OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 0 - Whole of Portfolio

Corporate Overview

STAFFING - APS

Headcount and ASL

	30 Jun 2022	30 Jun 2023	30 Sep 2023	Variance from Jun 2023 to 30 Sep 2023
Headcount - ongoing	5154	5504	5760	256
Headcount – non-ongoing	539	480	544	64
Department Total Headcount	**5693**	**5984**	**6304**	**320**
Full-time Equivalent (FTE) staffing	5259	5487	5776	289
Average Staffing Level (ASL)	4910	5386	5671	285

Demographics

	30 Jun 2022	30 Jun 2023	30 Sep 2023	APS Average at 30 June 2023
Non-ongoing staff	9.5%	8.0%	8.6%	11.3%
Female	69.8%	70.9%	71.0%	60.4%
Part-time staff	16.9%	17.2%	16.6%	17.3%
Aboriginal and/or Torres Strait Islander	2.6%	2.4%	2.3%	3.5%
Staff with disability	3.8%	3.8%	4.0%	5.1%
Non-English Speaking Background (NESB)	8.9%	11.4%	11.4%	15.8%

**As self-disclosed by employees in the Department's SAP HR system.*

Classification

Actual Classification and Equivalents	Headcount at 30 September 2023				
	Female	Male	Non-binary	Total	% Female
Secretary		1		1	0.0%
Chief Medical Officer		1		1	0.0%
Holder of Public Office	4	2		6	66.7%
Senior Executive Band 1-3	152	87		239	63.6%
Medical Officer 5-6	11	15		26	42.3%
Executive Level 1-2	2066	910	3	2979	69.4%
APS 1-6	2243	795	14	3052	73.5%
Department Total	**4476**	**1811**	**17**	**6304**	**71.0%**

Table includes staff on leave and secondment and staff acting at a higher level (that is, staff are listed against their higher classification).

Contact Officer:	s22	Deputy Secretary Clearing Officer:	Charles Wann	Clearance: 24 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Corporate Operations| People Communication & Parliamentary			

Location

State/territory	30 Jun 2022	%	30 Jun 2023	%	30 Sep 2023	%
Australian Capital Territory	4607	80.9%	4603	76.9%	4708	74.7%
New South Wales	340	6.0%	424	7.1%	457	7.2%
Northern Territory	18	0.3%	20	0.3%	26	0.4%
Queensland	238	4.2%	324	5.4%	381	6.0%
South Australia	108	1.9%	137	2.3%	159	2.5%
Tasmania	67	1.2%	80	1.3%	89	1.4%
Victoria	253	4.4%	311	5.2%	382	6.1%
Western Australia	62	1.1%	85	1.4%	102	1.6%
Department Total Headcount	**5693**		**5984**		**6304**	

Commencements and Separations

	2021-22	2022-23	FYTD to 30 Sep 2023
Total commencements	**1914**	**1396**	**570**
Ongoing Hire rate (annualised)	25.5%	16.0%	25.8%
Total separations	**982**	**1040**	**221**
Ongoing Staff Turnover rate (annualised)	13.8%	13.1%	11.3%
Ongoing Staff Turnover rate (APS average)	13.1%	13.1%	12.8%
Voluntary Redundancy (VR)	27	18	2
Employer Initiated Terminations	4.5%	3.5%	3.2%

Ongoing Staff Turnover rate excludes voluntary redundancy and machinery of government separations

Employer Initiated Terminations (1 July – 30 September 2023)

Reason/grounds for termination	Number
Section 29(1) of the *Public Service Act 1999* – Early termination of non-ongoing engagement e.g., duties no longer available, section disbanded (pandemic-related)	1
Section 29(3)(a) of the *Public Service Act 1999* – The employee is excess to the requirements of the Agency (voluntary redundancies)	2
Section 29(3)(c) of the *Public Service Act 1999* – Non-performance, or unsatisfactory performance, of duties	1
Section 29(3)(d) of the *Public Service Act 1999* – Inability to perform duties because of physical or mental incapacity	2
Section 29(3)(f) of the *Public Service Act 1999* – Failure to meet a condition imposed under section 22(a) namely, probation	1
Total	**7**

Unscheduled Absence

	2021-22	2022-23	12-months avg (to 30 Sep 2023)	APS average (2021-22)	APS Large Agencies average (2021-22)
Unscheduled absence days per full time equivalent (FTE) staff	10.8 days	12.0 days	11.9 days	12.8 days	13.1 days

Unscheduled absence data reflects personal leave (sick and carers) and some miscellaneous leave (bereavement, compassionate and personal leave for personal purposes).

SES

SES Cohort

	31 Mar 2022	30 Sep 2022	31 Dec 2022	30 Apr 2023	30 Jun 2023	30 Sep 2023
Number of SES - SES Cap Methodology*	184.2	173.6	179.5	179.1	184	185
SES Cap	129	129	129	129	129	154.6#

** SES cap is submitted to APSC bi-annually to APSC (June and December). Since June 2023, the reporting has changed to include active SES positions whether filled by a substantive or acting employee, ongoing or non-ongoing. The duration of an acting arrangement does not matter for reporting purposes.*

 # Work is underway to improve alignment between Health's actual SES positions and the approved SES cohort number.

TRAVEL AND HOSPITALITY

Travel

	Domestic			International			
Period	Travel expenditure (GST inc)	Number of trips	Average travel cost	Travel expenditure (GST inc)	Number of trips	Average travel cost	Total travel expenditure
2015-16	$6,573,887	9,969	$659	$2,089,503	289	$7,230	$8,663,390
2016-17	$7,720,185	12,311	$627	$2,120,844	320	$6,627	$9,841,029
2017-18	$7,023,753	11,677	$601	$1,923,744	285	$6,749	$8,947,497
2018-19	$8,078,484	11,681	$691	$2,648,604	334	$7,929	$10,727,088
2019-20	$5,826,272	8,395	$694	$2,331,430	319	$7,308	$8,157,702
2020-21	$1,586,625	N/A	N/A	$224,042	N/A	N/A	$1,810,667
2021-22	$2,113,708	2,882	$733	$552,195	81	$6,817	$2,665,903
2022-23	$5,943,397	5,816	$1,022	$2,418,526	263	$9,196	$8,361,923
2023-24 (Sep)	$2,114,666	2,367	$893	$864,775	81	$10,676	$2,979,441

Notes:

- *Historical expenditure is based on Qantas Business Travel (QBT) reported charges for airline costs, accommodation, and car hire. Travel allowance and incidentals (e.g., Taxis) are not included. There are also some costs paid through use of Departmental Credit Cards where WOAG arrangements are not available that are not included.*
- *Travel expenditure from 2020-21, 2021-22, 2022-23 and 2023-24 is based on actual charges received for airline costs, accommodation, and car hire. Expenditure does not include incidental expenditure such as taxis, parking, or travel allowance. The change in reporting method is due to the implementation of a new Expenditure Management System for travel expenses.*
- *Expenditure from 2020-21, 2021-22 and 2022-23 excludes travel and accommodation support provided for aged care workers as part of the response to COVID-19.*
- *Trip numbers and average costs are not available for 2020-21 due to the large number of charges/refunds that relate to cancelled trips from prior years within the current year expenditure figures. COVID-related cancellations and refunds from March to June 2020 are reflected in 2020-21 numbers primarily due to the lag in processing by travel providers. Average costs are based on the number of unique bookings with travel suppliers.*
- *International expenditure for 2021-22 includes travel for the TGA Regulatory Strengthening Program. Travel booking for this program occurred outside of QBT, which is permitted as the travel did not originate or depart from Australia. The total trip figure for international travel has been updated to include an additional 20 trips booked outside of QBT.*
- *QBT is now owned and operated by Corporate Travel Management (CTM).*

Flight Costs by Airline (Domestic and International)

Period	Qantas (incl. Jetstar) (GST inc)	Virgin (GST inc)	Other (GST inc)	Total
2016-17	$5,051,695	$1,205,453	$1,612,058	**$7,869,206**
2017-18	$4,736,559	$1,149,092	$1,141,269	**$7,026,920**
2018-19	$5,326,471	$1,363,788	$1,215,599	**$7,905,858**
2019-20	$4,053,099	$938,160	$1,084,214	**$6,075,473**
2020-21	$601,831	$96,380	$94,679	**$792,890**
2021-22	$995,566	$282,112	$641,867	**$1,919,545**
2022-23	$3,111,119	$818,317	$1,193,233	**$5,122,669**
2023-24 (YTD 30 Sep)	$1,341,486	$261,661	$471,467	**$2,074,614**

Notes:

- *This table includes flight costs only.*
- *The data in this table is from CTM/QBT booking system, the data in the table above is from SAP. The two data sources do not match, especially where flights are cancelled and/or rebooked.*
- *The expenditure on "other" airlines is mostly international flights (approx. less than 10% for FY22, FY23 and FY24 pertains to domestic). Not all financial impacts of cancellations or re-bookings are accurately reflected in the CTM/QBT data in the table above.*

Hospitality

- A summary of the hospitality expenditure incurred by the Department from 1 July 2019 to 31 August 2023 is provided in the table below:

	2019-20		2020-21		2021-22		2022-23		2023-24 (31 Aug)	
	No. events	Cost (GST excl) $	No. events	Cost (GST excl) $	No. events	Cost (GST excl) $	No. events	Cost (GST excl) $	No. events	Cost (GST excl) $
Health	19	41,295	7	3,777	6	5,379	10	6,915	2	2,310
TGA	4	2,199	-	-	1	1,339	1	14,198	-	-
OGTR	2	1,227	2	6,635	2	4,950	-	-	-	-
AICIS	-	-	-	-	-	-	-	-	-	-
Total	**25**	**44,721**	**9**	**10,412**	**9**	**11,668**	**11**	**21,113**	**2**	**2,310**

CONTRACTORS AND CONSULTANTS

- The Department engages a combination of on-going, non-ongoing, contractors and labour hire staff to ensure successful delivery of outcomes.
- Contractors may also be engaged to deliver professional skills which are difficult to attract or retain within the APS in a competitive labour market.
- Engaging contractors and labour hire staff provides the Department with the necessary flexibility to expand or contract its staffing levels rapidly, in response to fluctuations in demand for services and skills to meet key deliverables.
- The Department's contractor usage in recent years has been primarily driven by increased workloads in aged care, ICT projects, and support in relation to Health Technology Assessments, Emergency Management, and Primary Health Networks.

Summary of contractor expenditure and headcount

Group	2019-20 Expend. ($m)	Contractor headcount (as @ 30 June 2020)	2020-21 Expend. ($m)	Contractor headcount as @ 30 June 2021	2021-22 Expend. ($m)	Est. Contractor headcount as @ 30 June 2022	YTD 30 June 2023 Expend. ($m)	Contractor headcount as @ 30 June 2023	YTD 30 Sept 2023 Expend. ($m)	Contractor Headcount as @ 30 Sept 2023
Ageing and Aged Care	2.3	19	5.8	46	7.8	60	6.1	278	1.1	246
Health Strategy, First Nations and Sport	0.7	7	1.5	19	3.3	22	4.0	51	1.3	43
Chief Medical Officer	2.8	58	2.9	18	2.8	22	1.2	53	0.2	57
Corporate Operations	92.7	553	106.4	609	158.8	963	188.5	1,160	54.1	1086
Health Products Regulation	18.6	188	26.7	260	36.3	347	26.1	133	3.0	69
Health Resourcing	8.2	43	8.6	99	11.6	55	8.2	133	2.4	86
Population Health Sport	0.3	6								
Primary and Community Care	2.0	25	4.3	43	4.6	52	1.7	54	0.3	64
Operation COVID Shield					4.6	29				
TOTAL	**127.6**	**899**	**156.2**	**1,094**	**229.9**	**1,550**	**235.8**	**1,862**	**62.5**	**1651**

Notes:

- *Expenditure on contractors only captures operating expenditure.*
- *The contractor numbers for 2022-23 include contractors funding through opex, capex and administered funding. For previous years, only contractors funded through opex are shown.*
- *Health Strategy, First Nations and Sport Group was Associate Secretary/Strategic Evidence and Research Group until 1 February 2023.*

Expenditure on ICT contractors

- For the period YTD 30 September 2023 ICT labour hire expenditure across the ITD and the DTDD was $53.5million (629 contractors), and the total salary related expenditure was $11 million (approx. 298 ASL).
- In 2021-22, ICT labour hire expenditure was $148 million (859 contractors), and the total salary related expenditure was $33.2 million (approx. 218 ASL).

Top five areas of Health IT workforce expenditure on BAU activities in 2023-24

BAU Activity	Total $	Contractor	Contractor	APS	APS
		$	%	$	%
Digital Design and Release Branch, Production Support Section	1,818,041	1,414,530	78%	403,511	22%
Aged Care Funding Reform and Systems Branch, Development Capability Hub Section	1,512,264	1,393,935	92%	118,329	8%
Digital Design and Release Branch, Aged Care Infrastructure Automation Operations, Package & Migration	1,123,082	1,071,720	95%	51,362	5%
Digital Design and Release Branch, Aged Care Extract, Transform and Load Development and Support	820,496	671,287	82%	149,209	18%
Digital Design and Release Branch, Procurement and Commerical Management	685,068	537,865	79%	147,203	21%

Top five areas of Health IT workforce expenditure on project activities in 2023-24

CATS Code Name	Total $	Contractor	Contractor	APS	APS
		$	%	$	%
Annual Statement Approved Prov Ops	2,226,076	2,188,921	98%	37,155	2%
Government Provider Management System	1,843,099	1,613,795	88%	229,304	12%
Business 2 Government	1,741,931	1,741,581	100%	349	0%
Health Products Portal	1,246,433	1,195,664	96%	50,769	4%
RACFR Enhancements	999,906	958,754	96%	41,151	4%

Top five skill sets of ICT contractors

- Testers
- Analysts (including Business, technical and system)
- Scrum Masters
- Project Managers
- Developers (including .Net and Siebel)

Consultants

- Consultancies are used for the engagement of specialised professional skills and insights to assist the Department in achieving its objectives. This includes provision of independent and specialised professional services, program evaluation services, and research services.

- Significant current areas of expenditure on consultancies include work undertaken in aged care, mental health and advice on a COVID-19 vaccine and treatment strategy.
- In the 2020-21 Annual Report (page 171): *During 2020–21, 262 new reportable consultancy contracts were entered into, involving total expenditure of $31.2 million. In addition, 144 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $19.8 million.*
- *In the 2021-22 Annual Report (page 141): During 2021-22, 312 new reportable consultancy contracts were entered into, involving total expenditure of $49.3 million. In addition, 70 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $19.3 million.*
- *During 2022-23, 335 new reportable consultancy contracts were entered into, involving total expenditure of $52.46 million. 164 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $27 million.*
- *As at 30 September 2023, Department records indicate 431 consultants were currently engaged to deliver services under these contracts.*

Consultancy contracts by volume, value and financial year entered into (valued at or over $10,000) (Published on AusTender)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-34 YTD 30 Sept
No. of Consultancy contracts	234	277	282	262	312	335	94
Total Contract Value	39,115,000	66,208,000	49,273,000	54,521,000	82,200,000	129,611,000	27,614,503
Total Expenditure Value					49,300,000	52,464,000	3,251,043

Values are GST inclusive. Contract Value reflects the entire contract value in the financial year the contract is published on AusTender.

Top 10 Consultancy Contracts entered into between 1 July 2023 and 30 September 2023

CN ID	Supplier Name	Description	Start Date	End Date	Value (AUD)
CN3994099	Monash University	Longitudinal Study of the Usage and Effectiveness of Assistive Technology	17-Jul-23	30-Jun-25	4,180,000.00
CN4004228	HEALTH POLICY ANALYSIS PTY LTD	Evaluation of the Medicare Urgent Care Clinics Program	13-Sep-23	31-Dec-26	2,909,863.00
CN4002685	Whereto Research Based Consulting Pty Ltd	National Nursing Workforce Strategy Stage One	1-Sep-23	28-Jun-24	1,791,936.00
CN3998823	ANTI CANCER COUNCIL OF VICTORIA T/A THE CANCER COUNCIL VICTORIA	Update and Maintain Online Publication - Tobacco in Australia Facts and Issues	28-Aug-23	30-Sep-26	1,529,000.00
CN3987203	SENTENTIA CONSULTING PTY LTD	Project Management Services to Support Delivery of Urgent E-cigarette Reform and Related Projects	24-Jul-23	30-Jun-24	1,144,125.00

CN3998836	PROTIVITI PTY LIMITED	External Review of Financial Controls and Assurance	1-Sep-23	30-Apr-24	798,600.00
CN3981879	Nous Group Pty. Ltd.	Prostheses List Reform Program Evaluation	3-Jul-23	30-Jun-26	747,322.02
CN3991074	Deloitte Touche Tohmatsu	Develop a National Medical Stockpile Information and Communications Technology Strategy	27-Jul-23	15-Dec-23	685,794.00
CN3989786	KPMG	Provision of Data Quality Checks and Advice	3-Jul-23	30-Jun-24	646,788.71
CN3999646	Australian Healthcare Associates Pty Ltd	Evaluation of the National Aged Care Advocacy Program	28-Aug-23	28-Jun-24	612,825.00

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 0 - Whole of Portfolio

2023-24 Budget Overview

BUDGET

2022-23 FBO Whole of Government Health, Aged Care, Sport

Table 1: Whole of Government Numbers by Activity *

Reporting Category	2022-23 (Estimated Actual) $m	2023-24 $m	2024-25 $m	2025-26 $m	2026-27 $m	Total over 4 Yrs $m
Health ^	98,013.7	101,033.5	103,117.1	106,265.9	110,306.8	420,723.35
Aged Care	28,212.8	36,025.7	38,017.3	40,079.0	41,969.3	156,091.36
Sport and Recreation	587.9	563.7	555.1	807.6	1,070.4	2,996.88
Total Expenses	**126,814.4**	**137,622.9**	**141,689.6**	**147,152.5**	**153,346.6**	**579,811.6**
Ministers Numbers ($ billion)	**$127 B**	**$138 B**	**$142 B**	**$147 B**	**$153 B**	**$580 B**

^ net of PBS rebate revenue

Table 2: Whole of Government Numbers by Activity *

Reporting Category	2022-23 (Estimated Actual) $m	2023-24 $m	2024-25 $m	2025-26 $m	2026-27 $m	Total over 4 Yrs $m
Medical Benefits Schedule	28,149.6	31,011.3	32,855.0	34,714.3	36,588.2	135,168.9
Pharmaceutical Benefits Scheme ^	12,675.9	12,109.9	11,911.2	11,808.4	11,723.7	47,553.2
Private Health Insurance	7,011.2	7,147.0	7,374.8	7,568.1	7,736.8	29,826.7
Hospitals	25,811.3	28,392.5	30,456.4	32,215.2	34,296.2	125,360.3
COVID-19 NPA	3,143.1	142.6	-	-	-	142.6
Primary Care#	2,879.8	2,800.4	2,695.3	2,363.6	2,219.2	10,078.5
Aged Care	28,212.8	36,025.7	38,017.3	40,079.0	41,969.3	156,091.4
Sport and Recreation	587.9	563.7	555.1	807.6	1,070.4	2,996.9
First Nations	1,128.6	1,233.6	1,328.3	1,301.3	1,285.1	5,148.2
Other	17,214.2	18,196.2	16,496.1	16,294.9	16,457.6	67,444.8
Grand Total	**126,814.4**	**137,622.9**	**141,689.6**	**147,152.5**	**153,346.6**	**579,811.6**

**Estimates of whole of government expense for health including payments made by Health, Treasury, DVA, DHS, ATO and APRA.*
^ net of PBS rebate revenue
 # Includes Mental Health

Table 3: Minister's Numbers

Minister's Numbers	2022-23 (Estimated Actual) $b	2023-24 $b	2024-25 $b	2025-26 $b	2026-27 $b	Total over 4 Yrs $b
Medical Benefits Schedule	28.0	31.0	33.0	35.0	37.0	136.0
Pharmaceutical Benefits Scheme ^	13.0	12.0	12.0	12.0	12.0	48.0
Private Health Insurance	7.0	7.0	7.0	8.0	8.0	30.0
Hospitals #	26.0	28.0	30.0	32.0	34.0	124.0
COVID-19 NPA	3.0	-	-	-	-	-
Primary Care & Mental Health	3.0	3.0	3.0	2.0	2.0	10.0
Aged Care	28.0	36.0	38.0	40.0	42.0	156.0
Sport and Recreation	0.6	0.6	0.6	0.8	1.1	3.0
First Nations	1.0	1.0	1.0	1.0	1.0	4.0
Other	17.0	18.0	16.0	16.0	16.0	66.0
TOTAL *	**127**	**138**	**142**	**147**	**153**	**580**

^ net of PBS rebate revenue
** Total may not add due to rounding*

Contact Officer:	Sean Lane	Deputy Secretary Clearing Officer:	Blair Exell	Clearance: 06 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Health Strategy First Nations & Sport| Health Systems Strategy			

Table 4: Medical Research Future Fund

Medical Research Future Fund	2022-23 (Estimated Actual) $m	2023-24 $m	2024-25 $m	2025-26 $m	2026-27 $m	Total over 4 Yrs $m
Medical Research Future Fund Special Account	598	650	650	650	650	2,600
Grand Total	**598**	**650**	**650**	**650**	**650**	**2,600**

2022-23 FBO Whole of Government Health, Aged Care, Sport

Table 5: Breakdown of Other

Programs	2022-23 (Estimated Actual) $m	2023-24 $m	2024-25 $m	2025-26 $m	2026-27 $m	Total over 4 Yrs $m
Medical Research (MRFF, NHMRC, BTF) *	1,620.2	1,787.0	1,816.5	1,829.6	1,824.8	7,258.0
Blood and Organ Donation (NBA, OTA)	1,739.4	1,797.4	1,913.7	2,039.1	2,126.3	7,876.5
Health Workforce	1,629.4	1,796.3	1,829.3	1,819.6	1,797.4	7,242.7
Public Hospital Services (DVA)	942.4	965.8	1,088.0	1,100.7	1,121.2	4,275.7
Public Hospital Services	58.7	250.7	378.2	203.7	200.5	1,033.1
Access to pharmaceutical services (7CPA programs, Aids & Appliances)	1,265.0	1,451.2	1,313.9	1,440.0	1,459.5	5,664.6
Public Health and Prevention (Preventive health, Immunisation, Health Protection)	4,378.2	3,272.6	1,668.1	1,830.0	1,822.9	8,593.6
DVA Veterans' Counselling and Other Health Services	704.3	860.7	908.0	915.8	935.0	3,619.5
Hearing Services (Voucher & CSO)	587.9	616.0	634.5	652.0	653.3	2,555.8
DVA Military Rehabiliation Compensation	2,259.8	1,849.4	1,920.8	2,005.4	2,015.9	7,791.5
PHI Services (APRA - Private Health Insurance Industry Risk Equalisation Receipts)	429.0	410.0	406.5	406.7	406.5	1,629.8
Dental (COPE & NPA)	411.2	457.5	465.4	359.2	359.9	1,642.1
Medical Services (Non MBS medical services)	135.2	121.6	107.6	106.3	107.3	442.8
Digital and e-health (ADHA)	305.7	357.2	379.2	139.1	139.7	1,015.0
Medical Indemnity	140.3	167.2	143.7	153.2	163.5	627.5
Infrastructure (Health Infrastructure COPE & NPA)	241.3	280.2	225.7	100.0	78.5	684.4
Other (CHHP NPA, eliminations)	366.2	1,755.4	1,296.9	1,194.6	1,245.3	5,492.2
Total Other	**17,214.2**	**18,196.2**	**16,496.1**	**16,294.9**	**16,457.6**	**67,444.8**

**Medical Research category also includes AIHW expenses.*

KEY POINTS

- The 2023-24 Budget delivered **$138 billion** in 2023-24 and **$580 billion** overall (whole of government) investment over 4 years in health, aged care and sport.
- The 2023-24 Budget included **new investment of $27.9 billion** across the key themes of:
  - Strengthening Medicare **($6.1 billion).**
  - **First Nations** health **($654.4 million).**
  - Health prevention and protection **($1.1 billion).**
  - Smoking and vaping cessation **($737 million).**
  - Mental health **($586.9 million).**
  - Aged Care workforce pay rise **($11.3 billion).**

- The whole of government investment increase between the 2022-23 October Budget ($548.0 billion) and 2023-24 May Budget ($580.0 billion) of $32.0 billion is largely the result of the $27.9 billion new investment and:
  - movements of funds from 2022-23 to 2023-24 and the forward years (**$666 million)**
    - o includes **$645.6 million** movement of funds for the COVID-19 Aged Care Support Program.

- Estimates variations **($8.3 billion** net decrease across the forwards), including:
  - National Health Reform payments: **$49.2 million** increase.
  - COVID-19 public health response: **$1.608 billion** increase.
  - Medicare Services: **$13.819 billion** decrease (model update).
  - Pharmaceutical Benefits Scheme: **$3.160 billion** increase (model update and indexation).
  - Private Health Insurance: **$293.2 million** increase (model update and indexation).
  - Aged Care Services (Home and **$75.5 million** for the Immigration Policy Residential Care): **$275.7 million** decrease (model update and indexation).
- Transfer of funds from the Contingency Reserve of:
  - **$187.0 million** for the COVID-19 Response measure (note funding for this measure was not for publication).
  - **$273.7 million** for the Medicare Urgent Care Clinics – additional funding measure.
  - Settings for New Zealand Citizens measure.

- The Department's contribution to the whole of Government approach to save from converting external labour roles to APS positions is an indicative **$26.9 million** over the forward estimates.

2023-24 Budget Overview (*not all measures included*)

Making it easier to get the healthcare you need

Primary Health Networks (PHNs) will be funded to extend the PHN After Hours programs for another 2 years and to improve access to primary care for multicultural communities and for people experiencing homelessness **($143.9m).**

Patients, including aged care residents, will be able to get consistent care from a team of Medicare-funded healthcare providers **($19.7m)**.

MyMedicare will make it easier for GPs to provide telehealth consultations **($5.9m)**. Providers will receive incentive payments to deliver wraparound, tailored care to keep patients with complex, chronic disease out of hospitals **($98.9m)**.

The Budget includes additional funding to support the Medicare Urgent Care Clinics (UCCs) program, including 8 new Medicare UCCs **($358.5m).**

There will be a new Medicare rebate for consultations of 60 minutes or longer, which will give doctors the support they need to provide high-quality care to people with chronic conditions and complex needs **($98.2m).**

There will be also be better access to more affordable wound care for eligible patients with a chronic wound and diabetes **($47.8m).**

The Government is investing in new and amended MBS items including heart health checks to protect Australians against heart disease **($118.2m).**

A **$951.2 million** digital health package will improve digital systems to build a more efficient, connected and collaborative healthcare system. The Australian Digital Health Agency will be an ongoing entity and will upgrade and modernise My Health Record to make it easier for patients and providers to use and support the secure, safe and efficient sharing of information.

The Intergovernmental Agreement on National Digital Health will be renewed for four years to progress the secure, safe and efficient sharing of information across the health system.

We will fund more Clinical Quality Registries **($40m)** to ensure patients are receiving the best quality medical procedures and treatments, including those for dementia, cystic fibrosis, and pelvic floor disorders.

The Australian Government is continuing and expanding mental health and suicide prevention supports **($586.9m)** for:

- people with severe mental illness not in the National Disability Insurance Scheme (NDIS).
- children and young people.
- people with eating disorders.
- people bereaved by suicide.
- people and communities impacted by disasters.
- culturally and linguistically diverse communities, including refugees and migrants who have experienced torture and trauma.
- First Nations people in the lead up to, during and following the referendum to enshrine an Aboriginal and Torres Strait Islander Voice in the Constitution

Funding for digital mental health services will also be extended.

Bigger incentives to bulk bill, cheaper medicines and more affordable care

The 2023–24 Budget provides a historic **$6.1 billion** investment in strengthening Medicare, to revamp primary healthcare. It also includes an additional **$2.2 billion** for new and amended Pharmaceutical Benefits Scheme (PBS) listings and **$259.5 million** for other critical health infrastructure.

It includes a **$3.5 billion** investment to triple bulk billing incentives, in the largest increase to the incentive in the 40-year history of Medicare. This will directly benefit 11.6 million Australians, with flow on benefits for all Australians. Incentives will cover face-to-face and telehealth GP consultations.

From 1 November, a GP who bulk bills an eligible patient for a standard consultation in a metropolitan area will receive a bulk billing incentive benefit of $20.65 instead of $6.85. In remote areas, the bulk billing incentive for a standard consultation will increase from $13.15 to $39.65.

This will address the sharp decline in bulk billing rates and doctor availability over recent years, and make healthcare more affordable for about 5.1 million children under 16, and 7.9 million pensioners and concession card holders.

More than 300 common medicines will be cheaper for 6 million Australians who will be able to buy two months' worth of medicine with a single prescription. This will halve patients' visits to the GP and pharmacy. It will save patients up to $180 per year for each eligible medicine they take. Commonwealth concession card holders will save up to $43.80 a year per medicine.

Medicines, including to treat COVID-19 and cystic fibrosis, are being expanded or added to the PBS, saving patients thousands of dollars a year **($2.2b)**.

Tackling smoking and vaping and improving cancer outcomes

The Government is taking strong action to reduce smoking, stamp out vaping and improve cancer outcomes through:

- proposed stronger regulation and enforcement of all e-cigarettes, including new controls on importation, contents and packaging.
- a new public health information campaign to discourage Australians from taking up smoking and vaping and encourage people to quit **($63.4m).**
- expanding specialised programs and health services to support Australians to quit smoking and vaping **($29.5m).**
- a new national lung cancer screening program that is predicted to prevent over 4,000 deaths from lung cancer through early diagnosis and treatment **($263.8m).**
- extending and widening the Tackling Indigenous Smoking program to include efforts against vaping **($141.2m).**
- addressing inequity in cancer outcomes for First Nations people by building the capacity and capability of Aboriginal Community Controlled Health Services to support cancer care on the ground and ensure mainstream services are culturally safe and accessible **($238.5m).**
- increasing tobacco tax by 5%, making cigarettes more expensive and less attractive, and taxing all tobacco at the same rate.

Growing health workforce

To improve the accessibility and affordability of general practice in rural areas, a new pre-fellowship program for non-vocational doctors will be established to support international medical graduates to work in primary care and remain in rural communities **($30.5m).**

Changes to scholarship arrangements – with a focus on nursing, midwifery and First Nations health workers – will boost the workforce in primary care, aged care, regional and rural areas and other areas of workforce shortage **($50.2m).**

The number of nurses in primary care and aged care will grow, with an extra 6,000 clinical placements **($4.2m),** 1,850 post graduate scholarships to train more nurse practitioners and endorsed midwives ($50.2m), and incentives to get 500 nurses back into the workforce **($1m)**.

GP registrars in regional, rural and remote locations will be able to deliver services in community-based medical practices without losing employment benefits as they move between employers, through an extension of the Single Employer Model trials **($4.5m).**

The Budget will significantly increase workforce incentives for primary care practices to employ various health professionals, to provide team-based, patient-centred, high-quality primary care **($445.1m).**

A one year extension of the Practice Incentives Program Quality Improvement and a review of workforce incentive programs will be undertaken, to ensure incentive payments appropriately support primary care practices to deliver the care Australians expect **($60.2m).**

PHNs will be funded to commission multidisciplinary care from allied health, nurses and midwives **($79.4m)** to support smaller or solo primary care practices, to increase patient access and improve the management of chronic conditions.

Medicare patient rebates for care provided by nurse practitioners will be increased by 30%. The Government will also enable our highly-trained nurse practitioners and participating midwives to prescribe PBS medicines and provide services under Medicare without the need for a legislated collaborative arrangement and will increase MBS rebates for standard nurse practitioner attendance items **($46.8m).** Over time, MyMedicare will be extended to Nurse Practitioners and other primary care providers.

Patients will have continued access to medication management and dose administration aids programs, with funding for community pharmacy programs increased **($654.9m).** The total budget for the Regional Pharmacy Maintenance Allowance will be doubled **($79.5m).**

Pharmacists will be able to administer National Immunisation Program vaccines at no cost to patients **($114.1m),** and the more than 50,000 Australians who need treatment for opioid dependency will have funded support from their local pharmacy to access the treatment medications they need at a cost they can afford **($377.3m).**

Delays in the psychology training pipeline will be addressed while longer-term reform is progressed. This includes 500 extra postgraduate psychology places, 500 one-year internships for provisional psychologists, and 2,000 supervisor training sessions **($91.3m).**

A **$17.8 million** investment will help upskill the broader health workforce to better recognise and respond to mental health issues.

Restoring dignity to aged care

Aged care workers will receive their largest ever pay rise, with the Government investing $11.3 billion to fund the Fair Work Commission's interim decision for a record 15% pay increase.

The wage rise will deliver cost-of living relief for over 250,000 aged care workers. It is the largest ever pay increase in the history of the Fair Work Act.

The Government will also progress the National Worker Registration Scheme **($59.5m).**

A new regulatory framework and prudential model **($72.3m)** will enable changes in how providers are regulated. The new model will be complemented by actions to:

- improve aged care residents' dining experiences and food and nutrition reporting **($12.9m)**
- require residential aged care services to provide residents with Monthly Care Statements on care provided and occurrences of significant change
- enable continuous improvement and enhance Star Ratings for older Australians and work to expand the Quality Indicator program to in-home care services **($139.9m).**

An additional 9,500 home care packages will be made available in 2023-24 **($166.8m),** to meet the growing preference for older people to continue to live independently in their own home.

A newly established single assessment system will use existing assessment organisations to simplify and improve access to aged care services.

A new Aged Care Taskforce will be established to review aged care funding arrangements and develop options to make the system fair and equitable for all Australians **($0.7m).**

The Taskforce will also inform the final design of the Support at Home program which will be postponed to commence on 1 July 2025, in response to feedback and to allow time to further refine the design. Existing grant arrangements for the Commonwealth Home Support Programme will be extended for a further 12 months to 30 June 2025.

The Disability Support for Older Australians program will be extended with **$487 million**. Older people with disability will benefit from delivery of consistent, timely, and high quality disability services so they can live in their homes and communities.

Aged care recipients will have greater choice and control in decision making through the development of systems that will help them to choose their provider **($41.3m).**

There will be increased access to primary care for aged care residents, with new incentives for GPs **(**$**112m).**

Rural and remote areas, in particular, will receive support to ensure the viability of local aged care providers **($98.7m).**

The National Aboriginal and Torres Strait Islander Flexible Aged Care Program will receive increased funding **($77.3m)** to ensure First Nations elders access high quality, culturally safe care. The Government will build the capacity of Aboriginal Controlled Organisations to ensure on Country services **($8.2m).** An interim First Nations Aged Care Commissioner will be appointed **($1.6m).**

Stronger preventive health

This Budget takes the first key step towards establishing a world-class Australian Centre for Disease Control to better prepare Australia for future pandemics and health threats **($91.1m).** The National Medical Stockpile will be replenished and begin transitioning into the ACDC. The Therapeutic Goods Administration (TGA) will receive long term funding for activities aimed at protecting public health **($61m).**

The shingles vaccine Shingrix will be added to the National Immunisation program **($446.7m).** The Budget also continues the important public information campaign for routine childhood immunisation **($3.4m).**

An additional 30,000 eligible adult public patients will be able to receive dental treatment **($219.4m).**

First Nations people will benefit from funding to increase uptake of annual health checks, expand both the Deadly Choices program and the Practice Incentives Program Indigenous Health Incentive **($17.1m)** and the 'Strong Born' awareness campaign for fetal alcohol spectrum disorder (FASD) **($1.4m).** There are measures to increase renal services **($28.2m).**

$40.6 million will support equity in the healthcare system and improve the health of Australian women and girls. There will be continued funding for donor breast milk bank services **($6m),** and the Australian Breastfeeding Association's National Breastfeeding Helpline **($4.8m).**

The Budget extends FASD prevention, diagnosis and support activities **($5m**), and important alcohol and drug prevention and treatment programs **($33.6m).**

It provides **$0.9m** to develop a 10-year national action plan for the health and wellbeing of LGBTIQA+ people, and establish an LGBTIQA+ Health Advisory Group.

There is funding to enhance efforts to end HIV transmission in Australia by 2030, including access to treatment for people who are ineligible for Medicare **($10m),** and increased access to testing, treatment and information **($3.2m).** The Blood Borne Virus (BBV) and Sexually Transmissible Infection (STI) National Response will be continued **($6.6m).**

A new National Sport Plan will be developed and the Australian Sports Commission Act 1989 will be reviewed to ensure a strategic approach to major sporting events. In addition, the Government will implement the Major Sporting Events Legacy Framework to ensure major international sporting events deliver social, economic, and sporting benefits for all Australians **($1.1m).**

The Budget will support the Confederation of Sport's bid to host the World Masters Games 2029 (WMG) in **Perth ($5m).**

Funding is being provided to advance the rights of women and girls, and broader human rights objectives, and for a talent and development program that will increase the number of female coaches, officials and administrators from grassroots through to elite level **($2.1m).**

Financial assistance will be given to thousands of junior competitors, coaches and officials to attend sporting competitions through the Local Sporting Champions and Local Para Champions programs **($8.3m).**

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 0 - Whole of Portfolio

Pandemic Treaty and review to the International Health Regulations

KEY POINTS

- Australia is actively engaged in two separate but linked negotiations, on:
  - a proposed treaty on pandemic prevention, preparedness, and response.
  - amendments to the International Health Regulations 2005 (IHR).
- We are engaged in both processes to promote better health outcomes for the Australian community and protect our national interests. We know certain health threats, like infectious disease outbreaks, are more likely to arise overseas.
  - A strong global health system is critical for improving the detection and prevention of infectious disease outbreaks to ensure we minimise the potential for international spread and escalation to a pandemic.
    - The proposed new instrument and amendments to the IHR are still being negotiated.
- Key provisions have not been agreed between countries.
  - No decisions were made at the World Health Assembly (WHA) in 2023.
  - Formal negotiations for both processes are expected to conclude with an agreed package of reforms to be considered at the WHA in May 2024.
  - For adoption, both processes require a vote with two thirds majority of WHO Member States.
- Temporary and standing recommendations made by WHO are designed to guide State Parties in responding to public health challenges, including disease outbreaks.
  - WHO temporary and standing recommendations, as defined in Article 1 of the IHR, are 'non-binding' on State Parties.
  - Australia does not support amendments to the IHR which would undermine our ability to make public health decisions in the national interest during a health emergency.
- The proposed treaty and IHR reforms will not undermine Australia's sovereignty.
  - The WHO cannot force Australia to take any action, such as vaccine mandates, or lockdowns.
  - Any negotiated commitments need to be reflected in Australian laws passed by this Parliament, for them to be legally binding.
  - Article 3 of both the current draft treaty and the IHR reinforce the principle of sovereignty, that each country retains the sovereign right to legislate and implement its own health policies.
- If adopted by the WHA, the treaty and IHR amendments would then need to be considered by the Joint Standing Committee on Treaties (JSCOT).
  - This is the stage at which any new international commitments made by the Australian Government would be considered by Parliament, as to whether they should become domestic laws.

Consultation processes

- Consultation across government and with stakeholders is ongoing, in particular with state and territory governments.

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- Engagement with state and territory governments is separate to other consultation processes.

- A public consultation process was held from 7 August to 24 September 2023 on the Department's Consultation Hub portal.
  - We included three focus questions on the consultation webpage to guide input into this consultation.
- We are interested in understanding what Australian stakeholders and the community wanted to see as part of these global health reform processes.
  - 4,521 submissions were received, and the Department is continuing its review.
  - Once the Department has finalised its review, it will prepare and publish a report summarising the submissions. We anticipate this will be published before the end of 2023.
- Submissions were received from a range of stakeholders, including research and academic institutions, non-government and community organisations, peak bodies, unions, the private sector, and individuals.
  - In accordance with our privacy obligations, individual submissions will not be published.
    - *[If pressed]*: The consultation process web portal made clear that the Department would not be identifying responses to the consultation.
- Views will help inform Australia's engagement in both negotiation processes.
- Key themes identified include pandemic prevention and public health surveillance, equity in global health emergency responses, investment in research and development, access and benefits sharing, and embedding a One Health approach.
- A number of additional themes were also evident, including ceding sovereignty to the WHO, increasing the power of the WHO, and WHO imposing or mandating public health measures, such as lockdowns.
  - The Department acknowledges these concerns but considers a large portion of these concerns to be based on misinformation.
  - The Department has published extensively to counter misinformation surrounding both processes.
    - The Department's website is regularly updated to reflect the status of negotiations and includes information that seeks to address concerns about the domestic impact of the proposed treaty and IHR.
    - A consultation paper was published as part of the public consultation process with responses to these concerns *[refer to sovereignty points].*

Proposed Pandemic Treaty

- The new treaty provides an opportunity to strengthen the global response to future pandemics. Key issues under discussion include:
  - supporting equitable access to medical products used to respond to public health emergencies, such as vaccines and therapeutics.
  - strengthening global disease surveillance and information sharing.
- There is strong support for a focus on pandemic prevention, taking account of the link between humans, animals and the environment in disease detection, surveillance and mitigation (known as a 'One Health' approach).

International Health Regulations (2005) (IHR)

- The IHR is a technical legal framework that defines countries' rights and obligations in handling public health events that have the potential to cross international borders.

- The IHR need to remain adaptable and effective to respond to evolving global health threats.
- More than 300 amendments have been proposed. Negotiations are underway.
    - Proposed amendments include the development of a regional alert system for declaring a public health emergency of international concern, and stronger obligations for developed countries to provide financial and technical support to the development of IHR core capacities in developing countries.
- Australia's priorities through the reform process are to:
    - strengthen the international community's efforts towards future pandemic prevention, preparedness and response,
    - protect the Australian community's health and wellbeing against pandemics,
    - ensure the IHR remain adaptable, future-proof, and complement provisions under negotiation in the pandemic treaty.
- Australia will not support amendments against our national interest, for example:
    - proposals that are inconsistent with existing international agreements, including World Trade Organization rules, or matters of intellectual property.
- At the 75th WHA in May 2022, Member States agreed to amend Article 59 of the IHR, to reduce the timeframe to enact amendments from 24 to 12 months and the period for rejection of, or reservation to, amendments to the IHR from 18 to 10 months.
    - The Government supported these changes because it accelerates the IHR revision process and ensures changes agreed by Member States will take effect sooner.
    - The amendments were considered by JSCOT which reported that the changes are a 'minor treaty action', with no domestic fiscal or legislative changes required.

Effects on Australia's sovereignty

- No international instrument, such as a treaty, can change Australia's Constitution nor prevail over Australian laws.
- Countries will retain sovereignty regarding their health policies, including public health and safety measures such as border measures, use of masks, and vaccines.
    - this is enshrined in international law, including the existing IHR (Article 3).
    - The current draft of the treaty reinforces the principle that each country retains responsibility and control of its own health policies.

Background

Consultations

- The Department's public consultation process on the treaty/IHR received the fifth highest number of responses when compared to the other 255 public-facing consultations ran by the Department since 2015.
    - Evidence that these reform processes are a matter of significant community and civil society interest.
- Those that received more responses related to: the Terms of Reference for the Aged Care Royal Commission; two consultations on access to diabetes therapeutics; and a consultation on amendments to the Australian Immunisation Register.

Treaty

- There have been six meetings of the INB, and a number of the INB drafting group meetings. Member States have agreed that the instrument should be legally binding, and have provided feedback on draft treaty text. A revised draft was released on 16 October 2023 and we are currently considering Australia's position.

- A further drafting group meeting of the INB will be held from 6-10 November 2023.

IHR

- There have been five meetings of the Working Group on Amendments to the IHR (WGIHR). The most recent meeting of the WGIHR was held 2-6 October 2023.
- The next meeting will be held 7-8 December 2023.
- Australia did not propose amendments to the IHR process.

OFFICIAL

Senate Committee: Community Affairs Committee

2023-24 Supplementary Budget Estimates

Outcome: 0 - Whole of Portfolio

Bill 1 Save

KEY POINTS

- This measure is designed to drive the best health and aged care outcomes for Australians and taxpayers by:
    - Giving robust, evaluation-informed, evidence-based advice about programs and investments
    - Allowing for contestable decision-making about investments
    - Aligning funds to high-value activities that are delivering health outcomes and away from low-value activities that are not.
- No re-prioritisations have been made at this time. Work to ensure all programs have been evaluated recently is ongoing, and will inform future investment decisions.
- This measure will not result in cuts to the health and aged care budget – all funds invested in the portfolio will remain invested in delivering health outcomes.
- A factsheet is being developed for external stakeholders who may experience changes as part of this measure. It will be available by the end of 2023.

Public information: 23-24 Budget Measure: Reinvesting in Health and Aged Care Programs

- The Bill 1 Reinvestment Measure project is a critical part of monitoring and reporting back to Government on the Reinvesting in Health and Aged Care Programs 2023-24 budget measure (page 146, 2023-24 Budget Measures, Budget Paper 2). The measure saw a 4% save applied to all in scope Bill 1 administered funds, totalling $1.7b over four years.
- This provides Government with the opportunity to align strategic priorities within the health and aged care system, and to ensure that there is a strong evidence base for future decisions, and that advice and recommendations have regard to the Government's highest priority areas.
- To support this new approach, the Department is changing internal processes in two major ways, by embedding a robust evaluation process as part of all future grants, and a decision-support tool that requires departmental officials to conduct an initial check against the strategic objectives of the Government, health and aged care reform goals and the merits of any given proposal.

Overview

- The Bill 1 Reinvestment Measure was applied evenly to all in scope Bill 1 Programs, except for demand driven Programs (acknowledged formally as such by Department of Finance, for example medical indemnity, hearing services and primary care practice incentives) and emergency funding (Program 1.8 Health Protection, Emergency Response and Regulation).
- The Measure allows for Government to reprioritise and reallocate funding to better align with strategic priorities and stakeholder expectations, however has not been designed to cut funding within the health and aged care system. No programs have been cut.
- No reprioritisation or reallocation decisions have been made to date. The next expected

decision point will be ahead of end of financial year and 2024-25 MYEFO prioritisation.

Design of a Reprioritisation and Reallocation process

- Reprioritisation and reallocation decisions will now be made through a bi-annual Ministerial Submission in advance of each economic update.
- The Department is developing a Reprioritisation Framework to ensure that decisions are evidence based, aligned with government priorities and drive the best outcomes for the health and aged care system.
- To support the cultural and process changes within the Department a Decision Support Tool (including a funding decision tree), and a strategic priorities document are being developed.

Evidence based decision making

- Evaluation will be utilised to demonstrate and measure program value and identify reprioritisation and reallocations opportunities.
- Analysis of program evidence will be incorporated at the initial funding decision point, and at each review point.
- Work continues with policy owners on improving the quality and appropriateness of evaluation questions and ensuring each program has a robust program logic.
- Currently more than 90% of high cost grants (> $5million) have evaluations complete or in place. Across medium sized grants (> $0.250m - $5million) only around 10% have an evaluation in place or complete. For small grants it is around 20%.

BUDGET

The Annual Impact of the Reinvestment Measure:

	2023-24 ($m)	2024-25 ($m)	2025-26 ($m)	2026-27 ($m)	Total ($m)
Annual impact of the Reinvestment Measure	-415.7	-417.0	-418.1	-422.9	-1,673.7

- Note – demand driven programs and Special Accounts and Appropriations are out of scope for the save.
- To date, no reprioritisation or reallocations decisions have been made by the Minister under this measure.
- Attachment A provides a breakdown of the reinvestment measure by program.

Attachments:

Attachment A: Reinvestment by Program

ATTACHMENT A – Reinvestment by Program

Program	Priority	2023-24 as at Oct 22 Budget $'000	2023-24 Reinvestment $'000	2023-24 $'000	2024-25 as at Oct 22 Budget $'000	2024-25 Reinvestment $'000	2024-25 $'000	2025-26 as at Oct 22 Budget $'000	2025-26 Reinvestment $'000	2025-26 $'000	2026-27 as at Oct 22 Budget* $'000	2026-27 Reinvestment $'000	2026-27 $'000
1.1	1.1 - Health Research Coordination & Access	167,374	(5,840)	174,930	129,014	(4,280)	139,465	106,909	(3,400)	118,436	104,809	(3,360)	116,191
1.2	1.2 - Mental Health	1,353,364	(54,120)	1,487,888	1,385,301	(55,400)	1,461,678	1,256,323	(50,240)	1,166,855	1,225,596	(49,840)	1,144,008
1.3	1.3 - Aboriginal & Torres Strait Islander Health	1,206,565	(48,280)	1,217,157	1,282,140	(51,280)	1,320,257	1,246,249	(49,840)	1,301,256	1,201,275	(48,960)	1,285,115
1.4	1.4 - Health Workforce	1,663,950	(41,920)	1,796,306	1,687,182	(42,520)	1,829,297	1,689,640	(42,600)	1,819,610	1,632,507	(41,840)	1,797,438
1.5	1.5 - Preventive Health and Chronic Disease	518,200	(20,720)	584,244	480,088	(19,200)	550,044	452,849	(18,120)	565,510	412,968	(16,800)	524,535
1.6	1.6 - Primary Health Care Quality & Coordination	534,736	(20,560)	701,134	488,350	(18,880)	631,101	485,404	(18,760)	572,258	437,251	(17,280)	499,148
1.7	1.7 - Primary Care Practice Incentives & Medical Indemnity	420,113	-	504,477	419,494	-	451,298	420,249	-	472,148	420,249	-	492,629
1.8	1.8 - Health Protection Emergency Response & Regulation	695,826	-	1,363,882	320,741	-	329,862	483,615	-	496,391	504,215	-	525,432
1.9	1.9 - Immunisation	28,892	(1,160)	29,250	29,578	(1,200)	30,080	30,080	(1,200)	29,622	30,080	(1,240)	30,105
2.1	2.1 - Medical Benefits	108,370	(640)	121,637	105,942	(680)	107,566	103,697	(680)	106,344	103,697	(680)	107,287
2.2	2.2 - Hearing Services	610,275	-	615,994	619,217	-	634,540	632,237	-	651,979	632,139	-	653,270
2.3	2.3 - Pharmaceutical Benefits	579,688	(18,160)	954,373	602,732	(19,080)	809,313	612,791	(19,480)	926,951	612,791	(19,920)	946,568
2.4	2.4 - Private Health Insurance	8,511	(360)	10,049	4,708	(200)	6,455	4,708	(200)	6,741	4,708	(200)	6,528
2.5	2.5 - Dental Services			-	-	-	-	-	-	-	-	-	-
2.6	2.6 - Health Benefit Compliance	17,325	(680)	17,858	17,325	(680)	16,645	17,325	(680)	16,645	17,325	(680)	16,645
2.7	2.7 - Assistance Through Aids & Appliances	1,842	(80)	2,012	1,842	(80)	1,762	1,842	(80)	1,762	1,842	(80)	1,762
3.1	3.1 - Access & Information	650,554	(26,040)	636,749	648,393	(25,920)	641,843	653,084	(26,120)	630,527	642,638	(26,160)	643,523
3.2	3.2 - Aged Care Services	4,052,536	(162,120)	4,144,174	4,175,715	(167,040)	4,388,935	4,402,762	(176,120)	4,545,904	4,603,908	(185,160)	4,732,478
3.3	3.3 - Aged Care Quality	338,389	(13,520)	1,504,105	228,035	(9,120)	320,444	225,266	(9,000)	258,956	217,999	(8,880)	249,506
4.1	4.1 - Sport & Recreation	38,286	(1,520)	41,706	38,086	(1,520)	37,623	40,980	(1,640)	41,059	44,351	(1,800)	47,601
Total		**12,994,796**	**(415,720)**	**15,907,925**	**12,663,883**	**(417,080)**	**13,708,208**	**12,866,010**	**(418,160)**	**13,728,954**	**12,850,348**	**(422,880)**	**13,819,769**

Program	Priority	All years as at Oct 22 Budg	All Years Reinvestment $'0	All Years as at May 23 Budget $'0	All Years Movement $'0	All Years Movement
1.1	1.1 - Health Research Coordination & Access	508,106	(16,880)	549,022	40,916	8%
1.2	1.2 - Mental Health	5,220,584	(209,600)	5,260,429	39,845	1%
1.3	1.3 - Aboriginal & Torres Strait Islander Health	4,936,229	(198,360)	5,123,785	187,556	4%
1.4	1.4 - Health Workforce	6,673,279	(168,880)	7,242,651	569,372	9%
1.5	1.5 - Preventive Health and Chronic Disease	1,864,105	(74,840)	2,224,333	360,228	19%
1.6	1.6 - Primary Health Care Quality & Coordination	1,945,741	(75,480)	2,403,641	457,900	24%
1.7	1.7 - Primary Care Practice Incentives & Medical Indemnit	1,680,105	-	1,920,552	240,447	14%
1.8	1.8 - Health Protection Emergency Response & Regulatior	2,004,397	-	2,715,567	711,170	35%
1.9	1.9 - Immunisation	118,630	(4,800)	119,057	427	0%
2.1	2.1 - Medical Benefits	421,706	(2,680)	442,834	21,128	5%
2.2	2.2 - Hearing Services	2,493,868	-	2,555,783	61,915	2%
2.3	2.3 - Pharmaceutical Benefits	2,408,002	(76,640)	3,637,205	1,229,203	51%
2.4	2.4 - Private Health Insurance	22,635	(960)	29,773	7,138	32%
2.5	2.5 - Dental Services	-	-	-	-	0%
2.6	2.6 - Health Benefit Compliance	69,300	(2,720)	67,793	(1,507)	-2%
2.7	2.7 - Assistance Through Aids & Appliances	7,368	(320)	7,298	(70)	-1%
3.1	3.1 - Access & Information	2,594,669	(104,240)	2,552,642	(42,027)	-2%
3.2	3.2 - Aged Care Services	17,234,921	(690,440)	17,811,491	576,570	3%
3.3	3.3 - Aged Care Quality	1,009,689	(40,520)	2,333,011	1,323,322	131%
4.1	4.1 - Sport & Recreation	161,703	(6,480)	167,989	6,286	4%
Total		**51,375,037**	**(1,673,840)**	**57,164,856**	**5,789,819**	11%

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 0 – Whole of Portfolio

PWC and the big 4

Key Points:

- The Department uses consultancies for the engagement of specialised professional skills and insights to assist the Department in achieving its objectives. This includes provision of independent and specialised professional services, program evaluation services, and research services.
- Following the revelation of disclosure of confidential information by PricewaterhouseCoopers (PwC), the Department of Finance (Finance) published a Procurement Policy Note on 19 May 2023 focussing on the importance of ethical conduct as a key value for money consideration.
- The Department of Finance has undertaken an examination of the establishment of Scyne (and associated PWC novation) and has advised Scyne that it "has the appropriate governance, accountability, and ethical frameworks to engage with the Commonwealth through contractual arrangements, subject to ongoing engagement with Finance."

Facts and Figures

Contracts with the "Big 4" suppliers – Department of Health and Aged Care

- As at 30 September 2023 (refer to **Attachment A – Health Tabs**), the Department had 48 contracts in place, with a total value of $39,299,178 (GST inclusive), with the entities collectively known as the 'big 4'. The contracts were for both consultancy services and non-consultancy services (e.g. financial advisory services, legal services, program management services).

Supplier	Number of Contracts	Value (GST inclusive)
Deloitte Touche Tohmatsu (Consultancy)	12	$9,058,760
Deloitte Touche Tohmatsu (Non-Consultancy)	2	$3,918,196
Ernst and Young (Consultancy)	8	$5,032,007
Ernst and Young (Non-Consultancy)	2	$1,522,572
KPMG (Consultancy)	14	$5,818,554
KPMG (Non-Consultancy)	3	$3,363,059
Pricewaterhouse Coopers (PwC) (Consultancy)	5	$8,239,540
Pricewaterhouse Coopers (PwC) (Non-Consultancy)	2	$2,346,490
Total	**48**	**$39,299,178**

These figures include contracts for the Statutory Agencies that utilise the Department's systems including: Office of the Gene Technology Regulator; Australian Industrial Chemicals Introduction Scheme; National Rural Health Commissioner; National Sports Tribunal; Interim Inspector-General of Aged Care.

Contact Officer:	Stewart Munro	Deputy Secretary Clearing Officer:	Charles Wann	Clearance: 19 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Corporate Operations| Financial Management			

- As at 30 September 2023 (refer to **Attachment A- Portfolio Tabs**), Portfolio Agencies had 14 contracts in place, with a total value of $20,762,617 (GST inclusive), with these entities. This included contracts for both consultancy services and non-consultancy services.

Background information

Review of PwC contracts

- Following the revelation of disclosure of confidential information by PricewaterhouseCoopers (PwC), the Department of Finance (Finance) published a Procurement Policy Note on 19 May 2023 focussing on the importance of ethical conduct as a key value for money consideration.
- This information has been shared progressively with all Portfolio Agencies since 23 May 2023.
- 26 May and 1 June 2023, the Department wrote to PwC to seek further assurance on the management of confidentiality and conflict of interests in relation to their contracts with the Department, with a particular emphasis on their engagements in the Aged Care sector. PwC provided a response to these questions on 9 June 2023 and provided additional information on 16 June 2023 (**Attachments B and C**).
- The then Secretary met with PwC A/g Chief Executive Kristen Stubbins on 31 May 2023 to reiterate the Department's expectations and reiterate the importance of adhering to contractual obligations when undertaking work for the Department.
- A risk assessment tool was developed by Maddocks (**Attachment D**) for the Department and completed for all 12 PwC contracts at the time. No issues were identified for 11 contracts, and it was confirmed that all contracts had in place deeds of confidentiality, conflicts of interest, privacy and secrecy deeds from all PwC personnel.

Ageing and Aged Care Contracts

- The risk assessment for one contract, the $13.6 million Business Advisory Services contract through the Ageing and Aged Care Group, noted the non-disclosure of a PwC consultant's formal declaration of potential conflicts of interest at the commencement of the contract in 2019 (**Attachment B**). The matter was discussed with the department, and it was noted that:
  a) This issue had also been identified and addressed by PwC in June 2023.
  b) This contract expired on 30 June 2023 and a decision was made by the delegate in Ageing and Aged Care Group to not extend. The department approached the market in July 2023 to replace these services, through the Whole of Government Management Advisory Services Panel. PwC was not invited to participate in this market approach.
- The Ageing and Aged Care Group also suspended PwC's contracted services for audit and evaluation of the Aged Cared Workforce Bonus Grant in early June 2023 pending a risk assessment. The contract subsequently expired on 30 June 2023.

Other Department Contracts

- Review by business areas of three further contracts indicated that extensions were required past their June 2023 expiry dates. The justification for extending the services included inability to undertake the work within the department with current staffing levels, impacts and delays in transitioning to a new provider, and the need to expand future programs. The contracts were for the following services:
  a) Legal Services for electronic prescription delivery services (extended to 30 September 2023)
  b) Services supporting Primary Care Projects (extended to 31 December 2023).
  c) Program Management and Support services to support expansion of newborn bloodspot screening programs (extended to 30 June 2024).
- In extending these contracts the Department has taken the following actions to ensure potential risks are mitigated:
  a) Completing a risk assessment.
  b) Ensuring all PWC personnel involved in the contract have signed confidentiality, conflict of Interest, privacy and secrecy deed poll forms.
  c) Ensuring the draft contract variation outlines the indefinite confidentiality clause and a notification of Significant Events.
  d) Close ongoing monitoring of PWC's performance and behaviours to ensure PWC continue to meet their contractual obligations.
  e) Ensuring the delegate is informed of significant risks and mitigations.

Current departmental PwC contracts

- As at 30 September 2023, the department had 7 current contracts (consultancy and non-consultancy) with PwC, with a total value of $10.5 million (GST inclusive) – down from 12 contracts with a total value of $27.0 million as at 30 June 2023.

  a) Five are for consultancy services (e.g. business advisory services; audit, assurance and evaluation services), with a combined value of $8.2 million.
  b) Two are for non-consultancy related services (financial advisory services, legal services, program support services), with a combined value of $2.3 million.

- Program areas administering these contracts are:
  a) Primary and Community Care – three contracts with a combined value of $7.9 million.
  b) Corporate – one contract with a value of $0.6 million.
  c) Australian Industrial Chemicals Introduction Scheme – one contract with a value of $0.6 million.
  d) Health Resourcing – one contract with a value of $0.3 million.
  e) Mental Health and Suicide Prevention – one contract with a value of $1.1 million.

Portfolio Agencies

- Details of contracts that have attached media coverage between Aged Care Quality and Safety Commission and KPMG (Third Party Quality Assessor Program – **Attachment F**) and the Independent Health and Aged Care Pricing Authority (IHACPA) and PwC (three contracts – **Attachment G**)

Future Procurement Processes

- The Department provided guidance to all staff on 30 May 2023, reminding them of the obligation to ensure the Department's Probity Principles, including conflict of interest requirements, are met in all procurements.

- Finance has also updated the Commonwealth Contracting Suite and associated standard Clause Bank to include notification of significant event clauses. The clauses will require a service provider to notify the entity managing the contract immediately on becoming aware of any adverse findings made by a court, commission, tribunal or other statutory or professional body regarding the conduct of the service provider or its capacity to deliver the agreed services.
- PwC has announced its intention to divest its State and Federal government business to a third party, Allegro Funds. Allegro Funds has established a new entity which will be solely focused on the public sector. The new entity is Scyne Advisory.
- The Department of Finance has finalised its assessment of the proposed arrangement against Commonwealth procurement requirements, including the ethical aspects of the value for money assessment. Finance has provided advice to agencies relating to novation of any current contracts from PwC to the new entity. The PricewaterhouseCoopers and Scyne Advisory contract novation guidance is at **Attachment E**. The Department of Finance has also published a policy note on its website. The Department's Procurement Advisory Services team will instruct business areas seeking novation to consult with the Commercial Law team.

Attachments:

Attachment A: Contracts with Big 4 Suppliers

Attachment B: PwC response to Aged Care Part 1

Attachment C: PwC Response to Aged Care Part 2

Attachment D: Risk Assessment Tool

Attachment E: PricewaterhouseCoopers and Scyne Advisory contract novation guidance

Attachment F: ACQSC – KPMG Media

Attachment G: IHACPA – PwC Media

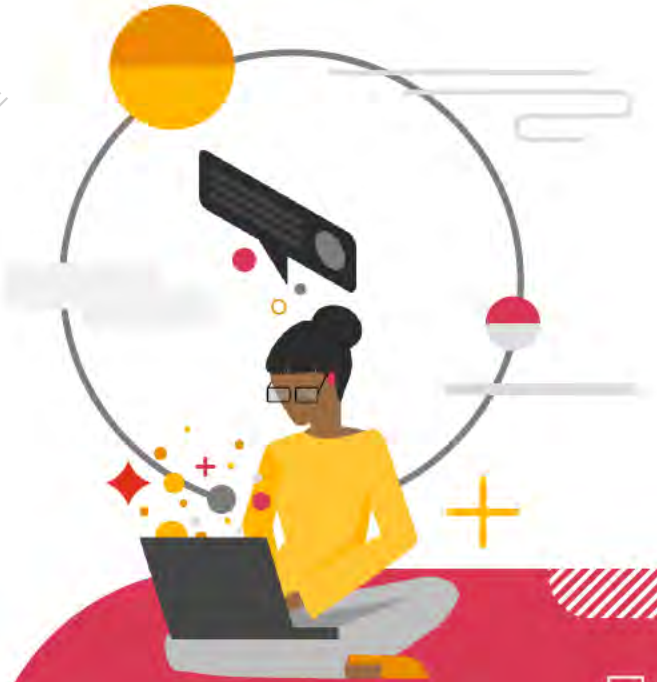
Contract Registration No	Austender CN ID	Managing Division	Contract Description	Vendor Name	Vendor ABN	Work Commencement Date	Contract End Date	Contract Value (GST Incl.)	Panel Name	Consultancy
4500147479	CN3864567	AGED CARE	Evaluation of Aged Care Nursing Programs	Deloitte Touche Tohmatsu	74490121060	08/04/2022	30/06/2024	$396,825.00	Research Evaluation Services	Y
4500150503	CN3937131	AGED CARE	Requirements and Roadmap for Future Aged Care Information Technology Platform 2023-2024	Deloitte Touche Tohmatsu	74490121060	20/12/2022	31/12/2023	$3,809,833.94	Digitial Marketplace	Y
4500151843	CN3969565	AGED CARE	Enhancements to the Aged Care Wage Estimation Tool	Deloitte Touche Tohmatsu	74490121060	29/05/2023	31/10/2023	$220,000.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151062	CN3950426	AGED CARE	Higher Levels of Care Research	Deloitte Touche Tohmatsu	74490121060	22/02/2023	31/12/2023	$833,124.25	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151480	CN3960345	AGED CARE	Evaluation of Clinical Placements Program	Deloitte Touche Tohmatsu	74490121060	20/04/2023	01/04/2025	$233,475.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151328	CN3956182	DTDD	Professional Service	Deloitte Touche Tohmatsu	74490121060	01/04/2023	31/03/2024	$3,183,258.32	Digitial Marketplace	N
4500152178	CN3977260	MHSPD	Evaluation of Pathways to Practice Program Pilot and Headspace Early Careers Program	Deloitte Touche Tohmatsu	74490121060	19/06/2023	28/06/2024	$916,319.25	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500144254	CN3805033	OHPRD	Review of National Communicable Diseases Surveilla nce Project	Deloitte Touche Tohmatsu	74490121060	12/08/2021	30/06/2024	$724,939.60	N/A	Y
4500152787	CN3991074	OHPRD	Develop a National Medical Stockpile Information and Communications Technology Strategu	Deloitte Touche Tohmatsu	74490121060	27/07/2023	15/12/2023	$685,794.00	Digitial Marketplace	Y
4500152989	CN3997523	OHPRD	Provision of Consultancy Services for Workforce Planning	Deloitte Touche Tohmatsu	74490121060	18/08/2023	31/12/2023	$390,500.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152510	CN3991933	PCPD	Design and Delivery of a Senior Executive Service (SES) Workshop Series	Deloitte Touche Tohmatsu	74490121060	01/07/2023	31/12/2023	$77,000.00	Digitial Marketplace	Y
4500153044	CN3998820	PHD	Review of the Family Planning Needs in Australia	Deloitte Touche Tohmatsu	74490121060	22/08/2023	15/12/2023	$219,945.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152437	CN3980000	PHD	Development of a Monitoring and Reporting Framework for the National Women's Health Strategy	Deloitte Touche Tohmatsu	74490121060	26/06/2023	30/06/2024	$551,004.30	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151078	CN3950431	PSD	Mid-term Review of National Health Reform Agreement Addendum 2020-25 - Analytical Support Services	Deloitte Touche Tohmatsu	74490121060	27/02/2023	31/12/2023	$734,938.00	Research Evaluation Services	N
4500153059	CN3999642	AGED CARE	Provision of Grant Assessment Services	Ernst & Young	75288172749	23/08/2023	30/11/2023	$1,197,174.00	Defence Support Services	N
4500150582	CN3939609	AGED CARE	Develop a Compliance Framework Audit Methodology for Care Minutes	Ernst & Young	75288172749	09/01/2023	30/09/2023	$1,078,497.33	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152522	CN3981871	AGED CARE	Aged Care Market Strategy Phase Two (Revised)	Ernst & Young	75288172749	28/06/2023	15/12/2023	$1,074,268.79	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500150024	CN3926062	AGED CARE	Services to Conduct Statistical Data Analysis	Ernst & Young	75288172749	01/01/2023	30/06/2024	$755,800.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151407	CN3958713	AGED CARE	Provision of Assurance Services to Support Implementation of the Aged Care Transformation Program	Ernst & Young	75288172749	13/04/2023	30/06/2025	$1,824,773.12	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500146442	CN3847030	FMD	Provision of Financial Statements	Ernst & Young	75288172749	31/01/2022	30/09/2024	$185,000.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151579	CN3962065	MBD	Revision of the Commonwealth Digital Health Blueprint	Ernst & Young	75288172749	26/04/2023	30/12/2023	$325,397.60	N/A	N
4500152744	CN3991081	PCPD	Legal Services	Ernst & Young	75288172749	24/07/2023	15/12/2023	$23,667.35	N/A	Y
4500151916	CN3970435	TAAD	Annual Inventory Stocktake Services	Ernst & Young	75288172749	01/06/2023	30/09/2023	$10,000.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151793	CN3967656	VPIPCRD	2022-23 Vaccines and Consumables Stocktake	Ernst & Young	75288172749	22/05/2023	30/09/2023	$80,000.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151219	CN3954639	AGED CARE	Provider Capability, Support & Project Management	KPMG	51194660183	29/03/2023	01/11/2024	$367,023.88	Remote and Aboriginal and Torres Strait Islander Aged Care Services Panel	N

4500150263	CN3932500	AGED CARE	Aged Care Assistance Program Evalution and Monitoring Framework	KPMG	51194660183	02/12/2022	30/09/2023	$180,009.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152728	CN3989772	AGED CARE	Independent Review and Assessment of the Support at Home Classification Framework	KPMG	51194660183	17/07/2023	10/11/2023	$559,423.15	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152563	CN3989786	AGED CARE	Provision of Data Quality Checks and Advice	KPMG	51194660183	03/07/2023	30/06/2024	$646,788.71	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151615	CN3964847	DTDD	Provision of Professional Services	KPMG	51194660183	05/05/2023	30/06/2024	$496,035.39	Digitial Marketplace	N
4500152815	CN3991941	DTDD	Provision of Capability Support Services	KPMG	51194660183	31/07/2023	30/07/2024	$2,500,000.00	Digitial Marketplace	N
4500152224	CN3977284	FMD	Professional Taxation Advice	KPMG	51194660183	01/07/2023	30/06/2024	$59,875.20	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151776	CN3966543	FNHD	Benefit Framework for the First Nations Indigenous Health Data	KPMG	51194660183	12/05/2023	13/10/2023	$158,122.50	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152301	CN3978781	HWD	Financial Performance Assurance Audit	KPMG	51194660183	23/06/2023	30/06/2024	$503,160.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500148880	CN3895499	LAD	Internal Audit Services	KPMG	51194660183	01/07/2022	30/06/2024	$660,000.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152279	CN3993216	MHSPD	Targeted Regional Initiatives in Suicide Prevention Evaluation	KPMG	51194660183	26/06/2023	29/02/2024	$369,761.25	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151915	CN3970441	OHPD	Support the Delivery of the National Health and Climate Strategy	KPMG	51194660183	08/05/2023	24/10/2023	$594,182.50	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152578	CN3981884	OHPD	Provision of Independent Review Services	KPMG	51194660183	29/06/2023	22/12/2023	$389,000.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151058	CN3950432	PCD	Assurance Review Services of a Grant for a Health System Navigation Pilot	KPMG	51194660183	24/02/2023	30/09/2023	$69,145.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152928	CN3995153	PCD	Change Management Services	KPMG	51194660183	14/08/2023	30/11/2023	$277,889.25	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500152697	CN3988664	PCD	Project Support Work for the Long Term Dental Policy Reform	KPMG	51194660183	17/07/2023	21/12/2023	$79,096.70	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500151073	CN3950911	PCD	Primary Care Project Support	KPMG	51194660183	06/03/2023	30/12/2023	$1,272,100.60	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500145874	CN3835621	BIDHD	Provision of Legal Services	Pricewaterhousecoopers	52780433757	09/12/2021	30/09/2023	$321,490.00	Legal Services Panel - Whole of Australian Government	N
4500150895	CN3946367	LAD	Program Assurance Evaluation Services	Pricewaterhousecoopers	52780433757	13/02/2023	30/06/2024	$596,200.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500146571	CN3848219	AICIS	Financial Advisory	PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20607773295	09/02/2022	31/12/2023	$613,225.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
4500150201	CN3931888	CHCCD	Program Management and Support Services	PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20607773295	28/11/2022	30/06/2024	$2,024,999.80	Capability Support Services Panel	N
4500150640	CN3943815	MHSPD	Independent Evaluation of Lifeline Australia's Aboriginal and Torres Strait Islander Crisis Support Phone Line	PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20607773295	12/01/2023	24/12/2024	$1,128,600.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y

4500149650	CN3919210	PCD	Independent Evaluation of National Expansion of Greater Choice for At Home Palliative Care Program	PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20607773295	26/09/2022	30/06/2025	$1,784,018.50	Panel of Program Reviewers and Evaluators	Y
4500151072	CN3950912	PCD	Supporting Primary Care Projects	PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20607773295	06/03/2023	29/12/2023	$4,117,497.00	Management Advisory Services (MAS Panel) - Whole of Australian Government	Y
							Total	**$39,299,178.28**		

Department of Health and Aged Care

PwC Response to questions
dated 26 May and 1 June 2023



June 2023

pwc

Private & Confidential

Mr Charles Wann
Deputy Secretary / Chief Operating Officer
Corporate Operations Group
Department of Health and Aged Care

Dear Charles,

Thank you for your recent emails dated 26 May and 1 June 2023 requesting information regarding the management of conflicts and confidential information in relation to our work with the Department of Health and Aged Care and the Independent Health and Aged Care Pricing Authority.

We have provided information in response to each of the six matters raised in your emails, along with confirmations in relation to information provided by the relevant PwC Partner(s).

In summary, we confirm:

- Since 1 January 2019, we have undertaken 19 engagements with the Ageing and Aged Care Group. In relation to these engagements, we can confirm there were no conflicts of interest identified for 16 engagements. For 3 engagements, we notified the Department of a conflict and provided information to support this.
- Since 1 January 2019, we have also confirmed that 43 Partners have led engagements across the firm since 2019. We have received confirmations from most partners and follow up required next week including one Partner is on leave. While our systems and controls have not identified any instances of non-compliance, we nevertheless, undertook a confirmation process to provide additional comfort in respect of Partners and or staff who have worked with Aged Care private sector clients.
- Further to the point above, we are planning that our Risk and Quality team review the outcomes of our confirmation process relating to work by Partners and staff for Aged Care private sector clients by the end of June. Three remaining areas for follow up are outlined in Section 6.

We would welcome the opportunity to provide you with any additional details for any of the six matters and answer any questions you may have in relation to the information provided.

PwC remains committed to the Department of Health and Aged Care and the significant role it undertakes to lead and shape Australia's health and aged care system. Please do not hesitate to contact me on 0413 554 984 if you would like to discuss further.

Yours sincerely,

s47F
Partner
s47F
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Table of contents

1. Independent Health and Aged Care Pricing Authority

Question: Advice on how PwC has been managing past and present risk of conflict of interest (and potential disclosure of confidential information in relation to the IHACPA contract where the former IHACPA CEO was engaged to help develop the AN-ACC indexation

Overall adherence to procedures	• All Partners and staff are required to adhere to procedures outlined at Question 6 in relation to conflict of interest and disclosure of confidential information.
Advice on the management of past conflicts of interest	In response to your question on managing past conflict of interest on the AN-ACC Indexation (Residential Aged Care Costing Study) engagement the following was undertaken: • While s47F of IHACPA s47F sought legal advice from AGS in November 2021 prior to engaging in discussion with PwC regarding employment. • s47F disclosed this potential conflict of interest to the then Chair of IHAPCA in November 2021. • s47F excluded himself from all procurement decisions at IHACPA from November 2021 through to his resignation from IHACPA on s47F . • The Residential Aged Care Costing Study Request for Quotation was released in October 2022. PwC submitted a proposal in November 2022 and the engagement commenced in December 2022
Advice on the management of current conflicts of interest	In response to your question on managing conflict of interest on the AN-ACC indexation engagement: • s47F joined PwC in September 2022. • s47F is involved in the Residential Aged Care Costing Study to inform 2024-25 pricing advice. • s47F role in this project is in the capacity of Quality Partner. The lead partners for the Engagement are s47F and s47F . s47F role was made explicit in the proposal for the work, which went to competitive open tender. • s47E(d) • s47F has and continues to meet his ongoing confidentiality requirements at IHACPA.
Has there been any actual instances of information disclosure that needs to be reported.	No
Other relevant information	• s47F is acting as Quality Partner for one other contract with IHACPA. • s47F role was made explicit in our proposal for the work, which went to competitive open tender.

This information is confirmed by the following Partners

s47F
Partner
s47F @au.pwc.com

s47F
Partner
s47F @au.pwc.com

s47F
Partner
s47F @au.pwc.com

2. Further information on Business Advisory Services

- How PwC has been managing past and present risk of conflict of interest (and potential disclosure of confidential information)
- The Department cannot identify a conflict of interest declaration from s47F which deals with this matter. Can PwC please confirm if s47F has submitted a COI statement in respect to this?
- Has there been any actual instances of information disclosure that needs to be reported.

Specific steps to manage past and present risk of conflict of interest (and potential disclosure of confidential information)	• Please refer to **Appendix A** with details of our conflicts of interest policy. We confirm that our conflicts of interest policy was followed. • In addition all partners and staff on these engagements have onboarding checks completed, have signed confidentiality agreements and/or signed confidentiality undertakings as part of their employment contracts. All current team members have signed confidentiality deeds. • By design, individual provider findings from our reviews are not shared with the Department. A confidentiality undertaking is agreed with each provider before commencing any services.
The Department cannot identify a conflict of interest declaration from s47F which deals with this matter. Can PwC please confirm if s47F has submitted a COI statement in respect to this?	• s47F is a non-Executive Director for Goodwin, a not for profit organisation. • This relationship was disclosed in the original proposal to provide Business Advisory Services on 12 April 2019 (at this stage not as a conflict of interest as not known whether Goodwin would be an eligible applicant). • Upon engagement in July 2019 and subsequently during the course of the project in regular project meetings, s47F position with Goodwin had been discussed with then contract manager, s47F from the Department. • In addition, our approach to managing this potential conflict includes s47 not taking part in the delivery of services provided to Goodwin (nor any provider located in the ACT) as part of the program. • Goodwin applied for services under the BAS program on 1/11/2019, and the Department was notified of this relationship on 18/11/2019 through the application approval process along with the measures taken to manage this perceived conflict. • Notwithstanding that this relationship was known to the Department it is acknowledged that a formal notification should have been provided at the time. Additional notes: • s47F position with Goodwin is disclosed in any meeting conducted with providers as part of delivering services. • A confidentiality deed acknowledging this relationship was provided by s47F n January 2023 in regard to the COVID-19 extension grant program. A formal written notification with regards to the BAS and WAS programs was provided on 7 June 2023.
Has there been any actual instances of information disclosure that needs to be reported.	No

This information is confirmed by the following Partner

s47F
Partner
P: s47F
s47F @au.pwc.com

3a. Further information in relation to Aged Care Workers in COVID-19 (SACWIC) Grant (1 of 2)

Engagement Partner	s47F
Engagement scope	PwC was engaged by the Department on 1 August 2022 to conduct assurance activities over the SACWIC Grant program. The assurance activities were conducted over a sample of Providers and Services selected by the Department. This related to the eligibility of grants claimed by a sample of 24 Providers selected by the Department across two payment 'streams': • Stream 1: Supporting aged care workers to work at a single site • Stream 2: Supporting aged care workers who are unable to attend work because they have been experiencing COVID-19 symptoms, have been diagnosed as COVID-19 positive, require testing or are subject to self-isolation or quarantine requirements.
A. Were you engaged by any aged care providers at the time of completing these reviews?	Yes, the firm was engaged but not the engagement lead, s47F At the time, there were seven (7) Aged Care Providers within the sample where PwC Australia was currently providing services. These services included: • 3 Providers: Aged Care Provider Workforce Advisory Services (refer above) • 1 Provider: Valuation services • 1 Provider: Merger/Acquisition services and external audit services • 2 Providers: Other secondment or assurance services, unrelated to SACWIC
B. If so, why were there no conflicts declared?	The above information was disclosed to the Department of Health and Aged Care on 9 August 2022. This advice was provided before assurances services over grant recipients commenced.
C. Has the knowledge gained by completing these reviews been used to inform your subsequent work with Calvary Healthcare and other providers to optimise their applications for the COVID-19 Aged Care Support Program Extension grant?	No. At the time of our review activities, applications for the SACWIC grant had closed. All information gathered as part of the engagement was obtained through a secure SharePoint-based file transfer site. On receipt, all information was then stored in a SharePoint site and Aura (our document management platform) with access limited to only the engagement team working on the review. The team working on SACWIC did not support providers with their applications for the COVID-19 Aged Care Support Program Extension grant.

3a. Further information in relation to Aged Care Workers in COVID-19 (SACWIC) Grant (2 of 2)

D. Please demonstrate work conducted for private clients has not used or benefited from information made available through services provided to the Department	At the time of our assurance activities, applications for the SACWIC grant had closed. All information gathered as part of the engagement was obtained through a security SharePoint-based file transfer site. On receipt, all information was then stored in a SharePoint site and Aura (our document management platform) with access limited to only the engagement team working on the review. Team members who worked on this project have not provided any services to aged care providers during or subsequent to this project while working at PwC.
E. When were you engaged by these providers?	Our conflict management systems did not identify any providers within our sample which we also provided services to in relation to the Grant. Additionally, at the time of our review activities, applications for the SACWIC grant had closed.
F. Did these engagements refer to previous knowledge or information gained from services provided to the Department?	No. There are no related engagements for the SACWIC grant review. Additionally, at the time of our review activities, applications for the SACWIC grant had closed.

This information is confirmed by the following Partner

s47F
Partner
P: +s47F
s47F au.pwc.com

3b. Review of the COVID-19 Aged Care Support Program Extension grant (1 of 2)

Engagement Partner	s47F
Engagement scope	PwC was engaged on 18 January 2022 to review a sample of up to 100 high cost, funded applications to consider the costs being claimed under the grant. This included considering: • how costs claimed for different categories of expenditure have changed over time (reduced / stabilised etc) • the costs claimed by applicants and how these compared to the charges paid as part of business as usual arrangements • the proportion of eligible cost categories in claims over different waves of COVID-19 and • identifying whether there were unusual or consistent categories of costs claimed that were not eligible under this grant but may need to be considered in future support programs.
A. Were you engaged by any aged care providers at the time of completing these reviews?	Yes, the firm was engaged but not the engagement lead, s47F At the time the sample of COVID-19 Grant recipients was selected by the Department there were 23 Aged Care Providers within the sample where PwC Australia was currently providing services. These services included: • 5 Providers: PwC was directly involved with support the application of their COVID-19 Grants • 11 Providers: PwC was the external auditor of the Aged Care Provider • 7 Providers: A PwC Partner or staff member was serving as a Director of the Aged Care Provider or an ultimate parent entity.
B. If so, why were there no conflicts declared?	The above information was disclosed to the Department of Health and Aged Care on 24 January 2023, prior to the signing of the Work Order. The Department advised on 31 January 2023: *" Thank you for raising the potential Conflicts of interest that you have in doing this review/audit* *As the review/audit is of the COVID-19 Aged Care Support Program Extension grant and the costs within the grant and the effectiveness of the grant in achieving its outcome. The review/audit is not a review of the outcome of the assessment of the validity of the claim by the applicant and does not have any possible influence on the funding outcomes to the applicants.* *The Department of Health and Aged Care do not see a Conflict of Interest if this can be managed within PwC."* Additionally, s47F signed and sent to the Department a Confidentiality, Conflict of Interest, Privacy and Secrecy Deed Poll on 23 January 2023 prior to the commencement of any work. This disclosed both his role with Goodwin Aged Care Services and as the Engagement Leader on the Business Advisory and Workforce Advisory Services Programs.

The following page 16 of 66 have been exempt under section 47G(1)(a) and deleted under section 22 of the Freedom of Information Act 1982 (Cth)

3c. Aged Care Workforce Bonus Payment (1 of 2)

Please note that for transparency we have also provided information in relation to the Aged Care Workforce Bonus Payment grant compliance program, as it is of similar nature to the two requested programs within Aged Care, and is currently in progress.

Engagement Partner	s47F and s47F
Engagement scope	PwC was engaged on 30 November 2022 to conduct audit and evaluation services, in relation to the eligibility of a sample of Aged Care Providers selected by the Department, to determine whether the workers included in their grants were eligible to receive a grant and were paid the eligible amount by their Provider. The Department selected 679 Services across approximately 400 Providers.
A. Were you engaged by any aged care providers at the time of completing these reviews?	Yes, the firm was engaged but not the engagement leads, s47F and s47F. At the time the sample of Aged Care Workforce Bonus Payment grant recipients was selected by the Department, there were 78 Providers within the sample where PwC Australia was currently providing services. These services included: • 4 Providers: A PwC Partner or staff member was serving as a Board member • 3 Providers: PwC was the external auditor of the Aged Care Provider • 1 Provider: PwC was the internal auditor of the Aged Care Provider • 1 Provider: PwC provided payroll processing services • 5 Providers: Various COVID-19 Grant assistance (not related to ACWBP) • 10 Providers: PwC provided various tax compliance or tax consulting services • 3 Providers: PwC has an active Joint Business Relationship with • 78 Providers: Various other services such as strategy consulting, actuarial services, NDIS certification and compliance, and various technology services. NB: The numbers above are not mutually exclusive.
B. If so, why were there no conflicts declared?	The above information was disclosed to the Department of Health and Aged Care on 13 February 2023. This was prior to the commencement of assessments of the eligibility of any Aged Care Providers.
C. Has the knowledge gained by completing these reviews been used to inform your subsequent work with Calvary Healthcare and other providers to optimise their applications for the COVID-19 Aged Care Support Program Extension grant?	No. The engagement did not provide PwC with access to information that would increase the likelihood of an applicant receiving a grant. All information gathered as part of the engagement is stored within a secure online platform Data Kit, SharePoint, and Aura (our document management platform), with access limited to only the engagement team working on the review. The team working on ACWBP did not support providers with their applications for the COVID-19 Aged Care Support Program Extension grant.

The following page 18 to 22 of 66 have been exempt under section 47G(1)(a) and deleted under section 22 of the Freedom of Information Act 1982 (Cth)

4b. Assurance on confidentiality and conflict of interest (2 of 3)

Identified conflict (2):

Job name	**Review of the COVID-19 Aged Care Support Program Extension grant**	
Conflict identified	Engagement leader - s47F is a non executive director of Goodwin Aged Care Limited which is an applicant under the program.	At the time the sample of COVID-19 Grant recipients was selected by the Department there were 23 Aged Care Providers where PwC Australia (not s47F) was currently providing services to. These services included: • 5 Providers: PwC was directly involved with support the application of their COVID-19 Grants • 11 Providers: PwC was the external auditor of the Aged Care Provider • 7 Providers: A PwC Partner or staff member was serving as a Director of the Aged Care Provider or an ultimate parent entity.
Steps undertaken to manage	Not applicable as Goodwin was not included in the grants analysed. s47F also confirmed that he takes no part in the preparation, review or approval of Goodwin's applications.	The information was disclosed to the Department of Health and Aged Care on 24 January 2023, prior to the signing of the Work Order. The Department advised: " Thank you for raising the potential Conflicts of interest that you have in doing this review/audit. As the review/audit is of the COVID-19 Aged Care Support Program Extension grant and the costs within the grant and the effectiveness of the grant in achieving its outcome. The review/audit is not a review of the outcome of the assessment of the validity of the claim by the applicant and does not have any possible influence on the funding outcomes to the applicants. The Department of Health and Aged Care do not see a Conflict of Interest if this can be managed within PWC."
Actions taken where confidentiality and/or conflict of interest requirements have not been managed, declared or met.	N/A	N/A

This information is confirmed by the following Partner

s47F
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s47F @au.pwc.com

4b. Assurance on confidentiality and conflict of interest (3 of 3)

Identified conflict (3):

Job name	**Aged Care Business and Workforce Advisory Services**
Contracted period	**1 July 2019 to 30 June 2023 (WAS included from 1 July 2021)**
Conflict identified	Engagement Leader - s47F is a non executive director of Goodwin Aged Care Services - which is an applicant under the program and potentially a competitor to other applicants under the program.
Steps undertaken to manage	s47F oes not take part in the delivery of services provided to Goodwin (nor any provider located in the ACT considered a direct competitor) as part of the program. s47F ole with Goodwin is disclosed in any meeting conducted with providers as part of delivering services. A separate confidentiality undertaking is agreed between PwC and each individual provider.
Actions taken where confidentiality and/or conflict of interest requirements have not been managed, declared or met.	This relationship was disclosed in the original proposal to provide services on 12 April 2019 (at this stage not as a conflict of interest as not known whether Goodwin would be an eligible applicant). Upon engagement in July 2019 and subsequently during the course of the project in regular project meetings, s47F position with Goodwin had been discussed with then contract manager, s47F from the Department A formal written notification with regards to the BAS and WAS programs was provided to the Department on 7 June 2023.

This information is confirmed by the following Partner

s47F
Partner
P: s47F
s47F @au.pwc.com

5. Advisory services PwC provides external to the department to individual aged care providers.

- Please advise processes that have been followed and assurance that can be provided, to demonstrate work conducted for private clients has not used or benefited from information made available through services provided to the Department or related agencies, including but not limited to the Aged Care Quality and Safety Commission, and Independent Hospital and Aged Care Pricing Authority.

Question (A): Advice on how PwC has been managing past and present risk of conflict of interest (and potential disclosure of confidential information)

- Please refer to Appendix A for details on how PwC has been managing past and present risk of conflict of interest and potential disclosure of confidential information. Additionally, this includes information relating to
  - Security Clearances;
  - Security and management of information;
  - Confidentiality and data protection
  - PwC personnel responsibilities
  - Additional expectations
  - MAS Panel requirements re notification of significant events

- All Partners and staff are required to adhere to these

Question (B): Please advise processes that have been followed and assurance that can be provided, to demonstrate work conducted for private clients has not used or benefited from information made available through services provided to the Department or related agencies, including but not limited to the Aged Care Quality and Safety Commission, and Independent Hospital and Aged Care Pricing Authority

Written evidence was requested from 43* PwC Partners (on behalf of themselves and teams) who had led services to the Department from 2019 to confirm whether:

1. **No work has been conducted for** Aged Care Private Sector clients:
   A total of 29 out of 43* Partners confirmed that they did not undertake work across Aged Care Private Sector clients – noting confirmation from one partner is yet to be received. See below.

2. **Yes, work has been conducted** for Aged Care Private Sector clients –

(a) At least 13 Partners confirmed that work has been conducted for Aged Care Private sector clients by them personally on different programs/topics.

(b) A minimum of 20 staff were identified by Partners across 4 years of engagements as having worked for both Aged Care Private Sector clients as well as the Department (but on different programs).

Note: Our systems and controls have not noted any instances of non-compliance with policies. We will continue to receive responses from engagement teams and following up on areas outstanding enquiries. At this point, an internal review will be conducted by our Risk and Quality team over the confirmations received. Additional information will be provided to the Department when this is completed.

2a. Confirm that work conducted for Aged Care private sector clients has not used or benefited from information made available through services provided to the Department or related agencies – a total of 100% confirmed where responses received to date.

Note: We are awaiting a response from 1 Partner who is currently overseas and not contactable. Refer to outstanding matters in Section 6.

6. Matters to follow up

No	Matter	Timeframe
1	Outstanding confirmation from Partner on services provided to Aged Care Private Sector clients	16 June 2023
2	Further information on staff and Partners who worked with Aged Care private sector clients	16 June 2023
3	Conduct internal review by our Risk and Quality team over the confirmations received by Partners/Staff of work conducted with Aged Care Private Sector clients	30 June 2023

Appendix A

Confidentiality and conflict of interest

Appendix A: Confidentiality and conflict of interest

Question: Please advise how PwC will ensure confidentiality and conflict of interest requirements will be actively managed and independently monitored for any future arrangements

Detailed below is detail of the policies that our team follow in working with the Department, together with examples of practices.

Area	Summary of policy	Examples of practices when working with you
Personnel associated with the Tax Practitioners Board (TPB) matter	• No personnel involved in the delivery of services to the Department were involved in the matters associated with the TPB.	• No personnel involved in the delivery of services to the Department were involved in the matters associated with the TPB. • We will confirm alongside the introduction of any new team members on existing contracts or for new contracts, that the proposed team members were not involved in the TPB matters.
Security clearances / Police checks	• Many of our engagements with Australian Government clients, including the Department, require PwC personnel to hold an Australian Government security clearance. PwC has processes in place to ensure personnel with appropriate clearances are resourced on these engagements. • PwC security clearance holders are subject to the obligations and responsibilities imposed by the vetting authority that granted their clearance, usually AGSVA, and also relevant legislative obligations. All PwC personnel with a security clearance are required to undertake annual security training to refresh their knowledge of these requirements. As a member of the Defence Industry Security Program (DISP), PwC has a Chief Security Officer who is responsible for ensuring the firm complies with security obligations, and PwC employs a full-time security manager and security administrator to support the Chief Security Officer.	• PwC staff to provide evidence of a recent police check (in the past 6 months) and hold the required security clearance prior to commencement (where required).

Appendix A: Confidentiality and conflict of interest

Area	Summary of policy	Examples of practices when working with you
Identifying and managing conflicts of interest	• PwC has policies and procedures in place to identify, assess and manage any potential conflicts of interest, including a centralised conflict checking process prior to entering into engagements with clients. This process involves running internal database searches to gather information about existing relationships with proposed clients and other parties relevant to an engagement. • Where it is considered that a potential conflict can be managed, appropriate controls and safeguards will be put in place, such as separation protocols. Alternatively, where PwC cannot manage a conflict between an opportunity and an existing engagement or another opportunity, the opportunity or part of it may be declined. Where an individual is considered to be conflicted, alternative PwC staff members will be used. • All partners are subject to an independent file review each year for at least one of their engagements, to check compliance with requirements and the outcomes of these reviews impact annual performance ratings. This independent file review includes consideration of the client engagement acceptance process for each engagement. • In addition, PwC Australia has commenced a process to ringfence the provision of services to Federal Government Departments and Agencies to enhance our controls to prevent conflicts of interest. We are moving to quickly establish separate governance and oversight arrangements for the business by the end of September 2023. It will cover all services to Federal Government Departments and Agencies, include people, operations and governance within its perimeter and be operationally ringfenced from other businesses within PwC Australia. The business will have a standalone Executive and Governance Board who will have the responsibility to consider the strategic options for the business. This will establish independence and enhance controls relating to confidentiality and conflicts. PwC will consult with the Australian Government on these arrangements including timing and process.	• PwC will conduct checks on existing jobs and relationships and engagements prior to commencement of new work and prepare a list of engagements across the Department (where requested).

Appendix A: Confidentiality and conflict of interest

Area	Summary of policy	Examples of practices when working with you
Security and management of information	• PwC has a security (including confidentiality) and privacy awareness communications and training program, which is managed by a multi-disciplinary group of professionals. Firm partners and staff receive annual and ongoing communications and training focusing on particular security areas to reinforce security and privacy awareness around technology, privacy, confidentiality, and ethics and compliance responsibilities. It covers PwC's approach to information handling, technical and access controls, physical security, and incident management. This includes the distribution of newsletters, phishing simulations, new hire training, mandatory annual compliance training and other communications. • This covers both digital and physical security. All PwC staff are committed to applying the policies and procedures and undergo annual training. • PwC personnel are instructed on the management and disposal of confidential hard copy documents. Additionally, PwC uses a secure print management system for printing, copying and scanning documents. PwC employees authenticate with their employee security card to retrieve printed materials and print jobs are wiped every 24 hours.	• Pending on sensitivity of data, PwC staff members can sign confidentiality agreements (where needed) • Where necessary for an engagement, PwC staff members to work from Departmental laptops (essentially work as one team within the Department). • Information is only accessible to the engagement team members.
Confidentiality and data protection	PwC takes confidentiality and data protection as a serious matter. There are policies implemented to ensure our clients and PwC are protected, and also to comply with applicable data protection rules and regulation. All PwC personnel take the following steps to ensure compliance with confidentiality and data protection policy: • Keep any personal data and other confidential information, including information relating to clients, PwC firms and partners and staff, confidential. Only disclose the information if you have permission from your client and/or other appropriate parties or you have a legal or professional duty to disclose the information. In the case of client confidential information, this requirement also applies after a client relationship has ended. Only disclose such information to other personnel where there is a legitimate business purpose to do so. • Do not use confidential client information or personal data for any purpose other than that for which it was intended. When you disclose this information to other parties, request that they follow the same principle.	• Information gathered during the course of services is not provided to any personnel outside the personnel working on each engagement. • At the Department's discretion, and based on the sensitivity of data, PwC personnel can be requested to sign confidentiality agreements.

. Please advise how PwC will ensure confidentiality and conflict of interest requirements will be actively managed and independently monitored for any future arrangements (cont.)

Area	Summary of policy	Examples of practices when working with you
PwC personnel responsibilities	PwC acknowledges that it and its personnel providing services have access to information that is confidential. As such, PwC personnel treat information obtained during such engagements as confidential. PwC personnel will undertake their role in a manner consistent with professional requirements, probity and process obligations by: • acting ethically and with integrity • reporting actual or potential conflict of interest issues • maintaining the security and confidentiality of information relating to each engagement; and • acting in a manner consistent with the protocols, procedures and plans developed for each engagement. Completion of mandatory training and annual confirmations is tracked by a Compliance Management System and non-completion is rigorously followed up, with the threat of sanctions.	• PwC staff will comply with the Department's and PwC policies and undergo relevant training as directed. • Note - compliance with these requirements is part of PwC employment contract and our arrangement with the Department (and under the Department of Finance Management Advisory Services Panel) and consequences would apply for any potential case of breaching these.
Additional expectations of PwC personnel to maintain security of information	PwC personnel take specific steps to maintain security of information within their work location by: • adopting a clean desk policy • ensuring all confidential information is securely stored when not in the team member's control • avoiding unnecessary printing of confidential information • avoiding the movement of hard copy documents related to an engagement from the office unless specifically required (i.e. site visit); and • when no longer required, destroy hard copy materials via secure disposal systems located in each office (not in general waste).	• PwC to hold an education session on day 1 of all jobs with staff members to reiterate the expectations relating to conflicts, confidentiality and security of information associated with the roles to be undertaken. • We will undertake refresher sessions on a regular basis (e.g. annually) or as needed pending on changes (e.g. new staff members, identification of any emerging issues).
Proposed update to MAS panel requirements re: notification of significant events	• We understand the Department of Finance has drafted a Deed of Variation to the Management Advisory Services (MAS) Panel to incorporate certain requirements regarding the notification of, and the requirement for suppliers of goods and services to the Commonwealth to take certain actions in respect of, significant events affecting them. The Department of Finance has asked Service Providers to review and provide feedback on the proposed changes by 6 June 2023.	• We are aware of the proposed changes and will provide a further update on the new policies and processes in place to address the contractual requirement.

Thank you

Department of Health and Aged Care

Addendum to PwC Response to information

Provided to the Department on 9 June 2023 (Question 5)

June 2023

1. Table of contents

Detailed below are the three matters identified in our letter dated 9 June 2023 requiring further follow up activity within PwC. Information relating to the first two matters are outlined in this document. The third matter is to be confirmed with the Department on any areas of follow up and if needed.

No	Matter to follow up	Timeframe	Status	Page	Notes
1	Outstanding confirmation from a Partner on services provided to Aged Care Private Sector clients	16 June 2023	**Complete**	N/a	Partner who was overseas when we submitted response last week on 9 June, has now confirmed no work was undertaken with the Department. This matter is now closed.
2	Further information on staff and Partners who worked with Aged Care private sector clients AND the Department.	16 June 2023	**Complete**	3 onwards	Additional information outlined in this document relating to work undertaken with the Department AND Aged Care Private Sector clients.
3	Conduct internal review by our Risk and Quality team over the confirmations received by Partners/Staff of work conducted with Aged Care Private Sector clients	31 July 2023 (or earlier if requested by the Department)	TBC	N/a	Internal Review to be confirmed with the Department. Additionally, awaiting outcomes on analysis conducted by the Department on response provided 9 June. This review will consider any potential areas identified for further follow up.

Question 5(b) Further information relating to Advisory services PwC provides external to the Department to individual aged care providers

Please advise processes that have been followed and assurance that can be provided, to demonstrate work conducted for private clients has not used or benefited from information made available through services provided to the Department or related agencies, including but not limited to the Aged Care Quality and Safety Commission, and Independent Hospital and Aged Care Pricing Authority.

We have followed up with the Partners and staff members that were identified initially in our response provided on 9 June to seek further information on the following

- **Departmental engagements** – confirmation of the engagements, services provided to the Department, time period, and Partners and/or staff members who worked on these engagements

  AND

- **Aged Care engagements** – where a Partner identified themselves and/or an engagement team member has undertaken work with an Aged Care provider, information on who worked on the engagement, the services provided and the time period.

The outcomes of this information is outlined at **Attachment A.**

Initial observations identified in response 9 June	Updated response based on follow up	Any issues identified
Partners At least 13 partners confirmed that they have conducted work for Aged Care private sector clients on different programs/topics	**Partners** • Confirmed the following 13 partners undertook work with both the Department and Aged Care private sector clients s47F [redacted]	None.
Staff A minimum of 20 staff were identified by Partners across four years of engagements as having worked for both Aged Care Private Sector clients as well as the Department (but on different programs).	**Staff** • Additional enquiries have identified a further 7 staff members • A total of 27 staff who have done work with the Department and Aged Care private sector clients, were identified by Partners.	None.

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
1.	Aged Care Star Ratings Prototype	s47F	Sep 21 - Mar 22	Engagement Partner	Client A	(a) Sourcing Strategy (b) Business Case for a strategic procurement	(a) Aug 21 - Sep 21 (b) Jan 22 - Feb 22	Engagement Partner	
2.	Home Care Assurance Framework Training		Jul 21 – Jun 22	Engagement Partner	Client B	SME services provided	Feb 22 – Sep 22	SME input	
			Jul 21 – Jun 22 Feb 23	Engagement Director and Training Facilitator	Client C	(a) WHS Internal Audit (b) Workplace Incident Management	(a) May 19 – Jun 19 (b) May 23 - current	(a) Delivery Leader (b) Training and accreditation SME input	
3.	IHPA – Secure Data Management System 2021-25 Requirements Activity		Feb 20 – Mar 20	Engagement Partner	Client D	Independent Assisted Living – Clinical Care Plan Review	Jan 20 – Mar 20	Engagement Partner	
		Staff member A	Feb 20 – Mar 20	Business Analyst	Client D	Independent Assisted Living – Clinical Care Plan Review	Jan 20 – Mar 20	Business Analyst	
4.	Project Assurance reviews for My Aged Care	Staff member B	Jun 20 – Jun 21	Senior Consultant	Client E	IT Project Management Development Framework	Sep 22 to Mar 23	Project management framework and template design	
5.	Labour Market Analysis and Workforce Planning	Staff member C	May 23 – Jun 23	Senior Manager	Client F	Internal Audit	Apr 23 – Jun 23	Providing Workforce Planning SME input to support an Internal Audit	

Note: The Partners/team members identified relates to those who have conducted work for the Department. This does not capture other specified personnel that may have been identified on contracts but not conducted work for the Department.

 # Staff members or Partner marked with a # relates to information extracted from internal systems where services conducted. These staff members were not available during time to confirm this information.

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	**Engagement**	**Partner / Team Member**	**Engagement period**	**Role**	**Client**	**Services provided**	**Engagement period**	**Role**	
6.	Legal services – electronic prescribing procurement	s47F	Dec 21 - current	Engagement Partner	Client G	Contract review	Feb 22 – Aug 22	Oversight of agreement review	
		Staff member D	Mar 22 – Jun 22	Assistance with preparing and drafting compliance report	Client G	Contract review	Feb 22 – Aug 22	Reviewing and amending a software licensing template for a software platform to facilitate end of life advanced care digital planning	
7.	PHN Gov and Efficiency Review	s47F	Jun 21 – Feb 22	Engagement Partner	Client H	Various	Various	Engagement Partner	Work completed for Client H did not relate to their aged care business
					Client I	Transaction related support	Aug 20 – Aug 21	Engagement Partner	
8.	PHN After Hours		Aug 21 – Jul 22	Engagement Partner	Client H	Various	Various	Engagement Partner	Work completed for Client H did not relate to their aged care business
					Client I	Transaction related support	Aug 20 – Aug 21	Engagement Partner	
		Staff member E	Aug 21 – Jul 22	Analyst	Client H	Various	Various	Analyst	Work completed for Client H did not relate to their aged care business

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
9.	Expansion of Aged Care Quality Indicators – Home Care	s47F	Sep 21 – Sep 22	Engagement Partner	Client J	Aged care accreditation support and platform	2018 – 2021	Risk and compliance support	The aged care accreditation support and platform did not include Quality Indicators.
					Client K	Aged care accreditation support and platform	2018 - 2021	Risk and compliance support	The aged care accreditation support and platform did not include Quality Indicators.
					Client L	Internal Audit	2013 – current	Internal Audit and Clinical Risk Assurance	
					Client M	Internal Audit	2021 – current	Internal Audit and Clinical Risk Assurance	
					Client N	Clinical risk and Internal Audit services	2021 – current	Internal Audit and Clinical Risk Assurance	
					Client O	Internal Audit services – clinical governance maturity	Jun 22 – Jun 23	Internal Audit and Clinical Risk Assurance	
					Client P	Client's internal Safety and Quality Clinical Indicator Reporting Review	May 21 – Nov 21	Internal Audit and Clinical Risk Assurance	This review focused on reviewing the evidence to support the client's indicators only (not design or advice).
					Client Q	Internal Audit Services	Feb 23 – current	Internal Audit and Clinical Risk Assurance	
					Client R	Clinical Governance Framework and Reporting Review	Jul 21 – Aug 21	Internal Audit and Clinical Risk Assurance	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
9.	Expansion of Aged Care Quality Indicators – Home Care *(continued)*	s47F	Sep 21 – Sep 22	Engagement Partner	Client S	Internal Audit	2022 – current	Internal Audit and Clinical Risk Assurance	
					Client U	Internal Audit	2018 – 2021	Internal Audit and Clinical Risk Assurance	
					Client V	Clinical Governance Framework and Clinical Risk Reporting Review	Oct 21 – Feb 22	Internal Audit and Clinical Risk Assurance	
					Client W	Aged Care Accreditation Readiness Support	Feb 23 – May 23	Internal Audit and Clinical Risk Assurance	
					Client X	Clinical Governance Reporting	Dec 22 – current	Internal Audit and Clinical Risk Assurance	
					Client Y	Business Improvement Review - Clinical Risk and Finance Function	Oct 20 – Mar 21	Internal Audit and Clinical Risk Assurance	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
9.	Expansion of Aged Care Quality Indicators – Home Care *(continued)*	s47F	Sep 21 – Sep 22	Engagement Partner	Client L	Performance diagnostic	Oct 22 – Dec 22	Consulting and advisory services	
					Client R	Strategic planning	Dec 21 – Feb 22	Consulting and advisory services	
					Client Z	Feasibility study	Jun 22 – Aug 22	Consulting and advisory services	
					Client AA	Digital study tour	Jan 23 – current	Consulting and advisory services	
					Client AB	Establishment of Foundation	Oct 22 – Jun 23	Consulting and advisory services	
					Client AC	Performance diagnostic	Nov 22 – May 23	Consulting and advisory services	
					Client AD	Strategic planning	Jun 23 – current	Consulting and advisory services	
					Client AE	Customer experience diagnostic	Jun 23 – current	Consulting and advisory services	
					Client AF	Support services review	Aug 21 – Mar 22	Consulting and advisory services	
		Staff member F	Sep 21 – Sep 22	Senior Manager	Client M	Internal Audit	2021 – current	Internal Audit and Clinical Risk Assurance	
					Client O	Internal Audit Services - Clinical Governance Maturity	Jun 22 – Jun 23	Internal Audit and Clinical Risk Assurance	
					Client P	Client's internal Safety and Quality Clinical Indicator Reporting Review	May 21 – Nov 21	Internal Audit and Clinical Risk Assurance	This review focused on reviewing the evidence to support the client's indicators only (not design or advice).
					Client X	Clinical Governance Reporting	Dec 22 - Current	Internal Audit and Clinical Risk Assurance	

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Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
9.	Expansion of Aged Care Quality Indicators – Home Care *(continued)*	Staff member V	2020 - 2021	Data platform lead	Client R	Data platform technical support for collecting and analysing data	2019	Data platform lead	
					Client AT	Data platform technical support for collecting and analysing data	2020 - 2022	Data platform lead	
					Client AS	Data platform technical support for collecting and analysing data	2020 - 2021	Data platform lead	
		Staff member W	2020	Data platform support	Client R	Data platform technical support for collecting and analysing data	2020	Data platform support	
					Client AT	Data platform technical support for collecting and analysing data	2020	Data platform support	
		Staff member Z	2021 - 2022	Data platform support	Client AT	Data platform technical support for collecting and analysing data	2022	Data platform support	
					Client AS	Data platform technical support for collecting and analysing data	2021	Data platform support	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
10.	RAD Loan Program	s47F	Oct 20 – current	Engagement Partner (phase 1 and 2) – ownership of design and delivery	Client AG	Receivership services	May 21 – current	Court-appointed Receiver	
					Client AH	Business advice	Aug 22 – Oct 22	Business Advisor	
					Client AI	Receivership services	Nov 22 – current	Receiver and Manager	
					Client AJ	Business Improvement Fund application assistance	May 20 – Feb 21	Lead Partner	
					Client AK	Business Improvement Fund application assistance	Jul 20 – Aug 20	Lead Partner	
					Client AL	Business Improvement Fund application assistance	May 20 – Oct 20	Lead Partner	
		s47F	Oct 20 – Dec 20	Scoping assistance (phase 1)	Client AG	Receivership services	May 21 – current	Court-appointed Receiver	
					Client AH	Business advice	Aug 22 – Oct 22	Review Partner	
		Staff member G	Oct 20 – current	Project Director – day to day responsibility of design and delivery	Client AJ	Business Improvement Fund application assistance	May 20 – Feb 21	Lead Director - responsible for client interaction and assistance with Business Improvement Fund application	
					Client AK	Business Improvement Fund application assistance	Jul 20 – Aug 20	Lead Director - responsible for client interaction and assistance with Business Improvement Fund application	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	**Engagement**	**Partner / Team Member**	**Engagement period**	**Role**	**Client**	**Services provided**	**Engagement period**	**Role**	
10.	RAD Loan Program *(continued)*	Staff member H	Oct 20 – current	Application assessor and quarterly reporting (phase 2)	Client AL	Business Improvement Fund application assistance	May 20 – Oct 20	Analysis and drafting	Applications assessed under RA Loan Program were not for these clients.
					Client AK	Business Improvement Fund application assistance	Jul 20 – Aug 20	Analysis and drafting	
		Staff member I	Oct 20 – Nov 21	Application assessor and call centre support (phase 2)	Client AG	Receivership assistance	May 21 – Oct 21	Trading management	Applications assessed under RA Loan Program were not for these clients.
					Client AI	Receivership assistance	Nov 22 – Jan 23	Trading management	
		Staff member J	Oct 20 – Nov 21	Scoping assistance (phase 1) and application assessor (phase 2)	Client AG	Receivership Assistance	May 21 – Oct 21	Trading management	
		Staff member K	May 21 – Dec 21	Project assistance (phase 2)	Client AG	Receivership Assistance	May 21 – Dec 21	Trading management	
		Staff member L	Oct 20 – May 22	Application assessor and quarterly reporting (phase 2)	Client AG	Receivership Assistance	May 21 – May 22	Trading management	Applications assessed under RA Loan Program were not for these clients.

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	**Engagement**	**Partner / Team Member**	**Engagement period**	**Role**	**Client**	**Services provided**	**Engagement period**	**Role**	
10.	RAD Loan Program *(continued)*	Staff member V	2020 - 2022	Data platform lead	Client R	Data platform technical support for collecting and analysing data	2019	Data platform lead	
					Client AT	Data platform technical support for collecting and analysing data	2020 - 2022	Data platform lead	
					Client AS	Data platform technical support for collecting and analysing data	2020 - 2021	Data platform lead	
		Staff member X	2020 - 2023	Data platform support	Client AT	Data platform technical support for collecting and analysing data	2021 - 2022	Data platform support	
		Staff member Y	2021 – 2022	Data platform support	Client AS	Data platform technical support for collecting and analysing data	2020	Data platform support	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
11.	Aged Care Workforce Retention Payment Audit	Staff member V	2020	Data platform lead	Client R	Data platform technical support for collecting and analysing data	2019	Data platform lead	
					Client AT	Data platform technical support for collecting and analysing data	2020 - 2022	Data platform lead	
					Client AS	Data platform technical support for collecting and analysing data	2020 - 2021	Data platform lead	
		Staff member X	2020 – 2021	Data platform support	Client AT	Data platform technical support for collecting and analysing data	2021 - 2022	Data platform support	
12.	Aged Care Workforce Bonus Payment Audit	Staff member V	2022 - 2023	Data platform lead	Client R	Data platform technical support for collecting and analysing data	2019	Data platform lead	
					Client AT	Data platform technical support for collecting and analysing data	2020 - 2022	Data platform lead	
					Client AS	Data platform technical support for collecting and analysing data	2020 - 2021	Data platform lead	
		Staff member Y	2022 - 2023	Data platform support	Client AS	Data platform technical support for collecting and analysing data	2020	Data platform support	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
13.	Business Advisory Services / Workforce Advisory Services	s47F	2019 – current	Engagement partner	Client AN	Business and HR management workshops for CHSP providers	Oct 22 - Dec 22 Jan 23 - May 23	Engagement lead	Relates to the Commonwealth Home Support Programme (CHSP), noting that CHSP is out of scope for BAS/WAS
		Staff member M	2019	Engagement team member	Client AM	Grant application support	Feb 23 - Mar 23	Lead partner	
		Staff member N	2019	Engagement team member	Client AM	Grant application support	Feb 23 - Mar 23	Analyst	
		Staff member O	2019 – current	Engagement team member	Client AN	Business and HR management workshops for CHSP providers	Oct 22 - Dec 22 Jan 23 - May 23	Senior Manager, business management workshops	Relates to the Commonwealth Home Support Programme (CHSP), noting that CHSP is out of scope for BAS/WAS
		Staff member P	2022 – current	Engagement team member	Client AN	Business and HR management workshops for CHSP providers	Jan 23 - May 23	Analyst	Relates to the Commonwealth Home Support Programme (CHSP), noting that CHSP is out of scope for BAS/WAS
		Staff member Q	2021 – current	Engagement team member	Client AN	Business and HR management workshops for CHSP providers	Oct 22 – Dec 22 Jan 23 - May 23	Senior Manager, HR management workshops	Relates to the Commonwealth Home Support Programme (CHSP), noting that CHSP is out of scope for BAS/WAS
		Staff member R	2020 - 2021	Engagement team member	Client Y	Workforce and Financial Management Process Review	Oct 20 – Sept 21	Senior Consultant	

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Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
13.	Business Advisory Services / Workforce Advisory Services *(continued)*	Staff member T	2021- current	Engagement team member	Client Q	Internal Audit FY22	July 21 – Aug 22	Project Director / SME	
					Client Q	Internal Audit FY21	May 21 – Jun 21	Project Director / SME	
					Client AA	Market Scan and procurement assessment and validation	Aug 21 – Oct 21	Project Director / SME	
					Client AA	ECR shortlist and Further Due Diligence	Oct 21 – Nov 21	Project Director / SME	
					Client AA	Virtual Care Solution implementation	Jan 22 – Mar 22	Project Director / SME	
					Client AA	Digital Investment Case	Aug 22 – Oct 22	Project Director / SME	
					Client AA	Study Tour	Jan 23 – Mar 23	Project Director / SME	
					Client AO	Project Mickelson	Sep 21 – Oct 21	SME	
					Client Z	Org Structure Review	May 21	SME	
					Client Z	HomeCare feasibility study	Jul 22	Project Director / SME	
					Client AP	Aged Care Operations Advice	Jan 22 – Mar 22	Project Director / SME	
					Client L	Aged Care Transformed Review Aged Care division	Nov 22 – Dec 22	Project Director / SME	
					Client A	Operating Model Transformation	Sep 22 – current	Project Director / SME	
					Client A	Enterprise Transformation	Sep 22 – current	Project Director / SME	
					Client AQ	Recruitment and Onboarding Review	Feb 23 – May 23	SME	
					Client AC	Strategy and Operating Model	Feb 23 – Mar 23	Project Director / SME	

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Department					Aged Care Industry				Any additional notes
No.	**Engagement**	**Partner / Team Member**	**Engagement period**	**Role**	**Client**	**Services provided**	**Engagement period**	**Role**	
13.	Business Advisory Services / Workforce Advisory Services *(continued)*	Staff member U	2022-	Engagement team member	Client AA	Virtual Care Solution implementation	Jan 22 – Mar 22	Project team member	
		Staff member W	2019 - 2023	Data Kit	Client AT	Data platform technical support for collecting and analysing data	2020	Data platform support	
		Staff member X	2019-2022 2021-2022	Data Kit	Client AT	Data platform technical support for collecting and analysing data	2021-2022	Data platform support	
		Staff member Y	2019-2023	Data Kit	Client AS	Data platform technical support for collecting and analysing data	2020	Data platform support	
		Staff member Z	2019-2022	Data Kit	Client AS	Data platform technical support for collecting and analysing data	2021	Data platform support	
			2021-2023	Data Kit	Client AT	Data platform technical support for collecting and analysing data	2022	Data platform support	
		Staff member V	2019 – 2020	Data Kit Lead	Client R	Data platform technical support for collecting and analysing data	2019	Data platform lead	
			2021-2023	Data Kit lead	Client AS	Data platform technical support for collecting and analysing data	2020-2021	Data platform lead	
		s47F	2019-2023	SME Partner	Client BB	Strategic Plan	2020-2021	Engagement Partner	
			2019-2023	SME Partner	Client F	Governance Model Co-Design	2020–2021	Engagement Partner	

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Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
14.	IHACPA - Aged Care Costing study	Staff member T	April – May 2023	Project team member	Client Q	Internal Audit FY22	July 21 – Aug 22	Project Director / SME	
					Client Q	Internal Audit FY21	May 21 – Jun 21	Project Director / SME	
					Client AA	Market Scan and procurement assessment and validation	Aug 21 – Oct 21	Project Director / SME	
					Client AA	ECR shortlist and Further Due Diligence	Oct 21 – Nov 21	Project Director / SME	
					Client AA	Virtual Care Solution implementation	Jan 22 – Mar 22	Project Director / SME	
					Client AA	Digital Investment Case	Aug 22 – Oct 22	Project Director / SME	
					Client AA	Study Tour	Jan 23 – Mar 23	Project Director / SME	
					Client AO	Project Mickelson	Sep 21 – Oct 21	SME	
					Client Z	Org Structure Review	May 21	SME	
					Client Z	HomeCare feasibility study	Jul 22	Project Director / SME	
					Client AP	Aged Care Operations Advice	Jan 22 – Mar 22	Project Director / SME	
					Client L	Aged Care Transformed Review Aged Care division	Nov 22 – Dec 22	Project Director / SME	
					Client A	Operating Model Transformation	Sep 22 – current	Project Director / SME	
					Client A	Enterprise Transformation	Sep 22 – current	Project Director / SME	
					Client AQ	Recruitment and Onboarding Review	Feb 23 – May 23	SME	
					Client AC	Strategy and Operating Model	Feb 23 – Mar 2023	Project Director / SME	

Attachment A: Further information on staff and Partners who worked with Aged Care private sector clients

Department					Aged Care Industry				Any additional notes
No.	**Engagement**	**Partner / Team Member**	**Engagement period**	**Role**	**Client**	**Services provided**	**Engagement period**	**Role**	
15.	Review of the COVID-19 Aged Care Support Program Extension grant	s47F	Jan 23 – Apr 23	Engagement Partner	Client AN	Business and HR management workshops for CHSP providers	Oct 22 – Dec 22 Jan 23 - May 23		
		Staff member S#	Jan 23 – Apr 23	Data analysis and visualisation	Client M	COVID-19 Aged Care Grant Data Extraction	2022	Data extraction, analysis and visualisation	
					Client AU	DPV Health hub business case	2022		
					Client AO	COVID-19 Aged Care Grant Data Extraction	2022		
					Client AV	Cypress View Lodge PC Consulting	2022		
					Client AV	IT system review & implementation	2022		
					Client AV	Priority 1: Strategic plan and workshop	2022		
					Client AV	Priority 2: Financial Forecasting	2022		
					Client AV	Priority 3: SOP Review & Succession plan	2022		
					Client AP	Risk Management	2022		
					Client AW	DFM Aged Care - Aged Care & Dementia Project	2022		

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Department					Aged Care Industry				Any additional notes
No.	Engagement	Partner / Team Member	Engagement period	Role	Client	Services provided	Engagement period	Role	
15.	Review of the COVID-19 Aged Care Support Program Extension grant *(continued)*	Staff member AA#	Jan 23 – Apr 23	Data analysis and visualisation	Client M	COVID-19 Aged Care Grant Data Extraction	2022	Data extraction, analysis and visualisation	
					Client A	COVID-19 Aged Care Grant	2022 - 2023		
					Client AU	DPV Health hub business case	2022		
					Client AO	COVID-19 Aged Care Grant Data Extraction	2022		
					Client AX	COVID-19 Aged Care Grant Data Extraction	2022		
					Client AV	Priority 2: Financial Forecasting	2022		
					Client AV	Priority 4: Board composition	2022		
					Client AP	IT system implementation support	2023		
					Client AP	COVID-19 Aged Care Grant Data Extraction	2023		
					Client AP	St Basil's Government Incentives 2022	2022		
					Client AP	Payoll processing support & consulting	2022		
					Client AP	St Basil's COVID relief grant assistance (data col	2022		
					Client AY	COVID-19 Aged Care Grant Data Extraction	2023		
					Client AZ	COVID-19 Aged Care Grant Data Extraction	2022		
					Client BA	Timbrebongie House Limited - BIF2	2022		
					Client Q	Calvary Care - Covid 19 Grants assistance	2023		

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Department					Aged Care Industry				Any additional notes
No.	**Engagement**	**Partner / Team Member**	**Engagement period**	**Role**	**Client**	**Services provided**	**Engagement period**	**Role**	
16.	COVID PMO	s47F	Oct 20 – Oct 22	Partner SME	Client AA	Market Scan and procurement assessment and validation	Aug 21 – Oct 21	Engagement Partner	
					Client AA	ECR shortlist and Further Due Diligence	Oct 21 – Nov 21	Engagement Partner	
					Client AA	Virtual Care Solution implementation	Jan 22 – Mar 22	Engagement Partner	
					Client AA	Study Tour	Jan 23 – Mar 23	Partner	
					Client M	Infusion Services	Dec 20 – Dec 21	Engagement Partner	
					Client M	Rapid Review and Options Assessment	Jul 21 – Jul 21	Engagement Partner	
					Client AR	Medical Imaging Review	Aug 22	Engagement Partner	
					Client T	Global Digital and Data Roadmap	Aug 21 – Dec 21	Partner	

Thank you

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Instruction

All staff managing current contracts or contemplating entering into contracts where PwC is a party or a proposed party to that agreement **are instructed to pause activity** to undertake an assessment of the material risks in continuing or entering into such arrangements. This tool is designed to help you do this. In undertaking this assessment, please refer to the tool at section 2 and work though the guidance and questions relevant to your stage of procurement.

Issues Tool

This tool is designed to facilitate business areas in making informed decisions regarding their contract or procurement process to which PwC is a party. Users should answer each question and note their response in the allocated space (providing as much detail as possible). You should seek legal advice before exercising any remedies under a contract.

This document requires users to consider the extent to which recent events concerning PwC may be relevant to their contracts or procurement processes. The recent events involving PwC is referred to as '**PwC Conduct**' throughout this document, which broadly includes the following alleged behaviour:

- breach of confidentiality obligations (note that these obligations were under a deed with another Commonwealth Agency and is unlikely to be a breach of confidentiality obligations under a contract with Health);
- misuse of confidential government information to advantage both PwC and its corporate clients;
- breach of trust; and
- unethical or corrupt conduct.

Section 1 of this document sets out the background relevant to the PwC Conduct. Section 2 includes the checklist that business areas can use in making decisions relevant to their PwC contracts.

1. Background

1.1 Summary of events

1.1.1 On 23 January 2023, the Australian Financial Review reported that PwC had breached confidentiality provisions when providing taxation advice for the Department of the Treasury (**Treasury**).

1.1.2 This conduct related to a former senior partner of PwC, Mr Peter-John Collins, engaged as part of an advisory committee to Treasury. In 2021, the Taxation Practitioner's Board (**TPB**) deregistered Mr Collins for 2 years and requested PwC to train its staff in the requirements to uphold confidentiality.

1.1.3 On 9 March 2023, the Senate referred an inquiry into the 'management and assurance of integrity by consulting services provided for by the Australian Government'. This was referred to the AFP and Public Administration References Committee for inquiry and report by 26 September 2023.

1.1.4 On 8 May 2023, the Australian Financial Review reported that Mr Tom Seymour, Chief Executive Officer (**CEO**) of PwC has stepped down. He was one of 12 partners within PwC who had received emails from Mr Peter-John Collins. It was revealed that 30-40 staff at PwC had received and reviewed the emails.

1.1.5 On 11 May 2023, two more senior partners, Mr Pete Calleja and Mr Sean Gregory have stood down from leadership positions.

1.2 Additional Background

1.2.1 Set out below is additional relevant background information, gained from publicly available information recently released, in particular by the Australian Financial Review.

1.2.2 A partner from PwC, Peter Collins (who was PwC's international tax chief), was part of a group of experts advising treasury on writing the government's proposed new anti-avoidance tax laws as part of the OECD's Base Erosion Profit Shifting (**BEPS**) measures.

1.2.3 According to information published in the press, Peter Collins signed three confidentiality agreements with Treasury, the most recent in February 2018.

1.2.4 In 2015, the PwC CEO Tom Seymour had appeared with Peter Collins before the Senate tax avoidance enquiry. Seymour assured the enquiry that no one in the firm was breaching laws.

1.2.5 In 2018, the ATO had become concerned at PwC's ability to market schemes that avoided the new tax avoidance laws, and ordered PwC to produce correspondence to clients about the schemes. PwC claimed this was covered by legal professional privilege. This claim was rejected. PwC's internal emails were passed to the ATO.

1.2.6 In 2021, the Tax Practitioner's Board launched an investigation into Peter Collins and he was de-registered.

1.2.7 In response to FOI requests, it became known that Peter Collins had disclosed the information to a core group of 6 to 8 partners but that at least 30-40 partners were included on emails containing information about plans to use the information to market to clients. It is claimed that at least some members of the wider group did not know the information was confidential.

1.2.8 The question of whether criminal conduct has occurred has been referred to the AFP for investigation.

1.2.9 Health has in place a number of contracts with PwC (possibly with more than one PwC entity) for various services.

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2. Tool

Issues to consider in reviewing an existing PwC contract		Whether to vary or extend an existing PwC contract		Whether to enter into a new contract with PwC	
Is there a risk that the PwC Conduct has impacted my contract (e.g. in performing services under my contract have PwC had access to confidential government information that could be used to advantage both PwC and its corporate clients)?		**Are the skills being provided by PwC essential and/or unique to PwC?**		**Does the procurement process (including the evaluation methodology) you have used allow you take risk into account?**	
Yes *Consider the scope of the contract and determine the risk of PwC having access to confidential government information.* *Consider also any reputational or political risk in maintaining a contractual relationship with PwC.*	**No** *Consider also any reputational or political risk in maintaining a contractual relationship with PwC.* *Clearly note your reasons for why there is no risk that PwC has access to (or will misuse) confidential government information that could be used to advantage both PwC and its corporate clients.*	**Yes** *Ensure that you can justify that the services being provided by PwC are sufficiently specialised where an alternative provider cannot provide the skills.* *If you can clearly substantiate that the skills or services being provided by PwC are essential and/or unique to PwC, it may be difficult to justify a move from PwC (assuming personnel providing services were not engaged in the PwC Conduct).* *Consider risks (including reputational and political risks) in continuing to engage PwC.* *Note your reasons for why the services are essential and/or unique.*	**No** *Consider avoiding any variations or extensions, and look at options for moving part or all of the services to an alternative service provider.* *Consider the process in 'Issues to consider in reviewing an existing PwC contract' column.*	**Yes** *Check your procurement documentation to determine how it allows you to take risks associated with the PwC Conduct into account (e.g. the risk of a breach of confidentiality). Note that VFM under the CPRs allows consideration of risks.* *Consider all risks (including reputational and political risks) relevant to engaging with PwC.* *If you select PwC, ensure your contract contains recently published contract provisions dealing with ethical conduct, and also provisions dealing with corrupt conduct under the National Anti-Corruption Commission Act 2022 (Cth).*	**No** *Not applicable (risks should always be considered in making procurement decisions).*
Response:		**Response:**		**Response:**	
Has PwC met any contract obligations with respect to reporting any conflicts of interest or relating to any of the following: ▪ **misuse of confidential government information to advantage both PwC and its corporate clients;** ▪ **confidentiality obligations;** ▪ **behaviour of personnel eg breach of trust; and** ▪ **unethical or corrupt conduct.**		**Are you seeking to extend/vary the contract to finalise existing PwC contractual obligations (e.g. provision of significant deliverables)?**		**Does the procurement process (including the evaluation methodology) you have used allow you to consider ethical and/or conduct risks?**	
Yes *If a conflict of interest or any other behaviour outlined in the dot-points above has been reported or occurred, consider whether any remedies are available under the contract (e.g. issuing a direction*	**No** *Consider whether any failures of this kind amount to a breach of contract (and the remedies available for that breach).*	**Yes** *Ensure that you can justify that the finalisation of PwC obligations are required e.g. it would not represent value for money to the Department to move the work to an alternative supplier.*	**No** *Consider avoiding any variations or extensions and look at options for moving part or all of the services to an alternative service provider.*	**Yes** *Specifically consider these risks as part of your procurement process. Ensure this is clearly documented in your procurement reports.* *In any VFM or risk assessment consider risks associated with a provider who has demonstrated*	**No** *Consider risks as part of your general VFM and risk assessment (as noted in the 'yes' column above).*

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Issues to consider in reviewing an existing PwC contract		Whether to vary or extend an existing PwC contract		Whether to enter into a new contract with PwC	
about managing the conflict of interest and/or termination).		*Note that in the case of audit services, a new provider is likely to require the right to redo a substantial amount of the audit work if it is requested to be legally responsible for the outcome of the audit.* *If you can clearly substantiate that the completion of these obligations by PwC is essential.* *Consider risks (including reputational and political risks) in continuing to engage PwC.* *Consider whether there are any contractual remedies available to you for PwC's failure to perform these obligations e.g. application of liquidated damages.* *Note your reasons for why the obligations are required..*	*Consider the process in 'Issues to consider in reviewing an existing PwC contract' column.*	*unethical and possibly illegal conduct.* *See above for appropriate contract provisions.*	
Response:		**Response:**		**Response:**	
Does the contract include any other rights relevant to managing conflicts of interest or any other reportable conduct (including those outlined in the dot points in the above question)?		**Can the services be provided by an alternative provider?**		**Are there alternative providers?**	
Yes *Consider the options available.* *E.g. can I issue a direction to PwC to:* • *ensure no affected personnel are providing services; or* • *provide a declaration that personnel have not engaged, and will not engage, in unethical or corrupt conduct.*	**No** *Consider whether any other contract management options are available e.g. governance, rights to request provision of information on how PwC is now dealing with managing relevant obligations such as confidentiality.*	**Yes** *Consider the alternative providers available to provide the services. Can they be onboarded in an appropriate timeframe? What procurement options are available?*	**No** *See comments at 'yes' in the two items above.*	**Yes** *Consider whether they represent superior value for money.* *Consider with your risk assessment.*	**No** *Balance this with your risk assessment.*
Response:		**Response:**		**Response:**	

Maddocks

Issues to consider in reviewing an existing PwC contract		Whether to vary or extend an existing PwC contract		Whether to enter into a new contract with PwC
Does the contract expire soon?		**Are there any performance issues?**		
Yes *Consider doing nothing e.g. if the contract expires on 30 June and personnel providing the services were not personnel engaged in the PwC Conduct.* *Consider any risks in continuing until 30 June.* *Clearly note any decision made.*	**No** *Consider options for terminating eg for default or for convenience.* *Consider risks and costs of terminating e.g. whether any breach of this contract has occurred, costs of implementing alternative services, costs of overlap, PwC lack of incentive to assist with disengagement.*	**Yes** *Consider whether these are relevant to the PwC Conduct, and whether this will assist in any decision not to vary or extend.* *Consider contract management options available for any performance issues (e.g. whether there has been a breach of contract), and consider applying any applicable remedies.*	**No** *Consider the process in 'Issues to consider in reviewing an existing PwC contract' column.*	
Response:		**Response:**		
Do I have rights to terminate the contract?				
Yes *You may be able to terminate the contract for default or convenience.* *For **default**, consider what breaches of contract have occurred. E.g. is there an obligation to notify of a conflict of interest? Has PwC given any such notification? Need to clearly justify the grounds on which termination for default is appropriate.* *For **convenience**, consider the costs that may be payable e.g. reasonable costs incurred by PwC relevant to the remainder of the term.*	**No** *Even if there is no clear contractual right to do so, you may be able to terminate the contract for convenience in accordance with the doctrine of executive necessity. Seek legal advice.*			
Response:				

Maddocks

Issues to consider in reviewing an existing PwC contract	Whether to vary or extend an existing PwC contract	Whether to enter into a new contract with PwC
Do you have transition out requirements you need PwC to meet?		
Yes *If you choose to cease your contractual relationship with PwC, consider how and when you require the transition of the services. Consider the risk of PwC cooperating in any transition out. Check transition out obligations in the contract.*	**No** *Check that all required deliverables have been provided and that you have all information needed for any future procurement requirements.*	
Response:		

Australian Government
Department of Finance

PricewaterhouseCoopers and Scyne Advisory contract novation guidance

Novation of contracts from PricewaterhouseCoopers to Scyne

- Scyne Advisory Pty Ltd. (Scyne) has been notified of the outcome of Finance's examination and will formally approach entities to seek agreement to novate existing PwC contractual arrangements.
- Scyne or PricewaterhouseCoopers (PwC) will initiate the novation process for your entity based on the scope of services that will move from PwC to Scyne. Please note that where your entity deems a novation is not required for a specific contractual arrangement, as a minimum, your entity will need to consider change of control requirements as Allegro will acquire Scyne as the new parent entity (rather than PwC). Finance recommends you seek legal advice if this issue is relevant to you.
- Upon receipt of a request for novation, your entity will need to make assessments on the basis of the capability, capacity and financial viability of Scyne to deliver your specific contractual requirements, with consideration to any specific novation processes detailed in your respective contacts. These requirements may differ based on the contractual arrangement you have in place with PwC.
- It is recommended that entities seek advice on the legal, financial and contract delivery implications of novating existing arrangements, particularly for more complex, operationally sensitive, high value or high risk-risk arrangements.

General considerations for exercising a novation option with your existing PwC contractual arrangements

- A novation has the effect of substituting one party for another party without necessarily changing the rights and obligations under the original contract. The rights and obligations under the original contract can be transferred to the new party.
- A contract novation at its simplest involves:
  - the termination of the original contract between the two original parties – (PwC and your entity);
  - the creation of a new contract between Scyne and your entity on the same terms as the original contract; and
  - the transfer of all existing rights and obligations under the original contract from PwC to Scyne (and the release of PwC). Scyne will take over all the rights, obligations and

liabilities of PwC under the original contract, including those that arose prior to the date of the novation.

- A novation can only occur when all parties provide consent (Commonwealth entity, PwC and Scyne). If any of the parties do not consent, a novation cannot occur and the original contract will continue to be in place. If this scenario occurs, your entity will need to consider other options in the contract which could be exercised, such as termination.
- Some contractual agreements have specific provisions that deal with novation. If so, any novation should be implemented in accordance with those provisions.
- Your entity will need to consider a range of different overarching issues when exercising a novation option in response to a novation request. Guidance is provided below to some of the common types of Commonwealth arrangements. For more general information about novation of contracts please see the following Legal briefing from the Australian Government Solicitor - Novation and assignment of contracts.

Advice for Commonwealth Contracting Suite contracts

- Commonwealth Contracting Suite contract terms do not include a specific provision for dealing with novations. In instances where there is no specific novation clause, the common approach is for both parties to the original contract and the proposed new party to enter into a tripartite agreement in the form of a deed to formally document consent and agreement to the proposed novation. This is referred to in the CCS as a 'Deed of Novation'.
- Under a standard novation, the new contract will be on the same terms as the original contract. The only change would be administrative details such as contact details, addresses for notices and bank account details for payments.
- If more substantive amendments are being proposed, these should be considered and managed in the same way that proposed variations to a contract would normally be managed, and the same policy, commercial and legal considerations will apply. If agreed, amendments can also be documented in the Deed of Novation which would then be referred to as the 'Deed of Novation and Variation'.

Advice for ClauseBank contracts

- For contracts using the pre drafted Novation and Assignment Clause in ClauseBank, entities will need to assess Scyne's ability to perform the contract, which may cover all issues assessed in the original approach to market, including confirming that the contract's value for money outcomes will not be negatively impacted by the novation.
- This clause also allows entities to impose conditions on Scyne should they consider this appropriate as a condition of novation.

Novating a work order entered into under the Management Advisory Services (MAS) Panel

- Finance is finalising the novation requirements from PwC to Scyne under the MAS Panel Head Agreement.
- Following the execution of a deed of novation, Scyne will be listed as a supplier under the MAS panel and Commonwealth entities will be notified.
- Pending the request to novate from Scyne, entities will need to assess the capability and capacity of Scyne to deliver the requirements of their individual work orders, to determine whether it is appropriate to novate their individual arrangements under the panel.
- Further advice will be provided to entities once a deed of novation has been executed with Scyne.

Advice for other Commonwealth panel arrangements

- For other Commonwealth panel arrangements, novation requirements (if any) are generally set out within the individual head agreements. Panel owners will need to manage the proposed novation in accordance with the terms of the head agreement.
- Panel managers will need to communicate the outcomes of assessments and provide any specific novation requirements with entities utilising the panel.
- If you receive a request for novation relating to a work order you are managing under a panel arrangement, you should confirm with the panel manager whether they have finalised their novation considerations under the head agreement.

Executing a deed of novation

- A Deed of Novation will commonly include the following details:
  - the names of the parties, including details such as ABN/CAN
  - details of the agreement, such as date, your entities internal reference ID or other identifier
  - the date from which the novation will take effect
  - confirmation of the legal mechanisms:
    - termination of the original contract and creation of the new contract
    - transfer of all existing rights, obligations and liabilities arising under the original contract from the PwC to Scyne.
    - release of the exiting party (PwC) from any ongoing responsibility and liability under the original contract.

- details of any other variation to the contract terms
- confirmation of costs
- execution as a deed

- Your entity may have an existing novation template that you may be able to use. Consult with your central procurement team (or equivalent) for further guidance.

Attachment F

The Aged Care Quality and Safety Commission's Third Party Quality Assessor Program

- Quality Assessors who undertake the Commission's quality assessment, accreditation and monitoring program are employed by the Commission or available from third party suppliers. This Quality Assessor workforce enabled the Commission to undertaken site assessments of performance for over three quarters of all Australian residential aged care services in the 9 months to 31 March 2023.
- KMPG is one of 4 third party suppliers of quality assessors to the Commission.
- All Quality Assessors are trained and registered by the Commission, irrespective of whether they are employed directly by the Commission or available under a third party supplier arrangement.
- The Commission allocates site audits to third party supplier teams of quality assessors at its sole discretion and on an audit-by-audit basis. All decisions on the outcome of a site audit, regardless of who has undertaken the audit, are made by the Commission.
- The Commission has controls in place to review conflicts of interest for third party suppliers at an organisational and individual level before a site audit is allocated. Where a conflict is identified, the Commission does not assign the audit to the relevant supplier and may assign audits to an alternative supplier or conduct the audit with its own workforce.
- The Commission manages any perceived or actual conflict at the organisational level through very close monitoring. All organisations engaged under the third-party arrangements are required to employ registered Quality Assessors who have completed the Commission's Quality Assessor Training Program and met registration requirements.
- All registered Quality Assessors, regardless of their employer, are required to declare individual conflicts and update this as circumstances change.
- All Quality Assessors are subject to the Commission's Quality Assessor Code of Conduct and compliance with the Commission's annual Registration Policy. The Registration Policy prohibits a quality assessor's parallel engagement within the sector as a further control.
- The Commission undertakes a range of quality assurance activities to monitor compliance with these requirements. These include an extensive quality assurance and acceptance process for all site audit reports provided by third party supplied services.

Governing for Reform in Aged Care Program

- KPMG is the Aged Care Quality Commission's partner to deliver the Governing for Reform in Aged Care Program.
- The contract with KPMG was subject to legal review by an external legal services provider from the Commonwealth Legal Services Panel. The

provisions in relation to conflict of interest in that contract reflect the standard contract terms used in Commonwealth contracts.

- KPMG has also provided a letter of assurance that formally confirms that they have no conflicts of interest in relation to work conducted under the Governing for Reform in Aged Care Program contract.

MEDIA

- *Consulting firm KPMG paid to audit Australian aged care homes while also advising providers* - The Guardian, 4 May 2023

Attachment G

Details of Consultancy contracts between the Independent Health and Aged Care Pricing Authority (IHACPA) and PwC:

- IHACPA currently has 3 active contracts with PwC valued at $15.2million.
- s47F s47F resigned his role s47F with effect from 23 June 2022 to take up a position as partner with PwC.
- s47F voluntarily ceased to have any decision making responsibilities in any procurement processes involving PwC with effect from 19 November 2021
- s47F is part of a team from PwC undertaking the services for two of IHACPA's consultancy contracts.
- Given s47F involvement in the consultancy contract, the new IHACPA CEO, Professor Michael Pervan reviewed the most significant contract with PwC to determine if there were any matters relating to the procurement which needed to be reviewed upon his commencement.
- Professor Pervan determined the procurement had followed IHACPA procurement processes and was sound.
- Given the continuing concerns regarding the findings of the management of conflicts of interest within PwC, on 25 May 2023, Professor Pervan engaged an independent auditor to provide added assurance around IHACPA's internal processes leading to the execution of the two PwC contracts in which s47F s47F is involved. Advice is expected shortly on:
    - any issues of concern in procurement process for those contracts
    - recommendations for remediation, management of errors, or apparent risks
    - recommendations for improvement in IHACPA's consultant procurement processes.

MEDIA

Article - from the Guardian on "Warnings raised as PwC paid $8.7 m to collect Australian aged care data while helping to set industry prices 5 May 2023"

Article – PWC's $8.7m Australian aged care data contract raises conflict of interest concerns - 7 May 2023

7 August 2023 – ABC 4 Corners Shadow State – how consultants infiltrated Government.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 – Health Policy, Access and Support

Better Access

KEY POINTS

Response to Better Access

- The 2023-24 Budget lays the groundwork for mental health and suicide prevention system reform. It provides **$586.9 million** in immediate measures to:
  - increase the availability and capability of the workforce.
  - extend critical services across the system.
  - address urgent gaps in services.
- This is a first step towards a long-term goal to ensure Australia has an equitable and integrated mental health and suicide prevention system.
- Funding is provisioned for future mental health reform priorities in response to the Better Access evaluation.

Consultation and engagement

- Since the evaluation was delivered in December 2022, the Government has engaged with the sector and people with lived experience of mental illness to inform its response.
- This includes through the Mental Health Equity and Access Forum in January 2023 attended by approximately 80 stakeholders, and a smaller targeted workshop in February 2023.
- On 13 September 2023, the Minister for Health and Aged Care, the Hon Mark Butler MP, announced the establishment of the Mental Health Reform Advisory Committee to help shape the Government's response to the Better Access evaluation and longer-term reforms to the mental health system.
  - The Committee comprises 15 members.
  - The Committee is chaired by the Minister for Health and Aged Care.
  - Members include: the Assistant Minister for Mental Health and Suicide Prevention, and 13 individuals with experience in the mental health system including people with lived experience of mental illness.
  - The Committee has met three times, most recently on 5 October 2023.

Changes to Better Access

- The Government has made some changes to Better Access, as part of its initial response the evaluation:
  - On 1 March 2023, the Government introduced new MBS items to support family and carers to contribute to patient care under Better Access (Recommendation 15).
  - On 1 July 2023, MBS items were introduced to support mental health case conferences for people receiving treatment for an eating disorder or under Better Access (Recommendation 8).

Contact Officer:	Bronwyn Field	Deputy Secretary Clearing Officer:	Celia Street	Clearance: 12 October 2023
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Division:	|Primary and Community Care| Mental Health			

- Additionally, the tripling of the bulk billing incentive, and introduction of rebates for longer consultations will also make it easier for people to see their GP for mental health support.

Better Access additional 10 sessions

- The additional 10 sessions ceased on 31 December 2022, as planned. This was announced on 12 December 2022, the same day the Better Access evaluation was released.
- This decision has been strongly criticised by professional bodies and consumers; however, systems experts and prominent academics (such as Professors Stephen Duckett and Ian Hickie) have indicated support due to persistent access and equity issues in relation to mental health care.
- The Better Access evaluation showed the number of new people accessing Better Access reduced while the additional 10 sessions were in effect. Available data shows an increase in people receiving Better Access treatment following the cessation of the additional 10 sessions from 31 December 2022 *(see Facts and Figures)*.
- People that have used all their Better Access sessions in the calendar year can access PHN-commissioned services, including at low or no cost, where appropriate.

Better Access Evaluation

- The evaluation commenced in August 2021. The final report was publicly released on 12 December 2022. The evaluation considered the effectiveness of Better Access in improving patient outcomes and increasing access to mental health care.
- The evaluation found people accessing Better Access experienced positive outcomes, but that people outside major cities, of lower socioeconomic status and aged care residents were missing out.
- The evaluation also found the additional 10 sessions were not well targeted to people with complex needs who would benefit most from additional treatment, and their introduction coincided with a significant rise in gap fees *(see Facts and Figures)*.
- The evaluation made 16 recommendations for Government consideration covering issues including multidisciplinary and complementary models of care, alignment of treatment under Better Access with clinical need and better support for GPs in referring patients to a range of services.
- The decision to allow the additional 10 session to cease has been widely criticised for compounding a service gap for people with severe and complex mental health needs. However, prominent systems experts have maintained support for the decision, arguing the additional sessions compounded access and equity issues. The decision was informed by the Better Access Evaluation.

FACTS AND FIGURES

- Estimated total spending on mental health and suicide prevention through the Health and Aged Care Portfolio is $6.8 billion in 2022-23.
    - Approximately, $1.2 billion of this spending is for MBS related mental health services under the Better Access initiative.
- Better Access was first introduced in 2006. Eligible patients can claim Medicare rebates for up to 10 individual and 10 group mental health treatment services per calendar year.
    - To be eligible, a person must have a diagnosed mental disorder and a referral from a GP, psychiatrist or paediatrician.
- In response to the COVID-19 pandemic, the number of individual sessions was temporarily increased from 10 to 20 and eligibility extended to aged care residents to allow services to be accessed via GP referral until 31 December 2022.
- The additional 10 sessions ceased on 31 December 2022, as planned.
- Between 2020 and 2021 the number of new users receiving Better Access treatment decreased by 30,098.
- In the first 9 months of 2023, an additional 42,994 people have entered Better Access and used the initial 10 Better Access individual treatment sessions compared with in the same period in 2022 (1,109,530 people in 2023, compared to 1,066,536 in 2022).
- If asked - 2022 was the final year that the additional 10 sessions were available. Around 17.1% of patients who used the initial 10 sessions also used the additional 10 sessions.

Quarterly data – if asked

- Better Access data is likely to vary throughout the calendar year, as patients use their sessions and exit the program, and new patients enter the program.
- From 1 January to 31 March 2023 (Q1), an additional 64,185 people accessed the initial 10 Better Access individual treatment sessions, compared to the same period in 2022.
- From 1 April to 30 June 2023 (Q2), an additional 40,957 people accessed the initial 10 Better Access individual treatment sessions, compared to the same period in 2022.
- From 1 July to 30 September 2023 (Q3), an additional 40,606 people accessed the initial 10 Better Access individual treatment sessions, compared to the same period in 2022.
- Please note: Patient numbers are counted distinctly between time periods and cannot be added together due to the risk of double counting.
- Detailed queries in relation to Better Access service data should be directed to the Department of Health and Aged Care.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

The National Mental Health Commission

FUNDING

05 Jan 2024:
Caveat on release of funding:
The contract amounts in SB23-000329 are different to the amounts listed on AusTender because they do not include contract extensions. The total amounts including the contract extensions are:

$887,352 (GST incl.) over 2022-23 and 2023-24 was committed to the investigation.
- $312,600 (GST incl.) to Deb M Picone Consulting to lead the investigation
- $122,190 (GST incl.) to Crawshaw Consulting to support the lead investigator, and
- $452,562 (GST incl.) to EY to conduct the functional and efficiency review.

- **$783,512** (GST incl.) over 2022-23 and 2023-24 was committed to the investigation.
  - $231,750 (GST incl.) to Deb M Picone Consulting to lead the investigation
  - $99,200 (GST incl.) to Crawshaw Consulting to support the lead investigator, and
  - $452,562 (GST incl.) to EY to conduct the functional and efficiency review.

KEY POINTS

- On 14 September 2023 the Minister for Health and Aged Care, the Hon Mark Butler MP, tabled in Parliament the Independent Investigation into the National Mental Health Commission Final Report (Investigation Final Report) and Functional and Efficiency Review of the National Mental Health Commission (FER) Final Report.
  - The independent investigation was led by Adjunct Professor Debora Picone AO with the support of Adjunct Professor Karen Crawshaw PSM.
  - EY conducted the functional and efficiency review.
- The Minister also made an accompanying statement. The statement and the reports in full can be found on the Parliament of Australia website.
- A response to the reports will be considered by the Minister. The Department is unable to comment further on this matter.

FACTS AND FIGURES

Terms of Reference

- Minister Butler initiated an independent investigation into the Commission resulting from allegations and issues raised through the media.
- Allegations included individual incidents as well as the Commission's overall operations, culture, financial management and governance.
- The independent investigation was led by Adjunct Professor Debora Picone AO with support from Adjunct Professor Karen Crawshaw PSM. The investigation:
  - considered matters raised in the media and whether they could be substantiated.
  - conducted a culture and capability review, and considered whether the Commission provides a safe working environment and has the capability to perform its role.
  - conducted a FER to ensure the commission will be financially sustainable moving forward.
- The independent investigators were supported by a secretariat that sat within the Department.

Final Reports

- On 31 July 2023, the Investigation Final Report was provided to the Minister.

Contact Officer:	Bronwyn Field	Deputy Secretary Clearing Officer:	Celia Street	Clearance: 08 October 2023
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Division:	|Primary and Community Care| Mental Health			

- On 24 August 2023, EY submitted the FER Final Report to the Department. The report was provided to the Minister's Office on 29 August 2023.
    - The Investigation Final Report was informed by the interim FER. The findings and recommendations in the interim and final FER reports are aligned.
- On 1 September 2023, the FER Final Report was provided to the Commission's acting CEO.

IF ASKED

Chief Executive Officer

- Ms Christine Morgan voluntarily stepped aside as the Commission's CEO while the investigation was underway.
- On 8 September 2023, Ms Morgan wrote to the Minister offering her resignation. The Minister accepted (correspondence sent 13 September 2023).
    - The Minister's statement notes that Ms Morgan … *considers it is in the best interests of the commission for a new CEO to undertake the work identified by the report* (Hansard, 14 September 2023, p 95).
- To ensure the business of the Commission has been able to continue:
    - Dr Ruth Vine, Deputy Chief Medical Officer, Department of Health and Aged Care, was appointed acting CEO from 15 April to 17 August 2023.
    - Mr Paul McCormack, First Assistant Secretary (Financial Management Division), Department of Health and Aged Care, was appointed from 18 August 2023 until 17 November 2023.
- CEO arrangements beyond this time are a matter for Government.

Previous Allegations Relating to the National Mental Health Commission

<u>October 2022: bullying complaint</u>

- The Department is aware that in response to a complaint made by a former staff member, the National Mental Health Commission engaged CPM Reviews in October 2022 to conduct preliminary enquiries into allegations of bullying.
- The review recommended a formal Code of Conduct investigation (undertaken by Mr Mike Wallace), and other recommendations relating to improving conflict of interest arrangements.
- The formal Code of Conduct investigation found no clear evidence to support a breach.

<u>October 2022: allegations of fraud</u>

- In October 2022, correspondence regarding allegations of potential finance law breaches, including fraud, was received by various Ministers' Offices, and then provided to the Department.
    - Offices included the Prime Minister, Finance Minister, Minister for Health and Aged Care, and Assistant Minister for Mental Health and Suicide Prevention.
    - allegations related to inappropriate travel expenditure, procurement practices, and management of conflicts of interest.
- The Department assisted the Commission, and engaged Cobalt to undertake an investigation. This was finalised in December 2022.
- The investigation found no evidence of unlawful conduct warranting further investigation but recommended action to improve practices related to conflict of interest, procurement and travel.
- On 18 May 2023, Department Officials (Tania Rishniw and Rachel Balmanno) briefed Commission staff on report findings.
- The Cobalt Report was provided to EY as part of the FER process.

Timeline – NMHC Allegations and Investigation

Date	Activity
8 October 2022	Anonymous email alleging financial mismanagement in NMHC sent to Prime Minister's Office, Finance Minister's Office, Secretary of Department of Finance and Secretary of the Department of the Prime Minister and Cabinet.
11 October 2022	Alleged bullying incident occurs in Sydney office.
15 October 2022	Anonymous email alleging financial mismanagement in NMHC sent to Minister for Health and Aged Care, Assistant Minister for Mental Health and Suicide Prevention and Secretary of the Department of Health and Aged Care.
17 October 2022	Email reporting bullying incident from 11 October 2022 sent from NMHC employee to the Minister for Health and Aged Care and his office, Secretary of Department of Health and Aged Care, Head of NSPO. Email sent from Minister's Office to Rachel Balmanno and Charles Wann. Email from Rachel Balmanno to Minister's Office advising NMHC is a separate agency and neither the Department nor the Minister have powers or responsibilities in relation to staffing matters. Noted the Department would make contact with NMHC.
20 October 2022	Quote received from Cobalt Consulting for preliminary assessment of financial mismanagement allegations.
26 October 2022	Quote received from CPM Reviews for investigation into the alleged bullying incident of 11 October 2022. Contract executed with CPM Reviews.
14 November 2022	CPM Reviews report provided to NMHC CEO. APSC notified of proposed APS Code of Conduct investigation.
24 November 2022	Various actions taken on APS Code of Conduct.
12 December 202	Cobalt Consulting preliminary assessment received by Department.
15 December 202	APS Code of Conduct report received by NMHC.
20 December 2022	Executive Summary of Cobalt Consulting preliminary assessment provided to NMHC Audit and Risk Committee.
15 April 2023	Allegations raised in the Saturday Paper. Department briefed Minister recommending: draft terms of reference, appointment of Debora Picone (supported by independent legal and financial expertise), appointing Dr Ruth Vine as acting CEO.
17 April 2023	Minister Butler announced investigation into NMHC, that the CEO was voluntarily stepping aside for the duration of the investigation and that Dr Ruth Vine would be acting CEO.
20 April 2023	Contract executed with Deb M Picone Consulting.
26 April 2023	Contract executed with Crawshaw Consulting.
4 May 2023	Contract executed with EY for Functional and Efficiency Review.
18 May 2023	Tania Rishniw and Rachel Balmanno briefed Commission staff on Cobalt report findings.
31 July 2023	Investigation Final Report transmitted to the Minister and Department.
17 August 2023	Dr Ruth Vine's appointment as acting CEO ends.
18 August 2023	Mr Paul McCormack commenced as acting CEO until 29 September (duration of Ms Morgan's leave).
24 August 2023	EY provided FER Final Report to Department.
29 August 2023	FER Final Report provided to the Minister, with accompanying information brief from the Department.
1 September 2023	FER Final Report provided to Mr McCormack (via the Department).
8 September 2023	Ms Morgan wrote to the Minister to tender resignation.

Date	Activity
13 September 2023	Minister accepted Ms Morgan's resignation; Mr McCormack's appointment as acting CEO extended until 17 November 2023.
14 September 2023	Minister tabled the Investigation Final Report and FER Final Report in the Parliament, with accompanying statement (as a matter of public interest).

Another key priority for the Albanese Labor government and the JSA is to improve education and employment outcomes for historically marginalised individuals. This includes those affected by age, health, gender and disability and those who are of diverse cultural, linguistic and socioeconomic backgrounds. JSA's economywide perspective, informed by tripartism and data informed decision-making, is the approach needed to solve the challenges we face today. The 10 tripartite, industry led jobs and skills councils that have been established will work collaboratively with JSA. These councils will provide on-the-ground industry perspectives, complementing JSA's data and analysis with their real-world experiences. JSCs will lead workforce planning for their respective industries, identifying both immediate and future skills needs.

The first major task of each jobs and skills council will be to consult extensively across their industry sectors to develop workforce plans that address existing and emerging skills needs. They will leverage their industry based knowledge and understanding of trends to provide valuable insights. JSCs will also collaborate closely with educators and training providers to develop world-leading qualifications for workers and employers. By drawing upon industry knowledge and the expertise of educators, JSCs will play a crucial role in delivering the skills our workforce and economy require. The 10 councils will encompass various sectors, including energy, gas and renewables; agribusiness; early educators, health, and human services; arts, personal services, retail, tourism and hospitality; public safety and government; manufacturing; finance, technology and business, mining and automotive; building construction and property; and transport and logistics.

The roles of the JSCs and the JSA are complementary and interrelated. While JSA has macroeconomic focus, JSCs possess a deeper knowledge and connection to specific industries. JSA excels in data and analytic capabilities, while JSCs boost deeper connections to the real economy.

I am proud that the government is continuing to work extremely hard to make sure that Australia is ahead when it comes to jobs and skills.

Debate adjourned.

DOCUMENTS

National Mental Health Commission

Presentation

Mr BUTLER (Hindmarsh—Minister for Health and Aged Care and Deputy Leader of the House) (11:03): I table the report of the *Independent investigation into the National Mental Health Commission* by Adjunct Professor Debora Picone AO and Adjunct Professor Karen Crawshaw PSM and the final report of the functional efficiency review entitled *National Mental Health Commission functional and efficiency review: observations and findings*. I seek leave to make a statement in relation to the documents.

Leave granted.

Mr BUTLER: I rise to speak to a matter of public interest on the National Mental Health Commission. Established back in 2012, the commission is a vital public institution. It has provided federal government with unapologetic, independent advice on the state of the nation's mental health and wellbeing over the last decade. The last few years, with unprecedented natural disasters, the COVID pandemic and increasing cost-of-living pressures, have further highlighted the importance of mental health and wellbeing across Australia. For this reason, there has never been a more important time in our history to have a national mental health commission that is delivering for all Australians.

In early April this year, I initiated an independent investigation into the National Mental Health Commission in response to allegations made public through the media. The allegations were of a serious and significant nature and canvassed a broad range of organisational and staff wellbeing matters. The investigation was lead by Adjunct Professor Debora Picone AO in collaboration with Adjunct Professor Karen Crawshaw PSM, and its intent was to consider whether matters raised in the media could be substantiated; to conduct a culture and capability review; to ensure the commission provides a safe work environment and has the capability to perform its role; and to conduct a full functional and efficiency review to ensure the commission can be financially sustainable moving forward.

I want to thank the Adjunct Professors Picone and Crawshaw for their work in conducting the investigation, and particularly their care in working with the staff of the commission. I also want to thank the many staff who participated in the process and acknowledge their ongoing contribution to the work of the commission.

I received the report from the reviewers on 31 July this year. Having taken some time to consider the report in detail, I am today tabling the final report in full as well as the associated functional and efficiency review final report conducted by EY. Maintaining confidence in the work of the commission is critical for its future. Over its 88 pages, the report explores the commission's current operating environment and takes into consideration accounts from staff and stakeholders.

In summary, the investigation determined that the commission's workforce, inclusive of its leadership, has been dedicated to the commission's work and mission. There was no substantiated evidence of maladministration or evidence of conduct that would substantiate a finding of bullying. The most significant findings impeding the functioning of the commission related to what the reviewers termed a 'very poor workplace culture', significant budget operating losses and a staffing profile operating above the agency's currently funded average staffing levels. Significantly, the reviewers found an organisation that had 'outgrown its existing systems, practices and capabilities'.

The report provides an important platform for reform of the commission, and outlines key areas requiring further consideration and action. Over the coming months, I will work with government colleagues, the commission and key stakeholders to further consider the recommendations and bring advice to government on resetting the commission's role and strengthening it. I have tasked the Department of Health and Aged Care to oversee this work.

My immediate priority is ensuring we position the commission for the future, providing staff with stability and a clear path forward. The department will work with the commission to develop a plan for addressing the recommendations in the report and to support the wellbeing of staff. I have also asked Dr Ruth Vine to provide advice to me as a special adviser on the development of reforms, continuing to work with the sector.

On 8 September 2023, the Chief Executive Officer of the National Mental Health Commission, Ms Christine Morgan, wrote to me offering her resignation, advising that she considers it is in the best interests of the commission for a new CEO to undertake the work identified by the report. I have accepted Ms Morgan's resignation, and I want to thank her for her service as CEO of the commission. I also thank Dr Ruth Vine for her stewardship of the commission during the investigation process. I am committed to ensuring the commission delivers on its important role in transparency, accountability and monitoring of government investment and the impact on mental health and suicide prevention. The Australian government is committed to a National Mental Health Commission that is focused on improving the mental health and suicide prevention system, so all Australians have confidence in the services that they choose and use.

ADJOURNMENT

Mrs PHILLIPS: I move:

That the Federation Chamber do now adjourn.

Hunter Valley Legends Awards

Mr REPACHOLI (Hunter) (11:09): I recently had the pleasure of attending the 16th annual Hunter Valley Legends Awards at Rydges Resort Hunter Valley. The gala night brought together over 380 industry professionals and guests from the Hunter Valley wine and tourism industries. The event serves as a tribute to the region's rich heritage, honouring the enduring influence of the Hunter Valley and its dedicated wine growers, winemakers and tourism operators.

Four living legends were inducted on the night, taking the total number of Hunter Valley Legends to 33. John Davis, Graham Doran and Dr Harry Tullock were inducted as the 2023 Wine Industry Living Legends and John Stevens was inducted as the 2023 Tourism Living Legend.

John Davis, owner and managing director of Pepper Tree Wines, Briar Ridge Vineyard, Tallavera Grove and Carillion Wines, has forged a reputation as an astute viticulturist with a skill in matching soil types with the most suited grape varieties. As the first to plant emerging varieties in the Hunter Valley, John has championed innovation in his vineyards and, more broadly, through his investment into soil mapping across the Hunter region.

Throughout his more than 50 years in viticulture, Graham Doran has worked with some of the Hunter Valley's most iconic vineyards. His work for Mount Dangar Vineyard and Mount Pleasant led to outstanding outcomes with countless trophies and medals awarded. Graham led numerous viticultural trials unique to the Hunter Valley and documented his knowledge for future generations in the recently published *Beginners Guide to Viticulture in the Hunter Valley.*

Dr Harry Tulloch has been a true pioneer through his immense innovative viticultural research which led to the selection of premium quality semillon and shiraz clones. Shiraz clone 1654 is still in circulation today and has become one of the most widely planted in Australia. Throughout his career, Harry has championed new styles of wines and was the first in the Hunter to incorporate verdelho into blends of semillon.

John Stevens was inducted as the 2023 Tourism Industry Living Legend in honour of his 35-year commitment to tourism development in the Central Coast, Newcastle and the Hunter Valley. The Vintage development is one of the regions most significant and ambitious integrated tourism developments, which has delivered significant infrastructure improvements for the Pokolbin area.

The night also recognised the depth of talent currently contributing to the success of the Hunter Valley. Jenna Vaughan, the sales and marketing manager of de Iuliis Wines, was named Riedel 2023 Young Achiever of the Year.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

2023-24 First Nations Health Budget

KEY POINTS

- A total of $654.4 million committed over five years to improve First Nations peoples' health outcomes, as confirmed by Minister's Office.
- This differs from the announced investment of $818.5 million to close the gap in health and wellbeing outcomes for First Nations people. This is because the $236.8 million Fair Work Commission - Aged Care Work Value Case measure was included in the total First Nations investment but only $58.9 million of this measure is First Nations specific.
- All measures will be developed and implemented in partnership with First Nations stakeholders in alignment with the Priority Reforms of the National Agreement on Closing the Gap.

FACTS AND FIGURES

Around **$654.4 million**[1,2] has been committed over four years to improve First Nations peoples' health outcomes through the May 2023 Budget.		
Program 1.3: First Nations Health; Program 1.5: Preventive Health and Chronic Disease Support	**$238.5 million***	For Improving First Nations Cancer Outcomes
Program 1.3: First Nations Health; Program 1.7: Primary Care Practice Incentives and Medical Indemnity; Program 2.1: Medical Benefits	**$16.7 million***	For Increasing MBS715 uptake in First Nations population and national rollout of Deadly Choices and expansion of the Practice Incentives Program Indigenous Health Incentives (PIP IHI)
Program 1.2: Mental Health	**$10.5 million**	For Mental Health Support for First Nations People During the Voice Referendum
Program 1.5: Preventive Health and Chronic Disease Support	**$1.4 million**	To expand Fetal Alcohol Spectrum Disorder awareness among First Nations communities

1 This differs from the announced investment of $818.5 million to close the gap in health and wellbeing outcomes for First Nations people. This is because the $236.8 million Fair Work Commission – Aged Care Work Value Case measure was included in the total First Nations investment but only $58.9 million of this measure is First Nations specific.
2 Includes departmental funding.

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Program 3.2: Aged Care Services	**$77.3 million**	For Supporting First Nations Elders in Aged Care
Program 1.3: First Nations Health; Program 1.5: Preventive Health and Chronic Disease Support	**$141.2 million**	For Tackling Indigenous Smoking Extension to Vaping
Program 1.4: Health Workforce	**$0.9 million**	For Supporting a culturally safe health system (Australian Indigenous Doctors' Association)
Program 1.3: First Nations Health	**$23.5 million***	For Improving First Nations Health Outcomes in Central Australia
Program 1.3: First Nations Health	**$28.2 million***	For Better Renal Services for First Nations Peoples – Workforce Accommodation Announcement
Program 1.3 First Nations Health; Program 1.5: Preventive Health and Chronic Disease Support	**$57.3 million[3]***	To extend support for First Nations Australians to access COVID-19 testing and vaccinations
Program 3.2: Aged Care Services; Program 3.3: Aged Care Quality	**$58.9 million**	For Fair Work Commission – Aged Care Work Value case – First Nations and Other Programs

$238.5 million for Improving First Nations Cancer Outcomes

- The package includes funding to the National Aboriginal Community Controlled Health Organisation (NACCHO) to support ACCHOs to support cancer care needs on the ground and to Cancer Australia to ensure mainstream cancer care services are culturally safe and accessible for First Nations peoples.
- Policy and program design are in initial stages.
- Funding to NACCHO will employ up to 260 new positions to deliver cancer treatment and other supports such as health promotion activities, support for patients to navigate cancer care following diagnosis, and access to treatment and care on Country.

$16.7 million for Increasing MBS715 uptake in First Nations population and National roll-out of Deadly Choices and expansion of the Practice Incentives Program – Indigenous Health Incentives

- The Department is partnering with the Institute of Urban Indigenous Health (IUIH) and its consortium partners on the co-design of the national rollout of the Deadly Choices program with policy and program design in initial stages.
- From 1 July 2023, the Practice Incentive Payment Program-Indigenous Health Incentives Tier 1 outcome payment was expanded to include payments for all MBS items for the preparation or review of a chronic disease or mental health management plan.

3 Announced figure of $57.3 million includes funding from 2022-23.

$10.5 million for Mental Health Support for First Nations People During the Voice Referendum

- Funding has been allocated by NACCHO to over 140 Aboriginal Community-Controlled Health Organisations and services to deliver activities to support the mental health and wellbeing for First Nations peoples in their community. NACCHO State and Territory Affiliates have been funded to provide additional support to their member services.
- The Department has disseminated research factsheets within the health and community-controlled sectors to assist in providing culturally appropriate services and supports.

$1.4 million to expand Fetal Alcohol Spectrum Disorder (FASD) awareness among First Nations communities

- Expansion of NACCHOs First Nations-specific FASD 'Strong Born' awareness campaign has not yet commenced and will occur progressively over two years to 30 June 2025.
- NACCHO will provide small grants to ACCHOs in urban and regional locations, to allow them to tailor materials and community events to local contexts.

$77.3 million for Supporting First Nations Elders in Aged Care

- National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) residential services in very remote locations support elders to remain on country. Additional funding will flow to 20 services before the end of 2023.
- Recruitment is underway for an interim First Nations Aged Care Commissioner, expected to commence in late 2023, to consult with First Nations stakeholders on the role and functions of a permanent Commissioner and to advise on improvements to the aged care system for older First Nations people.

$141.2 million for Tackling Indigenous Smoking Extension to Vaping

- All 37 TIS regions are expected to receive the additional funding for vaping prevention and support by the end of 2023.
- From 1 July 2025, the TIS program will be fully funded through the Preventative Health and Chronic Disease program alongside other tobacco and vaping control measures. This will allow existing funds within the Indigenous Australians' Health Programme to be made available to invest in other First Nations health priorities.

$57.3 million for First Nations and Remote COVID-19 Response.

- Since 2020, the Point of Care Testing program has conducted 77,325 respiratory tests at over 100 sites, supporting over 150 rural and remote communities.
    - 4,796 confirmed positive COVID-19 cases were detected, allowing for timely treatment and response.
- In 2023, 15 new sites have enrolled in the program, with plans for the program to expand to up to 120 sites by 30 June 2024.
- In June 2023, NACCHO issued funding offers to 6 Sector Support Organisations (SSOs) and 121 Aboriginal Community Controlled Health Organisations (ACCHSs).

$0.9 million for Supporting a culturally safe health system (Australian Indigenous Doctors' Association)

- Since its inception, the Specialist Trainee Support Program has reported positive impacts for First Nations non-GP specialist doctors and trainees including:
  - as at February 2023, 28 specialists were engaged via the Program to provide culturally appropriate one-on-one support to trainees.
  - as at August 2023, the Colleges all recorded 100% retention of their respective trainees.

$23.5 million for Improving First Nations Health Outcomes in Central Australia

- The Central Australian Aboriginal Congress Aboriginal Corporation (Congress) has commenced expansion of services for the early detection and intervention for neurodevelopmental conditions, such as Fetal Alcohol Spectrum Disorder (FASD):
  - recruited a Manager to support the rollout.
  - expanded the number of neuropsychologists from two to four.
  - progressed recruitment for an occupational therapist, paediatrician, administration support officer and additional team leader, amongst other allied health and administration positions.
  - established a Steering Committee that will oversee implementation of the expansion of services.
- It is anticipated that approximately 200 Aboriginal children and young people will receive neurodevelopmental assessments per year compared to the current 90.
- A construction Project Manager for the development of Congress' Health Hub has been engaged and a preferred builder identified. Demolition has commenced.

$28.2 million for Better Renal Services for First Nations Peoples - Announcement

- The Steering Committee, co-chaired by NACCHO and the Department, will determine the selection and implementation of the dialysis sites, and where associated workforce accommodation is required.
- Implementation of new or upgraded four chair dialysis units is underway at six (6) dialysis sites, though no sites have yet been determined for workforce accommodation.

$58.9 million for First Nations and Other Programs – Aged Care Funding for Wage Increase

- The Fair Work Commission's 15 per cent increase to award wages for aged care workers is being progressively implemented through variations to existing funding arrangements.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Health Care in Prisons

KEY POINTS

- Concerns have been raised about access and cultural safety of custodial health services for First Nations prisoners following several coronial inquiries into deaths in custody.
- Health care in prisons is primarily the responsibility of states and territories.
- The Commonwealth is leading an independent Review to understand current state and territory approaches to custodial health and opportunities for reform.
- Increased access to Medicare subsidies may be part of the solution but is unlikely to solve the issues on its own.
- The Commonwealth is also considering the role of the Aboriginal Community Controlled Health Services (ACCHS) sector in delivering health care within custodial settings.

What is the Department doing to address this issue – Review into Health Care in Prisons

- Custodial health for First Nations people was discussed at the Health Ministers Aboriginal and Torres Strait Islander Health Roundtable in October 2022, which brought together all Commonwealth, state and territory health Ministers, and First Nations health sector leaders from across Australia. Members agreed to work collaboratively on this issue as a priority.
- The Aboriginal and Torres Strait Islander Collaboration, which includes government officials from health departments across the Commonwealth and each state and territory has commissioned an independent review as an update on current health care arrangements in prisons (the Review), to be led by the Commonwealth.
- The Department is leading work on the Review.
    - The Review will consider current state and territory approaches; barriers to culturally safe health care for First Nations people in prison; and opportunities for systemic reform.
    - The Department expects it to commence in November 2023.
    - The Review will include comprehensive stakeholder consultation, including with government custodial and health representatives, the ACCHS sector and key experts.
    - The Department expects to receive interim findings from the Review in early 2024, with a final report and recommendations in mid-2024.

Involvement of Aboriginal Community Controlled Health Services (ACCHS)

- Alongside the Review, the Department is considering the role of the ACCHS sector in delivery of culturally safe health care for First Nations people in correctional facilities.
- The Department is working in partnership with the National Aboriginal Community Controlled Health Organisation (NACCHO) to identify what service delivery models are currently being delivered and to build the evidence base of the impacts of ACCHS-led services on prisoner health care and outcomes.
- The Department is aware of existing ACCHS-led health care arrangements in place in the Northern Territory (NT) and the Australian Capital Territory (ACT).
    - Winnunga Nimmityjah Aboriginal Health Service (Winnunga) provides care for adults

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incarcerated at the Alexander Maconochie Centre (AMC).

- Danila Dilba Health Service (DDHS) provides primary health care to young people detained at the Don Dale Youth Detention Centre.
- The Central Australian Aboriginal Congress (Congress) provides primary health care and culturally appropriate case management, advocacy, social support and therapeutic and mental health support to young people at the Alice Springs Detention Centre.

Access to Medicare and Pharmaceutical Benefits Scheme (PBS)

- States and territories may deliver in-prison health services through the employment of medical or allied-health officers or the payment of healthcare professionals from the public or private sector. If hospital care is required, states or territories decide where this treatment is provided and if custodial authorities should be charged.
    - By virtue of subsection 19(2) of the Health Insurance Act 1973 (the Act), the cost for these consultations and the subsequent treatment are currently unable to be claimed on the Medicare Benefits Schedule.
    - Subsection 19(2) of the Act prohibits the double payment by the Commonwealth of medical services where they are already provided under an existing arrangement with state and territory governments.
- Medicare benefits are payable for patients who receive private services from practitioners where the private patient has a choice of practitioner.
- Access to the MBS and the Pharmaceutical Benefits Scheme (PBS) may be considered as part of the Review. However, it is expected that the primary focus of the Review will be on opportunities for state and territory system reform.
- Extending Medicare to prisoners would be unlikely to address concerns over quality of health care in prisons.
- Practical issues are also likely to impede delivery of private Medicare subsidised health services in prisons with issues including willingness of private providers to enter prisons, security and privacy for prisoners.
- While state and territory governments are responsible for delivery of health services in prison, prisoners on parole or on day release can access Medicare services and medications listed on the Pharmaceutical Benefits Scheme (PBS). If the prisoner chooses to consult a doctor (and relevant authorities agree to this arrangement), they would be eligible for Medicare benefits, given those services would not be provided under an arrangement which is the responsibility of a state and territory government authority.
- Notwithstanding these general provisions, the Commonwealth provides access for prisoners to the Section 100 PBS Highly Specialised Drugs (HSD) Program. If a prisoner is or remains eligible for Medicare while being treated in prison as a hospital out-patient, they may receive Section 100 PBS HSD Program subsidised medicines as long as they meet the medication eligibility criteria. Access to the Section 100 HSD Program is facilitated by state and territory correctional authorities.

Justice Policy Partnership

- While State and Territory governments are responsible for justice and detention systems, including management of individual detention facilities, the Commonwealth is working with States and Territories to reduce the overrepresentation of First Nations adults and youth in criminal justice systems consistent with Outcomes 10 and 11 of the National Agreement on Closing the Gap, through the Justice Policy Partnership (JPP).
- The JPP is co-chaired by the Attorney-General's Department (for the Commonwealth) and the National Aboriginal and Torres Strait Island Legal Services (for the Coalition of Peaks). It brings together representatives from the Coalition of the Peaks, Aboriginal and Torres Strait Islander

individuals with justice sector expertise, and state and territory governments to take a joined-up approach to Aboriginal and Torres Strait Islander justice policy.

- NACCHO and First Peoples Disability Network are also members of the JPP.
- The JPP has previously considered the socio-economic drivers of incarceration and the importance of joined-up approaches to justice and human service sectors to reduce incarceration, as well as issues around access to health services within places of detention.
- The JPP Strategic Framework was endorsed by Joint Council on Closing the Gap at their meeting in June 2023. The JPP are currently developing and Implementation Roadmap to progress the work under the Strategic Framework.
- Further questions about the JPP should be directed to the Attorney-General's Department.

National Indigenous Australians Agency (NIAA) funding

- NIAA administers funding for a small number of prison related alcohol and other drug (AOD) services. This includes case management aimed at reducing contact with the justice system, follow up services for people entering or leaving prison and social health clinics attached to youth detention centres.
- NIAA also funds a prison in-reach service in the NT which provides culturally safe, trauma-informed case management and AOD treatment and support for First Nations peoples who are incarcerated short-term and who are affected by alcohol and other drugs. The program also provides referrals to other services for First Nations prisoners on exit from prison.
- Questions about this funding should be directed to NIAA.

Commonwealth funding for research into health and wellbeing of prisoners

- From its inception in 2015 to 31 August 2023, the Medical Research Future Fund has invested $2.24 million in three grants with a focus on prisoner health/health of incarcerated persons. In addition, $1.99 million has been invested in one grant focussing on embedding and evaluating a model of social and emotional wellbeing care for Indigenous adolescents who experience detention.
- Between 2016 and 2022, the National Health and Medical Research Council has expended over $27 million towards research grants that focus on prisoner health/health of incarcerated persons.

FACTS AND FIGURES

- From 30 June 2021 to 30 June 2022, Aboriginal and Torres Strait Islander prisoners decreased by 1% (137) to 12,902[1].
- The Aboriginal and Torres Strait Islander imprisonment rate decreased by 3% from 2,412 to 2,330 prisoners per 100,000 Aboriginal and Torres Strait Islander adult population.
- However, Aboriginal and Torres Strait Islander people remain disproportionately represented in the overall prison population. At 30 June 2022, Aboriginal and Torres Strait Islander prisoners accounted for 32% of all prisoners, despite representing only 3.2% of the Australian population.

[1] Australian Bureau of Statistics (2022), Prisoners in Australia, ABS Website, accessed 21 September 2023.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Enhanced Response to the Syphilis Outbreak in First Nations Communities

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2025-26* ($m)
Program	*8.4*	**7.3**	**8.2**	-	-	-	**15.5**
Annual increase in spend	*1.2*	-1.1	0.9				
Growth (%)	*1.9%*	*-13.1%*	*12.3%*				

KEY POINTS

- The Australian Government is providing **$23.4 million over three years (2021-22 to 2023-24)** to support management of the high number of infectious syphilis cases in First Nations people in Queensland (Qld), Western Australia (WA), South Australia (SA) and the Northern Territory (NT).
- The response is being coordinated in partnership with the National Aboriginal Community Controlled Health Organisation (NACCHO) and Flinders University to deliver an augmented health workforce and point-of-care testing (PoCT) in targeted Aboriginal Community Controlled Health Services (ACCHSs) within the affected outbreak regions.
- The use of PoCT and a 'test and treat' model reduces time to initiating treatment and contact tracing, minimises individuals lost to follow up and provides access to testing for those uncomfortable or unable to have venepuncture performed.
- Of the $23.4 million, **$19.8 million** has been provided to NACCHO to deliver Phase Five of the Enhanced Syphilis Response (ESR).
    - NACCHO's support to services includes the employment of staff, increasing testing and improving awareness in affected outbreak regions.
    - There are **31** ACCHSs participating in the ESR program and these services are supported by NACCHO.
    - NACCHO and the Department are working in genuine partnership to develop and implement sustainable and evidenced based Blood Borne Virus (BBV) and Sexually Transmitted Infection (STI) testing, treatment and prevention strategies, in line with Priority Reform One of the National Agreement on Closing the Gap.
- **$1.1 million** has been provided to Flinders University for support of PoCT and **$0.3 million** has been provided to Abbott Rapid Diagnostics to supply PoCT.
- **$2.2 million** remains uncommitted and the Department is working with NACCHO and the Flinders University to identify potential projects to support the ESR.
- In addition to **$23.4 million** dedicated to the syphilis response**, $15.3 million** has been provided to NACCHO over 4 years (2020-21 to 2024-25) to provide funding for up to 40 ACCHSs to support BBV and STI services.

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ISSUES/SENSITIVITIES

- Despite the investment in ESR, syphilis cases continue to increase rather than decrease. NACCHO have been advocating for a wider response and critical of the program only targeting outbreak regions, as this limits its ability to stop the spread to new regions.
  - The Department is investigating options to increase coordination and linkages between the ESR and BBV/STI ACCHSs programs that would widen the footprint of the syphilis program, with potential to more than double the number of sites delivering syphilis PoCT across Australia.
  - The Department is investigating options to conduct an external evaluation to review the ESR.
- During the COVID-19 pandemic, PoCT trained operators and ACCHSs workforce were redeployed from BBV and STI programs. While this had a positive impact on ACCHSs ability to manage the COVID-19 response, it reduced syphilis testing and impacted ESR outcomes.

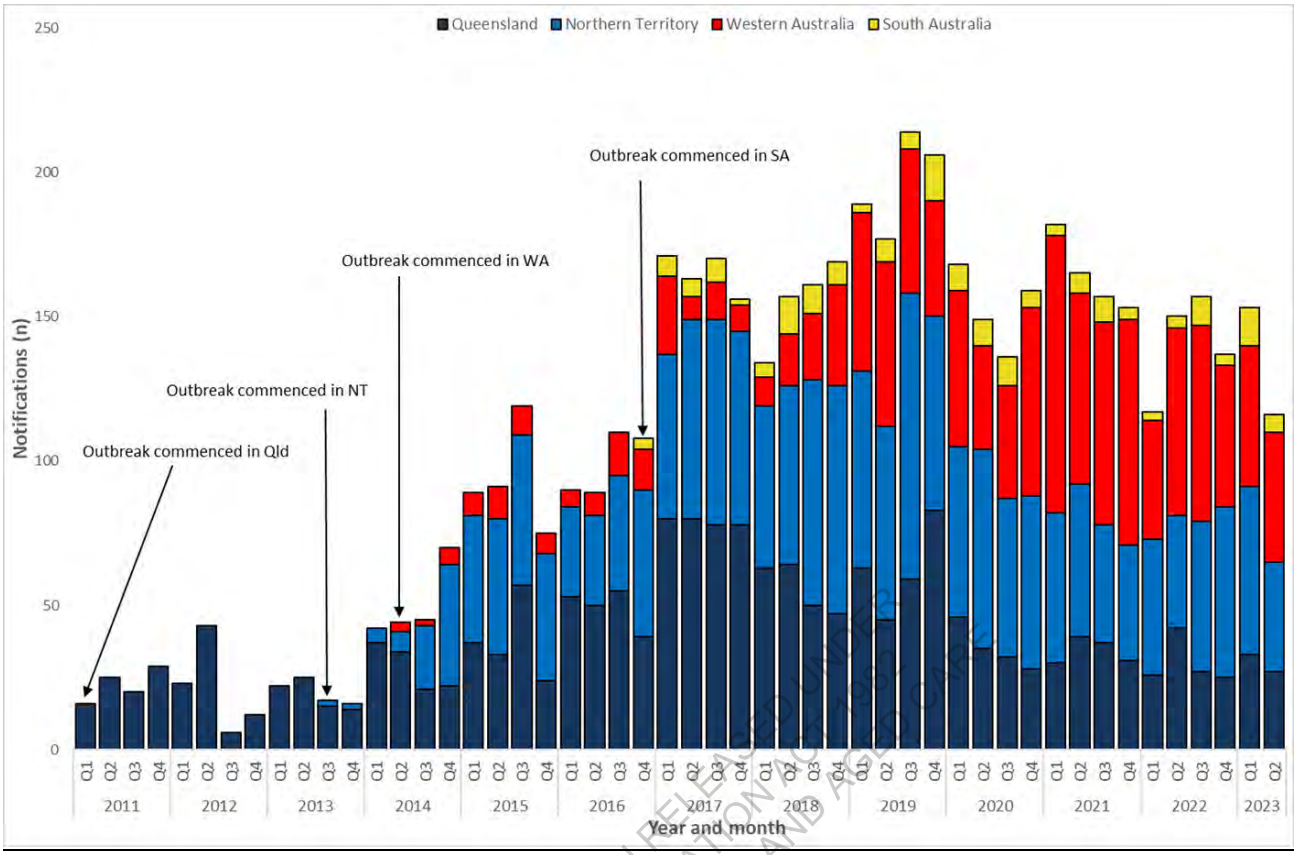
FACTS AND FIGURES

DATA/STATS

- Since the commencement of the syphilis outbreak in **2011 to 30 June 2023**, **5,511** infectious syphilis outbreak cases (category 1 and 2[1]) were reported from four jurisdictions:[2]
  - 2,020 from Qld
  - 2,021 from the N
  - 1,262 from WA
  - 208 from SA[3].
- In the previous 12 months (Q3 2022 to Q2 2023), there was a **small decline (5%) in outbreak notifications** compared to the previous 12 months (Q3 2021 to Q2 2022) and a 14% decline when compared to the five year mean. These declines follow a peak in outbreak notifications in Q3 2019[4].
- Since the commencement of the outbreak in Q1 2011 to Q2 2023, there were **30 outbreak associated cases** of congenital syphilis reported, 12 from Qld, 8 from the NT, 7 from WA and three from SA. **Ten (10)** of these cases were reported to have died from the condition, 7 from Qld and three from WA.
- Fulsome analysis of the outbreak and syphilis across Australia more broadly is available in **Attachment A**.

[1]Category 1 cases include **First Nations people** residing in an outbreak declared region at the time of diagnosis. Category 2 cases include people who are a sexual contact of a confirmed outbreak case which includes First Nations people who do not reside in an outbreak area at the time of diagnosis and non-Indigenous people regardless of where they reside.
[2] Note that reported cases are from outbreak declared regions and are therefore lower than nationwide reported cases.
[3] Outbreak associated notifications of infectious syphilis have consistently been reported over the last 12 and a half years, with variability between the quarters, particularly in the earlier years as new jurisdictions and regions were declared (Figure 1).
[4] Note that figures may have been impacted by a decline in testing and reporting due to the COVID-19 pandemic.

Figure 1: Category 1 infectious syphilis outbreak cases notified in First Nations people.



Testing and Treatment

- The introduction of syphilis PoCT saw an increase in testing across all STIs as it became a successful engagement tool. The ACCHSs sector have reported that increased education and awareness (including through schools) has resulted in a decrease in stigma.
- The Department has procured **83,000 rapid PoCTs,** with training and quality assurance programs also rolled out to ACCHSs in outbreak regions to increase rates of syphilis testing, and thereby increase rates of treatment.
- As at Q2 2023, through participating ACCHSs:
  - On average **5,294** new tests are performed each quarter.
  - The quarterly testing coverage for the target age group (15-34 years) was **23%,** the same as quarterly average for the preceding 12 months (23%).
- As of **30 June 2023**, **1,145 health professionals have completed and obtained competency** in the use of PoCT, increasing the capacity of ACCHSs to test, treat and respond to positive cases in the community.

ATTACHMENT A

- National Syphilis Surveillance Quarterly Report: **April to June 2023** - *National Syphilis Surveillance Report Q2 2023*

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Impact of Referendum on First Nations health outcomes and the work of your department

BUDGET

- Boosting mental health supports for First Nations peoples during the Referendum process:
    - $10.0 million in 2023-24 to NACCHO to provide culturally appropriate mental health supports and services for First Nations peoples.
    - $0.5 million in 2023-24 to Healing Foundation directed to building on the evidence of the mental health and wellbeing needs of First Nations peoples during this time.
    - See SB23-000261 for more detail.
- Funding through the Indigenous Australians Health Programme will support the establishment and ongoing operation of a new First Nations health governance group.
    - The amount of funding is pending co-design of the scope of the group with the First Nations health sector.
- Significant funding is already being invested in First Nations health:
    - $654.4 million over four years through the May 2023 Budget.
    - $314.5 million from 2022-23 through First Nations election commitments in the October 2022 Budget.
    - $5.1 billion over four years from 2023-24 to 2026-27 through the Indigenous Australians Health Program.
        - In 2022-23, expenditure under the Indigenous Australians Health Program was $1,111 million for First Nations programs and activities.

KEY POINTS

- The Government remains strongly committed to improving health outcomes for First Nations peoples through the implementation of the National Agreement on Closing the Gap and the National Aboriginal and Torres Strait Islander Health Plan.
- We respect our First Nations leaders call for a week of silence from Saturday 14 October to grieve and reflect on the outcome of the referendum.
- The Department has had preliminary conversations with key First Nations Health sector leaders to discuss priorities following the referendum. These include:
    - Further Mental Health support for First Nations people (see SB23-000261 for more information).
    - Expediting the establishment of a senior level First Nations health governance group.
- The First Nations governance group will provide strategic policy direction to the Government and oversee the implementation of policies such as the National Aboriginal and Torres Strait Islander Health Plan.
- The Department is exploring options with First Nations Health leaders to provide the new governance group with a direct line to Commonwealth Health Ministers.

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OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

GP Training - Declining numbers

KEY POINTS

- The first intake outcomes of the 2024 Australian General Practice Training (AGPT) program have been finalised by the Australian College of Rural and Remote Medicine (ACRRM) and the Royal Australian College of General Practitioners (RACGP).
- 1092 places have been filled, compared to 989 at this time last year.
  - ACRRM filled 65 of their available 154 places (42%). This compares to 31% of places filled in the first intake last year.
  - RACGP filled 1027 of their available 1377 places (75%). This compares to 68% of places filled in the first intake last year. The RACGP filled:
    - 64% of their rural pathway places, compared to 47% the previous year.
    - 83% of their general pathway places, compared to 86% the previous year.
- Across both GP Colleges, 15 doctors who identify as Aboriginal or Torres Strait Islander have accepted a training place.
- It is noteworthy that the first application process since transition of the AGPT program to the GP Colleges has seen an increase on the previous year's first intake figures.
- In addition to filling 42% of their available 2024 AGPT program places, ACRRM received 100 eligible applications in the first intake for a place in their 2024 Rural Generalist Training Scheme (RGTS).
- Nationally, the number of rural training places filled through the first intake for the 2024 AGPT program increased by 37% (469 places) compared to 343 rural training places filled the previous year. This will result in rural and remote communities receiving a greater number of GP services throughout 2024 from registrars training in the AGPT program.
- The AGPT application and selection process is ongoing. Final intake outcomes for the 2024 AGPT program will be reported by the GP Colleges to the Department early in 2024.

Ongoing opportunities to enhance and support GP college marketing efforts and strategies

- The Department has been working with stakeholders on structured engagement with junior doctors and medical students (including Australian Medical Association Council of Doctors in Training, and the Australian Medical Student Association) on factors impacting career choice and solutions for these in the future.
- This work and consultation will feed into future considerations for improving the attraction of a career in general practice.
- As well as the funded Single Employer Model (SEM) trials, a project examining the options for a future model for an employment entitlement portability scheme for all GP registrars is underway. A portability scheme would allow GP registrars to transfer and retain employment entitlements as they rotate through GP practices during training.
- The Department has commenced a program of work in collaboration with sector stakeholders and State and Territory governments to develop a GP Attraction Strategy, as agreed at the Health Ministers' Meeting in April 2023.
- With Australia already producing a strong pipeline of medical graduates, the GP Attraction Strategy will target reforms to nudge our existing pool of medical students and junior doctors to pursue general practice careers, as well as broader reform opportunities.
- The Commonwealth will continue consultations with the sector and jurisdictions regarding GP registrar employment reform options and work already underway, including the attracting medical students and junior doctors to general practice project, feasibility study into improving GP registrar entitlements, and SEM trials.

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FACTS AND FIGURES

Number of registrars enrolled in the AGPT program by GP college

Training by College	2016	2017	2018	2019	2020	2021	2022	2023
ACRRM	278	306	335	393	422	478	492	375
RACGP	4989	5114	5080	5042	4794	4931	4721	4545
Dual registrars (both colleges)	79	65	45	31	24	23	24	23
Total	**5346**	**5485**	**5460**	**5466**	**5240**	**5432**	**5237**	**4943**

Total number of registrars (headcount) enrolled in the AGPT program by state

State	2016	2017	2018	2019	2020	2021	2022	2023	Change to headcount 2022 & 2023	% difference 2022 & 2023
NSW	1711	1798	1806	1798	1714	1810	1735	1594	-141	-8.13
NT	186	181	161	141	123	117	114	100	-14	-12.28
QLD	1217	1243	1238	1243	1167	1181	1160	1146	-14	-1.21
SA	468	490	487	464	431	433	422	412	-10	-2.37
TAS	154	150	132	140	141	143	147	128	-19	-12.93
VIC	1029	1045	1059	1041	1008	1062	993	950	-43	-4.33
WA	581	578	577	639	656	686	666	613	-53	-7.96
Total	**5346**	**5485**	**5460**	**5466**	**5240**	**5432**	**5237**	**4943**	**-294**	**-5.61**

Note: Training occurring in the ACT was administered with NSW

Total number of GP training program enrolments by year

GP training Pathway	2019	2020	2021	2022
AGPT	5,468	5,240	5,432	5,237
Practice Experience Program[(a)(b)]	318	590	1,019	1,686
Independent Pathway[(a)(b)]	237	311	351	308
Remote Vocational Training Scheme[(c)]	94	91	79	87
Rural Generalist Training Scheme	-	-	28	153
Total	**6,117**	**6,232**	**6,909**	**7,471**

(a) Non-VR FSP data is from the Minimum Data Set provided by the Colleges in October 2022.

(b) Participant numbers are those enrolled in PEP or IP since 2019 eligible for the Non-VR FSP subsidy. The count includes those who have fellowed or withdrawn in each of the years.

(c) Total number registrars on RVTS in 2022 as at December 2022, 2021 as at Dec 2021, in 2020 as at June 2020 & in 2019 as at June 2019.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Review of Distribution Mechanisms

KEY POINTS

- The Government uses distribution mechanisms such as the Modified Monash Model (MMM), the Distribution Priority Area (DPA) for GPs and the District of Workforce Shortage (DWS) for medical specialists to better target health workforce programs and direct health professionals to areas of greatest need.
- Reviewing the appropriateness and effectiveness of this set of levers, including sections 19AA and 19AB of the Act is timely to support a contemporary response to the current environment.
- The 2023-24 Budget has invested $20.2 million across two years 2022-23 to 2023-24 to strengthen Medicare by supporting health care and support services in thin markets.
- The measure provides two elements including:
  A. Providing $17.5m in funding to support Primary Health Networks (PHNs) to expand the GP Incentive Fund until 30 June 2024 to respond in communities where primary health and related systems fail, or are at imminent and ongoing risk of failure; and
  B. Investment of $2.7m for the Department of Health and Aged Care to complete a review of the distribution programs and policy levers available to support the development of innovative delivery models to support thin markets.

A. Interventions (PHNs)

- Expansion of the GP Incentive Fund provides a mechanism to rapidly resource responses in the short to medium term, where services fail or are at risk of failure.
- Engagement of local service providers and stakeholders is crucial to establishing sustainable solutions in communities.
- Activities delivered through the expansion of the GP Incentive Fund will be used to inform design of a more comprehensive, sustainable approach to health labour market and related issues across communities in need.
- Consultations with state and territory governments, PHNs, Rural Workforce Agencies (RWAs) and peak Aboriginal Community Controlled Health Organisations are occurring through September and October to:
  - Ensure support and engagement with stakeholders and affected communities.
  - Ensure activity over the coming year contributes to development of a structured and objectively defensible response to market failure in the future.
  - Consider alternative models of primary and related care being developed that could prevent future market failure.
- At conclusion of the consultations, the Guidelines of Grant and framework for prioritising potential application of this resource and a framework for governance will be finalised.
- This would outline threshold criteria; the process for determining the resources to be provided; the relationship between the Department, states, territories and key stakeholders and their accountability.

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- The range of measures being initiated through PHNs such as commissioning multi-disciplinary teams, along with programs already in place will be drawn on in the system recovery planning developed where this measure is applied, to ensure the full range of support available through existing programs is leveraged to build a sustainable service system.

B. Distribution Reviews

- The legislative levers for distribution of the medical workforce (sections 19AA and 19AB of the *Health Insurance Act 1973*) were established in 1996 and 1997 respectively when there was a perceived oversupply of doctors and an emphasis on achieving fellowship for primary care providers.
- The reviews will be completed via a number of parallel work streams to support a final review report to be considered by Government in 2024.
- These parallel work streams will be governed and managed centrally by the Department to ensure consistency of approach and timelines, and linked to the governance established to oversee the related Strengthening Medicare reviews (Incentive Review, Scope of Practice Review etc) being undertaken at the same time.
- Two eminent independent reviewers have been appointed to work together to lead and coordinate the work streams, complete the final report and undertake the scoping exercise to outline options for future government interventions into thin markets.
    - Professor Sabina Knight, Director, James Cook University Murtupuni Centre for Rural and Remote Health.
    - Mick Reid, Principle, Mick Reid and Associates.
- An approach to market for consultants to support aspects of the reviews is underway.

C: Relationship between Thin Markets activities.

- This measure aligns with other activities responding to the challenges that current policy, program and legislative frameworks face in sustaining access to reliable health, care and support services in diverse settings including:
    - $79.4m over four years for PHN Commissioning of Multidisciplinary Teams to:
        - enable PHNs to commission multidisciplinary health care to supplement general practice teams.
        - extend PHNs' existing role in general practice support to private allied health practices.
        - develop an Allied Health Practice Support Toolkit.
    - $27m over four years for 10 integrated care and commissioning trials to strengthen care and support markets and improve participant outcomes in rural, remote and First Nations communities (*supporting Royal Commission recommendation 48*).
        - This joint initiative will work with local communities and service providers to identify ways to better integrate primary health, aged care, disability and veterans' care service systems and look for opportunities for joint commissioning to ensure people's care needs are met in the community they live in.
        - The work will build on four trial projects already underway in the Kimberley, Western Australia; Longreach, Queensland; South-East New South Wales and Gippsland; Victoria.

- Additionally, the Scope of Practice review and review of incentives initiated through Strengthening Medicare Budget measures will inform policy, program and legislative approaches for development of the potential approaches in the scoping paper to be prepared for the 2024-25 Budget.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Gender Inclusive Healthcare

KEY POINTS

- The Australian Government is committed to supporting, protecting and promoting the health and wellbeing of all Australians, including transgender, gender diverse and intersex people.
- The frameworks adopted to define a person's gender include chromosomal makeup, the gender assigned at birth, and the gender with which a person identifies.
- The Department of Health and Aged Care does not adopt a single definition. Health policies and access to health programs are based on clinical evidence and clinical need regardless of gender identity, biological characteristics, or genetic variations. Our programs are designed to be inclusive and provide better health and wellbeing for all Australians.
- The Department ensures that language used for material is adapted as needed for each piece of communication and aims to be respectful of its audiences.

FACTS AND FIGURES

- On 6 April 2022, Senator Alex Antic asked the department for the definition of a woman. The question was taken on notice (SQ22-000301) and a response was published on 21 June 2022.
  - On 24 August 2022, the Department released freedom of information documents in relation to correspondence on the question asked by Senator Antic.[1]
- During Senate Estimates on 10 November 2022, Senator Antic asked the Department whether men can get pregnant and give birth. The Department answered "to get pregnant and give birth, you need to have a functioning uterus".[2]
- On 16 March 2021, the Senate passed a motion put forward by Senator Roberts to ensure all federal government and federal government-funded agencies do not use gender neutral language in their material.[3] No further advice was received on implementation of the motion. Senator Roberts continues to advocate on gender issues.

Sensitivities

- Media criticised the response to the question on notice and Senator Antic wrote to Minister Butler indicating the Department had 'adopted radical gender theory'.
  - On 22 July 2022, Minister Butler replied to Senator Antic indicating "the Department does not discriminate based on sex or gender [and that] the response provided by the Department clarifies that health policies and programs in Australia are evidence-based and take the needs of all Australians into account."

1 FOI 3843, available at: www.health.gov.au/resources/foi-disclosure-log/foi-3843-release-documents-correspondence-relating-to-a-question-asked-by-senator-antic

2 Commonwealth of Australia (2022). Hansard 10 November 2022. pgs. 64-65. https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/26273/toc_pdf/Community%20Affairs%20Legislation%20Committee_2022_11_10_Official.pdf;fileType=application%2Fpdf#search=%22committees/estimate/26273/0000%22

3 Commonwealth of Australia. (2021). Gender neutral language, https://parlwork.aph.gov.au/motions/4bf02e69-8a85-eb11-b862-005056b55c61

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Senate Committee: Community Affairs Committee

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Sexual and Reproductive Health

KEY POINTS

- Supporting, protecting, and promoting the sexual and reproductive health and rights of all Australians is a key priority for the Australian Government.
- Ensuring universal access to sexual and reproductive health information, treatment and services that allow individuals to have choice and control in decision-making about their bodies, including contraception, pregnancy counselling and access to termination services is a key priority for the Government.
- The Government supports individuals and couples to anticipate and attain their desired number of children, and the spacing and timing of their births, the use of contraceptive methods and the prevention and treatment of involuntary infertility through public hospital funding, Medicare Benefits Schedule (MBS) rebates for relevant services including telehealth consultations, and subsidies for the cost of medicines under the Pharmaceutical Benefits Scheme (PBS). The Government also supports the provision of sexual and reproductive health information and advice through Jean Hailes for Women's Health, Healthy Male and Healthdirect.
- Through the *National Health Reform Agreement*, the Government provides a funding contribution to assist states and territories with the costs of delivering in-scope public hospital services, including reproductive health; assisted reproductive technology; sexual health; sexual assault services; and in specific circumstances, some family planning clinic services.
- As system managers, states and territories determine the availability, types, and range of services their public hospital offer, including reproductive healthcare, and the locations where they are delivered in their jurisdiction.
- Data on medical and surgical pregnancy terminations can be obtained through hospital and PBS data, however these data sources do not provide a complete picture of terminations performed in Australia. The four specialist MBS items which can be used for surgical termination of pregnancy are also used for other procedures and do not provide an accurate count of surgical terminations performed.

Any questions on pregnancy termination data should be referred to the Australian Institute of Health and Welfare.

- The Government is funding a desktop review of family planning to understand the contemporary family planning needs of Australians, with consideration of the findings of the Senate inquiry into universal access to reproductive healthcare report recommendations.
- The Government is considering the Senate inquiry into universal access to reproductive healthcare report recommendations and will provide a response in due course.

Birth Trauma

- The Woman-centred Care: Strategic Directions for Australian Maternity Services includes four strategic directions relevant to the prevention and management of birth trauma.
- Most of the enablers in the Woman-centred Care Strategy fall under the responsibility of state and territory governments, however the Government is funding and leading the development of National Postnatal Care Guidelines and updates to the Pregnancy Guidelines, improvements in accessing perinatal mental health screening and supports and subsides under Medicare for chronic disease management to address physical and psychological birth trauma.

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- The Government is funding Monash University to develop new national Postnatal Care Guidelines. The guidelines will include information on breastfeeding, perinatal mental health and best clinical and psychological practice to address birth trauma.

FACTS AND FIGURES

- Each year in Australia, approximately 300,000 women give birth, with up to one in three women (33%) identifying their birth as traumatic.[1] [2]
- It is estimated approximately one in three Australian women will have an unplanned pregnancy at some point in their lives.[3]

BACKGROUND

- Under the *Medical Board of Australia's Good Medical Practice: Code of conduct*, medical practitioners are not required to provide or directly participate in treatments to which they conscientiously object, regardless of where they practice. When a doctor refuses to provide a service, they must not let their objections prevent the patient from seeking treatment from another medical practitioner. Some jurisdictions hold legislation that requires doctors who not wish to participate in abortion to refer the patient to another practitioner.

Family Planning Grant Opportunity

- **$4.092 million** over four years (2019-20 to 2022-23) was provided to 4 organisations under the Family Planning Grant Opportunity to support individuals and families to anticipate and attain their desired number of children, the spacing and timing of their births through evidence-based advice on contraceptive methods and the prevention and treatment of involuntary infertility. Funding expired 30 June 2023.
- Family planning activities have been funded since the 1970s without a formal evaluation.

Senate inquiry into Human Rights (Children Born Alive Protection) Bill 2022

- On 9 February 2023, the Senate referred the private members' bill, Human Rights (Children Born Alive Protection) Bill 2022 (the Bill) to the Community Affairs Legislation Committee for inquiry and report. The Bill sought to clarify that children born alive are persons, require health practitioners to provide medical care, treatment and statistics on children born alive as a result of terminations, and provide that the mother of a child born alive is not liable to prosecution for an offence in respect of that child.
- The Committee tabled its final report on 31 August 2023. The Committee found that, while the views of those who support the Bill are strongly and sincerely held, the legal, ethical, and medical evidence presented did not support the Bill. The Committee made no recommendations noting it is a matter of conscience. A government response to the report is not required as no specific recommendations were set out in the report.

Senate inquiry into universal access to reproductive healthcare

- On 25 May 2023, the Senate inquiry into Universal Access to Reproductive Healthcare tabled its final report, titled *Ending the postcode lottery: Addressing barriers to sexual, maternity and reproductive healthcare in Australia.* The report contains 36 recommendations that received bipartisan political support. The recommendations cover a wide range of reproductive healthcare issues including: increasing access to, and types of, contraceptives; reducing barriers to reproductive healthcare; IVF services; improving health literacy and sexual and reproductive health education; and reproductive leave.

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1 ABTA, July 2023. Media Release. https://birthtrauma.org.au/wp-content/uploads/2023/07/Media-Release-Calls-for-better-standard-of-care-as-1-in-3-Australian-births-reported-as-traumatic.pdf

2 Keedle et al., 2023. "What women want if they were to have another baby: the Australian Birth Experience Study (BESt) cross-sectional national survey". https://bmjopen.bmj.com/content/bmjopen/13/9/e071582.full.pdf

3 Mazza D., 2020. Achieving better sexual and reproductive health for women. *Reproductive Health,* 49(6): https://www1.racgp.org.au/ajgp/2020/june/reproductive-health

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Tobacco Control Reform

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total 2022-23 to 2026-27 ($m)[1]
Tobacco Control Reforms			$2.7	$3.9	$3.5	$3.2	$13.3[2]

KEY POINTS

Tobacco control reform

- On 13 September 2023, the Minister introduced the *Public Health (Tobacco and Other Products) Bill 2023* and the *Public Health (Tobacco and Other Products) (Consequential Amendments and Transitional Provisions) Bill 2023* into Parliament.
- Among other things, the Bill will provide for:
  - expanded advertising prohibitions to reduce the public's exposure to the advertising and promotion of e-cigarettes and other novel and emerging products, particularly in youth and young adults.
  - the continuation of plain packaging requirements, with additional prescription in the regulations for measures to enhance the regime such as standardising tobacco product size of packs and pouches and cigarette stick sizes.
  - restrictions on the use of brand and variant names that falsely imply reduced harm.
  - the mandatory disclosure of sales volume and pricing data and advertising, promotion and sponsorship expenditure.
  - improved coverage, enforcement and compliance for tobacco control.
- The Bill will also allow the introduction of regulations to provide for:
  - updated and improved health warnings on tobacco product packaging to better inform consumers about the effects of tobacco use.
  - stronger regulation of product features that are known to make tobacco products more attractive to consumers, including prohibiting devices in tobacco products such as crush balls and flavour beads.
  - restrictions on the use of ingredients or additives that enhance the attractiveness and palatability of tobacco products.
  - health promotion inserts that encourage and empower people who smoke to quit.

[1] All totals include administered and departmental costs.

[2] 2023-24 Budget paper No2 - https://budget.gov.au/content/bp2/download/bp2_2023-24.pdf - p154

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  - dissuasive measures on factory-made cigarettes to help increase knowledge of health harms of smoking and reduce the appeal of smoking.

- The Bill reflects the outcome of a thematic review, an Impact Analysis and extensive public consultation undertaken from 2019 to 2023.
  - The most recent public consultation (May -July 2023) received 148 submissions from public health, government, NGOs, industry and individuals.
  - A second public consultation in relation to draft regulations is anticipated in October.
- $13.3 million over four years has been allocated from 2023–24 for legislative and regulatory reform, the testing of tobacco products for prohibited ingredients, to increase inspections of manufacturers, importers, wholesalers and retailers, and to communicate these changes to stakeholders. Costs will be met from within the existing resourcing.

Other information

- An Impact Analysis has been assessed as exemplary and published on the Office of Impact Analysis Website.
- The Bill has been referred to the Community Affairs Legislation Committee in the Senate for inquiry and report by 22 November 2023. Hearings will be held on 1-2 November.
- The *Tobacco Plain Packaging Regulations 2011* and the *Tobacco Advertising Prohibition Regulation 1993* will sunset on 1 April 2024. The Bill is anticipated to pass Parliament in advance of 1 April 2024, to ensure Regulations are in place prior to the sunset date.

Complementary e-cigarette reforms *(see SB23-000287)*

- The Bill seeks to regulate advertising and promotion of e-cigarettes but **does not address the broader regulation** of e-cigarette packaging, availability and supply.
- The Government has committed to separately introduce new controls on e-cigarette importation, contents and packaging and is working to address the black market through the therapeutic goods framework and stronger border measures.
- The tobacco and e-cigarette reforms are consistent with and support the *National Tobacco Strategy 2023–2030*, which has been endorsed by all Australian governments.

Illicit Tobacco

- Although the Department takes a significant interest in illicit tobacco and the market drivers that influence illicit trade, it does so from a health perspective to ensure consumers are provided with the full suite of strategies to reduce smoking prevalence and tobacco consumption in Australia.
- The Department is not directly responsible for regulation and compliance activities associated with illicit tobacco importation or supply.
- Responsibility for combatting illicit tobacco, including enforcement activities, is shared between the Commonwealth and state and territory governments.

FACTS AND FIGURES

Prevalence – tobacco smoking

- Tobacco remains the leading cause of preventable death and disability in Australia.
- In 2018, tobacco use was estimated to kill almost 20,500 Australians[3].
- Latest available national estimates show that in 2021–22 in the general population: [4]
  - 10.1% of people aged 18 years and over reported daily smoking.
  - 7.1% of people aged between 18 and 24 reported daily smoking.
- Separate estimates show that between 1991 and 2019, the rate of persons aged 14 and over smoking daily in the general population has more than halved (from 24% to 11.0%).[5]
- Latest estimates also show that in 2018–19 among First Nations people:[6]
  - 37% aged 15+ smoked reported daily smoking.
  - 36% of people aged between 18 and 24 reported daily smoking.
- The rate of daily smoking among Aboriginal and Torres Strait Islander people aged 15 and over has decreased over the last decade. In 2018-19, 37% of Indigenous Australians aged 15 and over smoked every day, compared with 45% in 2008.[7]
- The next national estimates of smoking rates are expected to be published in late 2023/early 2024 as part of the National Drug Strategy Household Survey.

[3] Australian Institute of Health and Welfare, 'Australian Burden of Disease Study 2018: Interactive data on risk factor burden', https://www.aihw.gov.au/reports/burden-of-disease/abds-2018-interactive-data-risk-factors/contents/tobacco-use;

[4] ABS, 'Smoker Status Australia 2021-22' dataset. Combines National Health Survey 2020-21, Survey of Income and Housing 2020-21, General Social Survey 2020, Time Use Survey 2020-21 and National Study of Mental Health and Wellbeing 2020-21. The ABS do not recommend comparing this data to previous smoking data due to the limitations of survey data collection during the COVID-19 pandemic.

[5] Australian Institute of Health and Welfare. National Drug Strategy Household Survey 2019.

[6] ABS National Aboriginal and Torres Strait Islander Health Survey methodology, 2018-19 financial year | Australian Bureau of Statistics

[7] Australian Institute of Health and Welfare 2020. Aboriginal and Torres Strait Islander Health Performance Framework 2020.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Obesity and junk food advertising

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2025-26* ($m)
Feasibility Study – Junk Food Advertising	0	0.2	0.3				0.5
Clinical Practice Guidelines for the management of overweight and obesity	1.3	0.5	0.1				1.9

KEY POINTS

Obesity – National Obesity Strategy

- Action on obesity is guided by the National Obesity Strategy which was launched in March 2022, endorsed by all governments. It outlines how to improve our food and physical activity systems, build knowledge in communities, and improve early intervention and treatment.
- The Australian Government is committed to implementing the National Obesity Strategy 2022-2032 (and the National Preventive Health Strategy) in partnership with key stakeholders, including states and territories.
- The Strategy has two ambitious goals:
    - halt the rise and reverse the trend in the prevalence of obesity in adults by 2030.
    - reduce overweight and obesity in children and adolescents aged two to seventeen years by at least 5% by 2030.
- Many of the actions outlined in the Strategy require cross-portfolio collaboration (for example, working with the agriculture, education, infrastructure, and social services portfolios, as well as with state and territory governments).
- Key priority areas of the Strategy are being identified for collaborative exploration through the Health Chiefs Executive (December 2022) and Health Ministers (October 2023) forums.
- The Australian Government has a range of initiatives agreed or in place to address overweight and obesity in Australia (refer to **Attachment A**) which align with the National Obesity Strategy.

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Obesity treatment

- Deakin University has been contracted ($2.1 million over two years) to review and update the Clinical Practice Guidelines for the management of overweight and obesity in adults, adolescents and children in Australia.
- The Guidelines aim to improve the diagnosis, treatment and management of overweight and obesity in Australia and will be expanded to assist policy decision-making and funding prioritisation.
- There will be the opportunity for public consultation in early-2024, with the guidelines due for completion in mid-2024.

Junk food advertising

- The Government is aware of concerns around the impact of marketing and advertising of unhealthy foods to children, and the criticism of the current industry self-regulation system.
- The Federal Budget 2022-23 included $500,000 over two years (2022-23 to 2023-24) to support a feasibility study to explore the current landscape of unhealthy food marketing and advertising to children and consider options for implementing restrictions in Australia.
- The study will provide a better understanding of the options available to limit such marketing and advertising to children, as well the costs and benefits of these options, with recommendations to be provided to Government in mid-2024.
- The study is being led by s47F of the University of Wollongong and includes sector experts in both the field of unhealthy food marketing to children and health economic analysis.
- The Department has received two Freedom of Information requests on the study, both from the same applicant. These relate to advice that has been provided to the Government on unhealthy food marketing to children and the contract for the feasibility study.
- On Monday 19 June 2023, Dr Scamp MP introduced the Broadcasting Services Amendment (Healthy Kids Advertising) Bill 2023, which seeks to amends the Broadcasting Services Act 1992 (the Act) to prohibit the broadcasting of unhealthy food marketing on certain television and radio broadcasting services between 6 am and 9.30 pm, and to prohibit the provision of unhealthy food marketing on online services.
- More detail on Sugar Sweetened Beverages (SSBs) Levy; Improving labelling and composition of processed foods; and Sugar, sodium and saturated fat reformulation at **Attachment B**.

FACTS AND FIGURES

- Australia has one of the highest rates of overweight and obesity in the world - an estimated 67% of Australians aged ≥18 years, and 25% of children and adolescents aged 2 to 17 years, were overweight or obese in 2017-18.
- Living with overweight and obesity can have major impacts on a person's life. It can affect a person's health and wellbeing, including their mental health, and their social and economic opportunities.
- Recent Australian Institute of Health and Welfare modelling shows that if all Australians at risk of disease due to overweight (including obesity) reduced their Body Mass Index by just one point - equating to around 3 kilograms for a person of average height - the overall health impacts for these people would fall by 11%, with 2,300 deaths prevented.

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Attachment A - Australian Government initiatives to address the prevention, management and treatment of overweight and obesity in Australia

Initiative/Program	Description
Review and update of the 2013 Clinical Practice Guidelines for the management of overweight and obesity in Australia.	Review of the current *2013 Clinical Practice Guidelines for the management of overweight and obesity in Australia.* Due for completion in mid-2024.
Supporting initiatives to prevent obesity through Priority 2 of the Food Regulation System	The Australia and New Zealand joint food regulation system is made up of the laws, policies, standards and processes that we use to make sure our food is safe to eat. Priority 2 of the Food Regulation System is "Supporting public health objectives by promoting healthy food choices, maintaining and enhancing the nutritional qualities of food and responding to specific public health issues." Work under this system is progressed through shared responsibilities across the Australian, New Zealand and Australian state and territory governments. Current activities include: • commercial foods for infants and young children (in early development); • nutrition labelling and claims about added sugars; • menu board labelling; and • alcohol labelling - Energy, carbohydrate and sugars.
Health Star Rating (HSR) system	A front of food pack labelling system which helps Australians compare the nutritional value of similar packaged products. Products are given a health star rating based on their nutritional profile, considering 4 aspects of food associated with risk factors for chronic diseases. These are energy, saturated fat, sodium and total sugars, along with certain 'positive' aspects of a food such as dietary fibre, protein and fruit, vegetable, nut and legume content. The HSR system is a bi-national initiative of the Australia and New Zealand Food Regulation System.
Healthy Food Partnership (HFP)	A non-regulatory, collaborative initiative between the Government, food industry, and public health groups. The aim of the Partnership is to achieve healthy eating for Australians through working with food companies to make positive changes in their products, such as food reformulation, offering more appropriate serving sizes, and improving commercial foods for infants and young children. The HFP is comprised of: • Partnership Reformulation Program • Industry Guide to Voluntary Serving Size Reduction • Voluntary Industry Guide to Improving Packaging, Labelling, Serving Size and Flavour Profile of Commercial Foods for Infants and Young Children
Limiting marketing of unhealthy foods to children	A feasibility study to explore the current landscape of marketing and advertising to children, and consider options for implementing restrictions in Australia. The aim of the feasibility study is to provide a better understanding of the regulatory and non-regulatory options available to limit unhealthy food marketing to children, and the relevant costs and benefits of these options. The Department will provide recommendations to Government on potential options to restrict unhealthy food marketing to children to Government based on the study findings.

Initiative/Program	Description
Review of the 2013 Australian Dietary Guidelines	The Australian Dietary Guidelines provide up-to-date advice about the amount and kinds of foods that we need to eat for maintaining a healthy body weight, meeting nutrient requirements and reducing the risk of diet-related chronic conditions with recommendations based on scientific evidence. The National Health and Medical Research Council (NHMRC) is currently undertaking a review of the 2013 Australian Dietary Guidelines to ensure the Guidelines are based on current evidence.
National Nutrition Policy Framework	Development of a multisectoral, whole-of-government National Nutrition Policy Framework to identify, prioritise, drive and monitor healthy eating in Australia. The Department is currently in the early scoping stages and will work closely across government agencies, with state and territory governments, non-government organisations and other stakeholders as this work progresses.
Early childhood nutrition grants	Funding to the University of Queensland to develop resources to educate parents, health professionals and early childhood educators on feeding infants and young children, launching late July 2023.
	Funding to Karitane to provide parenting and professional development workshops across Australia to support improved early childhood nutrition through the Connecting the Dots program.
Social Prescribing in the Australian Context - A national feasibility study	To enhance the connection between primary health care and local, community-based services to address the risk factors for poor health and wellbeing.
Medicare Benefits Schedule	Patients with obesity, or who are overweight can access existing Medicare Benefits Schedule (MBS) items for the treatment of their condition, including time tiered GP general attendance items. If clinically necessary, GPs can also refer patients to relevant specialists for treatment. Patients with obesity, or who are overweight may be eligible for MBS Chronic Disease Management (CDM) items. The CDM items enable GPs to plan and coordinate the health care of patients with chronic or terminal medical conditions.
Healthy Heart Initiative	To enable the Heart Foundation to build on and expand their successful walking initiatives to increase the physical activity and participation of at-risk groups.
RACGP Healthy Habits Program	The Healthy Habits Project was established to develop education and training material for GPs to support Australians to achieve a healthy lifestyle though increased physical activity, better nutrition and sleep.
Update Pregnancy Care Guidelines and develop new Postnatal Care Guidelines	Update of the Pregnancy Care Guidelines to reflect current evidence and best practice in maternity care, transform the guidelines into Living Guidelines and support the Living Guidelines until 30 June 2023 and develop new Postnatal Care Guidelines.
Healthy Pregnancy resources	Resources provide infant and maternal health information to ensure Australian children get the best possible start in life. The resources aim to support those who are pregnant and their partners to manage their weight, improve their diet and increase physical activity before and during pregnancy.
Physical Activity and Sedentary Behaviour Guidelines and 24-Hour Movement Guidelines	Australia's Physical Activity and Sedentary Behaviour Guidelines and 24-Hour Movement Guidelines, which are available for all life-stages, provide guidance on what duration and intensity of physical activity, and what sedentary behaviour, is appropriate for each age group to benefit their overall health and wellbeing.
RecLink Australia	RecLink Australia provides a sport and recreation program that aims to break down the barriers of isolation and inactivity in disadvantaged Australians, promoting fitness, fun and social skills.

Initiative/Program	Description
The Big Issue	The Big Issue delivers positive social, physical, and mental health outcomes to Australians experiencing homelessness, marginalisation and disadvantage through participation in the Big Issue Community Street Soccer Program.
National Walk Safely to School Day and Diabetes Australia - Walk to Work Day	Funding to support activities that address the rising burden of chronic disease and improve public health through organisation of a National Walk Safely to School Day and a Diabetes Australia Walk to Work Day.
Sporting Initiatives	• FIBA Women's Basketball World Cup 2022 initiatives to increase basketball participation amongst First Nations and multi-cultural communities across Australia and to develop a National Multicultural Program. • FIFA Women's World Cup 2023 Legacy Initiatives. • ICC T20 Men's Work Cup 2022 Legacy Initiatives. • National Sporting Organisations and National Sporting Organisations for People with a Disability - Participation Grants to deliver national sport participation programs targeted at populations currently physically inactive or individuals who have 'dropped out' of sport. • Sporting Schools Program - the Government's flagship sport and physical activity program for children. • Sport4All First Nations Program Expansion - a nation-wide program which includes a focus on First Nations people living with a disability. • AFL in the Northern Territory - support community participation in football training and competitions across the Northern Territory, and the delivery of activities (focusing on Indigenous school aged girls) through the Michael Long Learning and Leadership Centre. • Local Sporting Champions and Local Para Champions Programs to continue providing financial assistance to junior competitors, coaches and officials to attend state, national and international sporting competitions.
Co-designing First Language resources to promote metabolic health of Aboriginal and Torres Strait Islander women	This Activity will produce eight short, animated videos to promote metabolic health of Aboriginal and Torres Strait Islander women. Each will be narrated in simple English and five Indigenous First Languages, targeting women across the Northern Territory and Far North Queensland.
Eating Disorders: Body Bright Program	Promote healthy attitudes and behaviours towards the body, eating and physical activity in children, so they can thrive at school and in life. It helps address modifiable risk and protective factors associated with body dissatisfaction and disordered eating through the six Body Bright themes.
Eating Disorders Credentialing System (ANZAED)	The system formally recognises clinician qualifications and experience needed to meet minimum standards for delivery of safe and effective eating disorders treatment. The Credential helps people with an eating disorder to easily connect with professionals with the right expertise to support treatment and recovery.
Embrace Body Image program and campaign	The Embrace Kids Australia program is a multi-pronged educational approach to build and maintain positive body image amongst Australian children, young people and their families. The program will be delivered in early childcare and preschool settings, primary and high schools, sporting clubs and through community events to spread the positive body image message far and wide.
EON Foundation Thriving Communities Program (EON)	The Thriving Communities Program is an intensive and long-term grassroots gardening, cooking and nutrition-based program aimed at establishing edible gardens in remote Aboriginal communities and schools as well as providing the education, training and skills for local people to maintain them. To date, the program has been delivered in 39 remote communities in NT and WA under a grant agreement with the Department of Health and Aged Care.

Attachment B – additional information on topical matters

Sugar Sweetened Beverages (SSBs) Levy

- Sugar consumption in Australia is above levels recommended by the WHO.
- The Australian Medical Association (AMA), Australian Council of Social Services (ACOSS) and many public health organisations continue to call for a tax on sugary drinks to address obesity and chronic disease in Australia.
- Many foods high in sugar, such as ice-cream, biscuits and other confectionary are subject to the Goods and Services Tax, while foods such as fresh fruit and vegetables are not.
- Improving access to a healthy diet is essential, with information to help Australians make good choices. Health Star Ratings aim to provide clear and easy to understand information to consumers, while the Government continues to work with food companies to voluntarily improve the nutrition of foods.
- Any consideration of a SSB levy would need to balance the benefits with the costs for Australian families.

Improving labelling and composition of processed foods

- The Government acknowledges the importance of supporting consumers to interpret nutrition information on food packages. This is achieved through the Health Star Rating, a front-of-pack labelling system which helps Australians compare the nutritional value of packaged foods and make healthier choices.
- To improve the composition of processed foods, the Government encourages food reformulation to reduce sodium, saturated fats and sugars. The Health Star Rating and the Healthy Food Partnership Reformulation program both address this specific action area.
- Other initiatives being progressed through the food regulatory system includes two sugar related projects, one to improve claims about added sugars and one to improve information on labels about added sugars. Work is also in progress to harmonise kilojoule labelling on menu boards, and to reduce the industrially produced trans fat content of processed foods.

Sugar, sodium and saturated fat reformulation

- The Healthy Food Partnership reformulation program has set voluntary targets for:
  - sodium for 33 food categories,
  - saturated fat targets for 5 food categories, and
  - sugar for 9 food categories.
- Targets are to be achieved by 2024 to 2026 depending on the food category.
- On 15 February 2023, the Australian Bureau of Statistics (ABS) released an analysis of the impact of the first 2 years (2020 to 2022) of Wave 1 of the Healthy Food Partnership Reformulation Program.
  - The ABS reported companies participating in the Partnership Reformulation Program removed 78 tonnes of sodium (or almost 200 tonnes of table salt) and 470 tonnes of saturated fat from the food supply in the 2020-21 financial year.
- The report uses food reformulation data provided by participating companies, matched with food product sales data held by the ABS to estimate the impact of reformulation on the food supply.

- 9 food companies have committed to the reformulation program. Not all companies want to be identified as participating.
  - Identifiable companies are Mars, Tip Top, PepsiCo, Nestle, Sanitarium and Woolworths (for foods that Woolworths manufacture).
- The Department is working on increasing the uptake of the reformulation targets by food manufacturers. A broad engagement strategy is being developed, including presenting on the reformulation program to food industry meetings and conferences, consideration of a food industry round table, using communication platforms such as LinkedIn to focus on the benefits of joining the reformulation program.
- Assistant Minister Kearney hosted the Healthy Food Partnership Industry Roundtable on Friday 13 October 2023 to discuss barriers to participation in the Partnership Reformulation Program and promote further uptake from manufacturers.
- The program is currently voluntary, the Government will measure progress on the program before consideration is given to whether the reformulation targets should be mandated.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Vaping - Reforms and Budget

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2025-26* ($m) [1][2]
Vaping and smoking cessation activities			$7.0	$7.8	$7.5	$7.3	$29.5[3]
Campaigns vaping and tobacco control			$18.6	$16.3	$16.0	$12.5	$63.4

KEY POINTS

- The Australian Government is pursuing stronger regulation and enforcement of all e-cigarettes, including new controls on their importation, contents and packaging.
- The Government has been working with states and territories on reforms to:
  - stop the import of non-prescription vapes.
  - increase the minimum quality standards for vapes including by restricting flavours, colours, and other ingredients.
  - require pharmaceutical-like packaging.
  - reduce the allowed nicotine concentrations and volumes.
  - ban all single use, disposable vapes.
  - close down the sale of vapes in retail setting (outside of pharmacies).
  - make it easier to get a prescription for an e-cigarette, where clinically appropriate.
- The policy intent of the new regulatory measures is not to ban all e-cigarettes. Certain products will continue to be available with a prescription, where clinically appropriate.
  - The first stage of these reforms will be new importation restrictions. The regulations to impose the new import controls are expected to be made by the end of the year.
  - Further details regarding the scope and timeframes for the proposed regulatory reforms are being progressed in consultation with relevant stakeholders.
- In the 2023-24 Federal Budget the Government committed $63.4 million for a new public health information campaign to discourage smoking and vaping uptake among youth and encourage more people to quit and $29.5 million for more targeted support to help people who use tobacco and vaping products to quit.
  - Planning is under way for these activities.

[1] Source: Vaping Regulation Reform and Smoking Cessation Package, Budget 2023-24, Budget Paper No. 2, page 154
[2] All totals include administered and departmental costs.
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Current enforcement activities and future funding

- Joint operations between Commonwealth, state and territory agencies are increasing. These operations demonstrate the national commitment to addressing illegal vapes in Australia are effective for creating additional and appropriate capacity for the lead agency, for information sharing, and for embedding a coordinated national enforcement approach.
    - From 1 October 2021 to 14 October 2023, the Therapeutic Goods Administration (TGA) has worked with the ABF to facilitate the seizure of over 2.8 million nicotine vaping products at the border.
- Between 1 October 2021 and 27 September 2023, the TGA has undertaken significant compliance and enforcement activities in relation to e-cigarettes. This includes 2,770 investigations into alleged illegal import, advertising and supply offences with a significant number of fines issued (totalling $1.5 million) and court actions under way.
- During August and September 2023, the TGA, working with jurisdictions, seized under warrant over 130,000 suspected unlawfully imported nicotine vaping products with an estimated street value of $3.9 million.
- The Government is committed to funding the necessary controls on importation and supply of vapes, and has committed to fund these from the increase in tobacco excise.
- Once the details of the approach have been confirmed, the resourcing needs of different agencies will be clearer and can be finalised.
- The Australian Government has publicly acknowledged that additional resourcing will be required especially for the TGA and the ABF.

Therapeutic Goods Administration (TGA) targeted consultation – September 2023

- Between 7 and 21 September 2023 the TGA undertook targeted consultation on the proposed reforms to the regulation of vapes in Australia:
    - The stakeholder groups consulted included state and territory health departments, peak bodies and other public health organisations, universities, vaping retailers, pharmaceutical industry, education representatives, manufacturers, and importers.
    - The consultation sought feedback on:
        - prohibiting the importation, manufacture and supply of all vapes unless for therapeutic use in compliance with the *Therapeutic Goods Act 1989*.
        - strengthening the regulation of therapeutic vapes by introducing pre-market notification requirements for unapproved vapes and facilitating legitimate patient access.
        - strengthening the minimum quality and safety standards set out in TGO 110, including on e-liquid and device components.
        - enhancing domestic compliance and enforcement mechanisms.
    - Written submissions were invited and several online consultations were held.
    - Close to 300 submissions were received by 27 September 2023. The TGA will publish these submissions, together with a summary of the submission feedback once analysis has been completed.
    - Feedback from the submissions is under consideration and will inform the agreed scope for the proposed reforms.

Other consultation activities

- Public consultation by the TGA in late 2022 on potential reforms to the regulation of nicotine vapes in Australia.
    - almost 4,000 submissions in response to the consultation.
    - the TGA published the consultation submissions, together with a summary of the submission feedback, on 23 March 2023.
- On 17 April 2023 Minister Butler chaired a roundtable of public health experts and stakeholders which discussed options to tackle e-cigarette marketing, promotion and use, particularly among young people.

Engagement with states and territories

- E-cigarette regulation is shared between the Commonwealth, state and territory governments and draws on laws that apply to poisons, therapeutic goods, tobacco products, consumer goods and industrial chemicals.
- All Health Ministers are working together to develop a comprehensive, coordinated suite of reforms to protect Australians from the harms of e-cigarettes.
    - In February 2023, Health Ministers agreed to establish a National E-Cigarette Working Group, tasked to address the availability, appeal, and uptake of vaping products.
        - The Working Group includes officials from all jurisdictions and has convened for four meetings (June, July, August and September 2023), with the next meeting anticipated for the end of October 2023.
        - The Working Group has prepared an implementation plan to support a national response to vaping.
    - At their 1 September meeting, Health Ministers considered the implementation plan. At this meeting, Ministers:
        - agreed to extend the operation of the *Therapeutic Goods Act 1989* to restrict the importation, manufacture, and supply of all vapes.
        - agreed that the Commonwealth Government will lead the enforcement of new importation and manufacturing controls, advertising controls and controls on therapeutic vapes, while states and territories will lead the enforcement efforts at the point of wholesale and retail.
        - Ministers acknowledged that the involvement of Police and law enforcement agencies would be critical and that a meeting of Health and Police Ministers should be scheduled as soon as practical.

Rationale for the Government's reforms to e-cigarettes

- Protecting the health of children and young Australians is the primary focus of the Government's approach to e-cigarette reforms, while ensuring a pathway for adult smokers to access therapeutic vaping products for smoking cessation or nicotine addiction with a prescription.

- To date, all Australian governments have taken a precautionary approach to the marketing and use of e-cigarettes in view of the risks these products pose to tobacco control and population health. This is underpinned by the current state of evidence regarding:
    - the direct harms e-cigarettes pose to human health (including nicotine addiction).
    - the impacts of e-cigarettes on smoking initiation, continuation, and cessation.
    - the uptake of e-cigarettes among young people.
    - high levels of concurrent (dual) use of e-cigarettes with tobacco products.
- Following regulatory changes introduced by the TGA in October 2021, people who purchase nicotine e-cigarettes must have a prescription.
- Despite this, evidence suggests e-cigarette use is growing in Australia, particularly among young people outside the medical model designed as an avenue to support smokers to quit.

Advertising reforms for e-cigarettes

- The Public Health (Tobacco and Other Products) Bill 2023 proposes to expand advertising prohibitions to reduce the public's exposure to the advertising and promotion of e-cigarettes, particularly in youth and young adults.
    - See **SB23-000276** for tobacco reforms included in the Public Health (Tobacco and Other Products) legislation.

FACTS AND FIGURES

Prevalence – E-cigarette use

- In 2019, 2.5% of Australians aged 14+ reported current e-cigarette use (daily, weekly, monthly, or <monthly).[4]
    - between 2016 and 2019, the rate of people aged 18-24 who reported using e-cigarettes nearly doubled, from 2.8% in 2016 to 5.3% in 2019.
- More recent preliminary findings (from data collected by Roy Moran and analysed by the Cancer Council Victoria) show that as of the first quarter of 2023: [5]
    - 8.9% of people aged 14+ reported current use of an e-cigarette (i.e. use at least once in the last month of being surveyed)
    - 18-24 year olds reported the highest prevalence of current e-cigarette use (19.8%).

[4] Australian Institute of Health and Welfare (AIIHW), National Drug Strategy Household Survey, 2019
[5] This data was collected by Roy Morgan and analysed by Cancer Council Victoria for the Department of Health and Aged Care. Findings have not yet been published and should be considered preliminary until more comprehensive national data is published in 2023-24.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Pain Management

KEY POINTS

- The Australian Government acknowledges the significant impact that chronic conditions, such as chronic pain, have on Australians and is committed to supporting those impacted, and their families and carers.
- The National Strategic Action Plan for Pain Management (Action Plan) was launched in May 2021 and was endorsed by all governments as a nationally co-ordinated effort to address effective care and management for people living with chronic pain in Australia.
- The Australian Government has provided $2.94 million over five years (from 2019-20) to support the implementation of the Action Plan for activities around consumer education and awareness; health professional training and education; and the development and initial implementation of an education strategy to promote pain management education across health practitioner disciplines.

Endometriosis and pelvic pain

- The Australian Government is focussed on improving endometriosis and pelvic pain diagnosis and primary care support, helping more women to find appropriate care and better manage the impact of endometriosis and pelvic pain.
- A key component of the endometriosis support measures included in the 2022-23 Budget for $58.3 million, was a commitment to establish specialised Endometriosis and Pelvic Pain GP clinics (clinics) across Australia.
- Since March 2023, the Government has announced 22 clinics, with one in every state and territory in Australia. This exceeds the original commitment of 16 clinics.
- Successful clinics were selected based on being able to demonstrate existing expertise in women's health; diagnosis, treatment and management of endometriosis and pelvic pain, including the capability of the healthcare team; a strong understanding of and links to their local community; and the ability to link to relevant primary and tertiary care services.

Primary Care

- The Australian Government is improving access to primary care for people living with chronic pain through multiple streams of work. This includes:
  - progressing the recommendations of the Medicare Benefits Schedule (MBS) Review
  - strengthening primary care in line with the recommendations of the Strengthening Medicare Taskforce.
- A number of recommendations made by the Allied Health Reference Group of the MBS Review Taskforce are relevant to people living with chronic disease, including chronic pain.
  - This includes increasing the number of allied health services per year (beyond the current five) under the MBS Chronic Disease Management (CDM) items through a stratified approach and enabling access to allied health group therapy for a broader range of chronic conditions.

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- The Department of Health and Aged Care is working to build the evidence base and identify potential policy options for Government consideration in relation to these recommendations.

- The Government announced a historic $6.1 billion investment in the 2023-24 Budget to lay the foundations for a stronger Medicare, including multidisciplinary care.
- Government is providing:
  - $445.1 million over five years through the Workforce Incentive Program Practice Stream to enable general practitioners (GPs) to have nurses and allied health professionals working with them in cooperation for better care.
  - $133.9 million over two years for the Primary Health Networks to improve access to primary care services in the after hours period, and for people affected by homelessness, and people from culturally and linguistically diverse communities.
  - $98.9 million over four years to connect people with complex chronic disease that frequently attend hospital to general practices and receive comprehensive, multidisciplinary care in the community, tailored to their individual needs.
  - $79.4 million over four years to support Primary Health Networks to commission multidisciplinary care that supports small or solo general practices to care for people with chronic conditions in underserviced communities. This funding will also enable PHNs to take initial steps to extend their existing role in general practice support to allied health, nursing and midwifery practices.
- Patients with chronic pain can access existing MBS items for the treatment of their condition, including time tiered GP general attendance items. Patients with chronic pain may also be eligible for MBS CDM items.
- In the 2023-24 Budget, the Government announced that the MBS CDM items will be streamlined and modernised, consistent with recommendations of the MBS Review Taskforce. The changes include incentivising GPs to review a patient's CDM arrangements. These changes will occur 1 November 2024.

Medicines

Pharmaceutical Benefits Scheme (PBS)

- The Government is committed to easing the cost-of-living pressures and ensuring that all Australians are able to access high quality health care, including access to affordable medicines through the Pharmaceutical Benefits Scheme (PBS).
- From 1 January 2023, the maximum general co-payment was reduced from $42.50 to $30.00 and will continue to be indexed every year.
- In addition, on 1 July 2022 the PBS Safety Net thresholds were lowered by the equivalent of 12 fully priced scripts for concession card holders and the equivalent of approximately two fully priced scripts for general patients. The Safety Net threshold for concessional patients was reduced by $81.60, from $326.40 to $244.80.
- Following an indexation update on 1 January 2023, the current concessional Safety Net threshold is $262.50. Once the concessional Safety Net has been reached, concessional patients' PBS scripts are free for the balance of the year. The current general patient Safety Net threshold is $1,563.50. Once reached the general Safety Net, PBS scripts for these general patients will be at the concessional rate of $7.30 for the balance of the year.

60 Day Prescribing

- The Government is doubling the amount of over 300 PBS listed medicines that many patients with chronic health conditions can buy in a single trip to the pharmacy.
- More than 6 million Australians will lower their annual medicine cost and need fewer visits to the GP, nurse practitioner and pharmacist, as they will be able to buy two months' worth of medicine at up to half the cost, rather than the current one month's supply.
- Patients with a 60-day prescription for a PBS medicine may save up to $180 a year, per medicine for Medicare card holders who do not have a concession card, and $43.80 a year, per medicine for concession card holders.

Opioid medicine changes

- To help reduce harm and the inappropriate use of opioid-based medicines, the Therapeutic Goods Administration (TGA), conducted a public consultation on prescription opioids in 2018. Feedback indicated strong and consistent support from stakeholders for a range of regulatory responses.
- The measures implemented to address opioid hazardous and harmful use included additional safety warnings, the introduction of smaller pack sizes for immediate-release products, and tightening indications (the circumstances for medicine use) to reinforce that opioids should only be used when other options have proven not to be effective.
- The implementation of these measures has been informed by an expert advisory group including pain specialists, General Practitioners, pharmacists, and consumers.
- While these changes aim to reduce known risks, they also maintain appropriate access for people who need these medicines. Doctors can continue to prescribe opioids where they consider it to be safe, effective, and clinically appropriate.
- In addition, opioid medicines have special controls applied to their possession and supply. This means that additional regulations, separate from current PBS arrangements, are applied to how they are prescribed, dispensed and used, due to their potential for harm and abuse. These regulations are the responsibility of individual states and territories, and can vary significantly between jurisdictions.

FACTS AND FIGURES

- Chronic pain is defined as daily pain for more than three months, experienced in the last three months.
- Chronic pain affects more than 3.24 million Australians and approximately one in five Australian adults live with chronic pain[1].
- In 2020-21 women aged 18 years and over (73.9%) are more likely to experience physical pain than men (68.2%)[2].
- In 2020-21, the ABS reported 66.1% of women aged 18 years and over experienced interference with work due to pain compared to 58.4% of men[3].

[1] Australian Government Department of Health and Aged Care, 2021, *National Strategic Action Plan for Pain Management,* (health.gov.au)
[2] www.painaustralia.org.au/media-1/media-releases-2022/right-now-women-in-australia-are-more-likely-to-live-with-physical-pain-impactin#:~:text=New%20figures%20from%20the%20Australian,on%20their%20ability%20to%20work.)
[3] Australian Bureau of Statistics, Stressors and Bodily Pain https://www.abs.gov.au/statistics/health/health-conditions-and-risks/stressors-and-bodily-pain/latest-release

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Medicare Urgent Care Clinics

KEY POINTS

- Medicare Urgent Care Clinics (Medicare UCCs) will ease the pressure on our hospitals and give Australian families more options to see a healthcare professional when they have an urgent, but not life threatening, need for care.
- As at 23 October 2023:
  - 33 Medicare UCCs are operational and treating patients.
  - Providers for the remaining 25 clinics are nearly all finalised, with contract negotiations well advanced between the commissioners and potential providers.
  - More than 17,000 presentations have occurred at the Medicare UCCs in NT, WA, NSW, QLD and Tasmania (from 30 June to 16 October 2023). There have also been over 33,000 visits to the nine Victorian clinics from 30 June to 8 October 2023.
  - 21 independent site readiness reviews have been completed. This includes 19 facilitated by the Commonwealth and two facilitated by the Tasmanian Government. The Victorian Government also undertook readiness reviews for the 8 clinics originally established under its Priority Primary Care Centre Program.
- **All clinics will be operational by the end of 2023.**
  - 2 Medicare UCCs are expected to open in October.
  - 12 Medicare UCCs are expected to open in November.
  - 11 Medicare UCCs are expected to open in December.
- The locations of the 58 Medicare UCCs were announced as part of the election campaign and finalised in consultation with the jurisdictions and as a result of the Expression of Interest processes (where appropriate). A list of locations is at Attachment A.
- Medicare UCCs will be based in existing GP practices, community health centres or Aboriginal Community Controlled Health Services (ACCHSs).
- 10 of the 58 clinics will be in regional and rural areas (MMM3-7).

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KEY ISSUES

Operating Hours

- The election commitment specified that every Medicare UCC will be different, responding to the local needs of the community. It referred to Medicare UCCs operating 8am-10pm, seven days a week.
    - While the Department is supporting Medicare UCCs to operate 8am – 10pm, the program recognises the need for local approaches given challenges with workforce and security in some locations. Medicare UCC operating hours have consistently been referred to as extended hours, including as part of the 2023-24 Budget announcements, to enable local implementation.
    - The Department continues to work with each commissioner to ensure extended opening hours can be offered to meet local demand (including matching relevant demand at the local emergency department), while maintaining clinical safety.
    - While some clinics may initially open with reduced opening hours (with agreement from the Department), review points will be in place to support the gradual scaling up of operating hours.

Imaging

- Some PHNs and jurisdictions are reporting challenges for Medicare UCCs in either having diagnostic imaging capabilities onsite, meeting state or territory diagnostic imaging licensing requirements and/or brokering arrangements with diagnostic imaging providers across the extended hours of Medicare UCC operation. Legislative and licensing requirements vary across jurisdictions.
- Funding for specialist equipment (s47C) for high-cost, ad hoc items has been provided through the program. This additional funding may be used to support the establishment of an onsite diagnostic imaging service is required at a Medicare UCC.

Clinic Locations and Establishment

- Expression of Interest (EOI) processes have been completed in TAS, WA, SA, QLD and NSW for organisations to apply to become a Medicare UCC (with the WA, SA, QLD and NSW processes undertaken by PHNs).
    - The Department has provided support and guidance to PHNs throughout this process, however for broader success of the PHN Program, it is important that PHNs are the decision-making bodies for commissioning decisions.
- The NT and ACT Governments identified and directly approached providers due to strong engagement with the local community and to leverage existing infrastructure.
- All eight additional Medicare UCCs funded in the 2022-2023 Budget have been announced:
    - The QLD Government is establishing an additional two Medicare UCCs in Townsville and Toowoomba as part of the Primary Care Pilots program.
    - The NSW Government is supporting an additional Medicare UCC in Campbelltown.
    - The Tasmanian Government is co-funding a fourth, additional Medicare UCC in Hobart.
    - The ACT is co-funding 5 nurse practitioner-led Medicare UCCs at Weston Creek, Dickson, Tuggeranong, Belconnen and Gungahlin.

BUDGET

	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2026-27* ($m)
22-23 Budget Total	**21.5**	**40.2**	**36.4**	**36.9**	**0.0**	**135.0**
23-24 Budget Total	**24.5**	**118.1**	**106.2**	**109.2**	**0.5**	**358.5**
Total Program						
DoHAC Departmental	1.0	3.0	3.1	3.1	0.0	10.2
DoHAC Administered						
	s47C, s47E(d)					
Treasury	9.2	19.4	25.8	26.3	-	80.7
Services Australia	0.7	4.0	1.2	1.1	-	7.1
Dep Veterans' Affairs	0.0*	0.6	0.4	0.5	0.5	2.0
Program Total	**46.0**	**158.3**	**142.6**	**146.1**	**0.5**	**493.5**
Expenditure To Date	**49.3**	**69.2**	**-**	**-**	**-**	**118.5**

*** $23,000 in 2022-23 financial year rounds down to 0.0.**

- The Government announced additional funding of $358.5 million over five years in the 2023-24 Budget to deliver Medicare Urgent Care Clinics by the end of 2023, including the eight additional clinics.
    - This is in addition to the $135.0 million provided in the 2022-23 October Budget.
- The additional spending of $3.3 million in 2022-23 is due to:
    - additional support for the establishment and ongoing operation of the Clarkson Medicare UCC in WA, to respond to unique fit out, workforce and security challenges
    - additional support for the Hunter New England and Central Coast PHN to support the establishment of four Medicare UCCs in this catchment.
        - The additional funding was sourced from Program 1.6 or redirected from other programs.

BACKGROUND

Funding and Commissioning

- The funding model will provide:
  - block funding for a one-off grant to purchase equipment.
  - an annual operating grant.
  - access to the MBS (for eligible items).
- Funding mechanisms include Federation Funding Agreements with states and territories or grant funding through PHNs, who will commission some clinics through an EOI and competitive grant process.
  - FFAs have been executed with the NT, TAS, VIC and the ACT.
  - Medicare UCCs in NSW, QLD, WA and SA are being commissioned through the PHNs. Funding was provided to all PHNs with a Medicare UCC to support clinic establishment. Funding schedules were executed with all PHNs prior to 30 June 2023, with the exception of ACT PHN, which was executed in September 2023.
- Funding was calculated using modelling of expected throughput for each clinic. This was based on a combination of: each clinic's catchment area and expected diversion from the local emergency department for non-urgent and semi-urgent services; and unmet demand where patients could not access service within 24 hours at an existing local general practice.

Evaluation

- The Medicare UCC program will be evaluated based on Measures of Success that have been developed and agreed by the Commonwealth, and state and territory governments.
  - Measures of Success include: Patients receive timely treatment for urgent non-life-threatening conditions in UCCs; UCCs provide safe and quality treatment to patients; UCCs deliver coordinated care for UCC patients and others.
- The Department executed a contract with Health Policy Analysis on 11 August 2023 to conduct a three-year evaluation of the Medicare UCC Program.
- The evaluation plan includes delivery of a final report in 2026.

Workforce

- Medicare UCCs are intended to be GP-led, established in existing general practices, ACCHSs and community health centres (where possible), with flexibility for the staffing mix based on local context.
  - With GP involvement, it is intended that Medicare UCCs will reduce pressure on local emergency departments by being able to see more complex presentations (prescribing, ordering pathology and diagnostic imaging) and to ensure a consistent service offering across the Medicare UCC network.
- In general, minimum staffing is expected to include a doctor with appropriate qualifications and skills to deliver and supervise safe patient care, and registered nurses.
- The Department is working with states and territories and other stakeholders to allow flexibility for Medicare UCCs to adapt to local conditions and needs, including where there are local workforce shortages.

FACTS AND FIGURES

Contracts Executed

Contracted Agency	Purpose	Date Executed	Total Cost
Altis	Data Contractor (Analytics and Reporting Services)	27 May 2023	$467,500
Australian Institute of Health and Welfare	Data dissemination to Primary Health Networks	15 August 2023	$169,400
Health Policy Analysis Ltd Pty	Evaluation of the program	11 August 2023	$2,909,863
Maddocks	Legal Advice	13 April 2023	$25,000
Maddocks	Legal Advice on Data Approach	16 February 2023	$45,167
Pen-CS	Data Extraction	27 April 2023	$947,759
PWC	Risk Workshop and Report	12 December 2022	$36,966
Quality Practice Accreditation Pty Ltd	Provision of clinical readiness checklist and onsite clinical readiness review for the program	22 June 2023	$660,000
Total			**$5,261,655**

Attachment A

#	State or Territory	Proposed UCC Location	PHN	MMM	Emergency Department in area	Open Date
1	NSW	Cessnock	Hunter New England and Central Coast	3	Cessnock Hospital	3 October 2023
2		Batemans Bay	South Eastern NSW	4	Batemans Bay Hospital	
3		Gosford *(Lake Haven)*	Hunter New England and Central Coast	1	Gosford Hospital	
4		Wyong *(Peninsula)*	Hunter New England and Central Coast	1	Wyong Hospital	
5		Wollongong	South Eastern NSW	1	Wollongong Hospital	26 July 2023
6		Penrith	Nepean Blue Mountains	1	Nepean Hospital	14 August 2023
7		Randwick	Central Eastern Sydney	1	Prince of Wales Hospital	19 July 2023
8		Lismore	North Coast	3	Lismore Base Hospital	
9		Tamworth	Hunter New England and Central Coast	3	Tamworth Hospital	
10		Albury	Murray (VIC)	2	Albury Wodonga Health	26 July 2023
11		Westmead	Western Sydney	1	Westmead Hospital	26 July 2023
12		Blacktown	Western Sydney	1	Blacktown Hospital	7 August 2023
13		Coffs Harbour	North Coast	3	Coffs Harbour Hospital	
14		Campbelltown	South Western Sydney	1	Campbelltown Hospital	
15	VIC	Shepparton	Murray	3	Goulburn Valley Health	17 May 2023*
16		Frankston	South Eastern Melbourne	1	Frankston Hospital	17 May 2023*
17		Geelong	West Victoria	1	University Hospital Geelong	17 May 2023*
18		Ballarat	West Victoria	2	Ballarat Base Hospital	17 May 2023*
19		Heidelberg	Eastern Melbourne	1	Austin Hospital	17 May 2023*
20		Narre Warren	South Eastern Melbourne	1	Casey Hospital	17 May 2023*
21		Sunbury	North Western Melbourne	1	Sunshine Hospital	1 July 2023
22		Werribee	North Western Melbourne	1	Werribee Mercy Hospital	17 May 2023*
23		Inner Melbourne	North Western Melbourne	1	Royal Children's Hospital Royal Melbourne Hospital	
24		South Melbourne	South Eastern Melbourne	1	Alfred Hospital	17 May 2023*
25	TAS	Devonport	Tasmania	5	Mersey Community Hospital	
26		Launceston	Tasmania	2	Launceston General Hospital	31 July 2023
27		Hobart	Tasmania	2	Royal Hobart Hospital	14 August 2023
28		Hobart	Tasmania	2	Royal Hobart Hospital	
29	WA	Perth City	Perth North	1	Royal Perth Hospital	30 June 2023
30		Joondalup *(Clarkson)*	Perth North	1	Joondalup Health Campus	21 August 2023
31		Rockingham	Perth North	1	Rockingham General Hospital	30 June 2023
32		*Beeliar* (Murdoch)	Perth South	1	Fiona Stanley Hospital	
33		Midland	Perth North	1	St John of God Midland Public Hospital	
34		Bunbury	Country WA	2	Bunbury Hospital	
35		Broome	Country WA	6	Broome Hospital	
36	SA	Southern Adelaide Metro *(Marion)*	Adelaide	1	Flinders Medical Centre	

37		Mount Gambier	Country SA	3	Mount Gambier and Districts Health Service	
38		Adelaide Central *(Western)*	Adelaide	1	Women and Children's Hospital Royal Adelaide Hospital	
39		Outer Northern Adelaide Metro *(Elizabeth)*	Adelaide	1	Lyell McEwin Hospital	23 October 2023
40		Outer Southern Adelaide Metro	Adelaide	1	Noarlunga Hospital	
41	NT	Darwin *(Palmerston)*	Northern Territory	2	Royal Darwin Hospital & Palmerston Hospital	1 October 2023
42		Alice Springs	Northern Territory	6	Alice Springs Hospital	
43	QLD	Bundaberg	Central QLD, Wide Bay and Sunshine Coast	2	Bundaberg Base Hospital	
44		Ipswich	Darling Downs and West Moreton	1	Ipswich Hospital	28 August 2023
45		Rockhampton	Central QLD, Wide Bay and Sunshine Coast	2	Rockhampton Hospital	
46		Cairns	Northern QLD	2	Cairns Hospital	
47		Brisbane South	Brisbane South	1	Mater Hospital Brisbane Princess Alexandra Hospital	23 October 2023
48		Logan (Browns Plains)	Brisbane South	1	Logan Hospital	14 August 2023
49		Northern Brisbane	Brisbane North	1	Prince Charles Hospital	
50		Gold Coast	Gold Coast	1	Gold Coast University Hospital	
51		Redcliffe *(Murrumba Downs)*	Brisbane North	1	Redcliffe Hospital	16 October 2023
52		Townsville	Northern QLD	2	Townsville University Hospital	
53		Toowoomba	Darling Downs and West Moreton	2	Toowoomba Hospital	23 October 2023
54	ACT	South Canberra (Weston Creek)	ACT	1	Canberra Hospital	18 October 2023
55		Tuggeranong	ACT	1	Canberra Hospital	18 October 2023
56		Inner North (Dickson)	ACT	1	Calvary Hospital	18 October 2023
57		Belconnen	ACT	1	Calvary Hospital	18 October 2023
58		Gungahlin	ACT	1	Calvary Hospital	18 October 2023

Note: highlighted clinics are those where the actual clinic name has changed (italics) from the original announcement, to more accurately represent the community they will service.

* Eight PPCCs were already operational, 17 May 2023 is date of announcement to take over funding.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Strengthening Medicare GP Grants

BUDGET

- Total of **$229.7 million** over two years from 2022-23 to 2023-24, comprising:
  - $220 million (22-23: $198 million; 23-24: $22 million) for grants to general practices and eligible Aboriginal Community Controlled Health Organisations (ACCHOs).
  - $9.7 million (22-23: $4.1 million; 23-24: $5.6 million) inclusive of Primary Health Network (PHN) and the National Aboriginal Community Controlled Health Organisation (NACCHO) administration costs and departmental funding (including $2.1 million absorbed).

	2021-22 (Actual) ($m)	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	Total *2022-23 to 2025-26* ($m)
Administered	**-**	**200.5**	**24.1**	**-**	**-**	**224.6**
Grant funds	-	198.0	22.0	-	-	220.0
PHN & NACCHO admin cost	-	2.5	2.1	-	-	4.6
Departmental	**-**	**1.6**	**3.6**	-	-	**5.2**
New funds (ASL, evaluation)	-	0.9	2.1	-	-	3.0
Existing funds (ASL, compliance).	-	0.6	1.5	-	-	2.1
GRAND TOTAL	-	**202.1**	**27.6**	-	-	**229.7**

Relevant Budget publication: Budget October 2022-23 – Budget measures – Budget Paper No. 2, Page 141 (total investment reported is $229.7 million, which includes existing departmental funds but figures shown in Budget publication payments table exclude existing department funds)

KEY POINTS

- The Strengthening Medicare – General Practice Grants Program - October 2022-23 Budget measure (election commitment) supports GPs to expand patient access and improve their services, by funding one-off grants between $25,000 and $50,000 for:
  - enhancing digital health capability;
  - upgrading infection prevention and control arrangements;
  - maintaining and/or achieving accreditation against the Royal Australian College of General Practitioners (RACGP) Standards for General Practice (5th Edition), under the National General Practice Accreditation Scheme.
- As of 22 September 2022 (Attachment A):
  - 6,906 eligible general practices (93%) have applied for a grant, with a total of $179.3 million in grant funding paid.
  - 125 eligible Aboriginal Community Controlled Health Services (ACCHS) (99%) have applied for a grant with a total of $3.8 million in grant funds paid.

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  - The program has had over 90% uptake across Australia and all MMM regions.
- Grant funds can be used across multiple funding streams. Of the returned grant agreements, practices have indicated grant funds will be used for:
  - Improving digital health capability (85%).
  - Maintain or achieve accreditation (84%).
  - Infection prevention and control (73%).
- The Program provides flexibility for practices to identify investments within these streams that best address individual practice needs.
- Funding must be expended by 30 June 2024, when the Program ends.
- Around 8,000 Medicare general practices including rural/remote ACCHSs were eligible to apply, including:
  - All general practices (meeting the RACGP definition for the purposes of practice accreditation against the Standards for General Practices (5th edition)), and
  - ACCHSs that deliver general practice services and are not owned or operated by a state, territory or local government agency or body.
- The methodology for determining the grant amounts for each general practice and eligible ACCHS is at Attachment B.
- The program opened for applications from practices from 21 April 2023 with initial applications closing on 15 June 2023.
- PHNs and NACCHO are administering the Program and hold the grant agreements with the participating practices and ACCHOs, respectively.
- An evaluation is being undertaken to assess the success of the Program to report by August 2024. The evaluation will draw on self-reported outcomes from grant recipients, financial acquittals from PHNs and learnings from the implementation process.
- The Program also includes a compliance component – with audits of a number of grant recipients – to provide assurance about the proper use of public funding.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Primary Care Pilots

BUDGET

	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2025-26* ($m)
Program	**50.0**	**50.0**	**-**	**-**	**-**	**100.0**
Annual increase in spend	-	-	-	-	-	-
Growth (%)	-	-	-	-	-	-

KEY POINTS

- In the October 2022-23 Budget, the Government provided $100.0 million over two years to work closely with states and territories to co-develop innovative primary care models to improve care pathways, reduce pressure on emergency departments and inform the rollout of the Medicare Urgent Care Clinic program (Primary Care Pilots).
- Following the October 2022-23 Budget, National Cabinet agreed the objective of the pilots was to test innovative models that reduce pressure on emergency departments.
- The Department has been working closely with states and territories to support implementation of the Primary Care Pilots.
- The Primary Care Pilot Federation Funding Agreement – Health Schedule (FFA) has been executed and all state and territories have received funding.
  - See **Table 1** for dates and funding amounts.
- Activities to implement the pilots have commenced in each state and territory.
  - For example, four GP trainees began placements in July at medical centres in Deloraine, Burnie, Swansea and Hobart under the Single Employer Model pilot program in Tasmania. The model aims to make it more financially attractive for doctors specialising in general practice to undertake their training in rural and regional areas, while also strengthening Tasmania's rural and regional workforce in the long-term.
- The pilots complement the establishment of Medicare Urgent Care Clinics (Medicare UCCs) by providing further support for the interaction between primary care and the hospital system.
  - For example, the Queensland Government has directed Primary Care Pilot funding to establish two additional Medicare UCCs in Townsville and Toowoomba, while the Northern Territory Government is using theirs to establish three urgent care clinics in remote communities with high Aboriginal populations and high urgent care needs. The clinics are expected to open before the end of the year.

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- Each Primary Care Pilot is different based on the local context and priorities of each state and territory (see Table 1).
- The Department will continue to support state and territories throughout pilot implementation.
- The pilots will be evaluated and decisions on future funding for each project will be a decision for government.

Table 1

Jurisdiction	Funding (2022-23 to 2023-24)	Activity	Status
New South Wales	$20.82m	To provide a single front door via telephony and digital platforms to better connect patients to appropriate care and additional funding to support the GP Virtual Urgent Care Service.	Commenced implementation – FFA executed 3 March 2023
Victoria	$18.22m	To deliver both a state-wide virtual GP service and improved care coordination for people with type 2 diabetes.	Commenced implementation – FFA executed 21 June 2023
Queensland	$16.02m	To improve the integration of hospital and primary health pathways in three regions through a Care Collective Project and establish Medicare Urgent Care Clinics in Toowoomba and Townsville.	Commenced implementation – FFA executed 13 June 2023
Western Australia	$11.71m	To increase the number of qualified nurse practitioners in a range of primary care settings to deliver care to vulnerable and underserviced populations.	Commenced Implementation – FFA executed 19 February 2023
South Australia	$10.08m	To increase health system navigation through a consumer front door and GP medical escalation service, and a nurse practitioner program.	Commenced implementation – FFA executed 26 June 2023
Tasmania	$7.97m	To support the trial of a Single Employer Model for rural general practitioners in training in Tasmania.	Commenced implementation – FFA executed 27 February 2023
ACT	$7.75m	To strengthen partnerships between primary care, community-based care and the public health system to support access and care for patients who frequently visit the ED or who are at risk of re-presentation to the ED or readmission to hospital.	Commenced implementation – FFA executed 22 June 2023
NT	$7.44m	To introduce locally adapted models of Urgent Care Clinics into existing clinics at Mala'la Health Service in Maningrida, Alyangula Clinic in Groote Eylandt and Wurrimiyanga in the Tiwi islands.	Commenced implementation – FFA executed 23 June 2023

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Outcome: 1 - Health Policy, Access and Support

Marrabinya

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)
Integrated Team Care Program	***72.4***	**73.8**	**74.9**
Annual increase in spend		**1.48**	**1.10**
Growth (%)	***3.31%***	***2%***	***1.5%***
WNSWPHN funding		**3.37**	**3.42**

- *Note ITC program is funded until 30 June 2024, a review of this program is underway.*

KEY POINTS

Western NSW Primary Health Network (WNSWPHN) and Maari Ma Aboriginal Health Program (Marrabinya)

New Model for Integrated Team Care Program

- The WNSWPHN Integrated Team Care Program transitioned to a new model of service delivery from a regional to a local model from 1 January 2023. This followed the PricewaterhouseCoopers' 2021 review of the Western NSW ITC program, and codesign workshops with all Aboriginal Community Controlled Health Services (ACCHS) in the region (including Maari Ma).
- Maari Ma did not support the outcome of the review and consultation process and considers that it should continue to provide the service across the entire Western NSW region. Maari Ma claims that the service was highly regarded and should not have been changed.
- Services transitioned successfully and are now provided by 11 local ACCHS, including Maari Ma across Western NSW.
- The other 10 contracted ACCHOs did not raise concerns with the outcome of the review (a number have privately indicated they are pleased with the process and outcome).
- Maari Ma is now funded to provide services for the local community under the ITC program and for the Local Government Areas (LGAs) of Balranald, Broken Hill, Central Darling, the Unincorporated Far West and Wentworth.
- Total ITC funding for the Western NSW region is not impacted by the new model. It has been reallocated from a single provider to 11 providers.

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- Following a meeting in Broken Hill on the 29 July 2023, attended by Assistant Minister McCarthy, Mr Richard Weston (CEO of Maari Ma) expressed his continued concern over the new funding arrangements to the department.
- Mr Weston has requested a copy of the full ITC report from Western NSW PHN. This has not been released by the PHN s47G(1)(a) s47G(1)(a) . The Department supports this view and respects the independence of the PHN's commissioning decisions. The PHN has not received any further information or requests from Maari Ma.
- The new model for the program aligns with Closing the Gap priority reform area two and targets one, 14 and 17. First Nations people living with chronic illness will continue to have access to coordination of multi-disciplinary care through the ITC program, however local delivery of the program will ensure services are tailored to community and individual requirements.

SENSITIVITIES

- s47G(1)(a) raised a complaint with Western NSW PHN about confusion with the new providers seeking confirmation of Aboriginality from pre-existing Marrabinya patients.
    - Providers commissioned to deliver ITC are responsible for determining eligibility for the program, including confirmation of a patient's Aboriginality, as part of the administration and access to the program. This is consistent with the program funding intent and service support.
- Western NSW PHN has responded to acknowledge the complaint.

FACTS AND FIGURES

- Western NSW Primary Health Network (PHN) funded Maari Ma Aboriginal Health Corporation for its Marrabinya Program under the Integrated Team Care (ITC) program from 2016 to 31 December 2022 to provide the program across the whole of the Western NSW region.
- The following table shows the total of ITC funding (2020-21 to 2023-24) and split of commissioning services provided to Maari Ma and combined commissioned services. These figures have been confirmed with the PHN, from the commissioned services reports as part of their 12 Month Performance Reporting.
- This demonstrates no drop in funding for commissioned services following the redistribution of funding to a broader number of organisations.

Western NSW PHN	2020-21	2021-22	2022-23	2023-24
Total Integrated Team Care (Incl. operational funding)	**$ 3,224,583**	**$ 3,312,830**	**$ 3,377,650**	**$ 3,428,314**
Commissioned Services				
Maari Ma	$ 2,737,930	$ 2,737,930	$ 1,551,450	$ 269,541
Other commissioned services			$ 2,066,225	$ 2,764,435
Total commissioned services	**$ 2,737,930**	**$ 2,737,930**	**$ 3,617,675**	**$ 3,033,976**

Notes:

Total ITC income refers to value of executed funding each Financial Year. Total value of commissioned services includes carry forward of unspent funds from previous Financial Years.

- Western NSW PHN reported that in 2022-23 there were:
    - 1396 patients enrolled in the ITC program.
    - 326 allied health services
    - 1799 services delivered through ITC.
- **Chronic diseases** are the leading causes of illness, disability and death among Aboriginal and Torres Strait Islander people and are **estimated to be responsible for 70% of the health gap** (Aboriginal and Torres Strait Islander Health Performance Framework 2020 Report).
- ITC is provided by teams of:
    - Indigenous Health Project Officers – provide a policy and leadership role within a PHN region. Their work includes conducting needs assessments and planning, developing multi-program approaches, fostering cross-sector linkages, and supporting Outreach Workers and Care Coordinators.
    - Aboriginal and Torres Strait Islander Outreach Workers – support and encourage Aboriginal and Torres Strait Islander people to access health services and help to ensure that services are culturally competent. They have strong linkages with the community they work in and carry out non-clinical tasks such as helping clients travel to medical appointments.
    - Care Coordinators - are qualified health workers (eg. nurses, Aboriginal Health Workers) who support eligible clients through one-on-one care coordination to access the services they need to treat their chronic diseases according to the General Practitioner care plan. Care Coordinators have access to a “Supplementary Services” funding pool to expedite a patient’s access to an urgent and essential allied health or specialist service.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Strengthening Medicare – Budget

BUDGET

	2022-23 (Estimate) ($b)	2023-24 (Estimate) ($b)	2024-25 (Estimate) ($b)	2025-26 (Estimate) ($b)	2026-27 (Estimate) ($b)	Total 2022-23 to 2026-27 ($b)
Strengthening Medicare	0.03	1.5	1.8	1.4	1.3	6.1

Source of figures – 2023-24 Budget Paper 2 (p. 123, 138, 147). Totals may not sum due to rounding.

KEY POINTS

- Through the 2023-24 Budget, the Government invested $6.1 billion over five years in strengthening Medicare measures to reform primary healthcare.
- The Strengthening Medicare Budget package responds to the recommendations of the Strengthening Medicare Taskforce.
- The investment builds on the Government's existing commitment of $2.9 billion made in the 2022-23 October Budget[1].
- The package will address declining bulk billing rates and doctor availability and start to rebuild primary care as the core of an effective, modern health care system for all Australians.
- The establishment of overarching external governance arrangements to oversee the implementation of the Strengthening Medicare reforms is in progress.
- The implementation of Strengthening Medicare reform measures will be guided by an Implementation Oversight Committee, comprising relevant professional colleges, associations, peak bodies including the National Aboriginal Community Control Health Organisation, industry leaders and experts from across the sector. The Implementation Oversight Committee is expected to hold its first meeting on 30 October 2023.
- A range of focused committees will also be established to provide targeted advice on specific Strengthening Medicare reform measures.
- An evaluation framework is being developed to monitor progress and measure the impact of the reforms and will be overseen by the Implementation Oversight Committee.

[1] This figure includes measures which commenced from 2022-23, and which end in 2026-27

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Implementation of specific key measures

- The new tripling of bulk billing incentives will commence on 1 November 2023, subject to the passage of relevant legislation. For more detail, refer to brief **SB23-000290.**
- General practices have been able to commence the MyMedicare registration process since 1 July 2023. Patient registration in MyMedicare has been available from 1 October 2023 to patients with a Medicare card or Department of Veterans' Affairs (DVA) Veteran Card. For more detail, refer to brief **SB23-000347.**
- Medicare Urgent Care Clinics (Medicare UCCs) will ease the pressure on hospitals and give Australian families more options to see a healthcare professional when they have an urgent, but not life threatening, need for care. All 58 Medicare UCCs will be open by the end of the calendar year. For more detail, refer to brief **SB23-000280.**
- Stage one of the implementation of 60-Day prescriptions commenced on 1 September 2023. Stage one includes 90 medicines and represents roughly one third of all the medicines eligible for 60-day prescriptions. The order of medicines to be made available in stage 2 and 3, in March 2024 and September 2024 respectively, are still being finalised. For more detail, refer to brief **SB23-000297.**
- Under the Workforce Incentive Program – Practice Stream measure, practices have received increased payments to employ various health professionals supporting multidisciplinary care (not including medical practitioners) from August 2023.

FACTS AND FIGURES

- The Government's $6.1 billion investment consists of the expense components of three measures:
  - *Strengthening Medicare* ($5.7 billion)[2]
  - *Medicare Urgent Care Clinics – additional funding* ($358.5 million)[3]
  - *A Modern and Clinically Appropriate Medicare Benefits Schedule* ($137.6 million)[4]
- Measures in addition to the $6.1 billion Strengthening Medicare budget that support primary care reform in line with the Taskforce recommendations will be captured in the governance and monitoring and evaluation activities.
- **Attachment A** includes further details on the breakdown of the $6.1 billion over five years investment, including components of the *Strengthening Medicare* measure as well as other investments contributing to Strengthening Medicare.

[2] 2023-24 *Budget Paper No. 2*, p.147
[3] Ibid., p.138
[4] Ibid., p.123

Attachment A – Table 1: 2023-24 Budget - Strengthening Medicare

Measure	Cost ($m)	Timeframe
Strengthening Medicare Measure	**$5.7 billion[5]**	**Over 5 years**
Supporting Bulk Billing in General Practice	3,460.1	5 years from 2022-23
Workforce Incentive Program - Increasing Payments to Support Multidisciplinary Care	445.1	5 years from 2022-23
Reform of After Hours Programs	143.9	2 years from 2023-24
Wrap Around Primary Care for Frequent Hospital Users	98.9	4 years from 2023-24
PHN Commissioning of Multidisciplinary Teams	79.4	4 years from 2023-24
Reform of General Practice Incentive Programs	60.2	In 2023-24
Chronic Wound Consumables Scheme for Patients with Diabetes	47.8	5 years from 2022-23
Reducing Disparity in Access to Primary Care (Royal Flying Doctor Service)	29.1	2 years from 2023-24
Implementation of Voluntary Patient Registration (MyMedicare)	19.7	4 years from 2023-24
GP Level C and D Phone Consultation for Registered Patients	5.9	5 years from 2022-23
Investing in a Modernised My Health Record to Drive a Digitally Connected Healthcare System for all Australians	429.0	2 years from 2023-24
Securing the Australian Digital Health Agency to Lead Digital Enablement of Healthcare	325.7	4 years from 2023-24
Health Delivery Modernisation: Enabling Health Reform	69.7	4 years from 2023-24
Intergovernmental Agreement on National Digital Health[6]	126.8	4 years from 2023-24
Scholarships for Primary Care Nurses and Midwives	50.2	4 years from 2023-24
Improving Patient Care Through MBS Nurse Practitioner Services	46.8	4 years from 2023-24
Continuation of Other Medical Practitioner Programs	34.6	2 years from 2023-24
Education for the Future Primary Care Workforce	31.6	2 years from 2023-24
Improve primary care and support services in thin markets	27.0	4 years from 2023-24
Extend the General Practice Incentive Fund	17.5[7]	2 years from 2022-23
Expand the Nursing Workforce to Improve Access to Primary Care	10.7	4 years from 2023-24
Single Employer Model for Rural Health Professionals	4.5	5 years from 2022-23
Support for James Cook University under the Australian General Practice Training Program	4.2	2 years from 2022-23
Primary Care Communications Campaign	21.9	2 years from 2023-24
Consumer Engagement in Primary Care Reform	13.0	4 years from 2023-24
Monitoring and evaluation	6.1	4 years from 2023-24
Additional measures		
Medicare Urgent Care Clinics — additional funding	358.5	5 years from 2022-23
A Modern and Clinically Appropriate Medicare Benefits Schedule (partial - Reform of MBS General Practice Attendance Items 99.1 over 5 years from 2022-23)	137.6	5 years from 2022-23
Grand Total	**$6.1 billion**	**Over 5 Years**

[5]The components of the Strengthening Medicare measure total less than $5.7b as the full provisioning of the Intergovernmental Agreement on National Digital Health has not been published, so has not been accounted for in the total investment. See footnote 6 below.
[6]As published in the Strengthening Medicare factsheet, Funding Details - Intergovernmental Agreement on National Digital Health, reflective of net impact for this measure.
[7] Ibid.

Table 2: Additional measures

Additional measures supporting primary care reform	Cost ($m)	Timeframe
General Practice in Aged Care Incentive (GPACI)	112.0	4 years from 2023-24
Improving First Nations Cancer Outcomes (part of a larger measure)	238.5	4 years from 2023-24
Reformed Opioid Dependence Treatment Program through Community Pharmacies (part of a larger measure)	377.3	4 years from 2023-24
Expanding Pharmacist Scope of Practice to Deliver National Immunisation Program (NIP) Vaccines (part of a larger measure)	114.1	4 years from 2023-24
Strengthening Electronic Prescribing and Targeted Digital Medicines Enhancements	111.8	4 years from 2023-24
National Scope of Practice Review (part of a larger measure)	3.0	2 years from 2023-24
General Practice Grant Program	229.7	2 years from 2022-23
National Consumer Engagement Strategy for Health and Wellbeing	0.036	3 years from 2021-22
Medical Research Future Fund Primary Care Research Grants*^	100	From 2022-23 -2031-32

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

MyMedicare roll out

BUDGET

Implementation of MyMedicare (2023-24 Budget)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total
Support for multi-disciplinary team within Department	2.714	2.659	2.171	1.732	9.3
Engagement and Communications	2.117	1.940	0.167	-	4.2
PHN support for unaccredited practices	1.715	1.167	0.594	0.604	4.1
ACSQHC Funding	-	0.408	0.831	0.845	2.1
Total	*6.5*	*6.2*	*3.8*	*3.2*	*19.7*
HDM – MyMedicare component (provided to Services Australia)	23.4	11.1	2.8	2.5	39.8

Previous funding	2020-21 (Actual) ($m)	2021-22 (Actual) ($m)	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	Total 2022-23 to 2025-26 ($m)
"COVID-19 Response Package - guaranteeing Medicare and access to medicines - extension - to progress ICT systems to support quality assurance for MBS telehealth services" (2020-21 Budget)	18.6	-	-	-	-	-	18.6
Primary Care - MyGP (2021-22 Budget)	-	22.9	18.2	5.6	4.0	-	50.7
Strengthening Primary Care – Linking VPR system with MyHealth Record (March 2022 Budget)	-	-	3.0	-	-	-	3.0

Contact Officer:	Kirsti Van Der Steen, A/g Assistant Secretary, Primary Care Delivery Branch	Deputy Secretary Clearing Officer:	Celia Street	Clearance: 20 October 2023
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Division:	|Primary and Community Care| Primary Care			

KEY POINTS

- The 2023 Budget invested $19.7 million over 4 years through the Department to support the rollout of the MyMedicare system.
- The $69.7 million Health Delivery Modernisation: Enabling Reform measure will support systems delivery through Services Australia, building on investments in previous Budgets.
- Registration in MyMedicare is voluntary for practices, providers and patients.
- It was not expected that all patients eligible for MyMedicare would proactively register from 1 October 2023.
- Patients expected to register in the first year of operation are those that will directly use and benefit from MyMedicare linked MBS services and incentives.
- Uptake will be managed through targeted communications to cohorts who will benefit most from the linked MBS items, new incentives and continuity of care.
- The approach is a centrally driven leverage model, where the department drives the overall messaging and works with Services Australia, DVA, primary care peak bodies and colleges, and PHNs to tailor messaging and increase its reach.

UPTAKE

- Practices have been able to commence registration processes from 1 July 2023 in existing Services Australia systems (HPOS, PRODA and Organisation Register).
- Early registration analysis indicates that as of 17 October 2023:
  - around 4,000 practices have completed the MyMedicare registration process. This represents more than 50% of practices, based on an estimated number of around 7,900 eligible practices
  - approximately 3,300 practices have patients registered with them.
- Patient registration commenced on 1 October 2023. As of 17 October 2023, around 86,700 patients have registered for MyMedicare.

BACKGROUND

- The Australian Government is introducing MyMedicare to formalise the relationship between patients, their general practice and primary care teams, and drive improvements in the continuity of quality primary health care.
- MyMedicare will support the delivery of person-centred care for patients, provide practices with better information about their regular patients, and over time it will give patients and their care team access to additional funding packages tailored to their health needs.
- MyMedicare responds to the Strengthening Medicare Taskforce and Primary Health Care 10 Year Plan recommendations to introduce a system of voluntary patient registration for general practice, delivering stronger relationships between patients and their care teams and supporting blended payments for person-centred care.
- $72.3 million has been invested, including $50.7 million at the 2021–22 Budget, to prepare systems at Services Australia, consistent with consultation and directions in the Primary Health Care 10 Year Plan.
- In the March 2022–23 Budget, $3 million was invested to improve linkages with My Health Record to record a patient's registered general practice and preferred GP, to support care coordination and integration across the health system.
- A foundational system has been built, with functionality available to support the commencement of registration for patients from 1 October 2023.

- MyMedicare will integrate with practice management software over time following co-design with vendors planned to commence in Oct 2023.

ELIGIBILITY

- To be eligible for MyMedicare general practices must:
  - provide Medicare-funded services,
  - be registered in Services Australia Provider Digital Access (PRODA), Health Professional Online Services (HPOS), and Organisation Register systems,
  - have at least one eligible provider linked to the practice in the Organisation Register. Eligible providers can be a vocationally or non-vocationally registered GP, or a GP registrar, and
  - be accredited against the RACGP Standards of General Practice as part of National General Practice Accreditation Scheme
- To register in MyMedicare, patients must have a Medicare or DVA Veteran Card and have an existing relationship with their GP and/or practice they are registering with:
  - for most patients, this is defined as two (2) face-to-face MBS Services in the previous 24 months,
  - for patients in remote areas Modified Monash Model (MMM) 6-7, this is defined as one face-to-face MBS Service in the previous 24 months.

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Senate Committee: Community Affairs Committee

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Outcome: 1 - Health Policy, Access and Support

Payroll tax

KEY POINTS

- Payroll tax is the responsibility of state and territory governments.
- General practices are private businesses with diverse operating structures and employment models, and it is the responsibility of the owner, or the individual in the case of a contractual arrangement, to seek the appropriate expert advice reflective of their unique business arrangement.
- GP earnings have historically been exempt from payroll tax, however state and territory revenue offices (SRO) have increasingly made payroll tax determinations applying to General Practices, based on the New South Wales Civil and Administrative Tribunal ruling that payments to GP contractors at a Sydney general practice were deemed to be 'wages' for the purposes of payroll tax (Thomas and Naaz Pty Ltd v Chief Commissioner of State Revenue – September 2021).
- States and territories are inconsistent in their approaches to the treatment of payroll tax, with differing tax rates and thresholds, and specifically regarding tax on general practices - amnesties or exemptions operating for various lengths and under differing criteria.
- Peak organisations including the Australian Medical Association and Royal College of General Practitioners (RACGP) claim the financial sustainability of general practice is under threat from payroll tax decisions and some practices may close because they are unable to pay their tax liability, others will pass this cost on to patients diluting the impact of Strengthening Medicare reforms or will look to down-size.

Payroll tax and general practice business models

- Many Australian businesses engage contractors or subcontractors instead of permanent employees. Payroll tax legislation in most states and territories (excluding Western Australia) prescribes that payments to some contractors are liable for payroll tax under 'Relevant Contract' provisions.
- General practices business models are variable but have typically operated as a 'service entity' model whereby the practice collects consultation income on behalf of doctors and then distributes it to individual doctors after deducting a service fee.
- Income can be generated from Medicare Benefit Schedule (MBS) billing, patient gap payments, services not claimable by a patient via the MBS, and government incentive payments. Payments and income can come from Commonwealth and state/territory governments as well as from patients. Payments can be directed to both the individual providers and/or the practice.
- GP earnings were historically exempted from payroll tax, as it had been generally understood that because a doctor contracts a medical practice entity to provide services for them – and not the other way around – payroll tax does not apply.

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FACTS AND FIGURES

State and territory payroll tax treatments (as at 6 October 2023)

- Queensland - in late December 2022 the Queensland SRO released a public ruling that an "entity that conducts a medical centre business" will be liable for payroll tax for tenant doctors who provide general practice services on the premises. The SRO advised that the audits would only apply as far back as 2021-22. On 14 September 2023, a Revenue Office ruling was issued to make clear that under normal business arrangements, patients' fees including Medicare benefits and any out-of-pocket fees, when they are paid directly by a patient to a GP for that GP's services, will not be subject to payroll tax. The Queensland Government has also offered a payroll amnesty on payments made to contracted GPs until 30 June 2025. To be eligible for the payroll tax amnesty, practices must complete an expression of interest form by 10 November 2023.
- New South Wales – announced on 24 August 2023 a pause on GP audits, and tax penalties and interest, for one year, following the New South Wales SRO publishing a ruling on 11 August 2023, effective from 1 July 2018. The ruling explains the application of the relevant contract provisions in the Payroll Tax Act 2007 to an entity that conducts a medical centre business and highlighted that in the absence of a relevant exemption, payments to contractors made by an employer are deemed to be wages and subject to payroll tax.
- Victoria – the Victorian SRO published a retrospective and prospective revenue ruling on 11 August 2023 to provide greater clarity to medical centre businesses deeming that in the absence of a relevant exemption, payments to contractors made by an employer are deemed to be wages and subject to payroll tax.
- South Australia – Payments made to GPs under a relevant contract are subject to payroll tax. The payroll tax provisions in their current form have been in place since 2009. On 22 June 2023, the South Australia Treasurer approved a temporary payroll tax amnesty measure in relation to payments made to contracted GPs up until 30 June 2024, citing widespread unawareness of the application of the tax, and to incentivise and support medical practices to bring themselves forward and into compliance with their payroll tax obligations.
- Western Australia – The RACGP cites a letter received from Western Australia's Deputy Premier and Treasurer stating "under Western Australia's existing payroll tax provisions, most GPs working in medical practices under independent agreements are considered contractors running an independent business. The $1 million tax free threshold means the majority are not subject to payroll tax. The Western Australian Government does not intend to change these provisions."
- Australian Capital Territory – The Australian Capital Territory government announced on 26 August 2023 no retrospective payroll tax assessments and a temporary payroll tax exemption to 30 June 2025 for practices who register with the ACT Revenue office, bulk bill 65 per cent of all patients and have registered for MyMedicare.
- Tasmania and Northern Territory – no information on any changes to current payroll tax interpretation is available.

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Medicine Shortages

KEY POINTS

- The TGA actively monitors the supply of important medicines in Australia. While it is not the role of the TGA to coordinate the supply of medicines, the TGA works with pharmaceutical companies, peak bodies and other stakeholder groups to minimise the effects of shortages on consumers and health care professionals.
- The TGA receives an average of 120 notifications of new medicine shortages every month, 12 of these with critical impact rating. This number had remained broadly consistent since the introduction of mandatory medicine shortage reporting in 2019.
- The TGA has not observed an increase in the number of shortages reported since the PBS maximum dispensing quantity policy came into effect on 1 September 2023, nor has it received any notifications of shortages attributed to the policy.
- The TGA is managing several high-profile, complex shortages. These include the diabetes medicine Ozempic, some oral liquid antibiotics, the ADHD medicine Vyvanse and transdermal patches used in hormone replacement therapy (HRT). These are worldwide shortages and are not limited to Australia.

RECENT GOVERNMENT POLICY IMPACTING MEDICINE SUPPLY

Medicines Supply Security Guarantee

- From 1 July 2023, Minimum Stockholding Requirements have applied for certain Pharmaceutical Benefits Scheme (PBS) listed medicines, obligating sponsors to hold a minimum of either four or six months' of stock in Australia.

PBS Maximum Dispensing Quantity

- The first stage of medicines available for 60-day prescriptions (Phase 1) began on 1 September 2023.
- Data from September 2023 does not indicate a significant rise in the number of shortage notifications above the historical averages for September. The Therapeutic Goods Administration (TGA) received fewer shortage notifications for new medicines compared to previous months (99 in September 2023 compared to 138 in August 2023).
- As of 3 October 2023, no sponsors have notified the TGA of anticipated supply disruptions because of the PBS maximum dispensing quantity policy coming into effect.

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STATUS OF HIGH PROFILE SHORTAGES

Medicine (including use)	Top line response	Expected shortage resolution date
Ozempic (semaglutide) injections Type 2 diabetes	This is a global shortage as a result of high demand for off-label use for weight loss. The supplier, Novo Nordisk, has advised that Ozempic supply will remain limited until the end of 2024. The TGA has published advice for prescribers, pharmacists, and patients to prioritise the supply of this medicine to patients who have no therapeutic alternative.	End of 2024
Trulicity (dulaglutide) injections Type 2 diabetes	This is a global shortage as a result of high demand for semaglutide and other medicines in the same therapeutic class. The TGA has published advice for healthcare professionals and patients and is working with the medicine supplier Eli Lilly to monitor supply.	End of 2023
Ordine (morphine) oral liqui Severe pain	The sponsor, Mundipharma, is discontinuing Ordine for commercial reasons. The TGA: - has approved supply of overseas-registered morphine liquids. - liaised with healthcare professionals and peak body groups for advice on addressing this discontinuation. - published advice for healthcare professionals and consumers.	Discontinuation between November 2023 and 31 May 2024 depending on strength
Hormone replacement therapy transdermal patche containing estradiol (e.g. Estradot, Estraderm) Symptoms of estrogen deficiency due to menopause	Several brands of estradiol-containing patches were in shortage due to the discontinuation of the Climara brand, and a resultant increase in demand for similar products. Supply of most products has resumed by early October. The TGA approved the supply of several overseas-registered patches.	Between October 2023 and March 2024

Metalyse (tenecteplase) injections To dissolve blood clots (thrombolysis) in the immediate period following a heart attack	This is a global shortage due to manufacturing constraints. The supplier Boehringer Ingelheim are working to increase their capacity to supply. The TGA worked with clinical organisations, states and territories and the supplier to develop usage protocols to encourage prioritisation of tenecteplase for settings where there are no alternatives. The TGA has approved supply of several overseas alternative medicines.	End of 2024
Oral antibiotic medicines including cefalexin and cefaclor To treat infections (community setting)	Global shortages of oral antibiotics have occurred due to manufacturing issues and constrained production of some active ingredients. Supply of most oral antibiotics has resumed. For most infection types, there are alternative antibiotic treatments available. The TGA made Serious Scarcity Substitution Instruments (SSSIs) to allow pharmacists to substitute different strengths or presentations on an existing prescription.	Between October 2023 to December 2024
Oral liquid analgesic product Liquid paracetamol or ibuprofen for pain and fever.	While local stock-outs of certain brands, pack sizes and flavours have been encountered by patients, TGA market assessments indicate that there is currently an adequate overall national supply of children's analgesics and cough, cold and flu products.	Not reportable medicines, no shortage dates.
Vyvanse (lisdexamfetamine dimesilate) ADHD and binge eating disorder	This a global shortage as a result of manufacturing issues. The TGA is working with the supplier, Takeda Pharmaceuticals Australia, to monitor deliveries and the capacity for emergency supply. This is a controlled drug with stringent State and Territory controls around prescribing and supply which may complicate switching patients to alternative products. The TGA has approved supply of an overseas-registered Vyvanse 30mg product.	20mg and 30mg, 31 December 2023

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1- Health Policy, Access and Support

Long COVID

KEY POINTS

- The Department recognises that some people have experienced a prolonged illness with persistent symptoms or 'clinical sequelae' after infection with SARS-CoV-2, the virus that causes COVID-19. This is sometimes referred to as long COVID.
- On 19 April 2023, the final report arising from the House Standing Committee on Health, Aged Care and Sport's Inquiry into Long COVID and Repeated COVID Infections was tabled in parliament.
  - The Australian Government Response to the final report will be tabled in November 2023.
- The Government initially responded to the findings from the inquiry by announcing a $50 million investment from the Medical Research Future Fund (MRFF) for research into Post-Acute Sequalae of COVID-19 (PASC), commonly known as long COVID.
- To complement the Australian Government Response, the Department of Health and Aged Care has developed a National PASC Plan to provide a framework for the health system to respond to PASC.
  - The National PASC Plan will be released after the Australian Government Response to the Inquiry Report and takes into account the Inquiry's recommendations.
- Australians with PASC are currently supported by existing primary care and mental health services, including Medicare subsidised general practitioner consultations, multidisciplinary support through chronic disease management plans and mental health services.
- Like with many other chronic conditions, the treatment and management options available to people with PASC are not disease specific. It is important to avoid duplication of funding and efforts arising from disease-specific approaches to responding to chronic disease.
  - There are many synergies between PASC symptoms, post-viral illnesses and other chronic conditions, and treatment and management options are similar.
- The Government's investment of $5.7 billion over five years to reform primary care systems will have positive impacts on people with PASC as well as other chronic conditions.
- On 8 June 2023, a further $50 million from MRFF was committed for research to drive innovation in primary care working alongside investments into Strengthening Medicare.

FACTS AND FIGURES

Inquiry into Long COVID and Repeated COVID Infections

- The final Inquiry report was based on approximately 600 submissions and four public hearings where testimonies were received from individuals, organisations and government bodies.
- The Committee's final recommendations reflected the chronic nature of PASC as well as the need for a multidisciplinary primary-care based approach.
- Four of the nine recommendations contained potential funding implications, including:
  - Establishing a single COVID-19 database
  - Development of multidisciplinary long COVID clinics and outreach clinics
  - Development of an advisory body for indoor air quality and ventilation
  - Research on long COVID and Myalgic Encephalomyelitis/Chronic Fatigue Syndrome.

National PASC Plan

- The National PASC Plan outlines strategies to build on initiatives and reforms already undertaken by the Australian Government to bolster research capacity, improve the accessibility of health care services and to support management of people with chronic conditions.

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Primary care-based health supports available to Australians with PASC

- Patients with PASC can access existing Medicare Benefits Schedule (MBS) items for the treatment of their condition, including time-tiered GP general attendance items, specialist general consultation items, chronic disease management items and mental health items.
- In 2021, the Department contracted the Royal Australian College of General Practitioners to develop guidance materials for health practitioners and PASC patients.
    - These were published on 17 December 2021, and are publicly available on the Royal Australian College of General Practitioner's website.
- The Australian Government has invested $5.7 billion over five years in reforms to build a stronger Medicare with improved support for bulk billing ($3.5 billion), longer consultations, and multidisciplinary based care. All of which will have positive impacts on complex and chronic diseases management, including for PASC.

Australian PASC research and data linkage initiatives

- The $50 million MRFF funding for PASC research is provided through the MRFF PASC Research Plan. Developed by an Expert Advisory Panel, the research plan will ensure investment focuses on research most likely to improve patient outcomes and health care experiences.
    - The first of two grant opportunities disbursing the $50 million in funding opened on 6 September 2023, to enable projects to commence from Quarter 2 2024.
- Additional PASC-related research funded by the Australian Government includes:
    - $5 million to the Australian Partnership for Preparedness Research on Infectious Disease Emergencies to expand and reinvigorate a single, multidisciplinary, nationally focused team, which will undertake two research projects exploring the impact of PASC, and the use and effectiveness of COVID-19 antivirals.
    - $1.6 million through the National Health and Medical Research Council.
    - $13.1 million of funding for PASC research projects through the MRFF.
        - This included $3 million in funding to the Australian Institute of Health and Welfare in 2021 to establish a national linked data platform that integrates COVID-19 case information with a range of existing health data sets.
        - These data can improve the understanding of PASC impacts when stratified by clinical and demographic information, such as vaccination status, age, gender and priority populations.

National Health Reform Agreement

- Through the National Health Reform Agreement (NHRA), the Commonwealth makes a significant funding contribution to states and territories to assist with the cost of delivering public health and hospital services, including for people with PASC.
- The Commonwealth funding contribution for public hospital services in Australia under the NHRA has grown from $13.3 billion in 2012-13 to $24.1 billion in 2021-22, an increase of 81%.
    - Between 2022-23 and 2026-27, the Commonwealth funding contribution for public hospital services in Australia under the NHRA is estimated to grow from $25.6 billion in 2022-23 to $34.3 billion in 2026-27, an increase of 34%.
- In addition to funding under the NHRA, the Commonwealth has provided states and territories with $13 billion under the National Partnership on COVID-19 Response to help deal with the health and hospital related costs of the pandemic. The Partnership commenced in March 2020 and ended on 31 December 2022.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 – Health Policy, Access and Support

COVID-19, including epidemiology and outlook, COVID-19 mortality and CDINS stand down

KEY POINTS

- The COVID-19 health emergency period is over but the impact on health outcomes and the healthcare system from COVID-19 remains an ongoing challenge as we continue to live with the disease.
- COVID-19 is a significant contributor to the burden of disease among those who are most at risk of severe illness, including older Australians, people with disability, those with complex medical conditions, and First Nations.
- Future waves of transmission are highly likely, whether due to waning immunity or a new variant. Australia has recently experienced a fifth Omicron wave, driven by existing and newly emerging recombinant Omicron subvariants (mainly XBB and XBB subvariants).
- Through strong partnerships and intelligence gathering, Australia will continue international and domestic disease surveillance, to monitor trends in severity, immunity, morbidity and mortality, and the impact on the health system; with a focus on the emergence of new variants with increased severity, transmission, or treatment resistance.
- Recent changes in reporting requirements, epidemiology, public health measures, and behaviour mean reported COVID-19 diagnoses, which once served as our key surveillance mechanism, now represent a substantial undercount of the true number of infections in the community.
- In the future Australia will focus on the adoption of novel and cost-effective surveillance strategies, with a reduced focus on case notifications.
    - Enhanced capabilities including genomic sequencing and wastewater analysis will continue to play important roles in understanding the breadth and impact of COVID-19, as well as providing intelligence on significant changes in disease severity, transmissibility and immune escape.
    - The use of sentinel surveillance, healthcare utilisation data, genomic sequencing, and wastewater analysis will allow us to shift our surveillance approach to a more sustainable and integrated system that is more appropriate to the current epidemiological situation.

CDINS stand down

- Nationally, COVID-19 was declared a Communicable Disease Incident of National Significance (CDINS) in The Australian Health Sector Emergency Response Plan for Novel Coronavirus published on 18 February 2020.
    - Note, a Communicable Disease Incident of National Significance (CDINS) is defined as: a Communicable Disease Incident that requires implementation of national policy, interventions, and public messaging; or deployment of Commonwealth or inter-jurisdictional resources to assist affected jurisdictions.
- As we continue to live with COVID-19 and following the 2023 Winter season in Australia, on 20 October 2023, the Chief Medical officer announced the standing-down of the COVID-19 CDINS declaration. The need for a nationally coordinated emergency response has reduced, with states and territories well placed to continue to manage the ongoing public health risks.
- Further, as the pandemic has progressed, the number of COVID-19 cases captured through traditional surveillance mechanisms (e.g., National Notifiable Diseases Surveillance System [NNDSS]) has decreased and notification data are now less informative compared with earlier years and waves.

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- Given the considerable level of under-ascertainment of COVID-19 cases due to reporting requirement changes, including the cessation of mandatory reporting of positive rapid antigen tests (RATs) and reduced access to polymerase chain reaction (PCR) testing in several jurisdictions, monitoring the prevalence of severe disease is key to understanding the levels of activity in the community and the impact on health systems.
- Importantly, the cessation of COVID-19 as a CDINS is assessed as unlikely to significantly affect the quality and timeliness of national epidemiological data. COVID-19 severity indicators, such as hospitalisations and Intensive Care Unit admissions will continue to be informed by well-integrated surveillance systems coordinated by the Commonwealth.
- COVID-19 case notification data received through the NNDSS will continue to provide information on overall counts and characteristics of cases, including demographic features, geographic spread, and vaccination status.
- Data and reports on COVID-19 will continue to be published and updated regularly, recognising that week-to-week changes in data do not demonstrate clear trends, reporting frequency will be reduced to allow more meaningful assessments of disease transmission and impact. This will bring COVID-19 reporting more in line with other infectious diseases.

Current trends

- A fifth Omicron wave ended in mid-August 2023.
- Key national surveillance indicators, including hospitalisations, average daily case numbers, outbreaks in aged care facilities and the dispensing of oral antiviral treatments, suggest that COVID-19 transmission has been gradually increasing since mid-September 2023.
- During the week ending 17 October 2023, there were:
  - 5,300 cases reported nationally, an average of 757 cases per day, representing a 4.0% increase compared to the week prior.
  - an average of 1,060 people hospitalised per day with COVID-19 nationally, representing a 1.0% increase compared to the previous week and a 62% decrease from the peak of the fifth Omicron wave on 7 June 2023 (2,778 cases).
  - an average of 28 cases in ICU with COVID-19, up from 23 compared to the previous week and a 67% decrease from the peak of the fifth wave on 13 June 2023 (85 cases).

Vaccination

- Vaccination is our best protection against severe disease and death caused by COVID-19.
- Available data shows that people are more likely to get severe illness (admitted to ICU or death) if they are not vaccinated or are overdue for a booster compared with those who are up to date with recommended vaccinations. This emphasises the continued importance of vaccines in preventing severe illness.
- The 2023 Booster program formally commenced on 20 February 2023 and has led to a substantial increase in the number of doses administered.
- Since 1 January to 18 October 2023, over 4,049,000 booster doses have been administered to people aged 18 years and over.
- Over 30% of people aged 75 years and over have been administered a booster dose (1,231,031 doses) in the last six months. Of the remaining booster doses given in the last six months, over 28% (1,132,704 doses), approximately 24% (962,184 doses) have been administered to people aged between 50 and 64 years, over 13% (533,657 doses) have been administered to people aged between 30 and 49 years, and less than 5% have been administered to people aged between 18 and 29 years.
- Increasing the take up of vaccines to ensure Australians have the best possible protection against COVID-19 remains a focus of the Government's communication efforts.
- It is important to consider getting another dose if it has been more than six months since the last one.

- On 1 September 2023, the Australian Technical Advisory Group on Immunisation recommended an additional COVID-19 dose for all adults aged ≥75 years and for adults aged 65 to 74 years, and those with severe immunocompromise to consider an additional dose.

COVID-19 Oral Anti-viral Treatments

- COVID-19 oral anti-viral treatments are available to Australians aged 60 years or over and those in high-risk groups. These treatments are effective in reducing the development of severe disease.
- As at 15 October 2023, over 1,047,710 prescriptions for COVID-19 oral treatments have been dispensed:
  - Over 705,260 for Lagevrio (molnupiravir).
  - Over 342,440 for Paxlovid (nirmatrelvir & ritonavir).
- As at 15 October 2023, this includes over 86,790 prescriptions dispensed to people in Residential Aged Care:
  - Over 80,030 for Lagevrio (molnupiravir).
  - Over 6,760 for Paxlovid (nirmatrelvir & ritonavir).
- During the week ending 15 October 2023, approximately 7,670 PBS scripts for COVID-19 oral antiviral treatments were dispensed.
- This was an increase of 18% (+1,182 scripts) compared to the previous week ending 8 October 2023.
- From 1 April 2023 more people aged 60 to 69 are eligible to get oral anti-viral treatments under the PBS.
- People in this group are now able to get access if they have one risk factor instead of two.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Centre for Disease Control (CDC)

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2025-26* ($m)
Program	-	**3.2**	**42.5**	**48.4**	-	-	**94.1**

KEY POINTS

- Prior to the 2022 election, the Government committed to establishing an Australian CDC in the first term of office to:
  - ensure ongoing pandemic preparedness.
  - lead the national response to future infectious disease outbreaks.
  - work to prevent non-communicable (chronic) and communicable (infectious) diseases.
- $3.2 million was provided in the October 2022-23 Budget for initial preparations to establish an Australian CDC.
- $90.9 million was provided in the 2023-24 Budget to commence establishment of an Australian CDC including:
  - support for policy design, program management, stakeholder engagement, state and territory negotiations and the drafting of legislation.
  - scope and undertake preparatory work for a Commonwealth, state and territory national disease surveillance system, expansion of health emergency planning and preparedness and data capabilities, increased focus on One Health and health security capabilities, and a review of existing health emergency governance structures.
  - Establishment of an interim CDC in the Department of Health and Aged Care.
- The development of the Australian CDC is being framed around the following five objectives:
  - increase independence and strengthen evidence-based and transparent decision making to maintain community trust.
  - improve national coordination of effort with stronger partnerships, including across Commonwealth agencies and between jurisdictions.
  - support national action through enhanced national capabilities, underpinned by the distinct and complementary roles and responsibilities of jurisdictions and the Commonwealth.
  - enhance international connections.
  - increase resources to support national preparedness and response.
- Establishment of the CDC will also be informed by the outcomes of the recently announced Independent Inquiry into the response to the COVID-19 Pandemic.
- The interim CDC will be established in 2024.
- A stand-alone CDC will be established following the passage of legislation (expected to be introduced in Spring 2024).

Contact Officer:	Jacob Madden	Deputy Secretary Clearing Officer:	Paul Kelly	Clearance: 10 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Chief Medical Officer| Emergency Management			

Engagement with States and Territories

- A Senior Officials Group (SOG), chaired by Professor Kelly, has been established to lead engagement with the state and territory governments. Representation comprises of each jurisdiction's Chief Health Officer and a senior health official.
- The SOG will lead the process for developing an agreement with the state and territory governments to support establishment of the CDC. As of 23 October 2023, the SOG has met five times.
- The establishment of the Australian CDC has also been discussed at the Health Chief Executives Forum on two occasions, including on 19 October 2023.

Public Consultation

- On 10 November 2022 a discussion paper was released to seek stakeholder views on establishment of an Australian CDC.
- 12 consultation workshops were held 14-30 November 2022 in each capital city, including one virtual meeting. 232 stakeholders from 141 different organisations attended the workshops.
- 165 organisations provided a written submission to the discussion paper.
- Consultation has also been undertaken with health officials from a range of countries, including US, UK, Sweden, Singapore, Philippines and Saudi Arabia, and other CDC or CDC-type organisations.
- A consultation synthesis report was published on 6 March 2023
- Departmental representatives continue to engage with key stakeholders including through public presentations and conference attendance.

AHPPC Review:

- The department has commissioned an independent review of the Australian Health Protection Principal Committee (AHPPC).
- The review will provide advice on what governance mechanisms would be fit-for-purpose to enable the effective, efficient, and timely management of health protection and emergency response measures.
- The review is being undertaken by Nous Group with the report expected by end October 2023.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

COVID Inquiry

KEY POINTS

- On 21 September 2023, the Australian Government announced an inquiry into the Commonwealth Government's response to the COVID-19 pandemic, to help improve preparedness for future pandemics.
- The Inquiry will consider opportunities for systems to more effectively anticipate, adapt and respond to pandemics in areas of Commonwealth Government responsibility, in recognition of the wide-ranging impacts of COVID-19 on the community.
- An Independent Panel has been appointed to conduct the Inquiry and will deliver its final report to Government by 30 September 2024.
    - The Department of Health and Aged Care (the Department) was not consulted on the selection or appointment of members of the Panel.
- The Panel will be supported by a Taskforce within the Department of the Prime Minister and Cabinet, with support from across the Commonwealth, including from the Department.
- Questions regarding the Inquiry should be directed to the Department of the Prime Minister and Cabinet (PM&C) Portfolio.

Scope

- The Terms of Reference of the Inquiry at Attachment A outline that the Inquiry will consider all Commonwealth Government responses to the pandemic, including:
    - Governance: the role of the Commonwealth Government, responsibilities of state and territory governments, national governance mechanisms (such as National Cabinet, the National Coordination Mechanism and the Australian Health Protection Principal Committee) and advisory bodies.
    - Key health response measures: such as COVID-19 vaccinations and treatments, key medical supplies such as personal protective equipment, quarantine facilities, and public health messaging.
    - Broader health supports: for people impacted by COVID-19 and/or lockdowns (for example mental health and suicide prevention supports, and access to screening and other preventive health measures).
    - International policies: to support Australians at home and abroad (including international border closures and securing vaccine supply deals with international partners for domestic use in Australia).
    - Support for industry and businesses: such as responding to supply chain and transport issues, addressing labour shortages, and support for specific industries.
    - Financial support for individuals: such as income support payments.

Contact Officer:	Roselie Moore	Deputy Secretary Clearing Officer:	Blair Exell	Clearance: 19 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Health Strategy First Nations & Sport| Health Systems Strategy			

- Community support: such as those across early childhood education and care, higher education, housing and homelessness measures, family and domestic violence measures in areas of Commonwealth Government responsibility.
- Mechanisms to better target future responses: including across genders, age groups, socio-economic status, geographic location, people with disability, First Nations peoples and communities and people from culturally and linguistically diverse communities.

- The following areas are not in scope for the Inquiry:
  - Actions taken unilaterally by state and territory governments.
  - International programs and activities assisting foreign countries.

Background

- While Australia's response is seen as strong internationally, there are many lessons and opportunities, in particular emergency planning and a coordinated response capability.
  - The election commitment to establish a Centre for Disease Control will help to prepare for future pandemics and other public health challenges.
- A number of reviews into various aspects of Australia's COVID-19 response have already been conducted – this inquiry will build on the findings of those reviews.
- The contents of the Inquiry's final report, including any recommendations, will be determined by the Independent Panel, and reflect their independent views. The panellists have strong experience in public health, government and economic policy:
  - Ms Robyn Kruk AO (former Director-General of the NSW Department of Health, Secretary of the Commonwealth Department of the Environment, Water, Heritage and the Arts, and CEO of the National Mental Health Commission)
  - Professor Catherine Bennett (Deakin University's current Chair in Epidemiology)
  - Dr Angela Jackson (health economist)

If raised, how will the Department interact with the Inquiry?

- The Department welcomes the opportunity to work with Panel members of the Inquiry and PM&C and stands ready to do so.

Australian Government
Department of the Prime Minister and Cabinet

Commonwealth Government Covid-19 Response Inquiry terms of reference

The purpose of the Commonwealth Government COVID-19 Response Inquiry (the Inquiry) is to identify lessons learned to improve Australia's preparedness for future pandemics.

Scope

The Inquiry will review the Commonwealth Government's response to the COVID-19 pandemic and make recommendations to improve response measures in the event of future pandemics. It will consider opportunities for systems to more effectively anticipate, adapt and respond to pandemics in areas of Commonwealth Government responsibility.

The Inquiry will adopt a whole-of-government view in recognition of the wide-ranging impacts of COVID-19 across portfolios and the community. Specific areas of review may include, but are not limited to:

- Governance including the role of the Commonwealth Government, responsibilities of state and territory governments, national governance mechanisms (such as National Cabinet, the National Coordination Mechanism and the Australian Health Protection Principal Committee) and advisory bodies supporting responses to COVID-19.
- Key health response measures (for example across COVID-19 vaccinations and treatments, key medical supplies such as personal protective equipment, quarantine facilities, and public health messaging).
- Broader health supports for people impacted by COVID-19 and/or lockdowns (for example mental health and suicide prevention supports, and access to screening and other preventive health measures).
- International policies to support Australians at home and abroad (including with regard to international border closures, and securing vaccine supply deals with international partners for domestic use in Australia).
- Support for industry and businesses (for example responding to supply chain and transport issues, addressing labour shortages, and support for specific industries).
- Financial support for individuals (including income support payments).

- Community supports (across early childhood education and care, higher education, housing and homelessness measures, family and domestic violence measures in areas of Commonwealth Government responsibility).
- Mechanisms to better target future responses to the needs of particular populations (including across genders, age groups, socio-economic status, geographic location, people with disability, First Nations peoples and communities and people from culturally and linguistically diverse communities).

The Inquiry will consider the findings of previous relevant inquiries and reviews and identify knowledge gaps for further investigation. It will also consider the global experience and lessons learnt from other countries in order to improve response measures in the event of future global pandemics.

The following areas are not in scope for the Inquiry:

- Actions taken unilaterally by state and territory governments.
- International programs and activities assisting foreign countries.

Independent Panel

The Prime Minister has appointed an Independent Panel of three eminent people to conduct the Inquiry. The Independent Panel will consult with relevant experts and people with a diverse range of backgrounds and lived experience.

Taskforce

A Taskforce within the Department of the Prime Minister and Cabinet will support the Independent Panel.

Public consultation

Public consultation will be completed during the Inquiry on the substance of the issues outlined in the Terms of Reference. The Independent Panel may invite and publish submissions and seek information from any persons or bodies. Consultation will take place across Australia with:

- Key community and other stakeholders reflecting a diversity of backgrounds
- Experts
- Commonwealth Government and state and territory government agencies
- Members of the public

Final Report

The Independent Panel will deliver a Final Report to Government including recommendations to the Commonwealth Government to improve Australia's preparedness for future pandemics by the end of September 2024.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 1 - Health Policy, Access and Support

Tuberculosis (TB) outbreak including TB in indigenous communities in South Australia

KEY POINTS

- The Department of Health and Aged Care is closely following the outbreaks of tuberculosis (TB) in the Aṉangu Pitjantjatjara Yankunytjatjara (APY)* Lands in far-north South Australia, and more recently, the Murraylands located just outside of Adelaide.
  - Pronounced: *"**arn-ahng-oo** **PIT-jan-jarra** **YAN-kun-jarra**"*
- The South Australian Government has reported an outbreak of TB linked to Aboriginal communities in the APY Lands, and a separate TB cluster in an Aboriginal community in the Murraylands.
- Several cases of latent TB infections have also been identified in the South Australian outbreaks, but these do not currently pose an immediate risk to individuals' health, or a further transmission risk.
- State and territory governments have primary responsibility for the management of communicable disease outbreaks, including prevention, response, and recovery. This includes the clinical and public health management of TB.
- The public health response for the current outbreaks in SA is being led and coordinated by South Australian Health authorities.
  - South Australian Health agencies are also working closely with Nganampa Health Council and Aṉangu community leaders to coordinate testing, screening, contact tracing, and treatment.
  - Nganampa Health Council is managing the treatment of TB cases associated with the current outbreak, supported by South Australian Health authorities.
- The Australian Government will provide $13.8 million in 2023-24 to support primary care services through Nganampa Health Council in the APY Lands, as well as additional, targeted financial support for capital works initiatives.
- The department continues to engage with South Australian officials and other state and territory representatives to understand developments in the response and is ready to provide further support to the outbreak response where practical and feasible.
  - This includes ongoing coordination and engagement with the Australian Health Protection Principal Committee (AHPPC) and its subcommittees with expertise in TB and First Nations' health issues.
  - On 25 July 2023, Senator the Hon Malarndirri McCarthy, Assistant Minister for Indigenous Australians, and Assistant Minister for Indigenous Health travelled to Umuwa in the APY Lands and met with Professor Nicola Spurrier, South Australian Chief Public Health Officer, and Nganampa Health Council staff, to discuss the outbreak.

Contact Officer:	Stephen Bouwhuis	Deputy Secretary Clearing Officer:	Paul Kelly	Clearance: 13 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Chief Medical Officer| Office of Health Protection			

FACTS AND FIGURES

- While we have seen an increase in TB notifications among Aboriginal people in South Australia in 2022 and in the year to date in 2023, the 2023 **national** annualised rate among Aboriginal and/or Torres Strait Islander people (3.3 per 100,000 population) is consistent with previous annual rates, and lower than the five-year pre-pandemic (2015-2019) average rate (3.5 per 100,000 population).
- The annualised **national** notification rate of TB in 2023 (4.9 per 100,000 population) remains steady and continues to be below the average annual rate from 2009–2022 (5.8 per 100,000 population).
    - It is important to note that Australians born overseas continue to account for the majority (approximately 90%) of TB notifications in Australia.

Funding

- Nganampa Health Council is currently funded by the Australian Government under the Indigenous Australians' Health Programme to deliver comprehensive primary health care that is tailored to the needs of the First Nations community.

Nganampa Health Council – primary care funding (GST exclusive):

2020-21 ($m)	2020-21 ($m)	2022-23 ($m)	2023-24 ($m)	Total ($m)
12.7	13.3	13.8	13.8	53.6

Nganampa Health Council – capital works funding 2018 – 2025 (GST exclusive):

- **$0.692 million across 2022-23 and 2024-25** for a clinic upgrade project at Amata.
- **$0.645 million across 2020-21 and 2021-22** to support staff training and accommodation, IT infrastructure and improved security.
- **$3.0 million across 2018-19 and 2020-21** for clinic upgrade projects at Iwantja, Pipalyatjara, Fregon, Mimili, and Pukatja Health Care.

SENSITIVITIES

- The department's position is that the outbreak responses should continue to be led and coordinated by SA in collaboration with Western Australia, Northern Territory, and Commonwealth health authorities.
    - People that reside or visit the APY Lands are highly transient, and they frequently travel between Western Australia and Northern Territory, which makes contact tracing, treatment and follow-up challenging.
- There are significant logistical costs involved with the provision of remote health care service, which impacts workforce availability and community engagement.
    - *Gayle's Law*[1] requires that health practitioners in SA be accompanied by a second responder whenever they are attending an unscheduled or out-of-hours callout in a remote area.
- Dedicated patient monitoring and oversight is required to ensure TB treatment adherence. This can be challenging in remote locations due to sparse, isolated, and mobile populations and constrained financial and human resources to service them.

RELATED QUESTIONS ON NOTICE (QoNs)

- SQ23-001039 – Senator Kerrynne Liddle, 21 March 2023.

[1] *Health Practitioner Regulation National Law (South Australia) (Remote Area Attendance) Amendment Act 2017*

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

MBS Upcoming MBS changes to GP items, Including bulk billing incentives

BUDGET

Bulk billing incentives

	2021–22 (Actual) ($m)	2022–23 (Estimate) ($m)	2023–24 (Estimate) ($m)	2024–25 (Estimate) ($m)	2025–26 (Estimate) ($m)	2026–27 (Estimate) ($m)	Total *2022–23 to 2026–27* ($m)
Program		**0.3**	**618.6**	**953.4**	**946.1**	**941.8**	**3,460.1**

Figures include total funding across Department of Health and Aged Care, Services Australia, and Department of Veteran's Affairs.

KEY POINTS

Increasing bulk billing in general practice

- The 2023–24 Budget measure "Increasing bulk billing in general practice" (page 147 of Budget Paper No 2) is an ongoing measure that will provide $3.5 billion over the forward estimates to support GPs to continue to bulk bill children under 16 and Commonwealth concession card holders.
- The bulk billing incentives will be tripled for:
    - Level B, C, D, E face to face attendances, including in and out of consulting rooms, and in RACFs in business and after hours
    - Level B telehealth (video and telephone) general attendances
    - Level C, D, and E video general attendances where the patient is registered in MyMedicare
    - Level C and D telephone attendances where the patient is registered in MyMedicare.
- The existing bulk billing incentives will continue to available for other services, such as Level A consultations, mental health consultations, chronic disease management items, and health assessments.
- This measure will support GPs to continue to bulk bill children under 16 and Commonwealth concession card holders.
- From 1 November 2023, the Medicare Benefits Schedule (MBS) will include 20 bulk billing incentive payment items (13 new items), to accommodate the different eligibility requirements for different items, and the current rural bulk billing incentive structure which provides increased incentives the more remote the Modified Monash area.

Who will benefit?

- All children under 16 and Commonwealth concession card holders are eligible for the new bulk billing incentives where a GP provides an eligible service and it is bulk billed.
- GPs operate as private businesses and set their own fees. The Government provides bulk billing incentives where the GP chooses to bulk bill an eligible patient.

Contact Officer:	Louise Riley	Deputy Secretary Clearing Officer:	Daniel McCabe	Clearance: 27 September 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Health Resourcing| Medicare Benefits & Digital Health			

How will the changes affect patients?

- Where a GP bulk bills an eligible patient for a relevant service the bulk billing incentive will be paid to the GP. This will support GPs to continue to bulk bill those who feel cost of living pressures most acutely, particularly Australians in regional, rural and remote communities.
- As the patient has been bulk billed there will be no out of pocket costs.

How does this support people in rural, regional and remote Australia?

- Consistent with the existing rural bulk billing incentives, the new incentives are scaled and increase for patients who live in regional, rural and remote communities. This supports:
    - the viability of general practices in these communities.
    - encourages more doctors to work in these communities.
    - increased access for health services for people who live in these communities.
    - makes health care more affordable for vulnerable Australians.

Upcoming MBS changes to GP items

- The 2023-24 Budget included the following changes to GP MBS items*:
    - **reform MBS time-tiered general attendance items** for general practice (achieving efficiencies of $151.7 million over five years from 2022–23) by:
        - **establishing a new 'Level E' MBS item for longer consultations of 60 minutes or more** (costing $99.1 million).
        - **introducing a 6-minute minimum consultation time for Level B items for GPs** (achieving efficiencies $250.8 million).
    - **streamline and modernise Chronic Disease Management planning items** and improving associated regulations (achieving efficiencies of $301.9 million over three years from 2024–25).
    - invest $5.9 million# over five years to enable access to **longer Level C** (more than 20 minutes) **and Level D** (more than 40 minutes) MBS **telehealth consultations** for patients and general practices participating in MyMedicare (from 1 November 2023, Level C and D telehealth items will be available through MyMedicare registration).

* source: Budget Paper No.2 page 124
# source: Budget Paper No.2 page 149, includes investment from Services Australia and DVA

FACTS AND FIGURES

- As of 31 March 2023, almost 11.6 million people are eligible to receive bulk billing incentives.

RELATED QUESTIONS ON NOTICE (QoN)

Bulk billing

- SQ23-001669 – Tripling of bulk billing incentive – Budget Measure.

Select Committee on the Cost of Living

- IQ23-000043 – Scaled incentive arrangement data for regional and city centres in Victoria.
- IQ23-000048 – Data on number of First Nations people receiving bulk-billed services.
- IQ23-000049 – Budget policy for tripling bulk-billing rates.

Level E

- SQ23-001151 – Money spent on Level E consultations.

Medicare Benefits Schedule Group M1 – Management of bulk-billed services (1 November 2023)

	Subgroup 1 – *Management of general bulk-billed services* **(standard BBI)** Can be co-claimed with: • Level A (all modes) • Level C-E telehealth where patient is not registered in MyMedicare • All other "unreferred services"		**Subgroup 2 – *General support services*** **(triple BBI)** Can be co-claimed with: • Level B, C, D, E face to face attendances, including in and out of consulting rooms and in RACFs, in business and after hours • Level B telehealth (video and telephone) general attendances		**Subgroup 3 – *Patients enrolled in MyMedicare*** **(triple BBI)** If the patient is registered in MyMedicare*, can be co-claimed with: • Level C, D, and E video general attendances • Level C and D telephone attendances * If the patient is not registered in MyMedicare Subgroup 1 BBIs may be co-claimed	
Modified Monash (Practice Location)	**MBS Fee**	**MBS Benefit**	**MBS Fee**	**MBS Benefit**	**MBS Fee**	**MBS Benefit**
MM 1	$8.10	**$6.90**	$24.25	**$20.65**	$24.25	**$20.65**
MM 2	$12.25	**$10.45**	$36.90	**$31.40**	$36.90	**$31.40**
MM 2-7 After hours*	$12.25	**$10.45**	$36.90	**$31.40**	NA	**NA**
MM 3-4	$13.00	**$11.05**	$39.20	**$33.35**	$39.20	**$33.35**
MM 5	$13.85	**$11.80**	$41.65	**$35.45**	$41.65	**$35.45**
MM 6	$14.60	**$12.45**	$43.95	**$37.40**	$43.95	**$37.40**
MM 7	$15.55	**$13.25**	$46.65	**$39.70**	$46.65	**$39.70**

*Only available where a practice in Modified Monash area 1 provides an after hours out of consulting rooms service to a patient in Modified Monash areas 2-7

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

MBS (general) Bulk Billing Stats

KEY POINTS

Bulk Billing: GP Non-Referred Attendances

- The June quarter 2023 bulk billing rate for GP Non-Referred Attendances was 78.8% compared to 87.0% for the 2022 June quarter, a decrease of 8.2 percentage points.
- The 2022-23 bulk billing rate for GP Non-Referred Attendances was 80.2%, compared to 88.3% in same period last year, a decrease of 8.1 percentage points.
- Temporary COVID telehealth services (19.5%) and COVID vaccine services (2%) accounted for 21.5% of GP Non-Referred Attendances for 2022-23.
- As compared to 2021-22, GP Non-Referred Attendances in 2022-23 decreased in both service volume (11.4%) and benefits paid (3.9%).
- However, if COVID vaccine services are excluded, GP Non-Referred Attendance service volume decreased by 1.1% and benefits paid increased by 2.3%.

Bulk Billing: Total Medicare

- The 2023 June quarter bulk billing rate for Total Medicare was 75.6% compared to 80.5% in the 2022 June quarter, a decrease of 4.9 percentage points.
- The bulk billing rate for Total Medicare decreased by 5.6 percentage points from 2021-22 (82.2%) to 2022-23 (76.6%).
- For Total Medicare, temporary COVID telehealth services (8.4%), COVID vaccine services (0.7%) and COVID pathology testing (0.9%) accounted for 10.1% of services in 2022-23.
- In 2022-23 there was a decrease in service volume (9.9%) and benefits paid (4.6%) for Total Medicare, as compared to 2021-22.
- Compared to 2021-22, service growth for 2022-23 varied by Broad Type of Service (BTOS). The biggest decreases were in Total Pathology (17.3%) and Total GP Non-Referred Attendances (11.8%). However, when COVID pathology and COVID vaccine services were excluded, the decrease was reduced to 7.3% and 1.1% respectively.
- In 2022-23 there was exceptionally strong growth for Optometry services in both service volume (10.3%) and benefits paid (12.0%), as compared to 2021-22.

Contact Officer:	Mary Warner	Deputy Secretary Clearing Officer:	Daniel McCabe	Clearance: 04 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Health Resourcing| Medicare Benefits & Digital Health			

FACTS AND FIGURES

GP Non-Referred Attendances Services and Benefits, 2021-22 and 2022-23

Total GP Non-Referred Attendances	2021-22	2022-23	Adjusted % Change on 2021-22
Services	189,338,460	166,912,752	-11.4%
Benefits	$9,114,609,276	$8,711,035,058	-3.9%

GP Non-Referred Attendances 2022-23 Services and Bulk Billing Rates by type of service

Total GP Non-Referred Attendances - type of service	Services	% of Services	Bulk Billing Rate
COVID-Face-to-Face	62,093	0.0%	96.6%
COVID-Phone	30,899,899	18.5%	90.1%
COVID-Video	1,629,005	1.0%	85.8%
COVID-Vaccine	3,365,115	2.0%	100.0%
Non-COVID-Video	48	0.0%	77.1%
Non-COVID	130,956,592	78.5%	77.3%
Total	**166,912,752**	**100.0%**	**80.2%**

Total Medicare Services and Benefits, 2021-22 FY, 2022-23 FY

Total Medicare	2021-22	2022-23	Adjusted % Change on 2021-22
Services	506,838,927	454,387,993	-9.9%
Benefits	$28,780,200,999	$27,320,407,217	-4.6%

Total Medicare 2022-23 FY Services and Bulk Billing Rates by type of service

Total Medicare - type of service	Services	% of Services	Bulk Billing Rate
COVID-Face-to-Face	521,765	0.1%	33.9%
COVID-Phone	33,599,948	7.4%	89.5%
COVID-Video	4,783,283	1.1%	57.4%
COVID-Pathology	4,119,959	0.9%	96.7%
COVID-Diagnostic Imaging	836	0.0%	85.2%
COVID-Vaccine	3,365,115	0.7%	100.0%
Non-COVID-Video	162,704	0.0%	59.6%
Non-COVID	407,834,383	89.8%	75.4%
Total	**454,387,993**	**100.0%**	**76.6%**

OFFICIAL

Senate Committee: Community Affairs Committee
Supplementary Budget Estimates 2022-2023
Outcome: 2 - Individual Health Benefits

Time taken for medicines to be listed on the PBS

BUDGET

	2021-22 (Actuals) ($m)	2022-23 (Estimated Actual) ($m)	s47C, s47E(d)
Program Expense	*11,238.4*	*12,340.4*	
Annual increase in spend	*654.0*	*1,102.1*	
Growth (%)	*6.2%*	*9.8%*	

Source of Figures – 2023-24 May Budget for the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme. Figures are net of revenue and will not match those published in Budget Papers which are reported as gross figures.

- In the May 2023-24 Budget, the Australian Government has approved funding for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) at an estimated cost of $2.2 billion over the forward estimates (gross cash impact, excluding supplier rebates and estimates variations).
- From July 2022 to November 2023, the Government has committed additional funding for 138 new or amended PBS listings (a further 205 items were also approved where Budget funding is already provided and 13 price changes).
- Recent PBS listings include:
  - From October 2023, Zolgensma® (onasemnogene abeparvovec) was expanded to treat pre-symptomatic patients aged up to 9 months who have genetically diagnosed spinal muscular atrophy and a Survival Motor Neuron two gene copy number of three. About 15 infants a year will benefit from this listing. Without the subsidy, patients' families could pay over $2.5 million for treatment.
  - From October 2023, Keytruda® (pembrolizumab) was expanded to treat patients with persistent, recurrent, or metastatic cervical cancer. About 270 women each year will benefit from this listing. Without the subsidy, they might pay around $137,000 per course of treatment.
  - From 1 September 2023, Keytruda® (pembrolizumab) was expanded for the treatment of patients with locally recurrent unresectable or metastatic triple negative breast cancer that expresses the PD-L1 protein. Around 490 patients each year could benefit from this listing. Without subsidy, patients might pay around $243,000 per course of treatment.
  - From 1 August 2023, Vyepti® (eptinezumab) was listed for the first time to treat patients with chronic migraine who haven't responded to, or can't take other preventive medications. Around 4,500 patients are expected to benefit from this new treatment option. Without the subsidy, patients could pay more than $6,000 per year of treatment.
  - From 1 July 2023, Kerendia® (finerenone) was listed for the first time to treat chronic kidney disease in patients with type two diabetes (diabetic kidney disease). Without subsidy over 26,000 patients could pay more $1,000 per year of treatment.
  - From 1 June 2023, Epidyolex® (cannabidiol) was expanded for the treatment of seizures associated with Lennox-Gastaut syndrome. Around 1,150 Australians will benefit from this listing. Without PBS subsidy, the treatment could cost around $28,000 per year.
- These medicines are now available for $30.00 per script or $7.30 with a concession card.

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KEY POINTS

- Pharmaceutical companies make their own decisions about whether they intend to seek reimbursement of a medicine on the PBS and what they include in a proposal.
- The Government cannot compel a pharmaceutical company to seek reimbursement of a medicine on the PBS if it does not wish to do so.
- Pharmaceutical companies can choose to make parallel submissions for registration to the Therapeutic Goods Administration (TGA) and for PBS listing to the Pharmaceutical Benefits Advisory Committee (PBAC). A parallel process has significantly shorter PBS listing times than submissions made after TGA registrations.
- Sometimes companies wish to seek unjustifiably high prices, not supported by clinical evidence, which can lead to multiple submissions to the PBAC. It can also lead to delays in finalising listing arrangements.
- After a PBAC recommendation, a number of steps need to be taken before the medicine can be listed on the PBS. These include:
  - negotiation of price and any relevant risk sharing arrangements.
  - finalisation of financial estimates.
  - finalisation of restriction wording for the PBS legislative instrument.
  - timely provision by the company of assurance of supply.
  - Government approval.
- The time it takes for a medicine to be listed on the PBS is usually determined by the approach of the sponsoring pharmaceutical company, and whether it is willing to list within the conditions recommended by the PBAC.
- The Government lists medicines at the earliest opportunity once recommended by the PBAC and all relevant listing requirements have been met by the manufacturer.
- The time taken by both the Department and pharmaceutical companies to progress all active submissions and recommendations through the various stages of negotiations are captured and monitored, to measure the effectiveness of PBS process improvements, and to better understand the issues that contribute to shorter and longer listing times.

FACTS AND FIGURES

- Since July 2022 to November 2023, the Government has committed additional funding for 138 new or amended listings (a further 205 items were also approved where Budget funding is already provided and 13 price changes). Table 1 below shows the breakdown of that total into the relevant categories.

Table 1: Breakdown of PBS listings – (includes listings approved for 1 November 2023)

Year	[2]New medicine or indication	[3]Amended	High Cost	Sub-Total (Additional funding)	[4]Funding already provided	Price Changes	Total by Year
[1]2022	19	33	2	**54**	58	3	**115**
2023	29	50	5	**84**	147	10	**241**
Total	48	83	7	**138**	205	13	**356**

[1]2022 is a part year, from 1 July 2022.

[2]This includes the listing of a medicine for the first time, or listing a new indication, with costs.

[3]This includes changing the existing restriction, adding a new form/strength or changing the place in therapy, with costs.

[4]This includes changes to PBS listings which do not have an additional cost to the Budget

- The Department's Annual Report Key Performance Indicator requires 80% of new medicines to be listed within six months of in-principle agreement to listing arrangements. This has been met every year since it was introduced in 2015-16.
- In 2018-19[1], 2019-20[2], 2020-21[3], 2021-22[4], and 2022-23[5], 100% of new medicines that were recommended by the PBAC were listed within six months of agreement on price and budget impact.
- Following a positive recommendation by the PBAC, the average time from PBAC minutes to PBS listing date for New Molecular Entities (NMEs) listed in:
    - 2022-23 was 191 days.
    - 2023-24 has been 258 days so far. This figure is skewed by two listings, eptinezumab and trabectedin, where the sponsor did not lodge a listing proposal until over 6 and 19 months, respectively, following the positive PBAC recommendation.
- Under Strategic Agreements with the medicines industry, a revised PBS application and assessment framework was co-designed with industry during 2017-18. This has led to reductions in average time to listing, and greater clarity for the public about the reasons for any delays in listing.
- Process improvements co-designed with the medicines industry under the Strategic Agreement have reduced the time from PBAC consideration to PBS listing, with a major objective of Stage 1 improvements being to reduce the time from PBAC minutes to PBS listing by an average of two months.
- This was achieved within 12 months of Stage 1 measures being in place, with the time to listing reduced by an average of 2.8 months (average reduction over 2019-20, 2020-21 and 2021-22).

[1] 2018-19 Department of Health Annual Report, p.85 (www.health.gov.au/resources/publications/department-of-health-annual-report-2018-19).
[2] 2019-20 Department of Health Annual Report, p.88 (www.health.gov.au/resources/publications/department-of-health-annual-report-2019-20).
[3] 2020-21 Department of Health Annual Report, p.85 (www.health.gov.au/resources/publications/department-of-health-annual-report-2020-21).
[4] 2021-22 Department of Health Annual Report, p.73 (www.health.gov.au/resources/publications/department-of-health-annual-report-2021-22).
[5] 2022-23 Department of Health and Aged Care Annual Report, p. 72 (www.health.gov.au/resources/publications/department-of-health-and-aged-care-annual-report-2022-23)

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

60 Day Prescribing

BUDGET

The Government will provide $1.3 billion over five years from 2022-23 and deliver savings of $1.3 billion over four years from 1 July 2023 to reduce patient costs and improve access to medicines and related services delivered by community pharmacies.

FUNDING – (SPENDS)

Measure	2022–23 (Estimate) ($m)	2023–24 (Estimate) ($m)	2024–25 (Estimate) ($m)	2025–26 (Estimate) ($m)	2026–27 (Estimate) ($m)	Total *2022–23 to 2026–27* ($m)
Community Pharmacy Programs *(start date – 1 July 2023)*	$0	$160.5	$161.60	$164.4	$168.4	$654.9
Increase to Regional Pharmacy Maintenance Allowance *(start data – 1 July 2023)*	$0	$19.9	$19.9	$19.9	$19.9	$79.5
National Immunisation Program In Pharmacy* *(start date – 1 January 2024)*	$0.1	$24.5	$28.4	$30.2	$31.0	$114.1
Opioid Dependency Treatment – Staged Supply Program *(start date – 1 July 2023)*	$0	$90.9	$92.6	$95.5	$98.4	$377.3
Regional Pharmacy Transition Allowance *(start date – 1 September 2023)*	$0	$20.1	$38.3	$48.5	$41.3	$148.2

**Minor implementation costs in 2022-23 allocated to Services Australia for AIR system enhancements*
Source of figures: 2023–24 Budget (impacts include flow-ons to Services Australia and Department of Veterans' Affairs where applicable)

Other Measures (as listed in Budget Paper 2 – page 145)

ePrescription Delivery Infrastructure and Services	Over four years from 2023-24 (and $24.2 million ongoing)	$111.8
TGA Repurposed Medicines	Over four years from 2023-24 for the TGA	$10.1

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FUNDING – (SAVES)

		2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2026-27* ($m)
Maximum Dispensing Quantities		-$97.8	-$292.7	-$395.8	$438.7	-$1,224.7
Medication Management in Residential Aged Care Facilities Adjustment		-$34.4	-$29.9	-$5.6	-$3.6	-$73.5

*Minor implementation costs in 2022-23

KEY POINTS

- In December 2022, the Pharmaceutical Benefits Advisory Committee (PBAC) recommended more than 300 medicines for either two- or three-months supply on a single prescription for patients with chronic and stable medical conditions. The Government accepted the advice of the PBAC to implement a two months' supply of these medicines.

- It is estimated that there are at least 6 million Australians living with stable chronic medical conditions who will benefit from this measure.

- The implementation of 60-day prescriptions is occurring over three stages across the next 12 months.

    - Stage one, commenced on 1 September 2023, includes 90 medicines and represents roughly one third of all the medicines eligible for 60-day prescription.
    - The order of medicines to be made available in stage two and three, in March 2024 and September 2024 respectively, are still being finalised.

- Only patients with certain chronic medical conditions on stable treatment regimens will be eligible for these increased quantities. The decision to write a prescription for 60-Day quantities will be made by the doctor based on their clinical judgement. The option to prescribe one month supply remains, if the doctor thinks a two month supply is not appropriate for an individual patient.

Patient Savings

- Patients buying PBS medicines will save more than $1.6 billion over the next four years due to 60-day prescriptions.
- Patients with a 60-day prescription for a PBS medicine may save up to:
    - $180 a year, per medicine for Medicare card holders who do not have a concession card.
    - $43.80 a year, per medicine for concession cardholders.
- For an eligible patient who pays the $30 general co-payment for their PBS medicines, they will receive 60-days' worth of medication for the cost of 30 days.
- The saving will be less where the cost of the medication is below the maximum $30 PBS general co-payment amount, or where additional manufacturer surcharges are applicable. In this case, while the maximum cost of a PBS prescription for 60-day prescription is not the same as for a one-month supply, it is less than the maximum PBS cost for two of 1-month prescriptions.
- All patients will pay only one dispensing fee for a 60-day prescription, rather than two dispensing fees for two single-month supplies.

Reinvestment to support Community Pharmacy

- Every dollar saved by the Government through fewer dispensing payments will be re-invested back into community pharmacy. This will be done through the commitment of spending $1.3 billion on pharmacy programs targeting critical services delivered by pharmacists.

- This will ensure patients have greater and easier access to critical health services through their local community pharmacy.

FACTS AND FIGURES

- Following the announcement of 60-Day prescriptions there has been a number of new pharmacy applications submitted to the Department of Health and Aged Care.

Applications for new pharmacies 1 May to 30 September, by State/Territory

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2023	10	7	20	6	2	2	1	0	48
2022	4	8	14	0	3	2	0	0	31

*Applications for new pharmacies in 2023 include some pharmacies that were previously trading unapproved but have applied for PBS approval due to tightening of the conditions of approval for approved pharmacists.
**The 2023 applications also include some from private clinics that previously ran opioid dependency treatment programs. As from 1 July 2023 these programs can only be run from community pharmacies.

Approvals of new pharmacies 1 May to 30 September, by State/Territory

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2023	2	6	7	1	1	1	0	0	18
2022	2	7	1	3	2	1	0	0	16

Pharmacy approvals cancelled 1 May to 30 September, by State/Territory

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
2023	1	1	1	0	1	0	0	0	4
2022	1	1	0	0	0	0	0	0	2

Cheaper Medicines Advertising Campaign

- The Cheaper Medicines advertising campaign commenced on 27 September 2023 and the first phase is expected to finish on 18 November 2023
- The media channels for this phase of the campaign will include television, print, radio, out of home, digital video (e.g. YouTube), social and search.
- A second campaign is planned to run between March and April 2024.
- The total budget for the campaign is $10.25 million (GST exclusive) across 2023-24.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

8CPA Negotiations

KEY POINTS

- The current Seventh Community Pharmacy Agreement is due to expire on 30 June 2025.
- On 7 August 2023, the Minister for Health and Aged Care, the Hon Mark Butler MP, announced that negotiations for an eighth Community Pharmacy Agreement (8CPA) will soon commence.
- The Minister has stated that:
  - The Pharmacy Guild of Australia, and the Pharmaceutical Society of Australia will continue to be signatories to any new Agreement.
  - In addition, consultations for the 8CPA will include patient groups, medicines wholesalers and distributors, and others who have a stake in the growth and development of pharmacy services that benefit all Australians.
  - A new agreement will include an assessment of the effectiveness of the current programs under the existing 7CPA, including how well it delivers for patients and consumers It will also take note of past findings and recommendation of reviews into the sector.
  - The Government will look to harness all these lessons in developing a new agreement in partnership, and through negotiation with the pharmacy sector.
- On 21 August 2023, representatives from the Department of Health and Aged Care (the Department) commenced a series of bilateral discussions on the 8CPA with a broad range of stakeholders.
- On 31 August 2023, after reaching agreement with the Pharmacy Guild of Australia on revised arrangements for the conduct of confidential consultations between the Department and the Guild, the Department invited the Guild to a bilateral discussion on a without prejudice basis, as an initial step toward the Department building a broader and inclusive understanding of the priorities and perspectives of a range of stakeholders across the pharmacy sector regarding progress toward an 8CPA.
- The Department has held over 20 meetings with stakeholders on the 8CPA since 21 August. Stakeholders being consulted on the 8CPA include:
  - Pharmacy Owner Groups.
  - Consumer Representatives.
  - First Nations Health Representatives.
  - PBS Medicines Wholesalers.
  - Regional Health Representatives.
  - Hospital Pharmacy Representatives.
  - Prescribers.

Attachments

A – Consultations on 8CPA

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ATTACHMENT A

As of 19 October 2023, the Department of Health and Aged Care has held a total of 26 consultations, with 16 organisations, toward an eighth Community Pharmacy Agreement:

Organisation	No of Meetings Held
s47E(d)	
Pharmaceutical Society of Australia	3
Pharmacy Guild of Australia	7
s47E(d)	

Meeting Date	Organisation
s47E(d)	

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s47E(d)

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

Prostheses List Reforms

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2021-22 to 2026-27* ($m)
Program	*2.1*	**3.4**	**3.8**	**4.1**	**0**	**0**	**13.4***
Annual increase in spend	*N/A*	1.3	0.4	0.4			
Growth (%)	*N/A*	*60.5%*	*10.9%*	*9.4%*			

*The amount table represents departmental funding only.

KEY POINTS

- The Australian Government has invested approximately s47E(d) over four years to support reforms and improvements to the Prostheses List, which also included $4.391 million to the Independent Health and Aged Care Pricing Authority and $2.803 million in Administered funding for the decommissioning of the Prostheses List Management System (PLMS).
- The reforms are part of a range of measures to improve the affordability and value of private health insurance for Australians.
- The Prostheses List Reform Taskforce (the Taskforce) within the Department officially commenced on 1 July 2021.
- Changes to the Prostheses List are being introduced progressively over a four-year period and commenced in February 2022. On 1 July 2023, the name of the Prostheses List has been changed to the Prescribed List of Medical Devices and Human Tissue Products (PL).
- The changes aim to reduce the cost of medical devices used in the private hospital sector, so these are closer to costs in the public hospital system, and to streamline access to new medical devices.
- There is no intent to limit clinician choice or increase out of pocket costs for patients.
- Reforms will be implemented by the Department of Health and Aged Care in conjunction with the Independent Health and Aged Care Pricing Authority (IHACPA).
- The Taskforce established the Clinical Implementation Reference Group (CIRG), made up of 16 independent clinicians and a chair, to support the effective implementation of changes to the PL by providing advice to the Department on the clinical implications of these changes. CIRG met for a total of 9 times, the final meeting was held on 17 March 2023.
- Significant reform has been progressed to date, including new governance arrangements via transitioning from the Prostheses List Advisory Committee to the Medical Devices and Human Tissue Advisory Committee (MDHTAC) with support of the six Expert Clinical Advisory Groups, and the implementation of legislation defining listing criteria and scope. Additionally, the cost recovery arrangements were revised and are now fully compliant with the Australian Government Charging Framework (AGCF).
- Other significant change is introduction of the Tiered application assessment pathways on 1 July 2023 and transition from the Prostheses List Management System (PLMS) to the Health Products Portal (HPP) commencing in September 2023.

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- The general use items (PL Part D) are scheduled to be removed from the PL on 1 July 2024.
- The Department is committed to continuing stakeholder consultation by hosting webinars at each step of the reforms, meeting regularly with key stakeholders, and releasing consultation papers through Consultation Hub.

FACTS AND FIGURES

- In 2020-21, over 3.0 million items on the Prostheses List were charged at a cost to private health insurers of approximately $2.0 billion.
- Expenditure on PL items accounts for 14 per cent of private health insurance hospital benefits paid annually.
- The PL benefits have been reduced in July 2022 and July 2023 for a total of 60% of the gap between the average prices paid in public hospitals plus 7% and the PL benefits. Further 20% of the gap will be reduced in July 2024. The benefits for the general use items listed on the PL Part D had reduction of 60% on 1 July 2022 and 40% on 1 March 2023.
- The current 1 July 2023 Prescribed List has 11,053 billing codes (Part A – 9,783, Part B – 679, Part C – 116, Part D – 475) and 1,778 price groupings across all four parts.

RELATED QUESTIONS ON NOTICE (QoNs)

- SQ21-000833 – Prostheses List
- SQ21-000888 – Update of Prostheses List
- SQ23-000008 – Prostheses List Reforms
- SQ23-000011 – Prostheses List Reform – budget and estimated spending
- SQ23-000012 – Prostheses List Reform – MRAC Surgical Assistant Working Group Draft Final Report
- SQ23-000517 – Members of the Prostheses List Reform Taskforce
- QB23-000218 – Prostheses List Reforms

RECENT MEDIA

- **Prostheses List Reforms – General Miscellaneous Items (multiple news sources July – October 2023)**
  - Concerns have been raised in various news sources including:
    - the Prostheses List reforms have not delivered any savings and increases in private health insurance premiums continue to rise due to cost of medical devices and volumes.
    - medical devices that do not meet the definition of the Prostheses List must be removed now.
    - removing items from the Prostheses List will limit the availability of devices for patients.
    - need for certainty of funding for the General Use Items if or when they are removed.

Our Response

- Key stakeholders from the private health insurance, medical technology and private hospital sectors as well as the Consumer Health Forum (CHF) are regularly engaged to help inform the implementation approach for the reforms. In addition to this, a formal update session is held with key stakeholders every two months.
- Private Hospital groups and Private Health Insurance groups have been encouraged to work together to either encourage the effective negotiation of direct contracts to fund the GUIs or identify an agreed alternate funding arrangement that can be established prior to the scheduled removal of the GUIs from the PL effective 1 July 2024. The Department hosted a meeting on 6 September facilitating the discussion and is looking at scheduling the next meeting aiming to support these parties in their efforts to find a way forward.

SENSITIVITIES FOR DISCUSSION

- Tightening the scope of the Prescribed List and removing ineligible general use items (GUIs) is an important piece of structural reform.
- GUIs were initially scheduled for removal effective 1 March 2022, but stakeholders objected and requested the Minister mandate an alternative funding mechanism.
- The Department and the Independent Health and Aged Care Pricing Authority (IHACPA) developed proposed bundled benefit arrangements for the GUIs and undertook a significant amount of consultation through consultation papers, webinars, direct stakeholder engagement including with software providers, industry sectors and hospital groups.
- Subsequently, the hospital sector raised significant issues with their internal business systems being ready to implement the proposed bundled benefit arrangements.
- Following this, on 14 June 2023 the Government announced it would retain GUIs on the PL for a further 12 months, before their removal on 1 July 2024 when alternative funding arrangements between hospitals and insurers would be in place.
- This 12 month timeframe was indicated by the sector as the minimum amount of time required to make any necessary arrangements to ensure there were no adverse impacts to privately insured patients.
- The Department does not have plans to implement any transitional arrangements (i.e. bundled benefits arrangements) prior to the removal of GUIs on 1 July 2024. It will be the responsibility of insurers and hospitals to negotiate contracts or appropriate funding mechanisms for GUI items.
- The Department will also not consider new and/or amendment applications for GUIs prior to the removal of these items. Noting that these applications have been rejected for approximately three years and there are considerable concerns being raised by sponsors that new devices are available for clinicians/patients in the public system but not in the private system.
- On 11 October 2023, the Minister decided that the scheduled 10% reduction of the PL benefits for General Use Items for 1 November 2023 would not go ahead.
- Involvement of PwC in the PL Reforms – PwC was engaged by the Department to carry out a review of Part B of the PL (Human Tissue) as part of the current Reform activities. This included consultation with key stakeholders in relation to the new structure of Part B and the listing process to be used for new products, report and make recommendations to the Department.
    - Contract term: 9 December 2022 – 14 April 2023
    - Contract value: $133,580 (GST incl)
    - Procurement process: This contract was entered into under the Whole-of-Government Management Advisory Service (MAS) Panel (SON3751667) which is overseen by the Department of Finance.

- As with all Departmental procurement processes, this was conducted in line with the Commonwealth Procurement Guidelines, and all PwC staff declared any conflicts of interest.
- The project was led by Mr James Downie, Health Partner, PwC (former CEO of IHACPA). Mr Downie's expertise and knowledge in the PL space made a valuable addition to the project, along with the expertise of his team which included staff who had worked in the jurisdictional Eye and Human Tissue sector.

o Status of project: the project was completed in April 2023 and the contract has now ceased. The Department is currently reviewing the report and recommendations from PwC along with submissions from stakeholders following consultation that concluded 6 October 2023.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

PHI Reforms

BUDGET

	2021–22 (Actual) ($m)	2022–23 (Estimate) ($m)	2023–24 (Estimate) ($m)	2024–25 (Estimate) ($m)	2025–26 (Estimate) ($m)	2026–27 (Estimate) ($m)	Total *2023–24 to 2026–27* ($m)
Program	*6,741.7*	*7,007.3*	*7,147.0*	*7,374.8*	*7,568.1*	*7,736.8*	**29,826.7**
Annual increase in spend	*181.1*	*265.6*	*139.7*	*227.8*	*193.3*	*168.6*	**589.7**
Growth (%)	*2.8%*	*3.9%*	*2.0%*	*3.2%*	*2.6%*	*2.2%*	**8.3%**

Source of figures – 2023-24 Budget, includes whole of Government expenditure for the Department of Health and Aged Care and the Australian Taxation Office

KEY POINTS

- The Government is committed to improving the affordability and value of Private Health Insurance (PHI) for consumers and the contribution PHI makes to the Australian healthcare system.
- Funding for independent studies into the effectiveness of the regulatory settings for Risk Equalisation (RE), Lifetime Health Cover (LHC), Medicare Levy Surcharge (MLS) and Rebate, and Hospital Default Benefits were announced in the 2020-21 and 2021-22 Budgets.
- The broad aim of this work was to highlight whether any changes to PHI policy settings could improve:
    - value and affordability for consumers.
    - the effectiveness of incentives for consumers to take up and hold PHI.
    - the contribution PHI can make to the Australian healthcare system, particularly taking pressure off public hospitals.
- Collectively the studies suggested that current PHI settings are sub-optimal and suggest directions for improvement.
- All studies have been publicly released and stakeholder feedback from insurers, hospitals, academics, medical professionals and members of the public has been received. The Department is now reviewing stakeholder feedback and will provide advice to government to inform its consideration of potential changes.
- Consultation submissions that were not marked as confidential will be published on the department's consultation website.
- The Department will continue to engage with the sector over the coming months to hear their views on the findings and their readiness to work collaboratively and constructively together in the interest of consumers (in the context of a PHI reform package for the 2024-25 Budget).

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Study	Authority	Consultation period for final report	Number of stakeholder submissions received
RE	Budget 20-21 $2.1m (Finity Consulting)	16 Sep 2022 to 5 Dec 2022	14
LHC		6 Jun 2023 to 15 Aug 2023	41
MLS & Rebate	Budget 21-22 $1.5m (Finity Consulting)	6 Jun 2023 to 15 Aug 2023	41
Hospital default benefits (set under legislation)	Budget 21-22 $1.1m (Ernst & Young)	6 Jun 2023 to 15 Aug 2023	41

KEY SENSITITIVES

- From time to time the Australian Government is called on to scrap 'junk' PHI policies.
  - These types of policies generally provide a very low level of cover and may be used by consumers to avoid paying the MLS.
  - Consumers are free to choose what level of hospital cover meets their needs. In some instances, these cheaper policies will be used to avoid the MLS. However, they can also provide people on lower incomes with the option of purchasing PHI, with a view to upgrading in the future, and avoiding additional costs associated with LHC.
- Stakeholders continue to call for the Rebate to be restored to pre-2014 levels prior to the introduction of the annual rebate adjustment factor. Finity Consulting's modelling in the PHI incentive report has indicated that restoring the rebate to the levels that applied before these changes would represent poor value for money for Government.
- Consensus between stakeholders on reform options going forward is likely to require further work and negotiation.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 – Individual Health Benefits

Parliamentary Inquiry

KEY POINTS

- On 25 November 2021, the House of Representatives Standing Committee on Health and Aged Care (Standing Committee) released the report of its Inquiry into approval processes for new drugs and novel medical technologies in Australia (the Inquiry), titled *The New Frontier – Delivering Better Health for all Australians* (the Report).
- The Report provided 31 recommendations that aimed to:
    - streamline and simplify the approval processes for new medicines and novel medical technologies, to provide better and faster patient access to treatments.
    - work collaboratively with the States and Territories on improving access to new medicines and novel medical technologies.
    - draw on the expertise and experience of stakeholders as part of informing research, education and planning priorities that support patient access to important health technologies and broader stakeholder participation in the Health Technology Assessment (HTA) process.
- The Department of Health and Aged Care is the lead agency coordinating the Australian Government response to this Inquiry report.
- The timing of release for the Government response to the Inquiry Report and the response to each recommendation in the Inquiry Report is a decision of Government.
- The Government has committed to careful consideration of all the Standing Committee's Inquiry recommendations, and a Government response will be tabled after these considerations have been finalised by the Government, noting that there are several recommendations that cut across activities outside of the health portfolio.
- Examples of non-Health recommendations include matters relating to intellectual property and data exclusivity provisions for health technologies and research and development tax incentives (Recommendation 27), as well as supports for the domestic medical technology sector (Recommendation 17).
- The Standing Committee's Inquiry process highlighted a number of activities that have been suitable to progress as part of normal Commonwealth operations and/or as part of implementing other agreements and commitments by the Australian Government.

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These activities include:

- Introduction of a medicines repurposing program as part of the 2023-24 Budget ($10.1 million over four years) to improve patient access to treatments by assisting sponsors to expand the approved uses of their medicines (Recommendation 11).
- Ongoing policy, legislative reform and consultation work in respect of the Prostheses List (Prescribed List of Medical Devices and Human Tissue Products) (Recommendation 19).
- Investment in the October 2022-2023 Budget of $39.0 million over four years to support expansion of Australian newborn bloodspot screening programs, including standardising an agreed national list of current newborn bloodspot screening conditions, including specific funding to achieve consistency across Australia, and a streamlined pathway to consider more conditions for screening (Recommendation 21).
- Consultations to inform future ways of supporting consumer and consumer organisations ("the patient voice") engaging with HTA processes (Recommendation 28).
- Commencement of the HTA Policy and Methods Review (Recommendation 30). Public consultation activities (including follow-up direct discussions with key stakeholders) and Reference Committee meetings are ongoing, with a second round of public comment planned for Quarter four 2023.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

Dr Philip Medicare Integrity Review

BUDGET

	Outcome/ Program	2023-24 (Estimated Actual) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2023-24 to 2026-27* ($m)
Strengthening Medicare – improving Medicare integrity						
Department of Health and Aged Care						*18.8*
Administered payments	*2.6*	*1.2*	-	-	-	*1.2*
Departmental payments	*2*	*10.6*	*2.3*	*2.3*	*2.4*	*17.6*
Services Australia						
Departmental payments		*6.6*	*2.5*	*1.3*	*0.7*	*11.0*
Total – Payments		*18.4*	*4.8*	*3.6*	*3.0*	*29.8*

- The Budget measure 'Strengthening Medicare – improving Medicare integrity' is described on page 151, under Part 2: Payment Measures of Budget Paper No. 2
- Additional financial details specifying the administered and departmental payments are provided on page 35 of the Portfolio Budget Statements 2023-24 Budget Related Paper No. 1.9 for the Health and Aged Care Portfolio.

KEY POINTS

Review of Medicare Integrity and Compliance

- On 5 November 2022, the Honourable Mark Butler, Minister for Health and Aged Care, announced the Independent Review of Medicare Integrity and Compliance, led by health economist Dr Pradeep Philip from Deloitte Access Economics (the Philip Review).
- The Philip Review was commissioned in response to media reports of extensive wastage and misuse in the Medicare Payment system.
- Under its Terms of Reference, the Philip Review considered:
    - additional measures to reduce the risk of fraudulent billing or overservicing.
    - integrity risks for the Medicare payment systems.
    - the potential value of fraudulent, non-compliant or over servicing risks in Medicare.
    - potential improvements in the functions of the department's Practitioner Review Program and the Professional Services Review.
    - improving compliance powers in Medicare legislation, including the *Health Insurance Act 197*3 and associated regulations.
- The Philip Review found that the Medicare program was highly complex with compliance systems lacking tools and policies to support pre-payment controls and enable continuous monitoring of claims and payment activities.

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Division:	|Health Resourcing| Benefits Integrity			

- It concluded that Medicare legislation, governance, systems, processes, and tools were not fit for purpose.
- It also found there was likely $1.5 to $3 billion a year in Medicare non-compliance and fraud; previous estimates had ranged from $366 million to $2.2 billion.
- The review noted that without action the level of non-compliance is likely to increase significantly.
- The Philip Review made 23 recommendations focusing on:
    - Specific integrity risks related to Medicare payment channels.
    - Improvements to pre-payment mechanisms and controls, compliance treatments, technology, policy and legislative arrangements.
- Dr Philip consulted a range of stakeholders, including:
    - the Australian Medical Association.
    - Royal Australian College of General Practitioners.
    - government agencies including Services Australia and the Professional Services Review.
    - (then) Secretary Dr Brendan Murphy AC and Deputy Secretary Penny Shakespeare from the Department of Health and Aged Care (the department).
- The final report was published on the department's website on 4 April 2023.
- A fee of $715,000 was paid to Deloitte Access Economics for services provided in conducting the independent review.
- The government's response to the Philip Review recommendations will be published on the department's website.

Budget 2023–24

- In July 2023, the Government established the Medicare Integrity Taskforce within the Department of Health and Aged Care.
- The Taskforce is funded under the Budget 2023–24 measure 'Strengthening Medicare – improving Medicare integrity', which provided $29.8 million over four years ($18.8 million for the department and $11 million for Services Australia) from 2023-24 to strengthen the integrity of the Medicare system.
- The Taskforce works closely with Services Australia and is responsible for developing proposals for immediate and longer-term Medicare reform in response to recommendations of the Philip Review.
- The Taskforce is considering options regarding:
    - real-time identification of, and action against, active fraud.
    - safeguards for Medicare claiming channels.
    - identification of compliance and integrity gaps in Medicare legislation.
    - simplification of Medicare policy and the language used to describe it.
    - governance structures supporting the policy, service delivery and integrity components of Medicare payment.
    - simplification and better targeting regulation and compliance messaging for health providers.

- The Taskforce has also set in train changes to Medicare payment, policy and legislation, including to:
    - prevent practices making fraudulent claims by limiting the backdating period for patient-billed claims.
    - permit appropriate data sharing with Services Australia to allow entities and bank accounts associated with known fraud to be blocked from receiving payments.
- The *Health Insurance Amendment (Professional Services Review Scheme) Bill 2023* was passed by Parliament on 14 September 2023 (and has now received Royal Assent) to amend the *Health Insurance Act 1973* to remove, in alignment with Philip Review recommendations, the following:
    - the Australian Medical Association's veto power over appointment of the Director of the Professional Services Review.
    - the requirement that the department consult with professional bodies before issuing a notice to produce documents during audits.
- The *Health Insurance Amendment (Professional Services Review Scheme No. 2) Bill 2023* was introduced in the House of Representatives on 19 October 2023 and proposes further amendments to the *Health Insurance Act 1973* to improve the operation of the PSR in alignment with Philip Review recommendations.
- The amendments are mainly administrative and are aimed at improving clarity to ensure that a person under review is aware of how the PSR Scheme should apply, as well as enable the PSR to perform its role more effectively.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 2 - Individual Health Benefits

MSAC application for Gender Affirming medical care

KEY POINTS

- On 23 March 2023, the Medical Services Advisory Committee (MSAC) received an application from the Australian Society of Plastic Surgeons (ASPS) for the public funding of patient consultations and surgical procedures for gender affirmation in adults between 18 and 50 years of age who have gender incongruence.
- "Gender incongruence" is characterised by a marked and persistent incongruence between an individual´s experienced gender and the assigned sex, and if not managed may lead to significant psychological distress (dysphoria).
- MSAC is an independent, expert advisory group which provides advice to the Government on whether a new medical service or technology should be publicly funded, based on an assessment of the comparative safety, clinical effectiveness, cost-effectiveness and total costs of services and/or procedures, using the best available evidence.
- Any person or organisation can submit an application to the MSAC for the consideration of public funding of a medical service.
- The application has been found suitable for a full Health Technology Assessment (HTA) and will be considered following standard MSAC processes. The application was published on the MSAC website on 21 September 2023 providing the opportunity for public feedback, and a bulletin was distributed on this date advising subscribers the application was scheduled for consideration by MSAC's PICO Advisory Sub Committee at its December 2023 meeting. The PICO Advisory Sub-Committee uses the widely accepted PICO (population, intervention, comparator and outcome) approach to analysis.
- Gender affirmation is a complex medical process and there is no singular or overarching MBS item or group of items that captures all the consultations and surgical procedures that may be involved in gender affirmation. Rather there is currently a range of Medicare Benefits Schedule (MBS) items that could be used at various stages of the gender affirming process, including GP consultation items and plastic surgery items, if the treating practitioner determines these services to be clinically relevant for the care of the patient. The applicant is seeking changes to MBS items to more specifically cover gender affirmation consultation and surgeries.
- On 1 March 2023, the Government announced a pathway to better health for LGBTIQA+ communities, including the development of Australia's first 10 Year National Action Plan for the Health and Wellbeing of LGBTIQA+ people (Action Plan). Access to gender affirming care is emerging as a key issue from national consultation with LGBTIQA+ people. Approaches to improving access to gender affirming care will be considered in developing the Action Plan.

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Division:	|Health Resourcing| Medicare Benefits & Digital Health			

Key Sensitivities

Parliamentary petitions have been lodged both in favour and against the funding of gender affirmation surgery through Medicare

- Petition EN3307 - Gender affirming surgery should be covered by Medicare in June 2021 received 148,182 signatures. The former government's position to this petition was that a health technology assessment by MSAC would be required for any new gender affirmation treatment services.
- Petition EN5135 - *Gender Affirming care should NOT be covered by Medicare* closed on 28 June 2023 and received 63,060 signatures. The Minister is yet to respond to the petition but correspondence is with the Minister for signature which notes the MSAC process and advises that Government will consider the MSAC advice when received (MC23-014763 refers).

Media and State Government issues

- On 22 September 2023 the Daily Mail Australia reported on a 7News Spotlight investigation into young patients regretting undergoing a gender-affirmation process (https://www.dailymail.co.uk/news/article-12475521/Transgender-surgery-regret.html).
- State and Territory Governments provide their own frameworks of gender affirming care for the public system including for children and adolescences. After a Four Corners investigation, the NSW government has commissioned a review by the Sax Institute into the way gender-affirming care is delivered across the state to assist in the establishment of a new care framework for clinicians.

Indemnity Insurance issues

- MDA National, a mutual organisation providing indemnity insurance to its members, has inserted an exclusion clause in its professional indemnity insurance policy for claims arising from certain aspects of gender transitioning treatment for under 18-year-olds.
- The Government understands that the MDA National exclusion applies only to certain aspects of gender affirming treatment relating to the prescription of cross-sex hormones as part of the second phase of treatment. The Government will continue to monitor any further developments in this area noting that MDA National are the only insurer who has included an exclusion in their policies which means cover remains available from other insurers.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Aged Care COVID-19 Support Program Extension Grants - delay impact

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	*Total *2022-23 to 2025-26* ($m)
Program	104.4	379.5	646.4	-	-	-	**1,026.0**
Annual increase in spend	27.9	275.1	266.9	-	-	-	**542.0**
Growth (%)	-64%	*264%*	*70%*	-	-	-	

*Estimates include WCI/Parameter updates and Bill 1 – 4% Reinvestment measure adjustments.

Funding of $810.2 million for the program was included in the 2022-23 Budget under the measure 'COVID-19 Package – aged care'. Details are set out in *Budget October 2022-23, Budget Measures, Budget Paper No. 2, 2022-23 at page 119*.

KEY POINTS

- The purpose of the COVID-19 Aged Care Support Program Extension grant (Extension grant) was to reimburse approved aged care providers for eligible expenditure incurred in managing direct impacts of COVID-19 between 28 May 2021 and 31 December 2022.
- The demand driven grant opened on 4 June 2021 and closed 31 March 2023.
- Initial funding allocated to the grant was $29.9 million in Budget 2021-22, and expanded to $1.023 billion in the October 2022-23 Federal Budget.
- The Extension grant received a total of 11,383 applications.
- At the June 2023 Senate Estimates, the Department of Health and Aged Care (the Department) committed to completing all assessments in the next three to six months.
- All 11,383 applications have now been assessed.
    - Providers may request a review of their assessment outcome. These reviews are prioritised in order of receipt.
- The Department is obliged under the Public Governance, Performance and Accountability (PGPA) Act, the Commonwealth Grant Rules and Guidelines and the Finance Business Rules to undertake a rigorous assessment to ensure funding is directed only to eligible costs following confirmation of eligible expenses against the specified eligibility criteria outlined in the Grant Opportunity Guidelines.
- Delays were due to a number of contributing factors including:
    - The high number of applications received.
    - (xx%) of applications requiring additional information due to unclear or poor quality submissions.
    - additional scrutiny for high value claims.
    - ineligible items or items that did not meet the eligibility criteria (BAU items, food, gift cards, flowers, claims outside of the impact period, etc).
    - incorrect or out of date contact details for authorised representatives.

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Division:	|Ageing and Aged Care| Service Delivery			

- To address the delays and improve processing timeframes the Department:
  - triaged and prioritised applications received from providers identified to be in financial distress, those who have submitted exceptional circumstances applications, or for low-cost claims.
  - significantly increased staffing resources assessing grant applications
  - reviewed and streamlined processes where possible within the constraints of the Grant Opportunity Guidelines.
  - engaged two external Suppliers to provide additional grant assessment services.
- The Department has continued to review the operation of this grant process and has incorporated lessons learned into new (and future) grant processes.
- The Community Grants Hub (Hub) at the Department of Social Services is issuing agreements and reimbursements to approved applicants. The Department continues to work closely with the Hub to progress agreements and reimbursements in a timely manner.

External Supply of Grant Assessment Services

- Due to ongoing delays in finalising assessments under the Extension grant, the Department sought external support from providers experienced in grant assessments and with available resources to supplement the Department's assessment staff.
- The Department sought quotes from three members of the Defence Support Services Panel. Only one response was submitted (Ernst & Young (EY)).
  - EY's contract commenced on 15 August 2023 and ceases on 30 November 2023. Contract totals up to $1,197,174 (GST inclusive).
  - EY was allocated a total of 664 applications.
- Due to the low response rate and additional supplier was engaged through a limited tender process (Burbirra Group).
  - Burbirra's contract commenced on 23 August 2023 and ceases on 17 November 2023. Contract totals up to $733,480.00 (GST inclusive).
  - Burbirra was allocated a total of 531 applications.
- To address actual or perceived conflicts of interest (COI), each Supplier was provided with a list of unassessed applicants and asked to identify any interactions with providers since the commencement of the first COVID-19 Aged Care Support Program grant (27 March 2021).
  - If a COI was identified, the application was allocated to either the other Supplier or internally within the Department.
  - Additionally, all internal or external staff associated with the grant have completed COI declaration and Confidentiality agreement forms prior to working on the grant.

FACTS AND FIGURES

Table 1: COVID-19 Aged Care Support Program – Extension Grant (as at dd.10.2023)

Total Funding Applied For	Total Funding Expended
$1,023b	$1,023 b

Table 2: Number of applications

Fully Successful/Partially successful	11,130	$00,000
Fully Ineligible	69	$3,866,574
Withdrawn	212	$18,859,009
Request for Information	00	
Varied	00	
Request for Review	00	

- XX applications approved for funding however remaining with the Hub for processing - totalling $130,548,372

Table 3: Budget History

Budget/MYEFO	Allocated Funding	Total Grant Funding	Timeframe
2021-22	$29.9 million	$29.9m	4 June 2021 to 31 March 2022
MYEFO 2021-22*	$78.2	$108.1m	Extended to 30 June 2022
2022-23	$83.3m	$191.5m	Extended to 31 December 2022
2022-23 (October Budget)	$800.702m + $31.116m**	$1.023b	31 December 2022

* $51.2 million in FY 2021-22 to original end date of 31 March 2022, $27 million in FY 2022-23 to extend the grant from 1 April 2022 - 30 June 2022).
** A movement of funds of **$31.116 million** from the Support for Aged Care Workers in COVID-19 (SACWIC) measure

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Aged Care 2023-24 Budget Package

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2026-27* ($m)
Program	24,301.1	27,463.3	36,025.7	38,017.3	40,079.0	41,969.3	183,554.6
Annual increase in spend		3,162.2	8,562.4	1,991.6	2,061.7	1,890.3	
Growth (%)		***13.0%***	***31.2%***	***5.5%***	***5.4%***	***4.7%***	

Source of figures – 2023-24 Budget (all figures are referenced as Estimate until completion of the financial year and publication of the annual report).

KEY POINTS

- The Budget delivers an overall spend in aged care of $36 billion in 2023-24 and addresses, in full or in part, 44 recommendations from the Royal Commission into Aged Care Quality and Safety.
- Aged care funding will grow from $24 billion in 2021-22 to an estimated $36 billion in 2023-24.
- By 2026-27, funding in aged care will be an estimated $42 billion per year.

FACTS AND FIGURES

Agreed measures

- $11.3 billion for the measure **Aged Care Workers pay rise** to fund the Government's election commitment to fund a wage increase for aged care workers.
- $536.6 million for continued **COVID-19 support for aged care providers** to maintain surge workforce arrangements and assist the aged care sector to be more prepared to manage future outbreaks and health threats.
- $487 million for the ongoing measure **Disability Support for Older Australians Program** to extend the program over three years to ensure community of care for older Australians currently accessing the DSOA program.
- $172 million for **Home Care Reform initiatives**, including $0.7 million to establish an Aged Care Taskforce, $10.9 million for a trial of assistive technology loans, $15.7 million for a single comprehensive assessment, $71.5 million for an Independent Hospital and Aged Care Pricing Authority pricing study and $73.1 million for ICT changes necessary to implement and sustain the single assessment workforce reform from July 2024.
- $166.8 million for **Additional Home Care Packages** which will release an additional 9,500 HCP in 2023-24.

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Division:	|Ageing and Aged Care| Reform Implementation			

- $139.9 million for the measure **Building a strong regulatory framework for Aged Care: Star Ratings** to improve accountability and transparency of approved aged care service providers and to improve quality of care and safety for older Australians receiving care services.
- $112 million for the **General Practice in Aged Care Incentive** to provide General Practitioners and their practices incentives to provide high-quality, continuous care to patients in Residential Aged Care Homes.
- $98.7 million for **Aged Care Viability Support Programs** to implement viability support programs that targets providers with viability concerns, particularly in regional and remote Australia to improve business and ensure service continuity for older Australians.
- $81.9 million for the **Development and delivery of Bill for a New Aged Care Act and discovery and design of associated ICT system** changes to support aged care sector reform and to undertake the necessary ICT discovery and design of required ICT system changes.
- $77.3 million for **Supporting First Nations Elders in Aged Care** to provide culturally safe aged care services and establish an interim First Nations Aged Care Commissioner.
- $59.5 million to **Establish a National Worker Registration Scheme for Aged Care** to expand the current NDIS worker screening model and develop English proficiency and ongoing training elements of the National Registration Scheme.
- $59.4 million for the measure **Building a strong regulatory framework for Aged Care** for regulating aged care under the new Aged Care Act, and to support the development and implementation of a new, stronger regulatory framework.
- $41.3 million for the measure **Aged Care ICT to Enable Reform: Places to People – Embedding choice in residential Aged Care** for design and implementation changes to Aged Care and Services Australia ICT systems and introduce a new system to assign permanent residential aged care places to older Australians, instead of providers.
- $25.3 million for the measure **Preliminary Report on the Capability Review of the Aged Care Quality and Safety Commission** to provide funding for one year to support the ACQSC deliver its core functions as per the recommendations of the preliminary report submitted to the Minister on 20 December 2022.
- $12.9 million for the measure **Building a strong regulatory framework for Aged Care: Strengthening Nutrition** to Increase the capability and accountability of residential aged care providers and home care providers with regards to food and nutrition.
- $12.9 million for **Aged Care Prudential Reform** to expand responsibilities and functions of the Aged Care Quality and Safety Commission as the independent aged care prudential regulator, including associated resourcing and flow-on implications for the next phase of financial and prudential reforms in aged care.

Saves measures Items

- $2.17 billion for the measure **Temporary Reduction to Residential Aged Care Ratio** to temporarily reduce the target ratio for the number of residential aged care places from 78 places per 1000 people aged 70 and older to 60.1 places per 1,000 people aged 70 and older from 2024-25 to 2026-27.

Q&As

Funding aged care

- Will the government introduce a levy to fund aged care?
    - The Government has established the Aged Care Taskforce to review the funding arrangements for aged care and investigate how to ensure that the aged care system embeds best practice, innovation as the default, and is fairer and more equitable for older people needing aged care now and into the future, and for all Australians (SB23-000316 refers).
- The Taskforce will provide Government with options for consideration and a recommended package in December 2023. Recommendations made by the Taskforce will be considered by Government. The Taskforce is due to provide interim advice in October 2023. The publication of the interim advice and final report are a matter for the Government.
- The aged care providers want consumer contributions and user pays, is that something that the government will consider?
    - The Aged Care Taskforce will review the funding arrangements for aged care.

Aged care regulation

- What is the Government doing to improve aged care regulation?
    - The 2023-24 Budget delivers stronger regulation, reporting and improved data so that older Australians, their families and carers will have the right information to choose their provider and confidence that the Government has oversight and will take action where financial risks are identified or aged care does not meet standards.
    - A new regulatory framework, to be reflected in the new Aged Care Act, will improve the quality and safety of aged care services, as well as restore trust and confidence in aged care providers. Funding is provided to upgrade Star Ratings and uplift food standards.
    - The new regulatory model ($59.4m) will enable changes in how providers are regulated, and support measures to:
        - improve aged care residents' dining experiences and food and nutrition reporting ($12.9m).
        - require residential aged care services to provide residents with Monthly Care Statements on care provided and occurrences of significant change ($1.3m).
        - enable continuous improvement and enhance Star Ratings for older Australians ($116.1m).
        - work to expand the Quality Indicator program to in-home care services ($11.9m).

Aged care worker wage rise

- Thousands of nurses have been excluded from getting a pay rise under the implementation of the FWC decision, won't this lead to people leaving the sector?
    - The Government's investment in wages must be passed on for the full benefit of workers, noting the funding includes provision for on-costs and leave liabilities.
    - For providers who pay above award through Enterprise Agreements or individual contracts, the expectation is that they will use all available funding provided by the Government to continue to pay a premium above the award (taking into account on-costs). The Government is working with the unions and providers on arrangements to set clear guidance regarding what increases should be made available to workers.

- How much will the FWC pay rise cost the budget?
    - The Australian Government will commit $11.3 billion to fund the aged care wage rise, this includes:
        - $8.5 billion over four years for residential aged care workers by:
            - increasing the Australian National Aged Care Classification (AN-ACC) funding.
            - introducing a new $10.80 per resident per day 'hotelling' supplement
            - increasing the new 24/7 registered nurse supplement
        - $2.5 billion to in-home aged care by:
            - increasing Home Care Packages (HCP) funds.
            - additional grant funding for Commonwealth Home Support Programme (CHSP).
        - $236.8 million for providers of flexible aged care programs, including:
            - the National Aboriginal and Torres Strait Islander Flexible Care Program (NATISFAC).
            - Indigenous Employment Initiative (IEI).
            - Short Term Restorative Care (STRC) Programme.
            - select providers of Multi-Purpose Services (MPS).
            - Transition Care.
        - $82.5 million for Veteran's Home Care and Community Nursing fees.
        - $98.7 million for leave liabilities.

Support at Home program (in-home care)

- What's happening with the new Support at Home program? Will it still start on 1 July 2024?
    - The Government is committed to delivering an in-home aged care program that meets the needs of older people now and into the future. The new Support at Home program has been postponed to commence on 1 July 2025, allowing time to refine program design and address issues.
    - Consultations with stakeholder groups on the details of the Support at Home program design, specifically feedback from older Australians, their families and carers, indicated that the Department needs to take more time to properly address their specific concerns and priorities under the new program, including:
        - developing fair and efficient prices.
        - establishing an appropriate services list.
        - trialling an assistive technology loan scheme.
        - exploring options to provide higher levels of care at home.
    - Existing grant arrangements for the Commonwealth Home Support Programme will be extended for a further 12 months to 30 June 2025.
    - The new Aged Care Taskforce will also inform the final design of the Support at Home program.
    - Measures in the 2023-24 Budget provides an additional 9,500 Home Care Packages and establishes new aged care assessment arrangements from July 2024.

First Nations elders

- What is being done to improve culturally safe, quality aged care for First Nations elders?
    - We are embedding cultural safety trauma-aware healing-informed care principles into all aged care services. In partnership with First Nations organisations, we will develop training materials and best practice guidance that will be included with the new, strengthened Aged Care Quality Standards Framework.
    - The National Aboriginal and Torres Strait Islander Flexible Aged Care Program will be further funded $5.3 million to ensure First Nations elders access high quality, culturally safe care and we will build the capacity of Aboriginal Controlled Organisations with $8.2 million to ensure on Country services.
    - $1.7 million will fund an interim First Nations Aged Care Commissioner.

Primary care connected to aged care

- What is being done to improve access to primary care for aged care residents?
    - $112.0 million will increase access to primary care for aged care residents, with new incentives for GPs and better connected aged care, healthcare, veterans' care and disability supports. Aged care residents will benefit from more integrated care delivered by their chosen primary care provider, including regular visits to their aged care home and annual care planning. Their GPs can address health concerns as they arise, which reduces risk of avoidable hospitalisations.
    - The General Practice in Aged Care Incentive (GPACI) to give aged care residents better access to high quality, continuous and person-centred primary care.
    - From 1 July 2024, the new incentive will include:
        - Additional payments to GP and primary care clinics for regular appointments, health assessments and care planning with aged care residents.
        - A voluntary patient registration scheme where aged care residents can elect their preferred primary care provider to enable greater continuity of care.
        - Funding for Primary Health Networks to work with aged care homes to match each resident – or potential resident – with a regular primary care provider, and to commission GPs to provide care in areas of workforce shortage.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Acting Inspector-General Progress Report on the Royal Commission into Aged Care Quality and Safety's Recommendations

KEY POINTS

- On 13 June 2023, Minister Wells requested the Acting Inspector-General of Aged Care prepare a progress report on the Government's implementation of Royal Commission into Aged Care Quality and Safety Final Report recommendations.
- In requesting the progress report, the Minister was keen to reflect on progress and achievements following the second anniversary of the Royal Commission into Aged Care Quality and Safety Final Report being released, while also identifying areas of focus for the Government moving forward.
- The Minister also flagged her intention to share the progress report with the Aged Care Taskforce, and requested the Acting Inspector-General provide independent advice and insights into recommendations that relate to financial sustainability and consumer contributions. These insights were shared with the Taskforce on 12 October 2023.
- The progress report was released on the department's website on 20 October 2023.
- The progress report is independent and has been provided to Government. Decisions around handling of findings and recommendations within the report are a matter for the Government.

If asked what the progress report found?

- Overall, the progress report is positive. It recognises significant progress in implementing the recommendations, particularly in tight and in some instances ambitious timeframes proposed by the Commissioners.
- It recognises for the most part, implementation of recommendations remains ongoing. This is viewed as reasonable noting the complex, multidimensional nature of the aged care reforms will take time to get right.
- The progress report states that commendations are due for what has already been achieved, and there is recognition of a range of initiatives the Government has moved quickly to address. This includes:
    - Measures and increased funding in residential aged care – including 24/7 nurses and the Viability Supplement.
    - Introduction of the new funding model in October 2022.
    - Establishment of a Serious Incident Response Scheme and legislative framework to prevent inappropriate use of restrictive practices.
    - Improvements to provider governance.
    - Increasing aged care worker wages.
    - Funding the engagement of Care Finders.

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If asked about how the Progress Report aligns with the Government's position on finalised recommendations

- The report contains instances where the Acting Inspector-General's assessment of the recommendation status differ to the department's position.
- In some cases, this is due to differences in the two reporting frameworks, which the Acting Inspector-General himself stated are not comparable.
- There are some instances where the Acting Inspector-General assessment of 'finalised' recommendations is different to the determination of the Minister and the department.
- This is mostly due to definitional differences in the two reporting frameworks, particularly where the definitions of 'finalised' and 'completed' or 'closed' result in alternative assessments between the Government and Acting Inspector-General. For example:
    - In the department's framework, a recommendation can be completed and implemented if the intent or objectives of a recommendation have been delivered, even if some subcomponents will not be delivered.
    - The report itself notes that in some cases, the Government has chosen not to proceed with the Royal Commission's recommendation as stated but is seeking to achieve the intent through alternative means.
    - In the Progress Report, the Acting Inspector-General has taken a different view on whether a recommendation is 'finalised' and 'implemented'.
    - For example, Recommendation 24 (Star Ratings). The Minister has agreed this recommendation is completed as the Star Ratings system has been delivered, supported by legislation that has passed the Parliament and the system has been implemented in the sector. The system is operational and there will be future refinements that occur as part of additional work funded in the 2023-24 Budget.
    - Aged care reform is an ongoing activity and many areas identified by the Royal Commission will be subject to continuous improvement.
    - The Acting Inspector-General has determined that this recommendation is not finalised, and it is 'ongoing' noting future refinements will occur, and that it is only 'partially implemented' as Star Ratings are not available for some home care services.

If asked why the department and Acting Inspector-General's assessment is different

- The department's reporting framework has evolved over time since the Final Report was delivered, noting the complexity of the recommendations and pace of the reform implementation.
- The Acting Inspector-General requested the department undertake a self-assessment of progress using their reporting framework.
- The department conducted the self-assessment and there are differences in position. This can be attributed to a variety of factors, including differences in interpretation or the Acting Inspector-General indicating a lack of sufficient information and the need to investigate further.
- I am comfortable with the department's assessment. We will continue to work with the Acting Inspector-General of Aged Care in any subsequent reports that may be undertaken to work through any differences.

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If asked about the delays in some of the major reforms

- The report expresses some concern for those outstanding major structural recommendations where there are significant dependencies and the potential for further slippage. This is largely centred on the new Aged Care Act and the new Aged Care Program – Support at Home.
- The Government is committed to aged care reform and getting this right, aged care continues to be a high priority for the department.
- The department notes the report also acknowledges in some instances that the Commissioners' timeframes were very ambitious and may not have accounted for the proper processes of Government or the realities of effectively introducing reforms of this magnitude and scale.

If asked about the role of the Inspector-General in reporting progress against the Royal Commission recommendations

- A core function of the Inspector-General is to monitor, investigate and report on the progress of implementation of the Royal Commission recommendations (recommendation 12). It is anticipated that the Inspector-General will do so annually.
- The Inspector-General will also undertake a deeper evaluation at five and ten years post the release of the Royal Commission Final Report – 2026 and 2031 (recommendation 148).

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Care Minute Changes

BUDGET

- The Government has committed funding over five years from 2022-23 to enable aged care providers to deliver on their care minutes responsibility. This includes:
    - **$5.4 billion** over four years from 2022-23 (committed in the 2021-22 Budget), which commenced on 1 October 2022, to deliver the initial 200 care minutes targets and for when they became mandatory from 1 October 2023.
        - Additional funding over four years from 2023-24 was committed in the May 2023-24 Budget to cover the increased cost of delivering the Fair Work Commission (FWC) 15% wage increase (at 200 care minutes).
    - **$1.9 billion** over two years from 2024-25 (committed in the October 2022-23 Budget) to support providers to deliver the increase to 215 care minutes from 1 October 2024.
        - An additional **$743 million** over three years from 2024-25 (committed in the May 2023-24 Budget) to cover the increased cost of delivering 215 care minutes as a result of the 15% FWC wage increase.
- Together, these funding increases mean that from the commencement of the 215 care minutes requirement, aged care providers will be receiving around **$3 billion** per year in additional funding to increase their direct care delivery.

KEY POINTS

- Changes to the subordinate legislation, through the *Aged Care Legislation Amendment (Care Minutes Responsibilities) Principles 2023*, was signed by Minister Wells on 6 September 2023, requiring providers to deliver a sector-wide average of 200 care minutes (including 40 minutes of RN time) per resident per day, from 1 October 2023.
    - Separate amendments to the subordinate legislation will be needed in 2024 to increase the care minutes targets from 1 October 2024 to achieve a sector-wide average of 215 care minutes per resident per day (of which 44 minutes must be RN time).
- There has been a steady increase in overall non-mandatory care minutes delivered since 2020-21, when the department commenced collecting data on care time by registered nurse (RNs), enrolled nurses (ENs), personal care workers (PCWs) and assistants in nursing (AINs) – see Table 1 below.
- Preliminary data from the June quarter (April-June) 2023 Quarterly Financial Report shows the sector is delivering around 194 total minutes and 37 registered nurse (RN) minutes.
    - This represents approximately 97% and 92.5% of the 200 total care minutes and 40 RN minutes respectively and is an increase of around 12 total care minutes and 6 RN care minutes since 2020-21.

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Table 1: Sector level care minute trends

	ACFR 2020-21	ACFR 2021-22	QFR 22 Qtr 1 (Jul-Sep)	QFR 22 Qtr 2 (Oct-Dec)	QFR 23 Qtr 3 (Jan-Mar)	QFR 23 Qtr 4 (Apr-Jun)
Service count	2,472	2,371	2,682	2,679	2,656	2,641
RN Min/OBD	30.89	31.39	33.76	34.40	35.26	36.78
EN Min/OBD	17.83	15.75	14.71	15.17	14.81	14.37
PCW Min/OBD	133.12	136.39	138.27	139.28	140.35	142.84
Total Direct Care Minutes	**181.84**	**183.53**	**186.75**	**188.85**	**190.42**	**193.99**

- A more definitive picture of how many services are meeting their mandatory care minutes targets, as well as the sector average, are expected once providers have submitted their care hours and labour costs data in the QFR for the December (October – December) 2023 quarter.

Why are there no care minutes targets for ENs, allied health services and lifestyle and recreational activities

<u>Enrolled nurses (ENs)</u>

- Residential aged care providers are required under legislation to provide sufficient and appropriately skilled staff. ENs are a vital part of this mix. Providers are funded through the AN-ACC funding model to meet their care minute requirements, including funding to provide EN care time.
- While a specific target was set for RNs, the Royal Commission did not recommend a specific target for ENs. Instead, care time delivered by ENs are included in a service's total care minutes in order to allow providers flexibility to select the appropriate skills mix for delivering high quality care.
- As there is no mandated EN care minutes target, the department is aware some stakeholders have raised concerns that this has led to unintended consequences whereby providers are removing ENs from their staffing skills mix in favour of less expensive PCWs and Assistants in Nursing.
- In response to these concerns, the 2023-24 Budget measure – Aged Care Regulatory Reform committed to publishing EN care minutes *alongside* Star Ratings on the Staffing page via the My Aged Care 'Find a Provider' tool from October 2023.
    - This will shed a light on service and sector practices, providing a nationally consistent benchmark to monitor, compare and improve care delivery. It will also provide transparency for older people and their representatives when comparing services, and support providers to monitor, compare and improve their care delivery.

<u>Allied health, lifestyle and recreational activities</u>

- The department is also aware that some stakeholders have raised concerns about the unintended impact that the care minutes responsibility are having on allied health, lifestyle and recreational therapy in residential aged care.
- While the Royal Commission recommended care minute targets for direct care from RNs, ENs and PCWs, there were no targets recommended for allied health care, lifestyle and recreational activities under the care minutes responsibility.

  - Unlike the previous funding model (the Aged Care Funding Instrument) that linked the provision of allied health treatment, such as pain massage by physiotherapists, to funding, the AN-ACC model is designed to allow allied health professionals more freedom to provide the best targeted treatments that directly benefit the individual consistent with their individual care plan (for example, treating pain through an exercise program).

- The AN-ACC funding model covers all care related costs, including the delivery of allied health, lifestyle and recreational activities in line with the providers' requirements under Schedule 1 of the Quality of Care Principles 2014 and under their obligations under the *Aged Care Act 1997*.
  - This includes funding the Fair Work Commission 15% pay rise for lifestyle and recreational staff.
- As part of the Government's election commitment to provide greater transparency on how aged care providers use their funding, expenditure on allied health, recreational and lifestyle workers is expected to be published at the service level, including a comparison to median expenditure for the sector, from early 2024.
  - This will support older people and their family members to compare lifestyle and recreation service provision between different aged care services.
- The National Aged Care Mandatory Quality Indicator Program (QI program) will also be expanded from July 2025 to include a range of staffing measures (including allied health and lifestyle) and requires providers to report quarterly on critical areas of care impacting the health and wellbeing of older people.
  - This will support residential aged care providers measure, monitor and improve in these critical areas, with data to be published on the Australian Institute of Health and Welfare GEN My Aged Care website at the national, state and territory level.
- The Aged Care Quality and Safety Commission (Commission) is responsible for ensuring care is delivered in line with what is required under the *Aged Care Act 1997* and the relevant subordinate legislation including the Quality-of-Care Principles 2014 and the Quality Standards.
  - Providers not delivering the required allied health, lifestyle and recreation services may be subject to regulatory action by the Commission.

Sensitivities

Care Time Reporting Assessments program

- The department has commenced a Care Time Reporting Assessments program from September 2023 to examine the accuracy of care minutes data submitted in QFRs and RN coverage data submitted in the monthly 24/7 RN reports.
  - This helps protect the integrity and quality of data that is used to inform Star Ratings, supports the Independent Health and Aged Care Pricing Authority's (IHACPA) costing studies, informs policy decisions, and ensures that information provided to the Commission is accurate to assist with their regulatory activities.

Publication of service-level targets on the department's website

- In addition to the legislated requirement to publish service-level care minutes targets information, there are plans to publish a care minute dashboard by the end of March 2024 at the earliest, to provide additional visibility on how the broader residential aged care sector is performing against the responsibility to deliver care minutes.
    - Similar to the 24/7 RN dashboard, it is envisaged the care minute dashboard will provide aggregate data on the percentage of services that are meeting or not meeting their mandatory care minutes responsibility nationally, as well as a breakdown of performance by states and territories.
- The end of March 2024 timeframe accounts for the QFR reporting timeframes (due around five weeks after the end of the quarter) and care time data validation processes.

Changes to care minutes allocations for AN-ACC and respite classes

- As part of the 2023-24 Budget, the Government announced that it would be adjusting the allocation of care minutes for each AN-ACC class from 1 October 2023 to better align each service's average care time responsibility with its overall care funding.
    - Refer to **SB23-000219** for more information, including rationale for the changes.
- These refinements do not change the sector-level care minutes responsibility to deliver an average of 200 minutes per resident per day, including 40 RN minutes from 1 October 2023, increasing to 215 minutes, including 44 RN minutes from 1 October 2024.
    - The majority of services will see only very small changes (if any) to their service-level care minutes responsibility because quarterly care minutes targets are averaged across all residents in a service and so increases to care minutes for higher needs residents will be cancelled out by care minutes decreases for those with lower care needs.
    - However, there will be a proportion of services (around 725 or 27%) that are expected to see an increase in their targets of five minutes or more.
- The department's state and territory network have been directly engaging with providers that are expected to see a significant increase to their care minutes targets since early September 2023 to advise them of the increases, gather information about their preparedness for the implementation of care minutes, offer support as required and monitor progress and provide feedback on the implementation of this reform.
    - Early feedback from this activity shows most services (around 165) contacted to date reported no concerns in meeting the new care minutes targets by 1 October 2023 or soon after.
    - For the small number of services that have reported issues attracting or retaining staff, the key barriers were insufficient remuneration and being in rural and remote areas.

University of Wollongong consultancy

- The Royal Commission recommended that specialised aged care services should be able to apply for an exemption from the staffing skills mix, but not from the care minutes responsibility itself.
- The department engaged the University of Wollongong (UoW) in March 2023 to examine whether exemptions to the skills mix should be offered to specialised aged care services, and what the nature of this exemption should look like.

- A draft final report was received by the department on 18 September 2023 with preliminary recommendations on this issue. These include:
    - No changes should be made to the skills mix requirements being introduced on 1 October 2023 for specialised homeless, Aboriginal and Torres Strait Islander or 'low acuity' aged care homes.
    - Consideration should be given to establishing a process for a one-off, time-limited exemption for approved specialised aged care homes that can demonstrate a genuine risk to their viability due to having a 'low acuity' resident cohort.
    - Care outcomes across specialised aged care homes should be carefully monitored and evaluated to further inform the appropriateness of the skills mix arrangements and 24/7 RN responsibilities.
- The final report is expected to be received by the department by the end of October 2023. This means any final recommendations, if adopted, will not be ready for implementation from 1 October 2023.

FACTS AND FIGURES

Enrolled nurses

- The National Health Workforce Dataset (NHWDS) suggests that:
    - The 2022 overall EN clinical workforce (51.1K) was around 20% of the size of the RN clinical workforce (257k).
    - Between 2017 and 2022 the EN clinical workforce grew at a much slower rate (0.9%) than the RN workforce (3.7%).
    - In 2022, the average age of EN clinical workforce is 43.7 which is slightly higher than RN's 41.4.
        - It is noticeable that the average age of both the RN and EN clinical workforce has decreased continuously from 2017 to 2022.
        - The average age of the RN clinical workforce is always lower than EN's over the years 2017 to 2022.
- For the RNs and ENs who are employed in the aged care sector in the residential health care setting:
    - The clinical RN workforce (22.8k) is significantly larger than the EN workforce (11.9k).
    - since 2017 fewer ENs are working in residential aged care (-2.3%).
    - since 2017 the RN workforce in residential aged care has increased by 2.9%.
    - Both RN and EN workforce in residential aged care has slightly decreased from 2021 to 2022.
- The headcount of EN clinical workforce in residential aged care has trended downwards from 2017 to 2022.

- The Q3 and Q4 2022-23 QFR data shows that:
    - The average EN care minutes per occupied bed day (14.58) is less than half that of RN care minutes (35.97). PCW/AIN care minutes averaged 156.27.
    - A large proportion of services (16.57%) do not utilise ENs in the provision of direct care minutes.
    - The use of ENs is not uniform across provider types:
        - Only 4.09% of government run services do not use ENs in the provision of care minutes, as opposed to 20.50% of not-for-profit services and 12.76% of for-profit providers.
    - The use of EN care minutes is not uniform across the country. As at Q4:
        - EN minutes in the ACT accounted for less than 2% of direct care minutes.
        - EN minutes in NSW accounted for 2% of direct care minutes.
        - Victoria and SA have 13% of direct care minutes provided by ENs.
- The StewartBrown Aged Care Financial Performance Survey Sector Report (December 2022), released on 4 April 2023, shows that the average minutes of care provided by enrolled and licensed nurses fell by 3.72 minutes over a 12-month period, and these figures continue the declining trend seen in the previous report.

Allied health

- With the implementation of the QFR, the department has visibility over where aged care providers spend their money at the service level, including the diverse categories of allied health professionals. Q3 and Q4 QFR data show that:
    - allied heath minutes fell from an average of 5.51 minutes in Q3 to 5.17 minutes in Q4.
    - on average 2.76% of services did not report on allied health provision across.
    - around 4.85% of services did not report on physiotherapy provision.
- However, there are issues that need to be considered with this QFR data, including potential data quality issues:
    - Non-reporting data for the 2022-23 FY reporting period shows on average approximately 5% of providers did not report any allied health hours.
    - allied health care is typically delivered through an agency/contractor arrangement (unlike most direct care time) making the reporting more complex.
    - there is significant diversity of allied health professionals working in residential aged care, which likely also contributes to inaccurate reporting.
    - the QFR does not capture allied health treatments funded under MBS.
- As providers become more familiar with reporting allied health information, the department expects the quality of this data to improve over time.

BACKGROUND

- The Royal Commission's Final Report identified staffing levels as vital to the quality of care that older people receive. Recommendation 86 included introducing minimum care time standards for people living in aged care homes across Australia. These care minutes can be delivered by RNs, enrolled nurses and personal care workers/assistants in nursing.
- The care minutes responsibility is in addition to existing obligations providers have under the *Aged Care Act 1997* to maintain an adequate number of appropriately skilled staff to ensure the care needs of care recipients are met and to provide safe, respectful and quality care and services as required under Schedule 2 to the Quality of Care Principles 2014.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

24/7 Registered Nurse Responsibility

BUDGET

	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2023-24 to 2026-27* ($m)
24/7 RN supplement October 2022-23 Budge	-	159.6	166.7	147.0	149.6	622.9
24/7 RN supplement 2023-24 Budget	-	43.0	47.7	43.3	44.0	178.0
Total		**202.6**	**214.5**	**190.2**	**193.6**	**800.9**

2022-23 October Budget, Budget Paper 2, page 125
2023-24 Budget, Budget Paper 2, page 134

KEY POINTS

24/7 registered nurse (RN) responsibility reporting and coverage

- The 24/7 RN responsibility came into effect on 1 July 2023.
- At the same time, reporting about the 24/7 RN responsibility became a legislated obligation, requiring providers to report on their 24/7 RN coverage at the facility level at the end of each calendar month via the Government Provider Management System (GPMS).
- RN coverage data reported in GPMS will support the Aged Care Quality and Safety Commission's (the Commission) regulation of the 24/7 RN responsibility and assist the Department in determining eligibility for the 24/7 RN supplement for each calendar month.
- For September, approximately 98% of facilities (2,450 out of 2,504) have submitted their 24/7 RN monthly report. This has remained stable from the August reporting figures which saw an increase of approximately 3% from the July reporting figures.
    - Nationally, of the facilities that reported, approximately 88% (2,160 out of 2,450) had an RN on-site 24/7 and approximately 12% (290) reported not having 24/7 RN coverage.
        - This equates to a national average of 23.54 hours or 98.17% RN coverage, with the same or a slight increase to the August reporting figures of 23.54 hours and 98.08%.
    - Of the 12% of reporting facilities that did not have an RN on-site 24/7 for August 2023:
        - approximately 65% (188 facilities or approximately 8% of facilities that reported) have identified an average 'gap' of up to two hours RN coverage per day
        - a one-hour deficit per day is about one shift per week (based on an 8-hour shift) and two hours is about two shifts per week
        - approximately 14% (41 facilities or approximately 1.67% of facilities that reported) have reported an average gap of more than 10 hours RN coverage per day. Of these, 29 are Specialised Homeless services (7) or located in MMM5-7 (22) area – which are small rural towns to very remote locations where workforce constraints present pressures on their ability to recruit and retain a sufficient number of RNs to meet the responsibility).

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    - the Department has shared with the Commission the list of facilities that reported a gap in RN coverage, with the Commission taking a more educative approach with providers in the initial reporting months.
    - the Department, through the state network, will also engage with these facilities to offer information on possible workforce options for consideration.

- See Facts and Figures for more information about RN coverage.

24/7 RN Supplement

- To help providers meet the cost of delivering 24/7 RN care, the Government committed $800.9 million over four years from 2023-24 to fund a new payment, the 24/7 RN supplement, which commenced at the same time the new responsibility came into effect.
    - This includes an additional $178 million allocated in the 2023-24 Budget to fund the Fair Work Commission 15% wage increase. See Table 1 for the rates from 1 July 2023.
- The supplement is payable to providers of residential facilities, which are not exempt from the 24/7 RN responsibility, with 60 or fewer residents on average each month, and is designed to top up their Australian National Aged Care Classification (AN-ACC) funding.
    - It provides more funding to smaller aged care facilities, tapering to no funding for facilities with over 60 residents. Residential facilities with over 60 residents will not receive the supplement as they already receive funding through AN-ACC to have an RN on-site and on-duty 24/7.
- Additionally, eligible residential facilities must meet an initial RN coverage threshold where an RN was on-site and on duty at the facility for at least 83.33% of the hours over the month (or an average of 20 hours per day over the month) and completed their reporting by the legislated timeframe (7 days from the end of the month).
    - This provides a transition phase for providers and ensures they are funded to support an increase in RN staff. It will also encourage facilities to progress towards 24/7 RN coverage, and accounts for the fact that on occasions there will be unexpected absences due to illness or other personal leave that cannot be immediately filled by another RN.
    - The Department expects to review the threshold in the coming months to ensure it remains reasonable, when more 24/7 RN reporting data is available for analysis.
- For July 2023, approximately 985 facilities (approximately 39% of facilities) were eligible to receive the 24/7 RN supplement, provided they met the RN coverage threshold and report by the due date. Of these:
    - 885 eligible facilities (90%) qualified for the supplement for July 2023.
- For August 2023, approximately 971 facilities (approximately 38% of the sector were eligible to receive the 24/7 RN supplement, provided they met the RN coverage threshold and reported by the due date. Of these:
    - 871 eligible facilities (90%) qualified for the supplement for August 2023.
        - The reduction in the number of eligible facilities is due to an increase in occupied bed days, taking more facilities above the threshold of 60 residents per day on average.
- The payment of the supplement (if eligible) is not an indicator of compliance with the 24/7 RN responsibility, as regulated by the Commission.

Exemptions from the 24/7 RN responsibility

- Small residential facilities with 30 beds or fewer that are located in MMM 5-7 areas and have appropriate clinical care arrangements in place when an RN is not available on-site, may be eligible for an exemption from the 24/7 RN responsibility up to 30 June 2024.
    - This provides initial transitional support to small rural and remote residential facilities that face the most significant challenges attracting and retaining the workforce needed to meet the requirement. It is expected they use this time to take steps to increase their workforce.
    - Limiting the exemption eligibility criteria to smaller residential facilities in rural and remote locations also balances the need to provide support to residential facilities that face the greatest challenge meeting the requirement with the intent of the Royal Commission's recommendation to provide improved quality of care and safety to older Australians in residential aged care.
- The Secretary, or delegate, will only approve an exemption request where they are satisfied that a facility has taken reasonable steps to ensure the clinical care needs of the care recipients in the facility will be met during the period for which the exemption is in force.
    - This is informed by information given to the Secretary, or the delegate, by the Commission that is relevant to their consideration of whether the steps a provider has taken to meet the clinical care needs of the care recipients are reasonable in the circumstances.
- 45 facilities out of 61 applications received have been granted an exemption, 9 have not had an exemption approved, 6 have withdrawn, and 1 application is currently under consideration (received on 11 October 2023). See Facts and Figures for more information.
- For the 9 facilities that did not receive approval for an exemption, reasons for the delegate's decision include:
    - having insufficient on-call arrangements for periods when an RN is not on-site and on duty, which may cause delays in a care recipient receiving appropriate and timely clinical care.
    - having current non-compliance in clinical care-related standards such that the delegate was not confident in the provider's ability to meet care recipients' clinical care needs during the period for which an exemption would be in force.
    - The Department and the Commission are supporting these facilities, including:
        - where the decision is related to current non-compliance actions, the Commission will continue to work with the provider to manage risks to consumers.
        - where the decision relates to insufficient controls around clinical care risks, the Commission will engage further with the facility to understand the issues including a site visit to monitor the risks to consumers.
- Residential facilities eligible for exemption (approximately 130) that are able to, or believe they will be able to, meet the 24/7 RN requirement can choose to not apply in order to receive the RN supplement.
- Exempt facilities are also able to request a revocation (or opt out) of an exemption if they have become able to provide 24/7 RN care since the exemption was granted.
    - To date, three approved facilities have opted out of an exemption.

FACTS AND FIGURES

24/7 RN coverage - general

- The Department has data from 3 months of reporting on 24/7 RN coverage. Facilities with an exemption were not included.
- 2,450 facilities (out of 2,504 facilities) submitted a report for RN coverage in September 2023, compared to 2,445 facilities (out of 2,498 facilities) for August 2023 and 2,348 facilities (out of 2,488) for July 2023.
    - The change in reporting 10 facilities can be due to changes in facility numbers related to facilities opening or closing, providers that requested their exemption be revoked, and facilities that were not granted an exemption being included in the total.
- For September, of the 2,504 facilities that reported:
    - 2,160 (88.16%) reported an RN on-site and on duty 24/7, compared to 2,139 (87.48%) out of 2,498 facilities in August 2023, representing an increase of 0.68%.
    - A further 188 (7.67%) were within two hours of 24/7 RN coverage.

Table 2: comparison between the three reporting months

	July		August		September	
Number of Facilities	**2,488**		**2,498**		**2,504**	
Number of Submitted Reports	2,348	94.37%	2,445	97.88%	2,450	97.84%
Number of Facilities that did not report	140	5.63%	53	2.12%	54	2.16%
Number of Reporting Facilities with 24/7 RN	2,020	86.03%	2,139	87.48%	2,160	88.16%
Number of Facilities within 2 hours (avg)	203	8.65%	178	7.28%	188	64.83%
Number of Facilities with a gap of more than 10 hours (avg)	38	1.62%	40	1.64%	41	1.67%
Average percentage of reported hours an RN was on-site and on duty	98.04%		98.08%		98.17%	
Average number of reported hours per day an RN was on-site and on duty	23.53		23.54		23.54	
Average number of reported hours per day an RN was NOT on-site and on duty	0.47		0.46		0.44	

24/7 RN coverage – by regions and facility size

- Reporting facilities in metropolitan areas (MMM1) have an average of 23.85 hours or 99.37% RN coverage per day. Of the MMM1 facilities that reported (1,499 out of 1,606), 90% have reported having an RN on-site 24/7 (higher than the national average of 88%).
- Reporting facilities in small rural towns (MMM5) have an average of 21.94 hours or 91.42% RN coverage per day. Of the MMM5 facilities that reported (159 out of 227), 70% have reported having an RN on-site 24/7 (much lower than the national average of 88%).
  - Remote communities (MMM6) have also reported lower than the national percentage of RN coverage at 83.3%.
  - Large and medium rural towns (MMM3 and MMM4) are also below the national average at 80.4% and 72%.
  - For very remote facilities (MMM7) there was 100% 24/7 coverage for September.
- Small reporting facilities, with less than 30 beds, have an average of 21.36 hours or 89% RN coverage per day. Of the small facilities that reported (122 out of 169), 72.2% have reported 24/7 coverage (much lower than the national average of 88% and the lowest of any bed size group).
  - Facilities with between 31 and 60 beds is also considerably lower than the national average at 77.2%.
  - Facilities with between 91 and 120 beds, 121-150 beds and 150+ beds have reported RN coverage above the national average of 95%, 97.80% and 99.40%.

Exemption process

- Approximately 130 services (noting the number of facilities is lower than this as a number are co-located and form a single facility) are eligible to apply for an exemption from the RN responsibility, although it is not expected that all of them will apply for an exemption.
  - This is out of a total of around 360 services in MMM 5-7 areas.
- The Department has received 61 exemption applications (that meet the MMM and size eligibility criteria) as at 23 October 2023.
- All applications have been assessed and providers advised of the outcome, except for an application received on 11 October 2023 which is currently under consideration.
  - In addition, one reconsideration request was received on 17 October 2023, and is also currently under consideration.

Status	Number
Applications approved by Delegate	45*
Applications not approved by Delegate	9
Applications withdrawn by provider before decision	6
Applications pending decision (note: this was received on 11 October 2023)	1
TOTAL	**61**

**Four exemptions have since been revoked at the request of the provider.*

Supplement rates

- The RN supplement rate differs between Modified Monash Model (MMM) one to four areas and MMM 5-7 areas in recognition of the additional costs of attracting RNs to work in rural and remote areas.
- The supplement caps the funding provided in MMM one to four areas at the cost of an 8-hour overnight RN (around $332,004 per annum), while in rural and remote areas (MMM five to seven) the supplement delivers the full cost of having an RN onsite 24-hours per day (around $924,996 per annum for a facility with one to five beds) not provided by AN-ACC funding.
    - Providing full funding to small-aged care facilities in MMM five to seven areas will enable them to continue to deliver services in areas where there is often no alternative service available.
- As the RN supplement tops up existing care minutes funding, the supplement will reduce in 2024-25 with the commencement of additional funding to deliver 215 care minutes per resident per day and will only be available to facilities of 50 or fewer residents.
- The RN supplement is expected to support approximately 950-1000 aged care homes and is based on the following hourly RN cost assumptions (in 2023-24 dollars):
    - **MMM 1-4:** RN cost of $80.39 per hour (plus a 30% overnight loading).
    - **MMM 5-7** RN cost of $101.79 per hour (plus a 30% overnight loading)

Monthly Funding Supplement Rates

Ave. residents per day in calendar month	Occupied bed days (28 calendar day month)	Occupied bed days (29 calendar day month)	Occupied bed days (30 calendar day month)	Occupied bed days (31 calendar day month)	and facility is in 2019 MMM 1-4	and facility is in 2019 MMM 5-7
0 residents	0	0	0	0	$0.00	$0.00
1-5	1-140	1-145	1-150	1-155	$27,667.00	$77,083.00
6-10	141-280	146-290	151-300	156-310	$27,667.00	$69,000.00
11-15	281-420	291-435	301-450	311-465	$27,667.00	$63,500.00
16-20	421-560	436-580	451-600	466-620	$27,667.00	$53,250.00
21-25	561-700	581-725	601-750	621-775	$27,667.00	$42,250.00
26-30	701-840	726-870	751-900	776-930	$27,667.00	$32,083.00
31-35	841-980	871-1015	901-1050	931-1085	$19,167.00	$23,833.00
36-40	981-1120	1016-1160	1051-1200	1086-1240	$14,750.00	$17,750.00
41-45	1121-1260	1161-1305	1201-1350	1241-1395	$13,167.00	$15,750.00
46-50	1261-1400	1306-1450	1351-1500	1396-1550	$11,750.00	$13,583.00
51-55	1401-1540	1451-1595	1501-1650	1551-1705	$9,833.00	$11,250.00
56-50	1541-1680	1596-1740	1651-1800	1706-1860	$7,917.00	$8,917.00
61+ residents	1681 and above	1741 and above	1801 and above	1861 and above	$0.00	$0.00

Reflects info: 24/7 registered nurse supplement for residential aged care | Australian Government Department of Health and Aged Care.

BACKGROUND

- The 24/7 RN responsibility responds, in part, to the recommendation 86 of the Royal Commission into Aged Care Quality and Safety's final report, which recommended that there should be a minimum staff time standard for residential care, including always having at least one RN on-site and on duty per residential facility (by July 2024).
- It is intended to ensure residents have better access to clinical care in residential facilities when they need it; and allows RNs to manage some issues as first responders which improves resident safety and prevents unnecessary trips to hospital emergency rooms.
- The Aged Care Quality and Safety Commission (Commission) has clearly communicated to the sector that it will take a fair and sensible approach to regulation of the 24/7 RN responsibility from 1 July 2023, and the care minutes responsibility from 1 October 2023 (workforce-related responsibilities). This includes:
    - Regulatory Bulletin released on 13 April 2023, which provides detailed guidance on the Commission's approach to the regulation of the workforce-related responsibilities.
    - Letter signed by the Aged Care Quality and Safety Commissioner, Janet Anderson PSM, on 14 April 2023 to all approved providers of residential aged care.
    - Sector-wide webinar held on 18 April 2023, which further explored the Commission's regulatory approach to the upcoming changes.
- In particular, the Commission has committed to work with providers not delivering 24/7 registered nurse care and will not initiate enforceable regulatory action where a provider is:
    - making ongoing efforts to comply through recruitment activities.
    - effectively managing risks and providing safe and quality care to residents by establishing appropriate alternative clinical care arrangements.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Home Care Package Access

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	Total *2022-23 to 2024-25* ($m)
Program					
-expense	4,401.9m	5,615.9m	7,682.4m	8,030.2m	21,328.5m
-cash	3,826.5m	5,229.4m	6,792.9m	7,998.3m	20,020.6m
Annual increase in spend					
-expense	208.8m	1,241.0m	2,066.5m	347.8m	
-cash	2.8m	1,402.9m	1,563.5m	1,205.4m	
Growth (%)					
-expense	5.0%	27.6%	36.8%	4.5%	
-cash	0.1%	36.7%	29.9%	17.7%	

Source of figures - 2021-22 Report on the Operation of the Aged Care Act 1997. Estimates are current as at Budget 2023-24 and may be revised at MYEFO. The Support at Home program which will replace the existing HCP program is planned to start 1 July 2025 estimates beyond 2024-25 are not provided.
Since 1 September 2021, any underutilised Government subsidy accrued is held in an HCP recipient's Home Care Account held by Services Australia. The expense amount includes the underutilised funding whereas the cash amount is the amount of subsidy paid to providers for delivering care and services.

KEY POINTS

- The Royal Commission into Aged Care Quality and Safety (recommendation 39a and b) recommended the Australian Government:
  - clear the Home Care Packages (HCP) National Priority System (NPS) by 31 December 2021.
  - keep wait times to less than one month going forward.
- 9,500 additional HCPs, comprised of 8,500 for Level three and 1,000 for Level four, were approved in the 2023-24 Budget. At 30 September 2023, 2,375 packages had been released.
- There have been minor reductions in the NPS and wait times when compared to the previous 12 months:
  - At **30 September 2023**, there were **41,950**[1] people in the NPS. This is a decrease of 5% (2,093 people) since 30 September 2022 (44,043[2] people).
  - People in urgent need of care, assessed as a **high priority**, are accessing their approved level HCP **within a fortnight**. People assessed as a **medium priority** are accessing their approved level HCP **within six months**.

[1] Unpublished
[2] Home Care Packages Program Data Report 1st Quarter 2022-23

Contact Officer:	Russell Herald	Deputy Secretary Clearing Officer:	Michael Lye	Clearance: 6 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Ageing and Aged Care| Home and Residential			

- However, when compared **30 June 2023**, the NPS and wait times have increased:
  - At **30 September 2023**, there were **41,950** people in the NPS. This is an increase of 46% (13,285 people) since 30 June 2023 (28,665[3] people).
  - People in urgent need of care, assessed as a **high priority**, are accessing their approved level HCP **within a fortnight**. People assessed as a medium priority are accessing their approved level HCP **within six months**, increased from within four months since 30 June 2023.
- **3,337**[4] people passed away while waiting for a HCP at their approved level in 2022-23. This fell by **37%** from 2021-22 (5,334).
  - The rate of people dying while waiting for a HCP is proportionate to the death rate in the Australian aged population. When people are near end of life, other care options may be more suitable such as specialised palliative care services.
  - People waiting for a HCP may also be approved to access other aged care programs such as the Commonwealth Home Support Program, Short-Term Restorative Care Program and the Transition Care Program.
- At 30 September 2023, there was $3.6 billion in accumulated underutilised HCP funding, consisting of around $2.9 billion in Home Care Account Balances held by Services Australia and around $690 million held by providers in Commonwealth Government unspent funds.

FACTS AND FIGURES

Number of people allocated a HCP[5]

	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23
Level 1	13,241	13,507	14,001	14,579	14,760	15,783
Level 2	98,645	100,904	103,966	108,538	113,278	114,464
Level 3	73,563	78,328	83,730	89,276	93,221	88,194
Level 4	51,479	52,009	53,931	56,351	56,353	59,123
Total	**236,928**	**244,748**	**255,628**	**268,744**	**277,612**	**277,564**

Number of people receiving care in a HCP (subset of people allocated a HCP)[6]

	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23
Level 1	11,677	12,241	12,719	13,320	13,439	14,255
Level 2	88,993	92,311	94,698	99,609	103,676	107,489
Level 3	67,053	71,831	77,099	82,649	87,447	85,909
Level 4	48,020	49,486	51,083	53,379	53,812	56,507
Total	**215,743**	**225,869**	**235,599**	**248,957**	**258,374**	**264,160**

Number of people in the NPS, by approved level[7]

	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23
Level 1	2,436	1,936	1,574	1,073	821	129
Level 2	18,162	15,366	13,266	10,100	7,249	10,003
Level 3	22,219	19,598	16,628	14,434	14,503	25,047
Level 4	6,900	7,143	6,426	5,232	6,092	6,771
Total	**49,717**	**44,043**	**37,894**	**30,839**	**28,665**	**41,950**

[3] Home Care Packages Program Data Report 1st Quarter 2022-23
[4] Unpublished
[5] Figures up to 31-Mar-23 are from the HCP Program Data Report and 30-Jun-23 and 30-Sep-23 figures are unpublished.
[6] Figures up to 31-Mar-23 are from the HCP Program Data Report and 30-Jun-23 and 30-Sep-23 figures are unpublished.
[7] Figures up to 31-Mar-23 are from the HCP Program Data Report and 30-Jun-23 and 30-Sep-23 figures are unpublished.

Number of allocated HCPs

	30-Jun-22 (actual)	30-Jun-23 (actual)	30-Jun-24 (estimate)	30-Jun-25 (estimate)
Level 1	13,421	14,760	16,450	16,450
Level 2	98,645	113,278	116,071	116,071
Level 3	73,563	93,221	93,724	85,224
Level 4	51,479	56,353	58,852	57,852
Total	**236,928**	**277,612**	**285,097**	**275,597**

Current estimated wait times for a HCP at 30 September 2023

Priority	Level 1	Level 2	Level 3	Level 4
High	<1 month	<1 month	<1 month	<1 month
Medium	<1 month	3-6 months	3-6 months	1-3 months

Actual wait times for a HCP, to the nearest month (H – high priority, M – medium priority)

	30-Jun-22		30-Sep-22		31-Dec-22		31-Mar-22		30-Jun-22		30-Sep-23	
	H	M	H	M	H	M	H	M	H	M	H	M
Level 1	0	4	0	4	0	3	0	2	0	2	0	0
Level 2	0	5	0	4	0	4	0	3	0	2	0	2
Level 3	0	7	0	6	0	5	0	4	0	4	0	6
Level 4	0	6	0	6	0	5	0	4	0	3	0	3

Note – 0 months means being assigned a HCP within a fortnight.

Exits from NPS, by financial year[8]

Reason	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Death	16,076	11,987	10,563	8,068	5,334	3,337
Permanent resi care	13,430	18,914	14,342	11,125	6,492	5,450
Total	**29,506**	**30,901**	**24,905**	**19,193**	**11,826**	**8,787**

Exits from NPS in 2022-23[9], by level

Reason	Level 1	Level 2	Level 3	Level 4	Total
Death	24	546	1,588	1,186	3,337
Permanent resi care	33	795	2,681	1,954	5,450
Total	**57**	**1,341**	**4,269**	**3,140**	**8,787**

Exits from the NPS in 2023-24[10] (up to 13 October 2023 only)

Reason	Level 1	Level 2	Level 3	Level 4	Total
Death	1	83	403	295	781
Permanent resi care	4	104	936	506	1,545
Total	**5**	**187**	**1,339**	**801**	**2,326**

[8] All figures are in the public domain (except for 11,125 for permanent residential care exits in 2020-21 and the exits in 2021-22 and 2022-23) through responses to Questions on Notices or a response directly to a Senator during an Estimates hearing.
[9] Unpublished.
[10] Unpublished

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Support at Home Program

BUDGET

	2022-23 (Estimate) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2026-27* ($m)
Aged Care Taskforce	0.0	0.7	0.0	0.0	0.0	0.7
Implementation Readiness Assessment	0.0	0.1	0.0	0.0	0.0	0.1
Assistive Technologies Loans Program Trial	0.0	0.0	10.9	0.0	0.0	10.9
IHACPA Pricing Study	0.0	20.0	17.8	17.9	16.0	71.6
ICT Capability Developmer	0.0	73.1	0.0	0.0	0.0	73.1
Single Comprehensive Assessment	0.0	8.3	7.4	0.0	0.0	15.7
TOTAL	**0.0**	**102.2**	**36.0**	**17.9**	**16.0**	**172.1**

KEY POINTS

- In the 2023-24 Budget (9 May 2023), the Australian Government announced it will postpone the commencement of the Support at Home program to 1 July 2025 in response to feedback that a longer lead time is desirable.
- Reforms to in-home aged care will start from July 2024, with the streamlining of the assessment workforce.
  - A new improved, evidence-based assessment tool will be used by the workforce.
  - The new assessment process will improve the assessment experience for older people entering aged care, and ensure they have clear recommendations as to what supports they require to meet their aged care needs.
  - Analysis of data collected through a trial of the new assessment tool, which ran from April to July 2023, is now underway. The trial conducted over 22,000 assessments.
- In July 2025, the new Support at Home Program is scheduled to commence.
- In the lead up to July 2025, Support at Home Program design and implementation preparation will continue through:
  - the Aged Care Taskforce, who will provide independent advice on the service list for the new program and consumer contributions.
  - a pricing study being conducted by the Independent Health and Aged Care Pricing Authority (IHACPA) to determine fair and efficient prices for home care.
  - the development of an inclusions list for assistive technology and home modifications, and advice on the assistive technology needs of people with progressive conditions.
  - a study into the provision of higher levels of care in the home, to support people to remain independent and in their own homes for longer.
  - a trial of an assistive technology loans program, to be conducted in association with states and territories from 2024.

Contact Officer:	Nick Morgan	Deputy Secretary Clearing Officer:	s22	Clearance: 12 October 2023
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Division:	|Ageing and Aged Care| Home and Residential			

- The Department has continued engagement with key aged care stakeholder groups, including First Nation's stakeholder representatives in 2023 to progress the details of the proposed design of a new program.
- Key elements of the reforms are a new assessment and classification system to better match services to needs; a focus on short term supports for independence (including a dedicated Assistive Technology and Home Modifications scheme); a funding model that includes a mix of fee-for-service payments and grants; and dedicated care management.
- On 18 May 2023, the department's webinar provided an update to 4100 people on reforms to in-home aged care.

FACTS AND FIGURES

- Funding of $156.4 million was provided in the 2023-24 Budget for further research and policy development over four years from 2023-24 to 2026-27, to inform the design of the Support at Home Program and the establishment of a single assessment system, including:
  - analysis of efficient prices for in-home aged care by IHACPA ($71.6 million over four years, from 2023-24 to 2026-27).
  - development of the ICT infrastructure to support a new single assesse assessment system ($73.1 million in 2023-24).
  - a trial of a new assistive technology loans program in conjunction with state and territory jurisdictions, to commence in early 2024 and run for two years ($10.9 million, with funding allocated in 2024-25, noting the department will work internally to ensure funds are available for early 2024).
  - advice from the new Aged Care Taskforce ($0.7 million in 2023-24).
  - improving the rollout of aged care reform through an implementation readiness assessment ($0.1 million in 2023-24).

BACKGROUND

- Since November 2019, the department has progressed work on the design of in-home aged care reforms that will replace the Commonwealth Home Support Programme, Home Care Packages program, and Short-term Restorative Care.
- The new program would support Recommendations 25, 28, 30, 31, 32, 33, 34, 35, 36, 40, 41, 42, 72, 117, 118, 119 and 124 made by the Royal Commission into Aged Care Quality and Safety (Royal Commission).
- In August 2022, the Government announced a deferral of the Support at Home Program to July 2024, to align with the recommendations of the Royal Commission.
- A discussion paper was released on 18 October 2022 outlining the proposed model for a new in-home aged care program and addressing concerns raised by older people.
- Stakeholders have been involved in the work to date, including through:
  - A co-design process on care management in the new in-home aged care program, with around 100 stakeholders from across the community and sector. This took place in February and March 2022.

- A co-design of the Assistive Technology and Home Modifications Scheme from June to August 2022 involving over 100 people including older people and service providers.
- Consultation on the in-home aged care funding model, service list, restorative program, access to assistive technologies and home modifications, and payment processes.
- Departmental discussions with groups across the in-home aged care sector including allied health professionals, consumers, service providers and IT vendors.

- A trial of the and Integrated Assessment Tool (IAT) was conducted between April and July 2023 with existing assessment organisations conducting over 22,000 assessments.
    - A small-scale trial of an earlier prototype of the tool was undertaken from March to June 2022 to test the appropriateness, applicability, and effectiveness of the IAT to assess older people for their aged care needs.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Residential Aged Care Accommodation Payments

KEY POINTS

- The Independent Health and Aged Care Pricing Authority (IHACPA) identified that some residential aged care providers may have been advertising and/or charging Refundable Accommodation Deposits of above $550,000 (or Daily Accommodation Payment equivalents), for which they may not have a current approval from IHACPA or its predecessor, the Aged Care Pricing Commissioner (ACPC).
- Approvals are valid for four years after which providers must re-apply if they wish to keep charging the higher accommodation price.

Remediation

- The Department is working closely with the IHACPA and the Aged Care Quality and Safety Commission (ACQSC) to remediate this issue.

s47E(a)

Contact Officer:	Thea Connolly	Deputy Secretary Clearing Officer:	Amy Laffan	Clearance: 24 October 2023
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Division:	|Ageing and Aged Care| Home and Residential			

FACTS AND FIGURES

- s47E(a)
- [redacted]

Background

Refunding overpaid amounts

- Providers are required to refund incorrectly collected amounts to all affected care recipients (current, previous and deceased). Refunds of overpaid amounts plus interest should be calculated in accordance with s75 of the Fees and Payments Principles.

Care recipient rights

- While aged care legislation does not provide a care recipient any express discretion as to whether to receive a refund of the overpaid amount, it would be open to care recipients to simply not take steps to enforce their rights.
- This choice would not have any impact on regulatory action that may be available to the Commission.
- The Commissioner of the ACQSC has the power to impose sanctions under Pt 7B of the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act) and may also apply to a court for an injunction to compel an approved provider to comply with s 75 of the Fees and Payments Principles.
- Care recipients could sue the approved provider to recover as a debt the amount of money they overpaid plus any interest required to be paid if a provider did not refund the overpaid amount.

Ability to re-negotiate a higher room price

- There are no legislative (or other mechanisms) available to retrospectively apply an approval to a room (or part of a room) if an application were received now.
- Furthermore, Section 52G-4(6) of the Act means that people currently in care, cannot be asked to pay a higher room price if that approval was not in effect prior to their entry to care.
- This means that care recipients that have been overcharged for their accommodation cannot re-negotiate a higher room price once approval has been received.

Accommodation Payment Guarantee Scheme

- Unauthorised residential aged care accommodation payments are still secured by the Accommodation Payment Guarantee Scheme.

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Senate Committee: Community Affairs Committee
Supplementary Budget Estimates 2023-2024
Outcome: 3 - Ageing and Aged Care

Aged Care Taskforce

BUDGET

- The 2023-24 Budget included $0.7 million to support the operation of a time-limited taskforce to provide expert advice to the Australian Government (Government) on funding arrangements for aged care.

KEY POINTS

- The Aged Care Taskforce (Taskforce) was established to review aged care funding arrangements and develop options to make the system fair and equitable for all Australians.
- The Taskforce is reviewing funding arrangements for aged care with a focus on:
  - contribution arrangements that will support a sustainable system.
  - equity for older people needing aged care now and into the future, and for all Australians.
  - making innovation the sector default.
  - enhancing the elements of the system that Australians value, including putting people using aged care at the centre of the funding arrangements.
- The Taskforce is chaired by the Minister for Aged Care and is a time-limited body to provide expert advice to Government through the Minister for Aged Care.
- It will provide Government with options for consideration and a recommended package in December 2023. Recommendations made by the Taskforce will be considered by Government.
- The Taskforce will provide interim advice in October 2023. There are no plans to publicly release the interim advice as it is not the fully concluded views of the Taskforce. The publication of the final report is a matter for the Government.
- The Taskforce includes members with expertise in aged care, economics, public policy as well as first nations, provider and consumer representatives. The members are:
  - Nigel Ray PSM (Deputy chair)
  - The Hon Mike Baird AO
  - Professor Tom Calma AO
  - Grant Corderoy
  - Pat Garcia
  - Professor John McCallum
  - Mary Patetsos AM
  - Juliane Samara
  - Rosemary Huxtable PSM
  - Pat Sparrow
  - Tom Symondson
  - Janine Walker AM
  - Thomas Walker
  - Margaret Walsh OAM
  - Lloyd Williams
- The membership was determined by the Minister for Aged Care.
- The Terms of Reference are published on the Department of the Prime Minister and Cabinet website and are at **Attachment A**.

Contact Officer:	Nick Hartland	A/g Deputy Secretary Clearing Officer:	Amy Laffan	Clearance: 10 October 2023
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Division:	|Ageing and Aged Care| Home and Residential			

- The Taskforce held its first inaugural meeting on 16 June 2023. To date, it has held meetings on 25 July (Adelaide), 22 August (Brisbane), 15 September 2023 (Brisbane) and 12 October (Melbourne). It meets once a month until December 2023.
- The Taskforce has:
    - developed draft aged care funding principles which were open to community feedback in August 2023.
    - discussed the scale of the aged care funding challenge to meet the needs of older people, the financial performance of the sector, and the increasing costs and demand for aged care services expected over the coming decades.
    - considered a range of home care issues including complexities associated with the current system, and how best to support independence and safety in the home.
    - discussed transparency, innovation, thin markets and financial products to assist people to access their wealth to contribute to their care.
- Meeting communiques are published on the Department of the Prime Minister and Cabinet website - https://www.pmc.gov.au/domestic-policy/aged-care-taskforce
- Throughout August and September 2023, the Taskforce has undertaken engagement with the community. Feedback will be considered in the Taskforce interim advice and final report. This includes:

Taskforce consultation

- The draft aged care funding principles were published on the Aged Care Engagement Hub on 4 August and closed on 31 August 2023. **167** submissions were received at 1 September:
    - 64 from older people receiving services, family and carers
    - 40 from providers
    - 19 health professionals
    - 29 peaks
    - 15 other, includes universities and those who did not specify another category.
- 10 roundtables during September and early October based around the subcommittees of Taskforce members allowing a segmented focus on a sector of the aged care system. The roundtables were facilitated by one to two Taskforce members and included representatives of aged care recipients and/or sector and/or other groups (academics, banking and finance, National Aged Care Advisory Council, Council of Elders).

Table: Roundtables and no of participants

Roundtable/location	Chairs (Taskforce members)	No. of participants
Academics (virtual)	Nigel Ray/Janine Walker	6
First Nations (virtual)	Tom Calma/Nigel Ray	9
Providers (QLD)	Mary Patetsos/Janine Walker	9
Providers (SA)	Mary Patetsos/Grant Corderoy	12
Workforce (VIC)	Lloyd Williams/Juliane Samara	11
Banks (NSW)	Mike Baird/Grant Corderoy	5
Providers (large) (NSW)	Mike Baird/Grant Corderoy	11
Providers (medium) (VIC)	Mary Patetsos/Tom Symondson	8
Providers (WA focused) (virtual)	Mary Patestsos/Pat Garcia	8
Thin Markets/ Diversity (virtual)	Mary Patetsos/Janine Walker	6
Superannuation (VIC)	Lloyd Williams/Janine Walker	17*
Total		**102***

**RSVP numbers at 10 October 2023, meeting occurring 13 October 2023.*

Note, the total number is not a reflection of the total number of organisations. In some roundtables there were two or more representatives per organisation. The roundtables included 41 providers, who between them provide around 72,000 beds across the residential aged care sector (approximately 33% of total beds as of 31 March 2023), and 39,000 Home Care Packages (approximately 17% of total packages as of 30 June 2022).

Consultation undertaken by Council on the Ageing (COTA) and Older Person's Advocacy Network (OPAN)

- 12 in-person forums were held across Australia and a survey on the draft aged care funding principles was published on the OPAN website. The consultation forums were supported by state and territory Councils on the Ageing and OPAN's network member organisations. Feedback from the consultations have been provided to the Taskforce.
    - 312 participants attended the in-person forums
    - 98 participants in an online forum
    - 1,994 people responded to the survey.

Table: no of participants and locations for the COTA/OPAN in-person forums

Location	No. of participants	Location	No. of participants
Adelaide, SA	47	Hobart, TAS	22
Victor Harbor, SA	7	Melbourne, VIC	31
Brisbane, QLD	34	Perth, WA	29
Hervey Bay, QLD	8	Bunbury, WA	20
Canberra, ACT	32	Sydney, NSW	26
Darwin, NT	33	Zoom online forum	98

FACTS AND FIGURES

- In 2019-20, 16% of Australians were aged 65 or older. By 2060-61 this is projected to increase to 23%.
- Total aged care program funding was $30 billion in 2022–23. This is expected to increase to $36 billion in 2023-24 and $42 billion by 2026-27.
- On average, aged care residents make a contribution of 25% towards their costs in residential aged care:
    - All residents pay a basic daily fee of $60.86 that relates to the cost of food, cleaning, laundry and other daily living expenses.
    - Government contributes towards or pays the cost of accommodation for supported residents (around 40% of all residents), who can be asked to pay up to $66.94 per day depending on their means, with the Government paying the balance. The remaining 60% of residents cover the full cost of their accommodation and negotiate a price with their provider. They can pay a daily accommodation payment, or a refundable lump sum, or a combination of the two.
        - Providers have historically made a loss on accommodation but have more capacity under current arrangements to set their accommodation prices than other fees.
    - About half of all residents (44%) make a contribution to their cost of care, which on average is $25 per day out of the average cost of care of $250 per day, with the balance paid by the Government. The means tested care fee is 4% of total care funding.

- On average, home care package recipients make a contribution of around 2% toward the costs of their home care package.
    - Out of Government funding for home care packages in 2021-22 of $4.4 billion, residents paid $60 million in income tested care fees.
    - All residents can also be asked to pay a basic daily fee of approximately $10 per day, though this fee is often not collected.
- The Taskforce will consider data analysis on the wealth of older people in Australia, particularly in light of the maturing superannuation system.
    - Superannuation balances are growing:
        - In 2020-21, one third of superannuation balances at retirement were more than $250,000.
        - In 2030-31, half will be more than $250,000 and a quarter will be more than $500,000.
        - In 2040-41, a third will be more than $500,000 and a fifth will be more than $750,000.
    - However, even at 2032 and 2042 median superannuation balances of 85 year olds are quite low.

SENSITIVITIES

- The Department of Health and Aged Care has been asked whether it has undertaken modelling to cost the revenue from an "aged care tax", how will this tax be levied on Australians, who will pay the tax and will young Australians have an increase in their tax burden because of the tax. The Taskforce is not considering an aged care tax or any changes to taxation rates or coverage.

BACKGROUND

- The Taskforce will build on the recommendations of the Royal Commission and the Government's response.
- The Royal Commission into Aged Care Quality and Safety made several recommendations relevant to the Taskforce, including:
    - recommendations on the settings for consumer contributions for home care or residential care costs including accommodation (125, 126, 127, 128, 140).
    - the phase out of refundable accommodation deposits (142).
    - the approach to means testing older people (129, 141).
    - the potential for an aged care levy (138, 144).

ATTACHMENT A

Aged Care Taskforce Terms of reference

Terms of reference for the Aged Care Taskforce. The Aged Care Taskforce (Taskforce) provides expert advice to Government through the Minister for Aged Care.

Purpose

The Aged Care Taskforce (Taskforce) is established as a time-limited body to provide expert advice to Government through the Minister for Aged Care. It is not a decision making or funding body.

Objectives of the Taskforce

The Taskforce will provide Government with advice on funding arrangements for aged care to ensure that the aged care system is fair and equitable for all Australians. The advice should support:

- a stable policy path for the sector that encourages continuous improvement
- high quality care and an innovative and vibrant aged care sector that is driven to respond to the needs of older Australians, and
- a sustainable sector that can deliver consistent, high-quality care for generations of Australians.

The Taskforce will provide Government with options for consideration and a recommended package of reforms that ensure that:

- aged care providers are sustainably funded and benefit from introducing innovative care delivery approaches that meet older Australian's preferences,
- aged care funding is affordable for the Commonwealth with arrangements that balance equity and fairness between older and working-aged Australians,
- older Australians can see the value of their contributions relative to other funding sources,
- there is a robust safety net that properly recognises financial capacity at different levels of income and/or life circumstances, and
- contribution arrangements are efficient, simple to implement, and easily understood by all Australians, particularly older people.

Specifically, the Taskforce will provide advice on:

- funding and contribution approaches to support innovation in the delivery of care,
- a fair and equitable approach to assessing the means of older people accessing residential and in-home aged care, including the scope of income and assets included in the assessment of means,
- issues and trade-offs for including and excluding different service types in the new in-home aged care program (the service list),

- consumer contributions for in-home aged care, and reforms that support a future transition to a single in-home aged care system, and
- reforms to arrangements for pricing and funding hotel and accommodation costs in residential aged care, including the phasing out of refundable accommodation deposits.

The Taskforce may be asked to consider other related issues in the course of their work.

The Taskforce will provide Government with options for consideration and a recommended package in December 2023. It will also provide interim advice in October 2023. Recommendations made by the Taskforce will be considered by Government.

Context

The Government has committed to delivering aged care reform that restores dignity to aged care and ensures that older Australians are treated with the respect that they deserve. This includes reforming the in-home aged care system so that it better responds to the changing needs of older people and is simpler to understand and navigate.

The Royal Commission into Aged Care Quality and Safety and the government's response has established foundational reforms that will deliver higher quality, stronger regulation, more transparency and greater choice. While the Royal Commission made a number of recommendations on funding and contribution approaches for aged care, including means testing and the possibility of a levy, the Commissioners had differing views. The Taskforce will consider the Royal Commission's views in its deliberations.

The Taskforce provides an opportunity for targeted and thorough consideration of system funding arrangements to ensure that they are equitable, embed innovation, and include a future focus that adjusts to the changing pattern of demographics, needs and circumstances of older Australians, including consideration of women, indigenous and culturally and linguistically diverse people. There have been increasing calls from the sector, from both aged care providers and consumer organisations, for older Australians in aged care to contribute more towards their care where they have capacity to do so in order to improve the sustainability of the sector.

Membership

The Taskforce will be chaired by the Minister for Aged Care. The Chair may appoint a proxy to Chair all or part of a meeting at their sole discretion.

Taskforce Members are appointed as experts and policy leaders with the ability to provide representative advice for their respective sector. However, while they may represent the views of their organisation or affiliations, they agree to come together in the best interests of older people and Australia's aged care system. Proxies will not be accepted except under exceptional circumstances and at the sole discretion of the Chair. A list of members is at Attachment A.

Taskforce members are eligible for remuneration. The Taskforce will be a Departmental non-statutory committee, managed according to the Department's External Committee Framework.

Non-government members may seek reimbursement for their travel and other incidental expenses equivalent to the Department of Health and Aged Care Senior Executive Service-level policies.

The Chair may approve ad hoc, participation of additional experts or observers in meetings as required.

Confidentiality and Conflict of Interest

Members will be required to sign a confidentiality agreement and declare any real or perceived conflicts of interest before the first meeting. Members will advise of any changes in their real or potential conflicts of interest at the commencement of each meeting. A member who has declared a real or potential conflict of interest may participate in the discussion on that matter, subject to the approval of the Chair.

All discussions undertaken by the Taskforce are in strict confidence and without prejudice, to ensure members can genuinely engage on the merits of proposals. Discussions should not be considered as agreement or commitment by Government.

All documents prepared by or presented to the Taskforce are assumed to be confidential unless identified otherwise by the Chair. Taskforce members shall not report or attribute comments of individuals nor their affiliations outside of meetings.

Meeting Administration

The Chair will lead meetings and guide the work of the Taskforce.

It is expected that meetings will be held monthly for a duration of 3-5 hours. A forward schedule of meetings will be developed, noting that flexibility may be required to accommodate unavoidable rescheduling. Quorum is at the discretion of the Chair.

An agenda and papers will be distributed at least 5 days prior to meetings. Papers may be developed by a Member or the Department of Health and Aged Care, at the request of the Chair. Papers will follow an agreed format according to the guidance supplied by the Secretariat.

Members are expected to attend meetings in person. Videoconferencing will be available for those with unavoidable commitments, such as isolation requirements or overseas travel.

A summary of key discussion points and action items will be distributed to representatives within five days following meetings. A communiqué will be prepared following each meeting for members and the Department of Health and Aged Care to disseminate to other interested parties. Detailed minutes will not be produced.

The Taskforce will aim to reach consensus on the final recommendations to Government. A final report or communiqué will be developed. Dissenting views will be noted by the Chair.

Departmental officials may attend the meeting at the request of the Chair.

The Taskforce will operate from June 2023 until 31 December 2023, unless stated by the Chair.

Attachment A – membership

- The Hon Anika Wells (Chair)
- Nigel Ray PSM (Deputy Chair)
- The Hon Mike Baird AO
- Professor Tom Calma AO
- Grant Corderoy
- Pat Garcia
- Rosemary Huxtable PSM
- Professor John McCallum
- Mary Patetsos AM
- Juliane Samara
- Pat Sparrow
- Tom Symondson
- Janine Walker AM
- Thomas Walker
- Margaret Walsh OAM
- Lloyd Williams

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 – Ageing and Aged Care

Aged Care On-Site

BUDGET

	2021-22 (Actual) ($m)	2022-23 (Estimated Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	26-27 (Estima ($m)	Total *2022-23 to 2025-26* ($m)
Program			**-34.4**	**-29.9**	**-5.6**	**-3.6**	**-73.5**

This table represents the reduction in costs for delivering the measure.

- This measure was announced as part of a previous Budget with an original start date of 1 January 2023. Positive impact on underlying cash (save) of $73.5 million over four years arise from a later start of this measure.
- This policy will deliver $344.7 million over four years to community pharmacy owners. It is an ongoing demand driven program.

KEY POINTS

- In Budget 2023-24, revised authority changed the program - with funding to be provided to community pharmacy owners, rather than residential aged care providers, to place pharmacists on-site in residential aged care homes to work in a clinical role.
    - A revised start date has not yet been announced.
    - The new accreditation standards have been released by the Australian Pharmacy Council (APC). We expect that implementation will occur in line with timeframes of Recommendation 38 of the Royal Commission into Aged Care Quality and Safety - i.e. that aged care providers actively seek to engage allied health practitioners, including pharmacists, by no later than 1 July 2024.
- This measure is a demand driven, ongoing program.
- It will not be mandatory for residential aged care homes or community pharmacies to participate.
- Residential aged care homes will be required to commit to uptake of the electronic national residential medication chart for an on-site pharmacist to be placed at the home.
- This change is aligned to other pharmacy initiatives announced in Budget 2023-24 and is aimed at funding community pharmacies to deliver more clinical services, to ensure community pharmacists can work to their full scope of practice.
- This measure also supports pharmacists to build careers in aged care and to further expand their scope of practice into aged care.
- Consultation feedback from aged care stakeholders noted the many reforms they are currently dealing with, and concerns with their capacity and knowledge to engage a pharmacist and noted a preference for another co-ordinating body to undertake this role.
- Community pharmacies have a large existing footprint with distribution across Australia and many have existing relationships with aged care providers for the supply of medicines. This may help source the required pharmacy workforce, particularly in thin markets.

Contact Officer:	David Laffan	Deputy Secretary Clearing Officer:		Clearance: 04 October 2023
Mobile No:	s22	Mobile No:		
Division:	|Health Resourcing| Technology Assessment & Access			

FACTS AND FIGURES

- Provides for one pharmacist per 250 places, with an on-site pharmacist for at least one day every week in each participating RACH (i.e. residential aged care homes with 50 or less beds funded for a pharmacist for one day per week).
- Based on estimated uptake of an on-site pharmacist at 30% of residential aged care homes in the first year, 50% in the second year and 65% in years three and four.
- The salary for the aged care on-site pharmacist is based on a grade two or equivalent hospital pharmacist award, averaged across the states/territories, with on-costs. This results in a salary of $128,554 p.a.

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Aged Care Viability

KEY POINTS

- Australian Government funding for aged care is estimated to increase by 20% between 2022-23 ($30 billion) and 2023-24 ($36 billion).

Financial performance

- In September 2023, the Department published the third Quarterly Financial Snapshot, capturing data for Q3 2022-23 (summary of results it at **Attachment A**).
- The results showed continued improvement in sector financial performance for residential care, with provider profitability continuing to increase compared to the previous two quarters, with 49% of providers operating with a positive year-to-date (YTD) net profit before tax, compared to 46% in Q2 and 34% in Q1, 2022-23.
- Home Care Package provider profitability remains strong, with 75% reporting a positive YTD net profit before tax.
- Occupancy rates can have a significant impact on viability and the overall financial performance of providers.
  - The average occupancy rate was 86.0% in quarter three.
  - There has been consistent decline in occupancy rates over the past five years, from 90.3% in 2017-18 to 86.2% in 2021-22.[1]
- Rural and remote providers experience challenges such as higher operating costs, fluctuations in demand for services, workforce shortages, smaller populations and service size which impact on the financial viability and sustainability of services.
  - Q3 2022-23 results show that YTD median Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) margins are lower for regional providers (for-profit 4.7% and not-for-profit 3.9%) compared to their metropolitan counterparts (for-profit 7.2% and not-for-profit 4.0%).
  - For-profit regional providers reported the lowest occupancy rate of 82.8%, compared to the sector average of 86.0%, and lower than for-profit metropolitan providers (84.2%).
  - Since 1 July 2023, non-specialised remote and very remote facilities (MMM 6-7) have received on average, around $328 per bed day, which is $68 more than the sector average AN-ACC funding of $260.

Residential aged care closures

- While implementing reform to lift the overall performance of the sector, it was anticipated there would be increased closures and consolidation in the sector.
- The number of facilities that have closed in the first three months of 2023-24 (eight) is commensurate with the same three-month period for 2022-23 (seven) and 2021-22 (nine).

[1] Financial Report on the Australian Aged Care Sector, p52.

Contact Officer:	Eliza Strapp	Deputy Secretary Clearing Officer:	Michael Lye	Clearance: 19 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Ageing and Aged Care| Market and Workforce Division			

- The Department is seeing closures of older facilities that are no longer fit for purpose, especially in metro areas where providers are unable to compete with newer facilities and are instead exiting the market.
- Between 1 July 2021 and 18 October 2023, 92 (3%) of around 2,800 services (factors in inflows and outflows of services) had closed, with a further seven in the process of closing.
    - the most common reasons providers attribute to the decision to close is ageing building stock, financial viability, declining occupancy and provider consolidation, and
    - in regional areas, workforce shortages are more pronounced.
- Although approved providers have the discretion to make a closure decision, there are protections under the *Aged Care Act 1997* that are designed to safeguard the rights and interests of residents.
- The Department liaises with providers throughout the closure process, particularly in relation to the relocation of residents, and ensures providers are aware of their obligations in terms of residents' rights and security of tenure. Continuity of care for residents is the primary focus.
- For services in locations where options are limited, the Department ensures that options to keep the service operational are fully explored, including providing emergency funding and surge workforce.
- Where providers face financial viability concerns or have plans to close a residential service, providers are strongly encouraged to engage with the Department early in the process.

Viability support

- In the 2023-24 Budget, the Government provided $98.7 million[2] over two years to continue viability support programs that target aged care providers with financial viability concerns.
    - $81.1 million for the Market Adjustment Program (MAP) to support business sales and/or transfers, to support continued operations in times of crisis, or to improve business capability to avoid deteriorating performance for residential aged care providers. MAP is an invite-only grant support program.
    - $2.6 million to continue the Business Advisory Services Program to provide free, professional business advice to residential aged care and home care service providers to improve their operations and viability.
    - $3.0 million to continue the Workforce Advisory Services Program to assist residential aged care and home care service providers, particularly those in regional, rural and remote areas, to develop more coordinated approaches to workforce planning.
    - An additional $7.7 million to expand the Remote and Aboriginal and Torres Strait Islander Aged Care Service Development Assistance Panel to enable providers in small and medium rural locations to access professional support.

[2] Includes $4.4m departmental funding.

FACTS AND FIGURES

High level profitability indicators of Residential Aged Care and Home Care Packages Program providers over time

		2018-19	2019-20	2020-21	2021-22	31 Mar 2022-23 YTD
Residential care	NPBT* margin	1.4%	-3.6%	-4.0%	-10.3%	-4.0%
	% of providers profitable	58%	46%	45%	31%	49%
Home Care Packages Program	NPBT margin	3.6%	4.6%	6.2%	4.2%	5.3%
	% of providers profitable	69%	72%	74%	69%	75%

*Net Profit Before Tax

Residential Aged Care Facility Openings and Closings between 1 July 2021 and 18 October 2023

	Openings			Closures		
Financial Year	**Metro (MMM1)**	**Regional (MMM2-7)**	**Total**	**Metro (MMM1)**	**Regional (MMM2-7)**	**Total**
2021-22	14	4	18	30	10	40
2022-23	24	7	31	33	10	43
2023-24 (YTD 29 Sep 2023)	5	1	6	4	5	9
Total	**43**	**12**	**55**	**67**	**25**	**92**

Residential Aged Care Facility Openings and Closings between 1 July 2021 and 18 October 2023, by state and territory

	Openings				Closures				Net growth in Operational Places
State/ Territory	**Operational Places**	**Facilities**	**Metro (MMM1)**	**Regional (MMM2-7)**	**Operational Places**	**Facilities**	**Metro (MMM1)**	**Regional (MMM2-7)**	
NSW	2,190	18	14	4	2,893	49	36	13	**-703**
VIC	1,900	18	15	3	1,191	23	19	4	**709**
QLD	974	9	8	1	555	12	6	6	**419**
WA	641	6	4	2	91	3	3	0	**550**
SA	207	3	2	1	202	5	3	2	**5**
TAS	40	1	0	1	0	0	0	0	**40**
ACT	0	0	0	0	0	0	0	0	**0**
NT	0	0	0	0	0	0	0	0	**0**
Total	**5,952**	**55**	**43**	**12**	**4,932**	**92**	**67**	**25**	**1,020**

Residential Aged Care Occupancy Rates, by state and territory

State/Territory	30-Jun-21 (%)	30-Jun-22 (%)	30-Jun-23 (%)	Two-year change
NSW	86.6	85.2	85.0	**-1.6**
VIC	84.2	83.3	82.8	**-1.4**
QLD	87.0	88.0	88.6	**1.6**
WA	88.3	88.1	88.0	**-0.3**
SA	93.1	92.2	92.0	**-1.1**
TAS	88.9	89.2	88.5	**-0.4**
ACT	87.3	85.3	87.7	**0.4**
NT	94.9	89.8	91.8	**-3.1**
National	**86.8**	**86.2**	**86.1**	**-0.7**

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Attachment A – Summary of QFS 3 2022-23 Results

Financial summary year-to-date
For-profit and not-for-profit providers per resident/recipient per day

Residential care			Home care		
Net loss before tax	($13.48)	↑ $6.76	Net profit before tax	$3.65	↑ $0.06
EBITDA	$19.02	↑ $6.09	EBITDA	$4.17	↑ $0.05

Financial summary quarter 3 (estimate)
For-profit and not-for-profit providers per resident/recipient per day

Residential care			Home care		
Net profit before tax	$0.23	↑ $12.89	Net profit before tax	$3.74	↑ $1.41
EBITDA	$31.39	↑ $9.61	EBITDA	$12.09	↑ $9.30

Percentage of profitable providers year-to-date
Profit defined as year to date net profit before tax

Residential care			Home care		
48.6%	For-profit 57.0%	↑ 2.2 percentage points	74.5%	For-profit 79.2%	↑ 0.7 percentage points
	Not-for-profit 43.5%			Not-for-profit 71.1%	

Percentage of profitable providers quarter 3 (estimate)
Profit defined as estimated quarter 3 net profit before tax

Residential care			Home care		
54.5%	For-profit 64.1%	↓ 3.2 percentage points	68.1%	For-profit 68.8%	↑ 1.6 percentage points
	Not-for-profit 49.0%			Not-for-profit 67.7%	

Percentage of providers with positive EBITDA year-to-date

Residential care	Home care
68.5%	76.0%
↑ 4.0 percentage points	↑ 0.7 percentage points
75.2% For-profit	79.5% For-profit
64.1% Not-for-profit	73.4% Not-for-profit

Percentage of providers with positive EBITDA quarter 3 (estimate)

Residential care	Home care
68.8%	69.5%
↓ 4.2 percentage points	↑ 2.9 percentage points
75.0% For-profit	70.4% For-profit
65.2% Not-for-profit	68.8% Not-for-profit

Provider numbers in quarter 3

Residential care	Home care
784	929
NEW 2 13 EXIT	NEW 5 13 EXIT

A provider exiting the sector may result in the services they delivered being transferred to another approved provider, closure of a service or a service being marked as inactive.

Residential care sector average care minutes quarter 3

190 ↑ 1	35	15	1 ↑ 140
total per resident per day	registered nurses	enrolled nurses	personal care workers

Mandatory average care minutes from

October 2023		October 2024	
200	40	215	44
total	registered nurses	**total**	registered nurses

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Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Aged Care Quality and Safety Overview (inc. Quality Standards, Quality Indicators and Food)

BUDGET

	2022-23 (Actual) ($m)	2023-24 (Estimate) ($m)	2024-25 (Estimate) ($m)	2025-26 (Estimate) ($m)	2026-27 (Estimate) ($m)	Total *2022-23 to 2026-27* ($m)
Establish a registration scheme for personal care workers (2022-23 Budget)	3.6	0.0	0.0	0.0	0.0	3.6
Establish a National Worker Registration Scheme for Aged Care	0.007	31.3	21.2	5.5	1.6	59.5
Aged Care Complaints Commissioner and enhanced complaints function (2022-23 Budget)	3.2	6.7	0.0	0.0	0.0	9.9
Better Food for Aged Care Residents (2022-23 Budget)	2.2	1.7	1.1	0.0	0.0	5.0
Strengthening Nutrition in Aged Care	0.0	8.2	4.8	0.0	0.0	12.9
Preliminary Report on the capability review of the Aged Care Quality and Safety Commission	0.0	25.3	0.0	0.0	0.0	25.3
Building a stronger regulatory framework for aged care (Quality Standards only)	0.0	2.8	0.0	0.0	0.0	2.8
Building a stronger regulatory framework for aged care (includes Star Ratings and Quality Indicators) [1]	0.0	48.1	37.5	28.5	25.8	139.9
Total	**9.0**	**124.0**	**64.5**	**34.0**	**27.4**	**258.9**

2022-23 October Budget, Budget Paper 2, page 125 & 2023-24 Budget, Budget Paper 2, page 125

[1]*Expenditure includes Star Ratings, expansion of Quality Indicators across residential and home care, continued Residents' Experience Surveys and Care Statements and is across both Department of Health and Aged Care and the Aged Care Quality and Safety Commission*

Contact Officer:	Ingrid Leonard	Deputy Secretary Clearing Officer:	A/g Amy Laffan	Clearance: 06 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Ageing and Aged Care| Quality and Assurance			

KEY POINTS

- Through Budget 2023-24 the Australian Government invested an additional **$240.4 million** to improve aged care quality and safety.
- This **builds on $18.5 million** the Government committed in the 2022-23 Budget and work underway to increase accountability, transparency and capability to ensure older people receive the care they deserve.

Accountability

- Government is focused on strengthening accountability through the latest Budget to support:
    - 720 **targeted food monitoring visits** by the Aged Care Quality and Safety Commission (Commission) to identify where providers are not meeting their obligations regarding food
    - the Commission's enhanced compliance and monitoring frameworks to include the regulation of the **24/7 registered nurse responsibility**
- Government is already strengthening accountability by:
    - developing and piloting a set of stronger Aged Care Quality Standards (Quality Standards), including a dedicated **food and nutrition standard** to better reflect the expectations of older people in food, nutrition and their dining experience
    - **mandating strengthened reporting requirements** about food expenditure and building dietetic and nutritional expertise in the Commission to enhance regulatory activity via the establishment of the Food, Nutrition and Dining Advisory Support Unit and hotline (commenced July 2023)
    - establishing a **national worker registration scheme** which includes the Code of Conduct for Aged Care which commenced on 1 December 2022. The scheme will also include requirements for worker screening, English proficiency and ongoing training, which will help to ensure the suitability of people employed to deliver aged care services.
    - establishing **a new Complaints Commissioner** within the Commission. This includes additional complaints resolution staff to give older people and their families greater confidence in complaints management and the aged care services they receive. Ms Louise MacLeod commenced as the new Complaints Commissioner on 1 May 2023.
    - providing **greater powers** to the Commission in the new Aged Care Act (Act) including:
        - civil penalties that protect older people, their families, aged care workers and volunteers from retribution if they make a complaint
        - stronger enforcement mechanisms and higher penalties to ensure that tough action can be taken against providers who consistently, and knowingly, fail to consider the needs of older people in their care
        - a new overarching duty on providers to ensure the health and safety of persons in their care is not put at risk.
        - enabling Commission officers to enter and remain on the premises of an aged care provider without warrant or consent, and access any documents, to ensure enforcement action can be taken.

Transparency

- Government is committed to further increasing transparency in aged care through the latest Budget by:
    - developing additional **workforce quality indicators** for enrolled nursing, allied health and lifestyle workers to respond to sector feedback on the importance of these vital services
    - further **exploring the quality indicators** into home care to report critical areas affecting care recipients' health and wellbeing, consumer experience and quality of life
    - evaluating, continuing and enhancing **Star Ratings**.
    - developing an ongoing **funding model** for the Commission through a joint project with the Department of Health and Aged Care, the Commission, and Department of Finance.
- Government has already improved transparency through a range of initiatives by:
    - publishing **Star Ratings** to provide a nationally consistent benchmark to monitor, compare and improve residential aged care homes. Since December 2022, all homes have had an Overall Star Rating, as well as ratings against four sub-categories — Residents' Experience, Compliance, Staffing and Quality Measures (SB23-000319)
    - implementing six **new quality indicators** for residential aged care as of 1 April 2023 (activities of daily living, incontinence care, hospitalisation, workforce, consumer experience and quality of life)
    - publishing **Residents' Experience Survey** results and **sector level results** on mandated food expenditure reporting and new quality indicators.

Capability

- As announced in the latest 2023-24 Budget, capability in the system will be further strengthened by:
    - supporting 1,200 **residential aged care service audits** through the Commission to reduce the flow on impacts of COVID-19
    - strengthening capability of aged care providers by linking them with **education programs**, providing targeted referrals for dietitian-led menu and mealtime quality assessments, and engaging experts such as Dementia Australia
    - developing **new dietary guidelines** and resources to guide nutritional intake specifically for older people
- This builds on work already underway to build capability which includes:
    - considering the recommendations of **the independent capability review** of the Commission
    - working with the **Maggie Beer Foundation** to undertake sector education and training for aged care chefs and cooks on how to source, prepare and serve more nutritious and appetising food, including training on texture modification and incorporating culturally diverse meals in aged care
    - funding **wage increases** for aged care head cooks and chefs through the new $10.80 per resident per day hotelling supplement
    - embedding the funding **uplift provided by the Basic Daily Fee** supplement (which ceased 30 September 2022) into ongoing AN-ACC funding, ensuring it has an enduring impact.

FACTS AND FIGURES

- **Aged Care Quality Standards:** The Commission tested the draft strengthened Quality Standards and a redesigned audit methodology in a Pilot from April to September 2023. Findings are informing the final stronger Quality Standards which will be drafted into the new Act. The Commission's final report on the Pilot is anticipated in late 2023.
- **Worker Registration**: $3.6 million was allocated in the 2022-23 Budget to support the next stage which includes $1.4 million for states and territories to partner with the Australian Government to extend the NDIS worker screening system to aged care and $2 million for ICT.
- **Complaints Commissioner:** $9.9 million over two years has been allocated to establish a dedicated Complaints Commissioner within the Commission. This includes 44.6 ASL in Financial Year 2023-24 for additional complaints handling staff. On 1 May 2023, Ms Louise MacLeod commenced as Complaints Commissioner.
- **Preliminary Report from the independent capability review:** $25.3 million over 2023-24 to support the Commission to continue to deliver its core functions. Funding will support 1,233 audits of aged care services and compliance and monitoring functions linked with the 24/7 nursing commitment.
- **Food:** $5 million election **commitment for the Maggie Beer Foundation** across three years was allocated in the October 2022-23 Budget to deliver education and training for key aged care staff, and to ready and support the sector to meet the new food and nutrition standard.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 3 - Ageing and Aged Care

Royal Commission into Aged Care Quality and Safety

KEY POINTS

- The Final Report of the Royal Commission into Aged Care Quality and Safety (Royal Commission) was released on 1 March 2021. The Commissioners made 148 recommendations indicating Australia's aged care system did not meet community expectations and required fundamental and ambitious reform.
- The Government is progressing an extensive suite of reforms for the aged care system, with the 2023-24 Budget enabling key reforms to residential care, home care and progressing the establishment of a new rights-based Aged Care Act.

Current status of progress against Royal Commission recommendations

- As at September 2023, the Minister has agreed:
  - 21 recommendations are completed.
  - 10 recommendations are closed.
- The Department notes 111 recommendations are in progress.
- For the remaining 6 recommendations, the Department is working with Government on its reform priorities and to determine if further action is required.
- With a significant body of work in progress to deliver against the recommendations of the Royal Commission, progress on implementation will vary and therefore these summary statistics are as at a given point in time.

Recommendations addressed since May 2022

- The 2023-24 Budget addresses, in full or in part, 44 recommendations from the Final Report.
- Since forming government in May 2022, the Government has addressed, either in full or in part, a total of 69 recommendations from the Final Report through legislation and Budget measures.

If asked if there are any changes in the Government's position since the Department's response to Senator Rice's correspondence was tabled on 2 June 2023

- While work on progressing implementation on the Royal Commission recommendations has continued since the document was tabled on 2 June 2023, there has been no change in the overall status of recommendations.

If asked about the role of the Inspector-General in reporting progress against the Royal Commission recommendations

- A core function of the Inspector-General will be to monitor, investigate and report on the progress of implementation of the Royal Commission recommendations (recommendation 12). It is anticipated that the Inspector-General will do so annually.

Contact Officer:	Greg Keen	Deputy Secretary Clearing Officer:	Michael Lye	Clearance: 24 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Ageing and Aged Care| Reform Implementation			

- We note Minister Wells requested the Acting Inspector General of Aged Care prepare a report on the progress of the Government's implementation of Royal Commission.
- This report was also to provide advice and insights for recommendations relating to financial sustainability and consumer contributions in order to assist the Aged Care Taskforce in its deliberations. These were shared with the Taskforce on 12 October 2023.
- The report was released on the department's website on 20 October 2023.
- The Inspector-General will also undertake a deeper evaluation at 5 and 10 years post the release of the Royal Commission Final Report – 2026 and 2031 (recommendation 148).

Refer to IIG related HIB and Back Pocket Brief for additional detail.

FACTS AND FIGURES

Progress of Royal Commission recommendations

- Recommendations actioned directly or partially as a result of a decision taken by Government are described as addressed. A recommendation can be identified as addressed without being completed.

Headline narrative	Status	Recommendations
31 recommendations finalised	Completed	**21 recommendations:** 6, 9, 11, 17, 24, 29, 63, 64, 79, 94, 100, 112, 114, 115, 120, 121, 122, 123, 126, 145, 147
	Closed	**10 recommendations:** 5, 18, 65, 85, 89, 110, 113, 139, 143, 146
111 recommendations in progress	In Progress	**111 recommendations:** 1, 2, 3, 4, 7, 8, 12, 13, 14, 15, 16, 19, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 61, 66, 67, 68, 69, 70, 72, 74, 75, 76, 77, 78, 80, 81, 82, 83, 84, 86, 87, 88, 90, 91, 92, 93, 95, 96, 97, 98, 99, 101, 102, 103, 104, 105, 106, 107, 108, 109, 111, 116, 117, 118, 119, 124, 125, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 140, 141, 144, 148
6 recommendations pending further direction from Government in the context of their reform priorities	Not commenced, pending decision/direction	**6 recommendations:** 10, 60, 62, 71, 73, 142
	Total	148 recommendations

Progress of Royal Commission recommendations – 2023-24 Budget

- Measures in the 2023-24 Budget address 44 recommendations of the Royal Commission, either in full or in part.

Measure	Addresses in full	Addresses in part
Aged Care ICT to Enable Reform: Places to People: Embedding Choice in Residential Aged Care		25*
General Practice in Aged Care Incentive		26, 56, 61
Supporting First Nations Elders in Aged Care	47, 48, 50	49, 52
Aged Care ICT to Enable Reform: Establish a Registration Scheme for Personal Care Workers		77
Preliminary Report on the capability review of the Aged Care Quality and Safety Commission		104
Improving Access to Pharmacists On-Site in Residential Aged Care		38
Strengthening Medicare – Supporting Health, Care, and Support Services in Thin Markets	54	
Younger People in Residential Aged Care (DSS)		74
Fair Work Commission		84, 85
Development and delivery of a Bill for a New Aged Care Act	1, 2, 3, 96, 97, 98, 99, 103, 105	8, 108, 116
Building a strong regulatory framework for Aged Care: Star Ratings	22, 23, 94	
Home Care Reform		25*, 28, 34
Additional Home Care Packages	39	
Building a strong regulatory framework for Aged Care		92, 93
Prudential Reform	130, 131, 132, 133, 134, 135, 136, 137	

* addressed by multiple Government measures

Previous Government position and investment

- The previous Government committed $18.8 billion in funding under the 2021-22 Budget, 2021-22 MYEFO and the March 2022-23 Budget to progress a range of reform measures in response to the Final Report of the Royal Commission.
- Nine recommendations have been reported as completed under the previous Government.

OFFICIAL

Senate Committee: Community Affairs Committee

Supplementary Budget Estimates 2023-2024

Outcome: 4 - Sport and Recreation

Australian Institute of Sport (AIS) Review

KEY POINTS

- The AIS is a critical asset that supports Australia's high performance sport outcomes. Since its opening in 1981, it has been instrumental in helping our athletes to be their best and to build Australia's reputation as a sporting nation.
- Forty years on, it continues to be a focal point for athletes, coaches, sports science and medicine, and programs that enable our best athletes to perform at their peak on the international stage.

Review Announcement

- On 16 October 2023, the Government announced an independent review (the Review) into the AIS Infrastructure via a joint media release from the Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon Catherine King MP and the Minister for Aged Care and Sport, the Hon Anika Wells MP (https://minister.infrastructure.gov.au/c-king/media-release/fit-purpose-australian-institute-sport).
- The Review will help guide investment in sporting facilities to ensure the AIS continues its' proud history to best support high-performance athletes.
- The Review will look at what facilities the AIS needs to achieve its purpose and deliver on its' responsibilities to make sure it can support high-performance athletes with a national approach that drives international competitiveness and success at major sporting events, such as the Brisbane 2032 Olympic and Paralympic Games.
- Following agreement to the reviews Terms of Reference, the Reviewers undertook an AIS site tour on 12 October 2023. *Mr Perkins may wish to give detail in relation to this tour*.
- While on site the Reviewers spoke to numerous athletes, met with AIS Campus permanent tenants including Basketball Australia and the ACT Academy of Sport, and spent time with a number of AIS performance support staff to learn about the unique High Performance services that are delivered at the AIS Campus. This included sport science, engineer and intensive rehabilitation and medical teams.
- A copy of the Terms of Reference for the Review is included at Attachment A.

Reporting Lines for the Review

- The Review will be led by Ms Erin Flaherty and Ms Robyn Smith OAM who have been engaged by, and will be supported by, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), with further support from the Department of Health and Aged Care, Office for Sport.
- The Department of Infrastructure managed the appointment process for the reviewers.
- The Review report will be provided to the Minister for Infrastructure, Transport, Regional Development and Local Government and Minister for Aged Care and Sport in late 2023, with options for consideration by government.

Contact Officer:	Jo Da Rocha	Deputy Secretary Clearing Officer:	Blair Exell	Clearance: 25 October 2023
Mobile No:	s22	Mobile No:	s22	
Division:	|Health Strategy First Nations & Sport| Office for Sport			

- The Office for Sport will continue to assist the Department of Infrastructure in their support of the review inclusive of any requests from the independent reviewers or the ASC.

Were there discussions between the Office for Sport and Mr Kieren Perkins before the Review was announced?

- The Department of Health works closely with agencies across the Sport Portfolio and Mr Perkins was aware prior to the announcement. *Mr Perkins may wish to confirm this directly*.

[*If asked*]

- On advice from DITRDCA that the Terms of Reference had been approved, a copy was provided to Australian Sports Commission (ASC) senior officials, including Mr Perkins (on 28 September 2023).
- There has also been direct engagement between DITRDCA and the ASC including provision of advice on key stakeholders for the AIS campus (on 17 July 2023).

Statement on selection of Reviewers – if asked

- At the Senate Estimates hearing on 23 October the Department of Infrastructure incorrectly indicated that the Minister for Sport's Office provided the name of Ms Smith *through the Office for Sport* as a potential Reviewer ahead of a shortlisting process.
- For clarity, the Office for Sport was not involved in the shortlisting or appointment process and the Department of Infrastructure managed the selection of reviewers working with Government. Questions in relation to the appointment process are best directed to the Department of Infrastructure.

Statement on Australian Sports Commission

- When questioned by Senator David Pocock on who is responsible for the ASC, the Department of Infrastructure official incorrectly advised that the ASC reported to the Office for Sport.
- The ASC is governed by a Board of Commissioners appointed by the Minister for Sport. The ASC is a corporate Commonwealth entity within the Department of Health and Aged Care portfolio. It was established under the *Australian Sports Commission Act 1989* and operates in accordance with the *Public Governance, Performance and Accountability Act 2013*.

Attachment A - Terms of Reference

Preamble:

The Independent Review of the Australian Institute of Sport (AIS) infrastructure will inform how best to invest in sports facilities to ensure the AIS remains fit-for-purpose in supporting high performance athletes. This is in the context of a national approach, that supports international competitiveness and achieving success at upcoming major sporting events, including in the lead up to the Brisbane 2032 Olympic and Paralympic Games and beyond. The Review and its outcomes will support and enhance Australian sport by providing advice on strategic investment in high performance facilities that align with Australia's *High Performance 2032+ Sport Strategy.*

The Review:

1. The Independent Review will examine the Australian Institute of Sport (AIS), including its optimal location in the context of the Brisbane 2032 Olympic and Paralympic Games and the proposed revitalisation of the existing AIS campus, with reference but not limited to:

   a) what facilities are required for the AIS to achieve its purpose and to deliver on its responsibilities;

   b) business cases previously commissioned by ASC to date, in relation to the AIS facilities;

   c) targeted consultation with key stakeholders including state and territory governments, national sporting organisations, the Australian Olympic Committee, Paralympics Australia, current and prospective athletes, sporting peak bodies and industry;

   d) the AIS facilities required by Australian athletes for the 2032 Olympic and Paralympic Games and major events in Australia, including from the following perspectives;

      i. for each major facility, the level of investment required (short and long-term, capital and operating costs), and commercial and financial options to achieve a sustainable funding model, including opportunities for cost recovery and co-investment;

      ii. enhancing facilities available to high performance sport, with consideration of developments overseas in support of events such as the Paris and Los Angeles Olympic and Paralympic Games;

      iii. appropriate facilities for accommodation for athletes and staff;

iv. readiness for athlete use with sufficient lead up time for the Brisbane 2032 Olympic and Paralympic Games (including infrastructure sector workforce readiness and availability); and

v. international best practice in comparable countries (e.g., Japan, Canada, the United Kingdom, relevant European models, and New Zealand) and possible financing and funding mechanisms for AIS facilities, including investments by members of the National Institute Network.

e) the objectives and functions as established in the *Australian Sports Commission Act 1989*, and other relevant sport strategies

2. The Review will be conducted by Independent Reviewers with relevant skills and experience and will be supported logistically by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, with support from the Office for Sport.

3. The Review will provide a report to the Minister for Infrastructure, Transport, Regional Development and Local Government and Minister for Aged Care and Sport in the last quarter of 2023. It should provide distinct and prioritised options for consideration by government.