

## **Chapter 3**

### **Annual Reports of Commonwealth Authorities, Companies and Agencies**

3.1 For the financial year 2013–14, the annual reports of the following statutory bodies were referred to the committee for examination and report during the period 1 May to 31 October 2014:

#### **Social Services Portfolio**

- Australian Aged Care Quality Agency; and
- National Disability Insurance Agency.

#### **Health Portfolio**

- Australian Commission on Safety and Quality in Health Care;
- Australian Radiation Protection and Nuclear Safety Agency;
- Australian Sports Commission (including report of the Australian Sports Foundation Limited);
- Independent Hospital Pricing Authority;
- National Health Performance Authority;
- National Industrial Chemicals Notification and Assessment Scheme;
- Office of the Gene Technology Regulator; and
- Private Health Insurance Administration Council.

#### **Human Services Portfolio**

- Australian Hearing

3.2 The committee has chosen to examine the following reports in more detail:

#### **Social Services Portfolio**

##### ***Australian Aged Care Quality Agency***

3.3 The annual report was tabled on 28 October 2014.<sup>1</sup>

3.4 The Australian Aged Care Quality Agency (AACQA) commenced operations on 1 January 2014 replacing the former Aged Care Standards and Accreditation Agency Limited (ACSAA). The new agency is responsible for residential aged care accreditation and, from 1 July 2014, the quality review of Commonwealth funded home care services. Accordingly, this report encompasses the financial and operational data from both agencies.<sup>2</sup>

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1 *Journals of the Senate*, No. 61—28 October 2014, p. 1619.

2 Australian Aged Care Quality Agency, *Annual Report 2013–2014*, pp 3 & 7.

3.5 During 2013–14, the AACQA and the ACSAA have met or exceeded their quantitative deliverable targets. Ninety-seven per cent of Australian government funded aged care facilities complied with the accreditation standards, in excess of the 92 per cent target.<sup>3</sup> In addition to facility audits, AACQA is continuing to expand its education of the sector on the accreditation standards.<sup>4</sup>

3.6 The committee congratulates the AACQA on a well-presented and comprehensive report. The committee suggests in future reports that the AACQA clarify that the financial statements are made in accordance with the resolution of the directors. This report should also include a general index.

### ***National Disability Insurance Agency***

3.7 The annual report was tabled on 29 October 2014.<sup>5</sup>

3.8 In 2011, a Productivity Commission report examining the delivery of disability care and support recommended the establishment of a National Disability Insurance Scheme (NDIS) to ensure that people with a disability are able to access adequate support to enable fuller participation in society. An NDIS was established with bipartisan support. The National Disability Insurance Agency (NDIA) is the independent statutory agency tasked with implementing the NDIS.<sup>6</sup>

3.9 In its first 12 months, the NDIA has achieved the following:

- delivered the scheme at four trial site locations;
- over 8 500 people met the scheme's access criteria with 7 300 of those receiving support under an approved plan;
- delivered average annualised package costs below budget;
- reduced participant eligibility determination processing times from 29.7 days to 13.3 days; and
- recorded strong satisfaction levels with 94 per cent of participants rating the planning of the NDIA as good or very good.

3.10 The committee wishes the agency well as it seeks to implement the scheme at three new sites during the next reporting period—Perth Hills (Western Australia), Barkly Region (Northern Territory) and the Australian Capital Territory.

3.11 The committee considers the annual report of the NDIA to be 'apparently satisfactory'.

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3 Australian Aged Care Quality Agency, *Annual Report 2013–2014*, pp 16–18.

4 Australian Aged Care Quality Agency, *Annual Report 2013–2014*, pp 27–30.

5 *Journals of the Senate*, No. 62—29 October 2014, p. 1651.

6 National Disability Insurance Agency, *Annual Report 2013–2014*, pp iv, 16–17, 19.

## Health Portfolio

### *Australian Commission on Safety and Quality in Health Care*

3.12 The annual report was tabled on 27 October 2014.<sup>7</sup>

3.13 The Australian Commission on Safety and Quality in Health Care (the Commission) is an independent statutory authority that leads and co-ordinates national improvements in healthcare safety and quality. The commission develops national safety and clinical standards, creates and supports national accreditation schemes, and develops national health-related data sets.<sup>8</sup>

3.14 During the reporting period, the commission finalised the national accreditation standards for mental health services. The commission also collaborated with the Australian Institute of Health and Welfare to examine healthcare variations in rates of several common procedures, such as knee surgery and hysterectomy, undertaken in hospitals in 2010–11. Specifically the study examines why patients with the same symptoms or diagnosis receive different treatments. Future work will correlate these findings with patient health outcomes. The report has been issued for public feedback and consultation.<sup>9</sup>

3.15 The committee welcomes Professor John Turnidge as a Senior Medical Advisor and Dr Robert Herkes as the commission's new Clinical Director.<sup>10</sup> It also commends the commission on its plan to develop and implement a Disability Action Plan during the next reporting period.<sup>11</sup>

3.16 The committee suggests that the commission consider the addition of information on its enterprise agreement in the human resources section of the annual report.

### *Independent Hospital Pricing Authority*

3.17 The annual report was tabled on 27 October 2014.<sup>12</sup>

3.18 The Independent Hospital Pricing Authority (IHPA) was established as an independent government agency in late 2011. The IHPA determines a National Efficient Price (NEP) and National Efficient Cost (NEC) for the provision of public hospital services in Australia. This benchmarking process 'ensures that hospitals

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7 *Journals of the Senate*, No. 60—27 October 2014, p. 1604.

8 Australian Commission on Safety and Quality in Health Care, *Annual Report 2013–2014*, p. 2.

9 Australian Commission on Safety and Quality in Health Care, *Annual Report 2013–2014*, pp 6–7.

10 Australian Commission on Safety and Quality in Health Care, *Annual Report 2013–2014*, pp 6–7.

11 Australian Commission on Safety and Quality in Health Care, *Annual Report 2013–2014*, p. 82.

12 *Journals of the Senate*, No. 60—27 October 2014, p. 1608.

receive funding based on unit costs and encourages developments in best practice care across the healthcare system'.<sup>13</sup>

3.19 The committee is pleased to note that the IHPA continues to engage with stakeholders to disseminate its work through a variety of mediums including publications, online, public consultations and an annual conference. The conference attracted over 460 delegates attending a variety of workshops, and plenary and panel sessions. The committee commends the IHPA on its high level of stakeholder engagement. It also notes that the IHPA met all of its targets for qualitative deliverables and key performance indicators.<sup>14</sup>

3.20 The committee considers the annual report of the IHPA to be 'apparently satisfactory'.

### ***Office of the Gene Technology Regulator***

3.21 The annual report was tabled on 29 October 2014.<sup>15</sup>

3.22 The Gene Technology Regulator (GTR) is responsible for:

Protect[ing] the health and safety of people, and to protect the environment, by identifying risks posed by, or as a result of, gene technology, and by managing those risks through regulating certain dealings with genetically modified organisms.

This role is a statutory position governed at a federal level by the *Gene Technology Act 2000* and informed by relevant legislation in the state and territories.<sup>16</sup>

3.23 During the reporting period, the agency met all of its qualitative and quantitative deliverables and KPIs including:

- no adverse effects on the human or environmental health;
- all statutory decisions made on time; and
- exceeded minimum target of 20 per cent monitoring for:
  - field trial site (40 per cent);
  - higher level containment facility target (25 per cent).<sup>17</sup>

3.24 The committee notes the retirement of Dr Joe Smith, the second GTR, and commends his exemplary service leading the agency.<sup>18</sup>

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13 Independent Hospital Pricing Authority, *Annual Report 2013–2014*, p. 3.

14 Independent Hospital Pricing Authority, *Annual Report 2013–2014*, pp 33–35.

15 *Journals of the Senate*, No. 62—29 October 2014, p. 1651.

16 Office of the Gene Technology Regulator, *Annual Report 2013–14*, p. 18.

17 Office of the Gene Technology Regulator, *Annual Report 2013–14*, pp 22–23.

18 *Estimates Hansard*, 26 February 2014, p. 114.

3.25 The committee considers the annual report of the GTR to be 'apparently satisfactory', however, notes that photographs used in the report should be labelled for the benefit of the reader.

### ***Private Health Insurance Administration Council***

3.26 The annual report was tabled on 29 October 2014.<sup>19</sup>

3.27 The Private Health Insurance Administration Council (PHIAC) was established in 1989 to regulate and ensure the sustainability and competitiveness of the private health sector. Primarily this is achieved through the regulation of annual private health insurance premium increases. From 1 July 2015, the PHIAC's operations will be merged with the Australian Prudential Regulation Authority.

3.28 During the reporting period, the PHIAC approved a substantive update to the Capital Adequacy and Solvency Standards. These changes have resulted in the availability of an extra \$1 billion of regulatory capital across the industry. During 2013–14, the PHIAC achieved or exceeded all of its deliverables.

3.29 Overall, this report is quite comprehensive and meets most requirements. However, the committee considers that as a matter of best practice, future reports should include more information about human resources, including:

- a more detailed staffing profile;
- assessment of effectiveness of managing and developing human resources to achieve departmental objectives; and
- a description of the authority's collective employment agreement/s.

## **Human Services Portfolio**

### ***Australian Hearing***

3.30 The annual report was tabled on 27 October 2014.<sup>20</sup>

3.31 For the 2013–14 period, Australian Hearing surpassed its own expectations and the previous year's financial results to record revenue of \$212 million and a net profit before tax of \$12 million. This represents a return on assets of 7.7 per cent. The committee commends Australian Hearing on this strong financial result.<sup>21</sup>

3.32 Australian Hearing has refined its mission statement and purpose culminating in the organisation's new credo.

Our Essence is Caring. Our Purpose is Positive Impact.<sup>22</sup>

This renewed focus has resulted in Australian Hearing delivering 446 870 hearing health services during the reporting period.

19 *Journals of the Senate*, No. 62—29 October 2014, p. 1651.

20 *Journals of the Senate*, No. 60—27 October 2014, p. 1604.

21 Australian Hearing, *Annual Report 2013–2014*, p. 5.

22 Australian Hearing, *Annual Report 2013–2014*, p. 10.

3.33 The National Acoustic Laboratories (NAL) continues to engage in innovative research including a focus on developing novel hearing testing methodologies which may improve the future work of Australian Hearing. Another NAL project is examining ways to improve the effectiveness of hearing aids in areas with loud background noise.<sup>23</sup>

3.34 The committee finds Australian Hearing's annual report to be well presented, informative, and easy to navigate. The committee is pleased to note that the 2013–2014 report includes a compliance index. Future reports would also benefit from the inclusion of a general index, details of a contact officer and information about the enterprise agreement.

**Senator Zed Seselja**

**Chair**

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23 Australian Hearing, *Annual Report 2013–2014*, pp 12–13.