



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON HEALTH AND AGEING

(Subcommittee)

**Reference: National Health Reform Amendment (National Health Performance  
Authority) Bill 2011**

TUESDAY, 8 MARCH 2011

CANBERRA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON HEALTH AND AGEING**

**Tuesday, 8 March 2011**

**Members:** Mr Georganas (*Chair*), Mr Irons (*Deputy Chair*), Mr Coulton, Ms Hall, Mr Lyons, Ms O'Neill and Mr Wyatt

**Members in attendance:** Mr Georganas and Ms Hall

**Terms of reference for the inquiry:**

To inquire into and report on:

National Health Reform Amendment (National Health Performance Authority) Bill 2011

**WITNESSES**

<b>BAZEN, Mr Derek, Acting Director, Hospitals and Workforce, Health Reform Transition Office, Department of Health and Ageing .....</b>	<b>1</b>
<b>BROADHEAD, Mr Peter, Acting First Assistant Secretary, Health Reform Transition Office, Department of Health and Ageing.....</b>	<b>1</b>
<b>HEAD, Mr Graeme Charles, Chief Executive Officer, Health Reform Transition Office, Department of Health and Ageing.....</b>	<b>1</b>
<b>MASKELL-KNIGHT, Mr Charles, Principal Adviser, Acute Care Division, Department of Health and Ageing .....</b>	<b>1</b>
<b>SHERBON, Dr Anthony, Deputy Chief Executive Officer, Health Reform Transition Office, Department of Health and Ageing.....</b>	<b>1</b>



**Subcommittee met at 1.02 pm**

**BAZEN, Mr Derek, Acting Director, Hospitals and Workforce, Health Reform Transition Office, Department of Health and Ageing**

**BROADHEAD, Mr Peter, Acting First Assistant Secretary, Health Reform Transition Office, Department of Health and Ageing**

**HEAD, Mr Graeme Charles, Chief Executive Officer, Health Reform Transition Office, Department of Health and Ageing**

**MASKELL-KNIGHT, Mr Charles, Principal Adviser, Acute Care Division, Department of Health and Ageing**

**SHERBON, Dr Anthony, Deputy Chief Executive Officer, Health Reform Transition Office, Department of Health and Ageing**

**CHAIR (Mr Georganas)**—I declare open this public hearing of the inquiry into the National Health Reform Amendment (National Health Performance Authority) Bill 2011. On Thursday, 3 March 2011, the Selection of Bills Committee of the House of Representatives asked the Standing Committee on Health and Ageing to inquire into and report on this bill. I would like to take this opportunity to thank everyone for coming in at such short notice and making your time available to speak to us. I note that, given the short time frame for organising this hearing, a number of the committee were unable to attend, making this a subcommittee.

I welcome witnesses from the Commonwealth Department of Health and Ageing. Although the subcommittee does not require you to speak under oath, you should understand that these hearings are formal proceedings of the Commonwealth parliament. Giving false or misleading evidence is a serious matter and may be regarded as a contempt of parliament.

As I said, thank you for appearing before us today to give evidence at such short notice. We will hand over to you. The whole idea of today is for us to get a bit of a briefing on how this particular bill is to work and the proposals that were discussed in the House about how other people think it should work. Perhaps you could give us a bit of a rundown on the reporting system, the statistical reporting, as to how it is to appear on the website, and perhaps we can have a look at having it tabled in parliament as well.

**Mr Head**—I will commence by making some observations about this particular legislation in respect of the health reform agreement from 2010 and also the recent heads of agreement from February this year. I will then ask Mr Maskell-Knight to run through the general structure of how the agreement is given effect by the legislation. The 2010 agreement introduced a range of mechanisms related to improving the transparency of the system and commitments to public reporting on the performance of public and private hospitals and primary health care organisations.

The heads of agreement of February this year reaffirms the commitments made in the 2010 agreement, one of which was to establish a national health performance authority and for that authority to produce regular reports on the performance of local hospital networks, primary care

organisations, and public and private hospitals. Public reporting on hospital performance commenced through the MyHospitals website in December last year. The activities of the authority will build on that work. Before we go into some of the specifics that you have raised, it might be helpful if Mr Maskell-Knight runs through the way the bill sets up the framework for doing that.

**Mr Maskell-Knight**—In the COAG agreement from last year, the end of schedule E set out the requirements of the national performance authority. This legislation effectively gives effect to that. It establishes the authority as a statutory authority under the Financial Management and Accountability Act 1997 of the Commonwealth. It has membership set out as in the National Health and Hospitals Network Agreement with the chair appointed by the Commonwealth, a deputy by the states and five members to be appointed by COAG, at least one of whom must have regional and rural expertise.

The bill sets out the functions of the performance authority in clause 60. It essentially is to monitor and prepare reports on local hospital networks, public hospitals, private hospitals, primary health care organisations and other organisations providing health care. It is to publish those reports on the website or someplace else. It is allowed to formulate in writing performance indicators to collect the information it needs to construct its reports and to support and encourage relevant research. It can also advise the minister, at the minister's request, about any particular matter. The minister can also confer additional functions on the authority.

Clause 61 of the bill requires the performance authority to have regard to intergovernmental agreements. The National Health and Hospitals Network Agreement envisages a performance and accountability framework being agreed by COAG. Our colleague, Dr Sherbon, can talk about where that is at. Clause 61 essentially requires the performance authority to have regard to that performance and accountability framework once it is developed.

Clause 62 of the bill requires that if the performance authority is going to produce a report indicating poor performance by an entity—being a hospital network, hospital or primary care organisation—it has got to give a copy of that draft report to the entity concerned and afford them an opportunity to comment on it.

They are the high-level elements of how it works. I am not sure if you want me to elaborate anymore or if you will ask questions as we go along.

**CHAIR**—Does anyone else want to add anything?

**Mr Head**—I will touch briefly on the performance and accountability framework. The National Health and Hospital Network agreement of 2010 indicated in schedule D that this framework would be agreed and adopted by the Commonwealth and states and territories and that it will include national performance indicators already agreed by COAG through the national healthcare agreement of 2008 and report on national trends in the performance of all jurisdictions through the COAG reform council. The performance and accountability framework would also reference national clinical quality and safety standards developed by the Australian Commission on Safety and Quality in Health Care and would develop hospital performance reports and health communities reports. That framework is subject to consultation between the Commonwealth and states and territories prior to consideration by COAG. As Mr Maskell-



Knight indicated, section 61 references the need for the new body to have reference to that framework in carrying out its actions.

**CHAIR**—I will start off with some very simple questions. Is there anything that would prevent these reports being tabled in the parliament at the same time when they are announced on the web, through COAG et cetera? Can you envisage any difficulties with having the same figures, facts et cetera on the performance and statistics coming before the parliament?

**Mr Head**—The bill does not require that, but neither does it preclude it happening, as I understand it.

**CHAIR**—Are you saying you would not envisage any difficulties with that taking place?

**Mr Head**—No.

**Ms HALL**—An amendment would not be a problem for the operation of the bill? The bill was amended to where it does not preclude it, but to absolutely include that the reports be tabled in parliament would not be a problem from the department's point of view?

**Mr Head**—Certainly the provisions at the moment all relate to public reporting anyway.

**Ms HALL**—That was one of the questions that was raised.

**Mr Head**—Even the existing provisions do not preclude that happening.

**CHAIR**—For example, the gist of the discussions that are taking place would be to require the NHPA, as soon as practicable after, say, 30 September in each year after 2011, to prepare and give the minister, for presentation to the parliament, these details of the statistics, performance et cetera.

**Mr Head**—I understand that. As I have said, the existing provisions allow for that to happen but do not make a requirement for it to happen.

**CHAIR**—If we were to make it a requirement, it would not matter?

**Mr Head**—It would not matter.

**CHAIR**—Okay.

**Mr Head**—Yes. The authority, once it is established, will have a raft of initial activities to carry out, so the question of what is appropriate timing is of course significant.

**Ms HALL**—I have a question on the time frame. I just noticed that it says the authority must publish on its website within 12 months. There could be quite a time lag there.

**Mr Maskell-Knight**—That requirement is a statement about what specific advice the minister may have asked.

**Ms HALL**—So it is only in relation to that.

**Mr Maskell-Knight**—Yes.

**CHAIR**—Anything else?

**Ms HALL**—No. The thing that I really wanted clarified was whether there would be a problem with the tabling in parliament. You say time frames. What do you think is a reasonable time frame?

**Mr Head**—I think the mechanics around how that operates annually are relatively straightforward but, depending on when the legislation commences, obviously the timing of the first reports will be important.

**Ms HALL**—That is fair enough.

**CHAIR**—Do you envisage any obstacles or problems with the tabling of these reports in the parliament?

**Ms HALL**—It is on the website anyhow.

**Mr Head**—No, given that the legislation is geared towards the full public reporting of these reports. It is a matter of logistics.

**CHAIR**—Is there anything else that you wanted to tell us about the bill that might be of interest while we are deliberating to come up with a recommendation?

**Mr Head**—No. Unless Dr Sherbon wants to indicate anything about the framework—which is currently in discussion with the states and territories, as committed to in the agreement—I think that pretty much covers it.

**Ms HALL**—If a recommendation from this subcommittee went along the lines that it be published on the website and be tabled in the House, you would be comfortable with that?

**Mr Head**—Yes.

**CHAIR**—Excellent. That is all we need to know. Thank you very much for your attendance. We appreciate it. We may be seeing more of you in the near future in terms of more bills that will be referred to us.

**Mr Head**—We shall look forward to it.

**CHAIR**—Thank you very much for your attendance and for your participation. We thank Hansard and the secretariat for organising all of this at such short notice.

Resolved (on motion by **Ms Hall**):

That this subcommittee authorises publication, including publication on the parliamentary database, of the transcript of the evidence given before it at public hearing this day.

**Subcommittee adjourned at 1.16 pm**