

Chapter 3

Annual reports of Commonwealth entities and companies

3.1 The committee has selected the annual reports of the following entities for closer examination:

- Aged Care Quality and Safety Commission;
- NDIS Quality and Safeguards Commission; and
- Digital Transformation Agency.

Aged Care Quality and Safety Commission

3.2 As noted in Chapter 1, the Aged Care Quality and Safety Commission (ACQSC) was established on 1 January 2019.

3.3 This, its first annual report, also includes annual reporting requirements for the former Aged Care Quality Agency and the former Aged Care Complaints Commissioner, which ceased operation on 31 December 2018.¹

3.4 A non-corporate Commonwealth entity of the Health portfolio, the purpose of the ACQSC is to 'protect and enhance the safety, health, well-being and quality of life of aged care consumers'.² It works towards this purpose through six strategic priorities, which reflect the agency's functions:

- Establish the Commission as an effective organisation to protect and enhance the safety, health, well-being and quality of aged care consumers;
- Promote the provision of quality care and services;
- Enhance consumer engagement functions;
- Ensure effective complaints resolution for aged care customers;
- Ensure effective regulation of aged care services; and
- Enhance information and education to support the commission's functions.³

Commissioner's review

3.5 Ms Janet Anderson PSM is the inaugural Commissioner of the ACQSC. In her review, she noted that in its first six months, the ACQSC had focused on:

...building a new organisational culture with a clearer focus on consumer engagement and outcomes, strengthened regulation, improved information sharing, strengthened effective complaints resolution and greater transparency.⁴

1 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 1.

2 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 5.

3 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 9.

4 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 1.

3.6 Ms Anderson also noted the new Aged Care Quality Standards, which were endorsed by government in July 2018, and a new Charter of Aged Care Rights, which came into effect from 1 July 2019.⁵

3.7 ACQSC continued to progress reforms to the aged care regulatory model in line with its response to the recommendations of the Carnell Paterson report on the *Review of Aged Care Quality Regulatory Processes* (review). The review made 10 recommendations, the first of which was the establishment of the ACQSC itself.⁶

Performance reporting

3.8 As the ACQSC was not established at the time the 2018–19 Portfolio Budget Statements (PBS) were finalised, it does not have reportable performance indicators under the PBS.⁷ However, the ACQSC has developed a Corporate Plan which outlines a comprehensive set of aims in line with its six strategic priorities.⁸

3.9 In reporting its performance for the period January to July 2019, ACQSC has provided a clear set of tables which indicate: the aim to be achieved for each strategic priority, the measure of success in achieving that aim, and the actual result achieved by the agency.

3.10 The committee notes that ACQSC achieved the majority of its stated aims during its first six months in operation. The committee also notes that some results indicated that work was ongoing, or that a result was partly achieved, or not achieved. ACQSC has included a description of work that has been done against each of the aims not fully met, which assists the reader to understand what progress has been made against each aim.⁹

3.11 The committee considers that ACQSC's performance reporting is clearly set out and easily accessible; and looks forward to seeing the agency's report against its PBS outcomes in its 2019–20 annual report.

Financial performance

3.12 In establishing this new entity, the functions, people and net assets of the Australian Aged Care Quality Agency and the Aged Care Complaints Commissioner were transferred to the ACQSC.

5 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 1.

6 Ms Kate Carnell AO and Professor Ron Paterson ONZM, *Review of National Aged Care Quality Regulatory Processes*, October 2017, <https://www.health.gov.au/sites/default/files/review-of-national-aged-care-quality-regulatory-processes-report.pdf> (accessed 10 February 2020).

7 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 65.

8 Aged Care Quality and Safety Commission, *Corporate Plan January 2019–July 2019*, <https://www.agedcarequality.gov.au/resources/corporate-plan-january-june-2019> (accessed 10 February 2020).

9 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, pp. 68–79.

3.13 The Commission returned a surplus before depreciation of \$4,525 against a break-even position for the financial year and a total net deficit of \$897,011 against a targeted net deficit of \$830,000.¹⁰

3.14 The Commission's performance was impacted by:

- incorporating policies and procedures throughout the new organisation;
- significant investment in ICT services and systems;
- investment in operation systems in preparation for the new Single Quality Framework; and
- making a significant contribution to the Royal Commission into aged care quality and safety.¹¹

3.15 The committee considers that the ACQSC's annual report meets its reporting requirements, and is considered satisfactory.

NDIS Quality and Safeguards Commission

3.16 The NDIS Quality and Safeguards Commission (commission) is a non-corporate Commonwealth entity of the Social Services portfolio.

3.17 The commission commenced operating on 1 July 2018; this is its first annual report. The role of the commission is to 'promote the provision of safe and quality supports and services to people with disability under the National Disability Insurance Scheme (NDIS)'.¹² The commission is also responsible for delivering nationally consistent and responsive regulation of all NDIS supports and services.

3.18 During the 2018–19 reporting period, the commission operated in New South Wales and South Australia. From 1 July 2019, the commission commenced operations in the Australian Capital Territory, the Northern Territory, Queensland, Tasmania and Victoria.

3.19 The commission is due to commence operating in Western Australia from 1 July 2020.

Commissioner's review

3.20 The NDIS Quality and Safeguards Commissioner is Mr Graeme Head AO. The commissioner reported that the entity's main focus for the reporting period had been to set up the commission, establishing processes and procedures, and developing industry relationships. Mr Head also highlighted a number of activities including:

- successfully transitioned almost 10,000 providers into its jurisdiction;
- responded to more than 1,000 complaints;
- oversaw providers' handling of more than 4,400 reportable incidents;

10 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 62.

11 Aged Care Quality and Safety Commission, *Annual Report 2018–19*, p. 62.

12 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 8.

- taken a variety of regulatory actions against both registered and unregistered providers in NSW and SA;
- completed a new capability framework for behaviour support practitioners;
- established good working relationships with all key stakeholders;
- begun the process of delivering comprehensive, targeted education for people with disability about how the NDIS Commission works for them and for providers about their obligations; and
- completed and launched a new worker orientation module for people working in the NDIS. As of 12 September, 78,487 people have completed the module.¹³

Performance reporting

3.21 As stated in its corporate plan, the commission has one outcome:

Promote the delivery of quality supports and services to people with disability under the National Disability Insurance Scheme and other prescribed supports and services, including through nationally consistent and responsive regulation, policy development, advice and education.¹⁴

3.22 This outcome is delivered through two programs:

- Program 1.1—Support for National Disability Insurance Scheme providers in relation to registration; and
- Program 1.2—Program Support for the NDIS Quality and Safeguards Commission.¹⁵

3.23 The commission also has five headline performance measures which encompass a number of specific performance measures. The annual report clearly sets out these measures and shows which specific measures contribute to the achievement of the broader headline measures.¹⁶

3.24 The report also provided an analysis of results, which noted the significant effect of transition activities on the commission's overall performance:

We largely achieved our requirements, and the criteria on which we faced difficulty in reporting were largely attributable to the fact that, as a new agency, our systems and our frameworks are still evolving. Specifically, our ability to report against performance measure 4.3 was constrained by limitations present in our Commission Operating System, our purpose-built ICT system used for our business processing requirements. This system is undergoing a series of enhancements to fully meet our business requirements. We have already completed enhancements including data

13 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 2.

14 NDIS Quality and Safeguards Commission, *Corporate Plan 2018–19*, p. 14.

15 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 28.

16 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 29.

warehousing and reporting functionality, and the data migration limitations will be addressed in 2019–20.¹⁷

Financial performance

3.25 In 2018–19, the commission reported an operating surplus of \$4.7 million due to savings in employee benefits expenses which were a result of the time taken to fulfil the commission's staffing requirements.¹⁸

3.26 The commission administered one program during the reporting period with expenses of \$4.8 million, including:

- \$3.9 million provided as grants to assist providers in meeting the requirements set out under the National Disability Insurance Scheme Act 2013 and Rules; and
- \$0.9 million used to run roadshows, education and engagement activities to providers in the five transitioning jurisdictions to assist them in understanding the new registration requirements.¹⁹

3.27 The committee considers the commission's first annual report to be satisfactory, as it meets the relevant requirements.

Digital Transformation Agency

3.28 As noted in Chapter 1, the Digital Transformation Agency (DTA) became a non-corporate Commonwealth entity of the Services Australia part of the Social Services portfolio, following the Administrative Arrangements Order of 29 May 2019.²⁰

3.29 DTA's role is to lead whole-of-government digital and ICT strategy, policy and advice to ensure government services are well designed and user-focused. The agency's stated purpose is to accelerate the digital transformation of government by:

- encouraging coordinated investment in digital services;
- helping transform the experience of people and businesses dealing with government; and
- improving the return on ICT and digital investment.²¹

3.30 The responsible minister for the DTA is the Hon Stuart Robert MP, Minister for Government Services and Minister for the National Disability Insurance Scheme.

17 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 36.

18 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 41.

19 NDIS Quality and Safeguards Commission, *Annual Report 2018–19*, p. 41.

20 Department of Prime Minister and Cabinet, Administrative Arrangements Order—29 May 2019, <https://www.pmc.gov.au/resource-centre/government/aao-29-may-2019> (accessed 4 February 2020).

21 Digital Transformation Agency, *Annual Report 2018–19*, p. 6.

Performance reporting

3.31 As set out in its 2018–2022 corporate plan, DTA's outcome is:

To improve the user experience for all Australians accessing government information and services by leading the design, development and continual enhancement of whole-of-government service delivery policies and standards, platforms and joined up services.²²

3.32 DTA delivers this outcome through four priorities, which the annual report indicates were all achieved.

3.33 DTA's performance reporting is clearly set out and easy to read. Along with a description of DTA's work towards achieving each priority, the annual report includes a short summary of each priority and its results which facilitates the later reading of the more detailed analysis.

3.34 The annual report also included an analysis of DTA's performance against the three elements of its purpose:

- We encouraged coordinated investment in digital services by providing ongoing advice to agencies on emerging technologies and digital and ICT investment proposals, and by consulting widely to develop the Digital Transformation Strategy. We also increased our direct engagement with APS agencies to support development of quality digital and ICT-enabled projects.
- We helped to transform the experience of people and businesses dealing with government by leading or partnering on development and improvement of digital platforms such as Notify and Tell Us Once, and working with agencies to develop the standard for Digital Identity. We began several digital services pilots including for new Digital Identity services, and we further improved the myGov user experience. In addition, we prepared guidance and strategies to support use of digital platforms and services, and continued to increase APS digital capability through emerging talent, leadership, and women in IT executive mentoring programs, as well as training, special events and direct work with agencies
- We improved the return on ICT and digital investment by providing oversight of the overall performance of digital and ICT projects. We also helped ensure greater value for money when buying government digital and ICT products and services, including through whole-of-government agreements, the new procurement-related policies, and new marketplaces co-designed with industry.²³

3.35 The committee considers the inclusion of this analysis assists in providing the reader with a greater understanding of the scope of DTA's activities.

22 Digital Transformation Agency, 'Corporate Plan 2018–22', <https://www.dta.gov.au/about-us/reporting-and-plans/corporate-plans/corporate-plan-2018-22> (accessed 10 February 2020).

23 Digital Transformation Agency, *Annual Report 2018–19*, p. 52.

Financial performance

3.36 DTA recorded an operating surplus of \$6.5 million in 2018–19, noting that this saving was achieved from whole-of-Australian-Government ICT Procurement of \$6.3 million.²⁴ DTA noted:

A total of \$6.0 million of these savings was returned to Consolidated Revenue in 2018–19, with the remainder to be returned in 2019–20. This compares with a surplus of \$10.1 million in 2017–18, driven by underspends associated with the APS Modernisation Fund measures for platforms and building digital capability.²⁵

3.37 DTA also noted that its management of the ICT Coordinated Procurement Special Account continued to impact its balance sheet, with \$261.0 million of DTA's \$295.2 million of assets and \$233.6 million of DTA's \$256.3 million in liabilities associated with the special account.²⁶

3.38 The committee considers that DTA's annual report is apparently satisfactory.

General comments

Compliance index

3.39 Noting that annual reports are one of the principal accountability mechanisms of PGPA Act entities, the committee considers that it is vital that these reports be easily accessible and navigable. The compliance index (or list of requirements) is an important tool in ensuring accessibility.

3.40 In light of this, the committee notes that in the annual reports of a number of entities, the compliance indexes indicated large page ranges and, in some cases, whole chapters in which to locate specific information. For example, the reports of Hearing Australia and the DTA do not indicate a page number on which to locate the information that meets each requirement. The committee suggests that providing a more precise page range for each requirement will improve the overall accessibility of annual reports.

3.41 The committee also notes that a number of annual reports appear to have made errors in recording where the information that fulfils a requirements is located in the report.

3.42 For example, in ACQSC's annual report, some page numbers referred to in the list of requirements are not accurate. It seems that, in this instance, an extra page may have been included in the report and the compliance index was not adjusted. For example, the list of requirements indicates that 'External Scrutiny' is addressed on page 122, however, the information appears on page 124.

24 Digital Transformation Agency, *Annual Report 2018–19*, p. 78.

25 Digital Transformation Agency, *Annual Report 2018–19*, p. 78.

26 Digital Transformation Agency, *Annual Report 2018–19*, p. 78.

3.43 In the annual report of the Australian Sports Anti-Doping Authority, the list of requirements is clearly set out, however, it appears that the 'Part of Report' column has been accidentally left blank.²⁷

3.44 The committee suggests that all agencies of the Health and Social Services (including Services Australia) portfolios ensure that future compliance indexes are accurate and complete, in line with PGPA Act and Rule requirements.

Colour and illustrations

3.45 In relation to colour and illustrations, the advice to government agencies on Printing Standards states:

While acknowledging that the cost of colour printing has decreased, author bodies must have regard to limiting the use of colour and illustrations to where it enhances the reader's understanding of the material. An excessive use of colour, illustrations and photography is not fit for the purposes of accountability and reporting to Parliament.²⁸

3.46 The committee considers that while some photographs are helpful to assist in creating a flow to the document, the ACQSC's annual report includes a large number of colour photographs which do not enhance the reader's understanding of the material. The committee encourages ACQSC to take this into consideration in preparing its next annual report.

Paper

3.47 The committee notes that the advice to government agencies on Printing Standards specifies that the paper used for text and illustrations can be up to 100 gsm coated or uncoated publication paper.²⁹

3.48 The committee notes that the paper used in printed version of the DTA's annual report appears to be greater in weight than 100 gsm. The committee encourages DTA to use a lighter paper in line with the advice for printing any future reports, including annual reports.

Pro forma phrases

3.49 The committee also notes that where the PGPA requirements prescribe a pro forma phrase to respond to certain compliance requirements, a number of annual reports failed to use the exact wording provided. The committee encourages all departments and agencies to use the wording as set out in the requirement.

27 Australian Sports Anti-Doping Authority, *Annual Report 2018–19*, pp. 202–208.

28 Parliament of Australia, 'Tabled Papers', https://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Tabled_Papers/Advice_to_government_agencies (accessed 10 February 2020).

29 Parliament of Australia, 'Tabled Papers', https://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Tabled_Papers/Advice_to_government_agencies (accessed 10 February 2020).

Apparently satisfactory

3.50 As noted in Chapter 1, the committee finds that all reports of the Health portfolio and Social Services portfolio, including Services Australia, for 2018–19 are apparently satisfactory.

Senator Wendy Askew
Chair

