

Chapter 3

Annual Reports of Commonwealth Entities and Companies

3.1 For the financial year 2014–15, the following annual reports were referred to the committee for examination and report by 31 October 2015:

Health Portfolio

- Administrator of the National Health Funding Pool
- Aged Care Commissioner
- Aged Care Pricing Commissioner
- Australian Commission on Safety and Quality in Health Care
- Australian Organ and Tissue Donation and Transplantation Authority
- Australian Radiation Protection and Nuclear Safety Agency
- Australian Sports Anti-Doping Authority
- Australian Sports Commission
- Cancer Australia
- Food Standards Australia New Zealand;
- Independent Hospital Pricing Authority
- National Blood Authority
- National Health and Medical Research Council
- National Health Funding Body
- National Health Performance Authority
- Office of the Gene Technology Regulator

Social Services Portfolio (including Human Services)

- Australian Hearing
- Australian Institute of Family Studies
- National Disability Insurance Agency

3.2 The committee also received the following reports for examination after 31 October 2015:

- Australian Aged Care Quality Agency
- Australian Institute of Health and Welfare;
- National Mental Health Commission

- Professional Services Review Scheme
- Australian Health Practitioner Regulation Agency

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

- Aged Care Commissioner
- Australian Aged Care Quality Agency
- Australian Hearing
- Australian Institute of Family Studies
- Australian Organ and Tissue Donation and Transplantation Authority
- Australian Radiation Protection and Nuclear Safety Agency
- Independent Hospital Pricing Authority
- National Disability Insurance Agency
- National Health Funding Body
- National Health Performance Authority

Health Portfolio

Aged Care Commissioner

3.4 The Aged Care Commissioner is a statutory office holder whose key function is to examine complaints against the Aged Care Complaints Scheme and the Australian Aged Care Quality Agency.

3.5 The annual report appears to meet the requirements set out in section 95A-12 of the *Aged Care Act 1997* which are helpfully provided in the appendix of the report.

3.6 A key change for 2016 will see the responsibility for complaints about Australian Government funded aged care transferred from the Secretary of the Department of Health to the Aged Care Commissioner in the early part of the year. This will help create independence for the Aged Care Complaints Scheme.¹

Australian Aged Care Quality Agency (ACQA)

3.7 ACQA is a non-corporate Commonwealth entity and the new accreditation body for residential aged care. ACQA commenced operation on 1 January 2014, replacing the Aged Care Standards and Accreditation Agency. On 1 July 2014 ACQA assumed responsibility for the Quality Review of Home Care Services from the Department of Social Services and a number of staff transferred across from the department to undertake that work.² ACQA appears to have met all of its deliverables and key performance indicators.³

1 Aged Care Commissioner, *Annual Report 2014–15*, p. 4.

2 Australian Aged Care Quality Agency, *Annual Report 2014–15*, p. 114.

3 Australian Aged Care Quality Agency, *Annual Report 2014–15*, pp 112–113

3.8 This is the second annual report for ACQA and the annual report meets the standard of 'apparently satisfactory' and includes a number of suggested requirements. The report contains sufficient information and analysis and aligns with the overall accountability framework.

3.9 It would aid the committee in its examination of the report, if the report structure more closely aligned with the order that requirements are listed in the PM&C Requirements. For example, moving the summary of significant issues and developments to the Chief Executive Officer's review would enhance the structure of the report.

3.10 The annual report states that trend information refers to the previous entity in relation to the residential aged care accreditation program.⁴ However the report does not appear to have included trend information on whether KPIs have previously been met. Trend information should be included in future annual reports in order to meet this mandatory requirement.

Australian Organ and Tissue Donation and Transplantation Authority (OTA)

3.11 The OTA is a non-corporate Commonwealth entity. The OTA met all of its deliverables and had varied results for its key performance indicators. The rate of request by hospital staff to families for organ and tissue donation increased by two per cent from the previous year to 98 per cent. However, the rate of family consent to organ and tissue donation decreased from 62 per cent in 2013 to 59 per cent in 2014. The aspirational target for the consent rate is 75 per cent and the OTA aims to achieve that target in the next four years.⁵

3.12 The OTA produced an exemplary annual report that met all mandatory and suggested requirements satisfactorily. The report was well presented, informative and easy to navigate.

Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)

3.13 ARPANSA is a non-corporate Commonwealth entity. A significant development this year for ARPANSA was the passing of the *Australian Radiation Protection and Nuclear Safety Amendment Bill 2015*. This legislative change enables ARPANSA to regulate legacy sites with radioactive material and provides greater capacity for ARPANSA to respond to emergencies and non-compliance with legislation.⁶

3.14 ARPANSA has addressed all recommendations that were made in the 2014 Australian National Audit Office report on ARPANSA's regulation of Commonwealth licence holders. This has included implementing a new regulatory delivery model to

4 Australian Aged Care Quality Agency, *Annual Report 2014–15*, p. 112.

5 Australian Organ and Tissue Donation and Transplantation Authority, *Annual Report 2014–15*, p. 24.

6 Australian Radiation Protection and Nuclear Safety Agency, *Annual Report 2014–15*, p. 6.

improve regulatory effectiveness and efficiency and the use of risk-based decision-making.⁷

3.15 ARPANSA produced a quality annual report containing detailed information where required. This year's PM&C Requirements were amended to include information on indigenous employment. This information is absent from ARPANSA's annual report. In order to fulfil this requirement, future annual reports should include a statement in the body of the report about indigenous employment.

Independent Hospital Pricing Authority (IHPA)

3.16 IHPA is a corporate Commonwealth entity and therefore is required to report under the *Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Amendment (Annual Reports) Rule 2015* and follow the application of the Commonwealth Authorities (Annual Reporting) Orders 2011 for its 2014–15 annual report. IHPA has reported against the list of requirements as set out in the PM&C Requirements, which does not take effect for corporate Commonwealth entities until 2015–16.

3.17 IHPA had a number of notable achievements this year. IHPA achieved a surplus of \$3.746 million through savings made in employment costs and sales of the Australian Refine Diagnosis Related Groups classification system. IHPA finalised and published the *Pricing Framework for Australian Public Hospital Services 2015–16*, developed national pricing models in consultation with stakeholders and released the National Efficient Price and National Efficient Cost Determinations for 2015–16. IHPA also completed a mental health care costing study to inform the development of the Australian Mental Health Care Classification.

3.18 Overall IHPA's annual report is well presented and easy to navigate, and contains a significant amount of information that complies with the PM&C Requirements and appears to satisfactorily comply with the transitional requirements. It would assist the committee in its review of the report if the following information was to be included in future reports:

- work health and safety outcomes and statistics on incidences; and
- location of staff and key activities.

National Health Funding Body (NHFB)

3.19 The NHFB is a non-corporate Commonwealth entity that is also inter-jurisdictional in nature. The NHFB commenced operations on 1 July 2012 and was created to support and assist the Administrator of the National Health Funding Pool. The key outcome of the NHFB is to 'provide transparent and efficient administration of Commonwealth, state and territory funding of the Australian public hospital system and support the obligations and responsibilities of the Administrator'.⁸

7 Australian Radiation Protection and Nuclear Safety Agency, *Annual Report 2014–15*, pp 6–7.

8 National Health Funding Body, *Annual Report 2014–15*, p. 21.

3.20 The NHFB's annual report meets the requirement of 'apparently satisfactory' and overall was well laid out. The report could be improved with greater discussion and analysis of the entity's financial performance, and assessment of the effectiveness of human resources management and assets management. The committee notes that information on trends in achieving KPIs was limited in the report and that this might be due to the number of years the NHFB has been in operation. The committee hopes to see more trend information in future annual reports.

National Mental Health Commission (NMHC)

3.21 The NMHC is a non-corporate Commonwealth entity. It was noted in the committee's Report on Annual Reports (2 of 2015) that a number of mandatory requirements were missing from the annual report for 2013–14. The committee is pleased to find some of these requirements included in the annual report for 2014–15. However, the committee considers that the annual report may not meet some mandatory requirements. Trend information and the agency resource statement in the required format should be included in future annual reports. Furthermore, in the PM&C Requirements, Attachment A outlines the mandatory requirements under Aids to Access. The NMHC's annual report does not meet this requirement as it conflates the alphabetical index with the compliance index, which is a separate requirement.

3.22 The committee notes that the compliance index listed in the report is incomplete, as it is missing the suggested requirements and new reporting requirements. The committee notes that the report does include statements that fulfil the new reporting requirements related to small business and indigenous employment; however this is not reflected in the compliance index. It would assist the committee in its examination of the report if the compliance index was a reflection of the most recent List of Requirements in Attachment F of the PM&C Requirements.

Social Services Portfolio (including Human Services)

Australian Hearing

3.23 Australian Hearing is a corporate Commonwealth entity. Australian Hearing has achieved strong financial revenue in 2014–15 at a total of \$229.2 million – a 7.9 per cent increase on the previous year. Australian Hearing established 10 new hearing centres throughout the year and supported 230 rural and remote communities through the outreach program for Aboriginal and Torres Strait Islanders. Australian Hearing also teamed up with country music singer Troy Cassar-Daley as official Ambassador to promote hearing health.⁹ Troy Cassar-Daley wrote a song for Australian Hearing that has been viewed more than 80,000 times online.¹⁰

Overall, the committee finds the annual report to be 'apparently satisfactory'. The committee notes that future reports would be enhanced with a general index and information about the enterprise agreement. This information will become mandatory

9 Australian Hearing, *Annual Report 2014–15*, p. 9.

10 Australian Hearing, *Annual Report 2014–15*, p. 10.

next year when the PGPA Act comes into full effect and the committee looks forward to a more comprehensive report as a result.

Australian Institute of Family Studies (AIFS)

3.24 The AIFS is a non-corporate Commonwealth entity. On 30 June 2015 Professor Alan Hayes AM resigned as Director of AIFS after more than 10 years at the AIFS. The committee thanks Professor Hayes for his service. On 7 September 2015 Ms Anne Hollands commenced as the new director of AIFS.¹¹

3.25 The committee examined the annual report of AIFS and determined that it meets the requirement of 'apparently satisfactory'. The report meets the new reporting requirements under the PGPA Act and is of sound quality. However, the committee notes that the annual report does not contain the full range of work health and safety information as outlined in Attachment 3 of the PM&C Requirements. Further discussion on the details of the enterprise agreement would also enhance the report.

Senator Zed Seselja
Chair

11 Australian Institute of Family Studies, *Annual Report 2014–15*, p. 2.