

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Additional Estimates 2013 - 2014, 26 February 2014

Ref No: SQ14-000002

OUTCOME: 0 - Whole of Portfolio

Topic: Reviews

Type of Question: Written Question on Notice

Senator: Ludwig Joe

Question:

1) Since the Supplementary Budget Estimates in November 2013, how many new reviews (defined as review, inter-departmental group, inquiry, internal review or similar activity) have been commenced? Please list them including:

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

2) For any review commenced or ordered since the Supplementary Budget Estimates in November 2013, have any external people, companies or contractors being engaged to assist or conduct the review?

- a. If so, please list them, including their name and/or trading name/s and any known alias or other trading names
- b. If so, please list their managing director and the board of directors or equivalent
- c. If yes, for each is the cost associated with their involvement, including a break down for each cost item
- d. If yes, for each, what is the nature of their involvement
- e. If yes, for each, are they on the lobbyist register, provide details.
- f. If yes, for each, what contact has the Minister or their office had with them
- g. If yes, for each, who selected them
- h. If yes, for each, did the minister or their office have any involvement in selecting them,
 - i. If yes, please detail what involvement it was
 - ii. If yes, did they see or provided input to a short list
 - iii. If yes, on what dates did this involvement occur
 - iv. If yes, did this involve any verbal discussions with the department
 - v. If yes, on what dates did this involvement occur

- 3) Since the Supplementary Budget Estimates in November 2013, what reviews are on-going?
 - a. Please list them.
 - b. What is the current cost to date expended on the reviews?
- 4) Since the Supplementary Budget Estimates in November 2013, have any reviews been stopped, paused or ceased? Please list them.
- 5) Since the Supplementary Budget Estimates in November 2013, what reviews have concluded? Please list them.
- 6) Since the Supplementary Budget Estimates in November 2013, how many reviews have been provided to Government? Please list them and the date they were provided.
- 7) When will the Government be responding to the respective reviews that have been completed?
- 8) What reviews are planned?
 - a. When will each planned review be commenced?
 - b. When will each of these reviews be concluded?
 - c. When will government respond to each review?
 - d. Will the government release each review?
 - i. If so, when?
 - ii. If not, why not?

Answer:

1. Since the Supplementary Budget Estimates hearing in November 2013 two new reviews have commenced; the Review of Medicare Locals and the Review of Existing Mental Health Services and Programmes.

In answering these questions, the Department of Health has interpreted the term 'review' to refer to major policy reviews under the current Government. This interpretation excludes internal reviews that are undertaken as part of the day-to-day management of programs or as part of administrative processes, and excludes reviews that are conducted as part of statutory obligations or the program responsibilities of the Health portfolio.

Reviews of National Partnership Agreements (NPAs) are not considered to fall under this interpretation. The response to Question on Notice - SQ14-000352 includes information about the reviews of NPAs.

Review of Medicare Locals

- a) The Review of Medicare Locals is an election commitment and was announced by the Minister for Health, the Hon Peter Dutton MP (then Shadow Minister for Health) through a Media Release on 24 May 2013.
- b) The Review commenced on 2 December 2013.
- c) The Hon Peter Dutton MP, Minister for Health and Minister for Sport is responsible for the Review.
- d) The Department of Health is responsible for the Review.

- e) The Review was conducted to ensure Medicare Local funding is being spent as effectively and efficiently as possible.
- f) The Terms of Reference for the Review were:
- the role of Medicare Locals and their performance against stated objectives;
 - the performance of Medicare Locals in administering existing programmes, including after-hours;
 - recognising general practice as the cornerstone of primary care in the functions and governance structures of Medicare Locals;
 - ensuring Commonwealth funding supports clinical services, rather than administration;
 - assessing processes for determining market failure and service intervention, so existing clinical services are not disrupted or discouraged;
 - evaluating the practical interaction with Local Hospital Networks and health services, including boundaries;
 - tendering and contracting arrangements; and
 - any other related matters.
- g) The Review had three components:
- A review of the functioning of Medicare Locals to improve their effectiveness and efficiency. This built on the Medicare Local Evaluation which concluded in December 2013.
 - An Independent Financial Audit of all Medicare Locals.
 - An opportunity for select stakeholder feedback provided directly to Government on the role and functioning of Medicare Locals.
- h) The Review was conducted by Professor John Horvath AO, former Commonwealth Chief Medical Officer.
- i) The number of officers involved in conducting the Review were as follows:
- 1 Deputy Secretary – part time input;
 - 1 First Assistant Secretary – part time input (with advice from others);
 - 1 Assistant Secretary – part time input (with advice from others);
 - 1 Director – part time input;
 - 2 Executive Level 1s; and
 - 1 APS 6.
- j) The Review report was provided to Government on 4 March 2014.
- k) Up to \$1 million (GST exclusive) in uncommitted funds from the *Regionally Tailored Primary Health Care Initiatives through the Medicare Local Fund* has been approved to procure independent consultancy services to undertake the Review of Medicare Locals.
- l) The review was published on the Department of Health website on 12 May 2014, and is publicly available at:
<http://www.health.gov.au/internet/main/publishing.nsf/Content/medicare-locals>

Review of Existing Mental Health Services and Programmes

- a) The Review of Existing Mental Health Services and Programmes is an election commitment and was announced by the Prime Minister, the Hon Tony Abbott MP, (then Opposition Leader) on 30 August 2013 (refer to the *Coalition's Policy for Efficient Mental Health Research and Services*).

- b) The National Mental Health Commission (NMHC) commenced planning for the Review in early January 2014.
- c) The Hon Peter Dutton MP, Minister for Health and Minister for Sport is responsible for the Review.
- d) The NHMC is responsible for the Review.
- e) The Review is being conducted to assess the efficiency and effectiveness of programmes and services in supporting individuals experiencing mental ill health and their families and other support people to lead a contributing life and to engage productively in the community.
- f) The Review's Terms of Reference are available from the NMHC website: www.mentalhealthcommission.gov.au.
- g) Refer to the Terms of Reference (part f) for the scope of the Review.
- h) The Review is being conducted by the NMHC.
- i) As at the end of February 2014, the NMHC has 12.6 full time equivalent staff. All staff contribute to some degree to the Review with about half of the staff resources allocated to this work.

In addition to part of the Chief Executive Officer (CEO) and Deputy CEO's time, four officers work full time on review-related business:

- 1 Executive Level 2.
- 2 Executive Level 1s; and
- 1 APS6; along with other staff as required.

- j) The Review report is expected to be provided to the Government by 30 November 2014.
 - k) Costs associated with the Review will be met within the NMHC's current budget and, if necessary, by additional resources offset by the Department of Health.
 - l) Whether the Review report will be tabled in parliament or made public is a decision of Government.
2. Since the Supplementary Budget Estimates hearing in November 2013 two new reviews have commenced; the Review of Medicare Locals and the Review of Existing Mental Health Services and Programmes.

Review of Medicare Locals

- a) The external people, companies or contractors who were engaged to assist or conduct the Review were Ernst & Young (EY) and Deloitte Touche Tohmatsu Limited (Deloitte).
- b) The Managing Director of EY is Mr Rob McLeod – A list of board members is publicly available at: <http://www.ey.com/AU/en/About-us>.

The CEO of Deloitte is Mr Giam Swiegers – A list of board members is publicly available at: http://www.deloitte.com/view/en_AU/au/about-us/leadership/board/index.htm

c) to d)

The costs and involvement of these companies was as follows:

EY: \$385,909.09 (GST exclusive) – Review of Medicare Locals expended under an extension to the contract for the Independent Evaluation of Medicare Locals, which concluded in December 2013.

Deloitte: \$500,000 (GST exclusive) – Independent financial advice relating to the Review of Medicare Locals.

- e) These companies are not on the lobbyist register (as at 21 March 2014).
- f) The Department of Health is not privy to information surrounding the contact the Minister or his office has had with these companies.
- g) The companies were selected by the Department of Health.
- h) The Minister and his office were involved in selecting the companies.
 - i. The former Minister for Health and Ageing approved the approach for procurement processes for the Evaluation of Medicare Locals. The current Minister for Health approved the EY contract variation for additional work relating to the Review, as well as the approach for procurement processes for Deloitte to provide independent financial advice to the Review.
 - ii. No. The Minister and his office did not provide input to a short list.
 - iii. The involvement occurred on 22 December 2011 (for the Evaluation) and 2 December 2013 (for the Review).
 - iv. Yes, there were verbal discussions with the Department.
 - v. These discussions occurred in November 2013.

Review of Existing Mental Health Services and Programmes

a) to h)

As at 21 March 2014, no external people, companies or contractors have been engaged by the NMHC to assist with the Review. The Commission is in the process of procuring expert, technical skills to assist with components of review work.

3.

a) The Review of the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) and the Review of the Australian Government Rebate on Private Health Insurance for Natural Therapies (PHI) are ongoing since the Supplementary Budget Estimates hearing in November 2013.

b) The current cost to date (as at 26 May 2014) expended on these reviews is as follows:

- \$1,494,000 since September 2011 (NICNAS); and
- \$853,257 (excluding staffing costs) (PHI).

4. No reviews have stopped, paused or ceased since the Supplementary Budget Estimates hearing in November 2013.

5. The Review of Medicare Locals has concluded since the Supplementary Budget Estimates hearing in November 2013.

6. The Review of Medicare Locals was provided to Government on 4 March 2014.

7. The Government responded to the Review of Medicare Locals in the 2014-15 Budget context. The Government's response to the other reviews is a decision of Government.
8. No Commonwealth reviews are planned.