 per cent of medicines were delayed beyond the KPI in 2016-17, and you say that it equates to four medicines. Does that mean that only 27 new medicines were listed in 2016-17, or is it the same issue?

Ms Shakespeare: New drugs, new molecules.

Senator WATT: Yes, new molecules. So, again, more listings, but only 27 of them were, as you put it, new molecules.

Ms Shakespeare: That's correct.

Senator WATT: Right. Are you confident to stand behind the government's claims that it lists one new medicine a day on the PBS?

Ms Shakespeare: Those are new and amended listings, yes.

Senator WATT: 'New and amended listings'? What's the distinction between a new and an amended listing?

Ms Shakespeare: Some examples I just provided before, so we might have new indications for an existing listed molecule or medicine.

Senator WATT: New indications?

Ms Shakespeare: Yes. There might be changes to restrictions so that a patient group that could only previously access a medicine after meeting particular restrictions, those restrictions are lifted. In some cases, those require new funding; in all cases, they require negotiation with the department around the listing.

Senator WATT: Okay. But anyone who's saying that they're listing one new medicine a day on the PBS, that's not entirely accurate.

Ms Shakespeare: Well for the patients who get access to the medicine, it's a new listing for them.

Senator WATT: Yes, but it's not as if it's going on the PBS for the first time.

Ms Shakespeare: Again, these are all changes to the PBS. Many of them have to go through the Pharmaceutical Benefits Advisory Committee; all of them have to be actioned by the department. They all involve public funding and effort.

Senator WATT: I acknowledge that—

Ms Shakespeare: And all result in benefits for patients.

Senator WATT: but there are new drugs, or new molecules, that are put on the list, and then there are others that are on the list, but amendments are made to them in terms of who can access them, the restrictions on them and that kind of thing.

Ms Shakespeare: Yes. For instance, a particular drug we've had several listings for, nivolumab, is an immunotherapy drug. It was listed for melanoma, then expanded to listings for non-small cell lung cancer, renal cell carcinoma. I think we've had squamous. That's not considered a new molecule because it's already on the PBS, but those are major new indications.

Senator WATT: Sure. Would it be more accurate to say there's one new or amended medicine a day listed on the PBS, rather than an entirely new one?

Ms Shakespeare: Yes, although there's not one new molecule listed on the PBS per day.

Senator WATT: Okay, thank you. Your annual report for 2017-18 shows that 12 per cent of new medicines weren't listed within the KPI. How many medicines was that, and what were they?

Ms Platona: There are two drugs, two new molecules, that are captured in that KPI. The first one is called glecaprevir.

Senator WATT: Would you mind spelling that? They're always difficult words, aren't they?

Ms Platona: Okay. The brand name is Maviret—M-a-v-i-r-e-t—and the sponsor is AbbVie. It's a hepatitis C medicine. That product was recommended by the PBAC at its November 2017 meeting; it was listed on the PBS on 1 August 2018. The second product, again with a brand name, is called Rekovelle—R-e-k-o-v-e-l-l-e. The sponsor is Ferring. It was recommended by the PBAC in November 2017; it was listed on 1 August 2018.

Senator WATT: Thank you. So they're the two—so 12 per cent equates to two in 2017-18.

Ms Platona: Out of a total of 17 brand new molecules.

Senator WATT: Okay. That's it for us for the PBS and 4.3. Have you got 4.3s?

Senator SIEWERT: No, but the questions I have that I want to ask and put on notice I thought were later on in 4, but they're apparently 4.1.

Senator WATT: I'm happy for you to ask them if we've got the right people still here.

[21:56]

Senator SIEWERT: It's about MRI allocation licences, which is 4.1.

Ms Beauchamp: Yes. We've got the right people here.

Senator SIEWERT: Okay, that would be great. And I apologise; I thought these were for elsewhere. I want to ask specifically about the situation in WA, and I'll try to be really quick because I know we're getting short of time. So there was more money allocated to the provision of MRIs. First off, I want to know what percentage of that money would be allocated to Western Australia—if that's known.

Ms Shakespeare: Senator, I don't think that will be known yet. Quite a large proportion of the additional funding is subject to a competitive invitation to apply process. That is open at the moment; it closes on 2 November.

Senator SIEWERT: So none of that money has been allocated? No extra licences have been granted yet?

Ms Shakespeare: The government has announced 10 new licences. One of those was in Kalgoorlie, which was announced some time ago now.

Senator SIEWERT: Which is actually why I ask, because I've understood, from what you've said, that there is a competitive process, but there have been 10 granted.

Ms Shakespeare: Yes, and from that initial 10, there's also another one in Western Australia, at St John of God hospital at Midland, which is an upgrade of a partial licence to a full licence.

Senator SIEWERT: Okay. Is there going to be a proportionality process used in the competitive tender process?

Ms Shakespeare: In the competitive process we are looking at a range of factors. There are mandatory criteria that have to be met to be eligible for an MRI licence in terms of the services that are provided at the facility. We are looking at areas of need on a primary health network basis. We've got a matrix to work out where are the areas of higher need. And we also need to look at where there are services that are ready to provide MRI, so there is equipment and things like that in place.

Senator SIEWERT: So 'area of need' presumably means waiting lists?

Ms Shakespeare: It's a combination of factors. Relative need of the primary health network is based on the number of Medicare eligible MRI units per 100,000 population existing; the time lag between specialist referral and rendering of the MRI service; distance to eligible machines, because there might be travelling distance involved; and availability of operational machines in a PHN.

Senator SIEWERT: So they're going to be allocated via the PHN?

Ms Shakespeare: Those are the factors we will be looking at to prioritise need in a primary health network area. We're also seeking the views of state and territory governments about where they think the greatest pressure is for MRI services.

Senator SIEWERT: In WA, I understand that the stats are down; we have fewer MRIs per head of population than other states. Does that get taken into consideration?

Ms Shakespeare: That will be picked up in the assessment at the PHN level, not necessarily the state level. Certainly if there are PHNs, which in WA, and I know that there are, that have lower access to MRI services at the moment, that will feature in the criteria.

Senator SIEWERT: And issues such as whether would you take into account whether an organisation or business that applies bulk bill or not?

Ms Shakespeare: That's certainly something we have asked for information on in the invitation to apply. I suppose in the situation where we had a couple of applications from the same PHN that were looking very similar otherwise, and one was offering commitment to bulk bill, that would be something that could be taken into account.

Senator SIEWERT: You said there are going to be competitive tenders. Do you also look at the number of operators in the field, and whether there is competition between the operators?

Ms Shakespeare: I think that is really something that gets picked up by us, looking at the existing number of services per head of population by PHN. So if there's already a fair amount of services there and competition there then that might reduce the relative area of need ranking.

Senator SIEWERT: I meant in terms of whether there's a limited pool that are operating the MRIs. Sorry if I wasn't clear.

Ms Shakespeare: I don't think that's a specific criteria that we've listed in the invitation to apply documentation, no.

Senator SIEWERT: When is the process completed for the decision-making in terms of allocation of the additional licences?

Mr Weiss: The invitation to apply closes on Friday 2 November, so next Friday. We'll be doing our assessment of the applications during November and providing advice to the minister, we hope, late November, early December.

Senator SIEWERT: So likely before Christmas?

Mr Weiss: Yes, with the intention that we would like machines to be operational by 1 March 2019.

Senator DEAN SMITH: I've got a question, just on the MRIs. In regards to Western Australia, in the country PHN or country WA PHN, which takes you from Kununurra in the north to Esperance in the south and everything outside of the Perth metropolitan area—so places like Karratha, Port Hedland, Derby, et cetera—how will you assess the need, for example, if a northern community in the far north of Western Australia makes a claim for an MRI? If a community in Karratha, for example, makes a claim for an MRI, but a community in the far south also makes a claim for an MRI, given that it's not a competitive market and the distances are extreme in the Australian context, how do you work that through?

Ms Shakespeare: It is difficult where you have very large geographic PHNs.

Senator DEAN SMITH: There wouldn't be many PHNs as large as country WA.

Ms Shakespeare: We are looking at distance to eligible machines as part of looking at the prioritisation criteria. The fact that there are already Medicare-eligible machines in places like Albany and Bunbury might mean that you try and get machines located elsewhere, so that patients have less distance to travel. But we haven't seen applications yet, and it's a bit hard to comment on—

Senator DEAN SMITH: Have you not even seen an application yet from Karratha?

Ms Shakespeare: I haven't seen any application.

Senator DEAN SMITH: Do you mean under the round that's just been announced, or generally?

Ms Shakespeare: The invitation to apply doesn't close until November so it's a bit hard for us to speculate on the locations of applications.

Senator DEAN SMITH: That's homework for me, not for you. Because I know that Senators Singh and Watt are generous people, I just want to go back to the MBS issue, just quickly, if I may? Did I hear in your evidence, Ms Shakespeare, that there had been 1,900 new or amended listings that have taken place since 2013? Did I hear you correctly?

Ms Shakespeare: I will just check that number for you...

Senator DEAN SMITH: I said 1,900, as in one nine zero zero—100 less than 2,000.

Ms Shakespeare: It is 1,920 new and amended listings.

Senator DEAN SMITH: So 1,920 new or amended listings have taken place since 2013. That's correct?

Ms Shakespeare: It is since October 2013.

Senator DEAN SMITH: Oh that's very specific—October 2013. So, that could translate, and maths was never my strength, to an average of around one per day?

Ms Shakespeare: Yes. So that's new and amended listings averaging 31 per month, approximately one per day.

Senator DEAN SMITH: Well done. Congratulations. That's remarkable.

Ms Shakespeare: We work very hard.

Senator DEAN SMITH: And thank you, Senator Singh and Senator Murray Watt for your generosity and allowing me to step back in time.

Senator WATT: Any time, Senator Smith. We're ready to move on to 4.4, private health insurance. The minister often points to Deloitte modelling, which I understand is from 2017, which he claims shows that the opposition's policies on private health insurance would result in a 16 per cent increase in premiums. Has the department provided any advice to the minister that would support this contention of a 16 per cent increase in premiums?

Mr Maskell-Knight: The minister released a fact sheet drawn on modelling that's been commissioned for MAC with the announce of the private insurance reforms and that showed what Deloittes estimated the impact on premiums of different configurations of product categories would be. Fact sheet option 3 is described as essentially removing restrictions. So what it effectively amounts is to getting rid of the products which Senator Di Natale characterises as 'junk'. Were that to happen and were psychiatric care to be limited to silver and gold, and bronze not to have psychiatric care in it, then the impact on premiums would be about 15.7 per cent.

Senator WATT: Could you table that document for us, please?

Mr Maskell-Knight: It's the only copy I have.

Senator WATT: Yes, once you run off a copy. So that's a fact sheet that was provided?

Mr Maskell-Knight: It was put up on the department's website in October last year.

Senator WATT: And is the reduction of, I think you said, 15.7 per cent or around about 16 per cent, that about getting rid of so-called junk policies all together?

Mr Maskell-Knight: That's what it is effectively. So what it would mean is that bronze would offer unrestricted cover for a range of services, silver would also offer unrestricted cover and gold would offer comprehensive. So the usual characterisation of junk policies is that they have widespread restrictions.

Senator WATT: And that, of course, isn't the federal opposition's policy. The federal opposition's policy is to scrap the rebate for so-called junk policies as opposed to scrapping junk policies altogether, which I think was a government policy in the 2016 election. So has the department provided any advice to support the minister's contention that the opposition's policy to scrap the rebate for so-called junk policies would result in a 16 per cent increase in premiums?

Mr Maskell-Knight: At the moment, I believe the rebate on the lowest tier is 24 per cent. So removing the rebate from junk policies for people on the lowest tier of the rebate would result in a 33 per cent increase—24 per cent over 76 per cent.

Senator WATT: You would think that, if that were the case, the minister would be using the higher figure in what he's saying. Minister, is there a reason you're sort of giving Labor a half-price discount in the hyperbolic claims you're making about our policies?

Senator Scullion: One of the things I can say about the minister is that the reason he's so credible is that he sticks to the facts.

Senator WATT: Is that right?

Senator Scullion: Well, one of the reasons he's very nervous is that, last time you were in government, the premiums were actually raised by 28 per cent. I don't think there's any mucking about with those facts.

Senator WATT: I am not sure we want to get into a comparison on this.

Senator Scullion: The reason that he's nervous on behalf of Australians is that under the Rudd-Gillard-Rudd government there was a 28 per cent increase, and we can probably expect more of that, mate. But the direct answer to your question, I think, is that he's just a straightforward, honest bloke who's pretty factual. I don't think he's giving you any benefits at all.

Senator WATT: I'm not going to have a debate about that. How is it that premiums could rise by 16 per cent under a two per cent cap, which is, in fact, what the federal opposition has proposed?

Mr Maskell-Knight: I can't answer that.

Senator WATT: Is that because there just isn't an answer?

Mr Maskell-Knight: I think they are two mutually exclusive ideas. If you're going to remove the rebate from very low-cost policies, the cost of those policies is going to increase by the amount of the rebate divided by the premium that's left. So, if that is a policy, that will make the cost of premiums for those products increase by 33 per cent. Another policy is to cap premiums at a two per cent increase.

Senator WATT: Yes. Let's forget about which party it is. If a government were to cap premium increases at two per cent, it's actually not possible for them to go higher than that, is it? That's kind of the point of a cap.

Mr Maskell-Knight: It depends on how you implement the cap. There are 70,000 products out there. If you say you're going to impose a hard cap of two per cent on every one, there will be all sorts of peculiar and bizarre pricing issues going on, because insurers have to make commercial decisions about how they price products relative to the benefits that have been drawn down. If you say the two per cent cap is an average, that's a different issue.

Senator WATT: Okay. Minister, for the record, one of my colleagues has helpfully pointed out that premiums have increased by 27 per cent under your government, so I guess you win.

Senator Scullion: No, it's actually under yours that they have risen by 28 per cent.

Senator WATT: Well, you have a bit more to come next year, so maybe we'll have this debate then.

Senator Scullion: We'll be around for a few more years. Don't worry.

Senator WATT: It's good that one person in Australia thinks that. Let's move on to gold, silver, bronze and basic policies. The gold, silver, bronze and basic changes were due to take effect by April next year, but the minister has now given insurers an extra year to make the changes. Why did he announce this delay?

Ms Shakespeare: The transition to gold, silver, bronze and basic, and the clinical categories that underpin those tiers, will commence from 1 April next year. There will be a transition period of 12 months for all products to shift across to the new categorisation system.

Senator WATT: That extra year of transition is a relatively recent announcement from the minister, though, isn't it?

Ms Shakespeare: That was something that was included in the rules that were made earlier this month. We had a fairly extensive consultation period with all of the stakeholders interested in the private insurance reforms. That led to the development of the rules. We consulted heavily with stakeholders about how to best manage the transition to the new clinical categories and the gold, silver bronze and basic, and that was implemented through the rules.

Senator WATT: What effect will this one-year delay have on next year's premium price rises?

Mr Maskell-Knight: We don't believe it will have an impact either way.

Senator WATT: But I thought the entire rationale for having these gold, silver, bronze and basic policies was to keep premium rises down.

Mr Maskell-Knight: The package the minister announced in October last year had the tag line, 'Simpler, more affordable'. Gold, silver, bronze and basic was to address the simpler, not the more affordable.

Senator WATT: Right. I'm sure I have heard the minister and, I thought, people in this estimates committee previously argue that this was going to also help with affordability.

Ms Shakespeare: The categorisation system is really to reflect what's in the policies, not to reduce costs or increase costs. It's giving people information about what's currently covered by their policy or by a new policy if they decide they want to shift to a new policy in future. It is an information measure. There are certainly other parts of the reforms that are designed to have a downward impact on premiums, such as the reductions in prostheses benefits.

Senator WATT: But the introduction of gold, silver, bronze and basic policies is not expected to have any impact on premium rises?

Mr Maskell-Knight: Overall, no. As I said, insurers may need to make some adjustments to the content of the 70,000 or so distinct policies out there to ensure that they comply. Some individual products may have their premiums increased a bit as a result of that. Others may have some restricted cover removed and have their benefits decrease.

Ms Beauchamp: I think there were about 15 measures to dampen down any price increases or potential price increases, and the gold, silver, bronze, and basic was to make it much simpler for consumers to choose. Of course, that will commence rolling out on 1 April 2019. I think the minister announced that that implementation plan and transition plan is to finish no later than 1 April 2020.

Senator WATT: Have any insurers indicated they will implement gold, silver, bronze and basic policies immediately or before that one-year extension?

Mr Maskell-Knight: A number of insurers have indicated they plan on offering those products early in the new year.

Senator WATT: How many?

Mr Maskell-Knight: I would have—

Senator WATT: Or which ones?

Mr Maskell-Knight: I'm not sure it would be appropriate to say which ones, for commercial reasons. I can think of a number, but I would have to go back and check our records.

Senator Scullion: We might take that one on notice.

Senator WATT: Do you know what percentage of the market?

Mr Maskell-Knight: I would need to confirm that.

Senator WATT: If you can take that on notice. I understand Deloitte prepared a report regarding the gold, silver, bronze and basic policy change dated 28 June 2018. Have you got a copy of that here?

Ms Shakespeare: No.

Senator WATT: There's been a lot written about this report over recent weeks. Is there a reason that it hasn't been released publically?

Ms Shakespeare: It's modelling.

Senator WATT: It doesn't sound like there is an issue with tabling it, in that case. Can you please table a copy of that? I realise you haven't got it with you, but could you please table a copy of that?

Ms Beauchamp: We will take that on notice and see what status it's got.

Senator WATT: Okay, but I note that both officers shrugged their shoulders when I asked whether there was a reason that it couldn't be released publically.

Ms Beauchamp: Sorry, I'm just providing—

Senator WATT: Unfortunately, the *Hansard* doesn't pick up body language.

Ms Beauchamp: I'm just providing a formal response.

Senator Scullion: I'm sure that body language was indicating that they weren't absolutely accurate in providing the information why it couldn't be released. We'll have a look at those matters and we will give you the answer on notice.

Senator WATT: I always thought shrugging shoulders meant that it doesn't really matter.

Senator Scullion: It's late at night.

Mr Maskell-Knight: It's been a long day.

Senator WATT: A long week. What assurances have insurers provided that they will continue to offer products above the minimum requirements?

Mr Maskell-Knight: At the moment, as I think I've advised the committee before, the minimum requirement to offer a complying health insurance policy is to offer minimum default benefits for psychiatric, rehab and palliative care, yet just about every product in the market exceeds that minimum standard by a comprehensive margin. We see no reason insurers will suddenly decide that the only products they offer are the ones that meet the bare minimum.

Senator WATT: The Deloitte modelling, which we've been talking about, indicates that a substantial number of existing cheaper policies include coverage for procedures that will now only be available in gold policies. That includes joint replacements, spine surgery, cataract and eye lens surgery and chronic pain procedures. Doesn't it follow that some patients will be required to upgrade to gold and, therefore, pay more to maintain their current level of cover?

Mr Maskell-Knight: There was a Deloitte report that was released in the middle of last year. There was a table in there, which has been seized upon as the source of the argument you're making. We think that Deloitte mightn't have been as accurate with that as they needed to have been, perhaps. We've discussed that with them. Fortunately, it doesn't go into the rest of the modelling that they've done. That table says, for example, that hip and knee surgery is covered by 77 per cent of products at the basic level at the moment. They came up with that based on a survey. Once that number got a bit of currency, we decided we'd better go and check it. As of last week, there were 331 hospital policies available in New South Wales for singles, and they ranged in costs from $1,005 a year to $3,684 a year. If you say that basic to mid-range policies cost less than $2,000 a year, there were only four policies that offered unrestricted cover for all joints. There were 10 that offered unrestricted cover for joints, other than hips and knees. One policy covered hips, but not knees, and one covered restricted benefits for hips and knees. I think the view that there are lots of basic products covering high-cost procedures is not true.

Ms Shakespeare: There will be no requirement for a policy that was covering those services, which are categorised as basic, bronze or even silver, to remove that cover. It's not that you can only cover services that are under gold products. I think that's been in all of our material about this. Insurers can continue to provide additional services beyond the minimum clinical categories that have to be covered by each tier. Many of the insurers, I'm sure, will continue to cover the services that they do cover that are above the minimum tier requirements. They make those decisions based on what helps them sell products to their customer base.

Senator WATT: We'll leave it at that, thank you.

[10:23]

CHAIR: We'll move on to outcome 5.

Senator WATT: I will leave you in Senator Singh's capable hands. Enjoy the rest of the night.

CHAIR: Senator Singh.

Senator SINGH: My questions start in relation to silicosis, particularly how the Queensland government in September issued an urgent warning after 22 silicosis claims were lodged with WorkCover. I want to know where the status of the proposal for a national dust diseases register is at?

Prof. Murphy: The health ministers agreed at their most recent meeting to ask the Clinical Principal Committee of AHMAC—which I'm a member of—to consider developing a national dust diseases register. In the meantime, we have asked the relevant speciality groups, the College of Physicians and the Thoracic Society, to prepare an outline of what such a register would look like. That will be discussed at the next meeting of the clinical principal committee. We will then work that through the AHMAC process. It would need to be multijurisdictional support for such a register. It's likely that the WorkSafe authorities in each jurisdiction would support it. There are even indications that industry might support it as well. That's being progressed through the clinical principal committee of AHMAC.

Senator SINGH: Because it broadens it out from asbestos, obviously, to other dust diseases.

Prof. Murphy: Yes, this would basically be all occupational lung diseases that are due to inhaled products. It would include coalminers' lung, because that has become another issue that has re-emerged, particularly in Queensland recently.

Senator SINGH: It has, yes. Have any time frames been discussed on when such a thing might be operational?

Prof. Murphy: We haven't even had the first meeting of the clinical principal committee to discuss it, so I think it's just too early to say. But there's certainly great enthusiasm from the various medical groups to try to progress this as quickly as possible.

Senator SINGH: What would be the agency that would oversee that?

Prof. Murphy: That, again, would be determined. Often, clinical registries might be hosted—for example, Monash University in Melbourne hosts a number of clinical registries that are multijurisdictional. It could be something that the WorkSafe authorities collectively could host. But that's to be determined.

Senator SINGH: What about the funding of such a thing?

Prof. Murphy: Again, to be determined.

Senator SINGH: Set-up costs, running it and all of that?

Prof. Murphy: Again, to be determined. As I said, I think there is some suggestion that particularly the mining industry might be interested in providing some unconditional support, the Safe Work authorities in each jurisdiction would have an interest in it and, obviously, government might be called upon as well.

Senator SINGH: Okay. So, there's no time frame, and all the costs and all of these things are yet to be determined. It kind of leaves it a bit up in the air, doesn't it?

Prof. Murphy: No, I think it doesn't. The issue of accelerated silicosis—the dust diseases register is really something to prevent another issue like this happening or to keep track of mining. The silicosis from the cutting of engineered stone—there is a lot of very intense regulatory action happening now. All of the state WorkSafe authorities are—

Senator SINGH: But that's at the state level, isn't it?

Prof. Murphy: It's at state level, but the Commonwealth minister has committed to write to Safe Work Australia to ask them to ensure that all of the state regulatory authorities are taking this seriously and are clamping down on any potential—this is entirely preventable, just by wet cutting the stone and wearing appropriate respiratory support. The minister has also asked the federal minister to ask Safe Work Australia to review the current standards for crystalline silica in occupational exposure—they're being reviewed at the moment. They've also asked Safe Work Australia to explore whether some tracking of imports of this engineered stone could be used to make sure that we don't miss any site where this could be happening. It's a good thing there's been so much publicity. I think that, in those states where these cases have been seen, the local regulatory action is being intentionally driven now.

Senator SINGH: That's good to know, because we don't want another asbestos disease outburst.

Prof. Murphy: No.

Senator SINGH: But, obviously, there does need to be a bit more of a structure around, at the federal level, what happens and when it happens.

Prof. Murphy: Sure. The dust diseases register would be—if something else like this happened in the future, we might pick it up a lot earlier, I think.

Senator SINGH: Has the national industrial chemicals regulator made any recommendations around the handling of silica dust?

Prof. Murphy: I don't think an engineered piece of stone would fit under the criteria. I could take that on notice, but I wouldn't have thought that that would be classified as an industrial chemical.

Senator SINGH: All right, take that on notice. Has any medical research into silicosis been carried out in Australia?

Prof. Murphy: I'm not aware of any. Certainly the original reports came from overseas. There are certainly a lot of studies being done by the various respiratory physicians who have seen these patients. But it probably isn't something that needs a lot of medical research, other than perhaps to try and improve treatment options, because they are pretty grim at the moment—basically it is lung transplantation if you have advanced disease. But we understand very clearly the cause of the disease and how to prevent it, and we don't really need more research to tell us that.

Senator SINGH: Alright. There's a lot of follow-up to do there—

Prof. Murphy: There's a lot of action—

Senator SINGH: but at least it's on the radar and, obviously, it's on the state government's radar, but we need to see how the Commonwealth will advance that. I have another 5.2 issue, Chair. I want to talk about strawberry contamination.

Ms Beauchamp: The strawberry people have gone because it was under item 2.4. But, obviously, we can take it on notice. But the food people—

Senator SINGH: Alright. I'll have to put the strawberries on notice. We all know those that put pins in them are certainly on notice! I'll just quickly finish my 5.2 questions, before I go to Senator Siewert, on PFAS. Particularly for you, Professor Murphy, do you have any concerns about the reliability of the national PFAS blood sampling program?

Prof. Murphy: No. I think there was a report recently about an error in a blood test that was taken by someone who had one test properly in the government-run program and had another test done and got a different result. In fact, the National Measurement Institute acknowledged that that was an isolated human error in that particular estimation. Ms Appleyard can provide more information on that.

I think it's really important that these labs that are doing these tests are properly NATA accredited and have all the right quality controls, but it's also really important to know that we have no idea what the meaning of these bloods test are. They don't have a clear clinical significance. We don't know what is a safe level. All we know is what a blood test can tell us about one's relative level compared to the rest of the population. The value to us of these blood test is actually to associate them with the ANU epidemiology study, and other research programs, and to follow things over time. But a particular blood test that might be high or low is of no clinical proven significance at this time. Ms Appleyard can talk about the particular incident if you like.

Ms Appleyard: As you're aware, there was a report in *The Sydney Morning Herald* about a week ago questioning the reliability of PFAS blood testing. As Professor—

Senator SINGH: By Sonic Healthcare.

Ms Appleyard: By Sonic Healthcare, that's right. As Professor Murphy mentioned, all chemical analyses do have a degree of measurement uncertainty. Two tests taken on any one day from the same sample can give a different result varying to up to around 20 per cent that would be normal. In this case, the one that the article was reporting, of course, was greater than 20 per cent difference. The reason for that greater difference was that there was actually a mistake by the National Measurement Institute, who reported that result. They were reporting on behalf of Laverty Pathology. The service that we use is Sullivan Nicolaides Pathology, which is from Sonic Healthcare. Obviously, there is some confidentiality around the actual test and the figure, but the National Measurement Institute has advised that this error occurred. It was in relation to the perfluorohexane sulphonate result in question, and it was the one that was reported in the media. The laboratory have corrected their error and they have advised the patient. So—

Senator SINGH: And the media?

Ms Appleyard: I can tell you that we have responded to media queries in relation to this, Senator Singh. That's correct.

Senator SINGH: That would obviously be a good idea, considering people are concerned. Finally, on lyme disease, you know that there was a Senate inquiry. Set out in recommendation 5 of that inquiry's report into it, it said that the department has now conducted two forums, one with state and territory medical officials and one with patients, and reports have been produced for each forum. I'm advised that there are no consequential actions

set out from that. Will the department report on what action is underway to address each of the key priorities set out in the patient forum report?

Prof. Murphy: Yes, and that's certainly the plan. Those two reports would be initially discussed at the Clinical Principal Committee of AHMAC, which is the principal national body that looks at such clinical issues so that we can plan the development of a clinical pathway, including a multidisciplinary care approach. That was one of the key outcomes of both of those forums. We don't want to jump down a diagnostic rabbit hole without fully assessing these people with genuine multicomplex symptoms. That will be discussed at the Clinical Principal Committee and we will seek their advice to do that.

Senator SINGH: When will that happen?

Prof. Murphy: Again, at the next meeting of the Clinical Principal Committee. I think it's early next year—yes, at the moment. The other important thing to note about that is that we can't do this on our own. The state and territory health services are a very important part, and probably some of the best services that have been set up have been in state and territory health services where they have the capacity to set up multidisciplinary clinics. Prior to the meeting with the Clinical Principal Committee, we were engaging, through the Health Protection Principal Committee, with the Chief Health Officer, asking for their support to try to develop such clinic programs in each jurisdiction. The other mode of action that came out of those forums was that there needed to be a lot more education for health professionals generally. We're working through the Health Protection Principal Committee to develop some education programs around diagnosis and proper assessment of these patients. We know that tick bites can cause some proven diseases. There's no clear evidence that it's causing this symptom complex, but we feel, and the patient groups feel very strongly, that we should be promoting tick bite awareness and tick bite first aid. That's another educational strategy.

Senator SINGH: I flicked one out of my hair the other day. Hopefully it didn't go any further. Well, it flicked out. I have other lyme disease questions, but I'll put them on notice and will pass to Senator Siewert.

Senator SIEWERT: This is where I wanted to go. I want to go specifically to the issue around the report, which we discussed last time, out of the patient group forum for debilitating syndrome complexes attributed to ticks. My recollection of what we talked about last time is that the report was imminent in terms of reporting back to participants.

Prof. Murphy: At the last estimates, I think we'd only had the health professionals forum. I don't think we had had the patient forum.

Senator SIEWERT: Yes, I think you had.

Dr Lum: Excuse me, Senator, are you referring to the NRL evaluation of the tests serological tests performed in Australia?

Senator SIEWERT: No, I was talking about the patient group forum. I thought that had been held as well.

Ms Appleyard: There were two patient group forums. One had been conducted by estimates last time. There was a subsequent one in July and that was in Sydney, and that was the larger patient group forum. The reports from both of those forums are on the website. I think that's right.

Senator SIEWERT: From both forums?

Ms Appleyard: That's correct, yes.

Senator SIEWERT: When did the second one go up?

Ms Appleyard: It was probably at least within the last month or so, I would have thought. I can find that out for you and take it on notice if you're keen on knowing the date.

Senator SIEWERT: Yes, if you could, that would be appreciated. Would you be able to provide me with the link to that?

Ms Appleyard: Yes. It went up this month, I'm advised.

Senator SIEWERT: In other words, just fairly recently?

Ms Appleyard: Yes, fairly recently.

Senator SIEWERT: Have the participants been informed of it actually going up on the website?

Ms Appleyard: Yes, they have been informed. We have an email list and they communicate with us quite frequently, and we were quite proactive in letting them know it had gone up. Obviously they're very keen to see it.

Senator SIEWERT: You just touched on a list. Does that mean that a group broader than the participants of the forum were actually also contacted to let them know the report is available?

Ms Appleyard: I know at least the participants of the forum—and there were quite a number—were advised. As to whether it was any broader than that—all of the stakeholders that were on our list were informed. Some of those participated in person at the forum, but, as you'll well appreciate, some of them were too unwell to come to the forum and participated either by teleconference or videoconference facilities. So we were able to advise them when the report was available.

Prof. Murphy: I would suspect that, since most of the groups were represented, that information will have been disseminated.

Senator SIEWERT: Thank you.

CHAIR: I think we are done. Thank you, everybody, for your contribution today. We will look forward to seeing you another time.

Committee adjourned at 22:42

Following the hearing, the Community Affairs Legislation Committee received this statement from the Secretary of the Department of Health, Ms Glenys Beauchamp PSM—

Appearing at senate estimates this week I omitted to mention it was the final attendance before senate estimates for Ms Rae Lamb, the Aged Care Complaints Commissioner and Mr Nick Ryan, the Chief Executive Officer of the Australian Aged Care Quality Agency as these two agencies will be merged into a new organisation on 1 January 2019. They will continue in their current roles until this time.

Ms Lamb and Mr Ryan have made significant contributions to improving the quality and safety of aged care services in Australia – they both have very tough jobs.

I would appreciate if the *Hansard* could recognise their contribution and acknowledge their last appearance yesterday in their current roles.