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Australian Digital Health Agency 12-month update to the Joint Committee of Public Accounts and Audit (JCPAA) Report 511: Inquiry into contract management frameworks operated by Commonwealth entities

Recommendation 4

The Committee recommends that the Australian Digital Health Agency (the Agency) report back to the Committee at six months and again at 12 months from the date of this report on:

- its progress in implementing the six recommendations of the audit
- the progress and outcomes of the upcoming open tender process for the new My Health Record (MHR) procurement.

Summary

In July 2024, the Agency agreed to a series of actions to address 13 Recommendations and 6 Opportunities for Improvement outlined in the ANAO's performance audit on the Agency's [Procurement of My Health Record](#).

In 2024 and 2025, the Agency implemented the recommendations and improvement opportunities from the ANAO's performance audit on the Agency's [Procurement of My Health Record](#) and provided a response to JCPAA on the implementation actions on 19 September 2025 ("the response").

The Agency recognises that effective contract management is key to realising procurement objectives and value for money. Over several years, the Agency has made substantial improvements to processes and policies that support contract management and ensure value for money in achieving outcomes from all our procurements. These actions build on significant uplift in governance, risk and program management in the Agency over a sustained period of time, embedding a culture of continuous improvement in the Agency.

Update

Since the response, the Agency has continued to improve and mature its procurement and contract management practices through:

- conducting an internal review of a high-risk, high-value contract in October 2025 to ensure lessons learnt were being actioned through ongoing business improvement initiatives - the Agency will continue to use its internal audit mechanism to support continuous assurance of its procurement and contract management approaches during 2026
- continuing to uplift guidance material and processes with a strong focus on continued improvements to high-risk, high-value contracts, particularly in relation to cyber, security and integrity protocols in line with the updated requirements of the 2025 Protective Security Policy Framework.

- delivering an upgraded procurement management and assurance system that will streamline procurement practices and strengthen consistent approvals processes - the first phase (an automated management assurance certification) went live in January 2026 with additional modules to streamline procurement and contract management processes and assurance to be deployed throughout 2026
- continuing to mature the centralised procurement and contract management model established in the Agency in June 2024 and bringing the function in-house (the Agency initially drew on external procurement and commercial expertise to uplift capability)
- embedding the Agency's risk management framework and control effectiveness by ensuring procurement risk is considered at the tactical, operational and strategic levels
- strengthening the centralised integrity function through building capability and providing assurance over areas such as conflict-of-interest management, procurement and contract probity, gifts and benefits management and declarations – this includes mandatory training for staff on integrity obligations
- undertaking a competitive request for tender for the Application Support and Maintenance Services for Digital Health Infrastructure (formerly the National Infrastructure Operator (NIO) contract) – the request for tender closed in October 2025 and the procurement process is in its final stages.

Background

The Agency's vision is a healthier future for Australians through connected healthcare. Funded by the Australian Government and the states and territories in recognition that digital health must be a national enterprise, the Agency plays a key role in connecting Australians to a modern healthcare system that ensures they can access the care they need, when and where they need it.

The Agency was established by the Public Governance, Performance and Accountability (Establishing Digital Health Agency) Rule 2016 and performs the role of System Operator for the purposes of the *My Health Records Act 2012* (Cth). The Agency also has specific responsibilities under other legislation, including the *Privacy Act 1988* (Cth) and the *Healthcare Identifiers Act 2010* (Cth).