

The Senate

Community Affairs
Legislation Committee

Annual reports (No. 1 of 2017)

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Secretariat

Jeanette Radcliffe
Michael Finch
Amelia Hurd
Carol Stewart

Committee Secretary
Research Officer
Graduate
Administration Officer

PO Box 6100
Parliament House
Canberra ACT 2600

Phone: 02 6277 3515
Fax: 02 6277 5829
Email: community.affairs.sen@aph.gov.au
Internet: www.aph.gov.au/senate_ca

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Membership of the Committee

45th Parliament

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Abbreviations

AACQA	Australian Aged Care Quality Agency
AAO	Administrative Arrangements Order
ACCC	Aged Care Complaints Commissioner
ACPC	Aged Care Pricing Commissioner
AIFS	Australian Institute of Family Studies
AIHW	Australian Institute of Health and Welfare
ANAO	Australian National Audit Office
ARPANSA	Australian Radiation Protection and Nuclear Safety Agency
ASC	Australian Sports Commission
ASF	Australian Sports Foundation
CMO	Chief Medical Officer
committee	Senate Community Affairs Legislation Committee
DHS	Department of Human Services
DOH	Department of Health
DSS	Department of Social Services
FSANZ	Food Standards Australia New Zealand
GDP	Gross Domestic Product
KPI	Key Performance Indicator
MBS	Medical Benefits Schedule
MoG	Machinery of Government
NBA	National Blood Authority
NDIA	National Disability Insurance Agency

NDIS	National Disability Insurance Scheme
NMHC	National Mental Health Commission
NHPA	National Health Performance Authority
NRAS	National Rental Affordability Scheme
OGTR	Office of the Gene Technology Regulator
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PM&C	Department of Prime Minister and Cabinet
PSR	Professional Services Review

Chapter 1

Overview

1.1 The Senate Community Affairs Legislation Committee (committee) is responsible for examining the annual reports of the departments and agencies of the Health Portfolio and the Social Services Portfolio (including Human Services).

1.2 This is the first report on annual reports for 2017. It provides an overview of the committee's examination of annual reports for the 2015–16 financial year which were tabled in Parliament between 1 May and 31 October 2016.¹

1.3 Commonwealth entities are obligated to report to the Parliament, and through the Parliament to the Australian public, on their operations in the support of the government of the day. Reporting by Commonwealth entities is a principal mechanism for ensuring accountability and transparency in government.²

Terms of Reference

1.4 Under Senate Standing Order 25(20), annual reports of departments and agencies shall stand referred to the legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:

- (a) examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- (b) consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- (c) investigate and report to the Senate on any lateness in the presentation of annual reports;
- (d) in considering an annual report, take into account any relevant remarks about the report made in debate in the Senate;
- (e) if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- (f) report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;

1 Copies of this and other committee reports can be obtained from the Senate Table Office, the committee secretariat or online at www.aph.gov.au/senate_ca.

2 Department of Finance, *Resource Management Guide No. 130: Overview of the enhanced Commonwealth performance framework*, July 2016, p. 3.

- (g) draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and
- (h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

Allocated portfolios and changes to portfolios

1.5 On 31 August 2016, the Senate resolved to allocate government portfolios to committees. In accordance with that resolution, the committee was allocated oversight for the following portfolios:

- Health; and
- Social Services (including Human Services).³

1.6 Following the abolishment of the National Health Performance Authority (NHPA) from 30 June 2016, the NHPA's functions were transferred to the Australian Institute of Health and Welfare (AIHW), the Australian Commission on Safety and Quality in Health Care (ACQHC) and the Department of Health (DOH).⁴

Purpose of annual reports

1.7 Annual reports are a key document under the enhanced Commonwealth performance framework and are the primary mechanism by which Ministers report to the Parliament on the performance of Commonwealth entities.⁵

1.8 The principal purpose of annual reports is accountability, in particular to the Parliament. The tabling of annual reports places important information about government departments and agencies on the public record, and assists the Parliament in the effective examination of the performance of Commonwealth entities administration of government programs.

Annual reporting requirements

1.9 The committee is required to examine reports referred to it to determine whether they are 'apparently satisfactory' and timely in presentation to the Parliament. The committee notes that the standard of 'apparently satisfactory' is not specifically defined by the Standing Orders, however broadly interprets the term as meaning to be in compliance with relevant legislation and guidelines.

Public Governance, Performance and Accountability Act 2013

1.10 On 1 July 2014 the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) commenced and replaced the previous Commonwealth governance

3 *Journals of the Senate*, No. 2—31 August 2016, p. 75.

4 Department of Health, *Portfolio Budget Statements 2016–17: Budget Related Paper No. 1.10*, p. 4.

5 Department of Finance, *Resource Management Guide No. 130: Overview of the enhanced Commonwealth performance framework*, July 2016, p. 7.

and accountability arrangements established under the repealed *Financial Management and Accountability Act 1997* and the *Commonwealth Authorities and Companies Act 1997*.

1.11 The enhanced Commonwealth performance framework was established under subsection 5(b) of the PGPA Act to update the Commonwealth's governance and accountability arrangements to support a modern and streamlined public sector. The enhanced Commonwealth performance framework provides for clearer linkages between Portfolio Budget Statements, Corporate Plans and Annual Reports.

1.12 The *Public Governance, Performance and Accountability Rule 2014* is made as an administrative rule under the PGPA Act and contains specific annual reporting requirements applicable to Commonwealth entities and Commonwealth companies.

1.13 The committee notes that the introduction of the PGPA Act marked a significant evolution of the reporting requirements for Commonwealth entities and Commonwealth companies. Following the transitional arrangements in place for reporting of 2014–2015 financial year, the 2015–16 reporting period is the first full year of reporting under the requirements of the PGPA Act.

Key legislation and instruments for annual reporting

1.14 Annual reporting requirements for Commonwealth entities are primarily set down in the following legislation and instruments:

- subsection 63(2) for departments of state and subsection 70(2) for Executive Agencies of the *Public Service Act 1999*. As a matter of policy, these subsections also apply to other non-corporate Commonwealth entities, as defined in section 11 of the PGPA Act;
- section 46 of the PGPA Act and Division 3A of the *Public Governance, Performance and Accountability Rule 2014* for non-corporate Commonwealth entities and subdivision 3B for corporate Commonwealth entities;
- section 97 of the PGPA Act and part 3-3 of the of the *Public Governance, Performance and Accountability Rule 2014* for Commonwealth companies; and
- the *Corporations Act 2001* contains a number requirements for Commonwealth companies, which are acknowledged in the PGPA Act;⁶ and
- for non-statutory bodies, the guidelines are contained in the government response to the Senate Standing Committee on Finance and Public Administration Report on Non-Statutory bodies.⁷

6 Department of Finance, *Resource Management Guide No. 137: Annual reports for Commonwealth Companies*, July 2016, p. 3.

7 *Senate Hansard*, 8 December 1987, pp. 2632–45.

1.15 Statutory authorities are required to report in accordance with their enabling legislation.

1.16 The committee notes that some of the bodies which are required to produce annual reports to the Senate, in accordance with legislation or instruments, fall outside the categories listed above. In these cases, examination of reports refers to these requirements where appropriate, and adopts the general standard of reasonableness in support of accountability and transparency.

Other legislative requirements

1.17 The committee notes that other legislation may also be applicable to the reporting requirements of annual reports. Legislation with annual reporting requirements includes:

- subsection 311A(1) of the *Commonwealth Electoral Act 1918* for Departments of State of the Commonwealth, Departments of the Parliament (as established under the *Parliamentary Service Act 1999*) and Agencies (within the meaning of the *Public Service Act 1999*);
- section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* for Commonwealth entities, Commonwealth companies (within the meaning of the PGPA Act) and Commonwealth agencies; and
- part 4 of schedule 2 of *Work Health and Safety Act 2011* for non-Corporate Commonwealth entities (within the meaning of the PGPA Act) and public authorities (defined as including Commonwealth companies within the meaning of the PGPA Act).

Timeliness of reports

Non-corporate Commonwealth entities and Corporate Commonwealth entities

1.18 In accordance with section 46 of the PGPA Act, Commonwealth entities (non-corporate and corporate) are required to provide annual reports to the responsible Minister by the 15th day of the fourth month after the end of the reporting period, or by the end of any further period granted under paragraph 34C(5) of the *Acts Interpretation Act 1901*.

1.19 Section 46 of the PGPA Act does not stipulate a timeframe for which the responsible Minister should table an annual report in Parliament following receipt from a Commonwealth entity. The committee agrees with Department of Finance's expectation that annual reports will be tabled in Parliament not later than 31 October.⁸

1.20 In instances where Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is considered best practice for annual reports

8 Department of Finance, *Resource Management Guide No. 130: Overview of the enhance Commonwealth performance framework*, July 2016, p. 7.

to be tabled in advance of the hearing dates to ensure opportunity for scrutiny at Estimates.⁹

Commonwealth companies

1.21 In accordance with subsection 97 of the PGPA Act, directors of Commonwealth companies are required to submit annual reports to the responsible Minister. Subsection 97(2) of the PGPA Act states that:

- (2) The Commonwealth company must give the reports and information by:
 - (a) if the company is required by the *Corporations Act 2001* to hold an annual general meeting—the earlier of the following:
 - (i) 21 days before the next annual general meeting after the end of the reporting period for the company;
 - (ii) 4 months after the end of the reporting period for the company; and
 - (b) in any other case—4 months after the end of the reporting period for the company; or the end of such further period granted under subsection 34C(5) of the *Acts Interpretation Act 1901*.¹⁰

1.22 Subsection 97(5) of the PGPA Act goes on to state:

If the Commonwealth company is a wholly-owned Commonwealth company, or is not required to hold an annual general meeting, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after receiving them. In all other cases, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after the annual general meeting of the company.¹¹

1.23 As with Commonwealth entities, the committee notes that best practice is for the annual reports of Commonwealth companies to be tabled by 31 October, or prior to Supplementary Budget Estimates.

1.24 The Australian Aged Care Quality Agency (AACQA) received an extension on its annual reporting date to 4 November 2016 and then again to 12 December 2016. This extension was granted under section 34C of the *Acts Interpretation Act 1901* by the then Minister for Health, The Hon. Sussan Ley MP. The report was received by the Minister on 2 December 2016 and presented out-of-session on 19 December 2016.

9 Australian Government Department of Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and other Instruments*, August 2016, pp. 4
<https://www.dPMC.gov.au/sites/default/files/publications/tabling-guidelines-august-2016.pdf> (accessed 27 January 2016).

10 *Public Governance, Performance and Accountability Act 2013*, ss. 97(2).

11 *Public Governance, Performance and Accountability Act 2013*, ss. 97(5).

In accordance with Senate Standing Order 25(20)(f), the AACQA report will be considered in the committee's second report on annual reports of 2017.

Publishing standards for the presentation of documents to Parliament

1.25 Subdivisions 17AB, 17BC and 28C of the *Public Governance Performance and Accountability Rule 2014* provide that the annual reports of non-corporate Commonwealth entities, corporate Commonwealth entities and Commonwealth companies must comply with the guidelines for presenting documents to Parliament.

1.26 The publishing standards for the presentation of annual reports are stipulated in the *Guidelines for the Presentation of Documents to the Parliament*, prepared by the Department of the Prime Minister and Cabinet (PM&C).¹²

1.27 The committee notes that all of the annual reports it has examined appear to meet PM&C publishing standards.

Reports examined 2015–16

1.28 This report considers 28 annual reports received during the period 1 May 2016 to 31 October 2016.

1.29 A list of the annual reports of Commonwealth entities and companies and other bodies tabled in the Senate (or presented out of session to the President of the Senate), and referred to the committee for examination, can be found at Appendix 1. The table shows the legislation under which reports are required to be provided and tabling information.

1.30 The committee is pleased to note that the annual reports examined mostly comply with the relevant reporting guidelines and are of an 'apparently satisfactory' standard. The reports continue to maintain high standards of presentation and provide a comprehensive range of important information on each entity's functions and activities.

Comments made in the Senate

1.31 The committee is obliged, under Senate Standing Order 25(20)(d), to take into account any relevant remarks made about these reports in the Senate.

1.32 The committee is not aware of any comments made in the Senate regarding the annual reports of departments and agencies within its purview.

Additional reports

1.33 Additional reports referred to and received by the committee between the period of 1 May 2016 and 31 October 2016 are listed at Appendix 2. The committee

12 Australian Government Department of Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and other Instruments*, August 2016, pp. 4–5
<https://www.dpmc.gov.au/sites/default/files/publications/tabling-guidelines-august-2016.pdf>
(accessed 27 January 2016).

notes that these reports were referred for information only and the committee is not required by the terms of the Standing Order to report on these documents.

Chapter 2

Annual reports of Commonwealth Departments

2.1 For the financial year 2015–16, the annual reports of the following departments were referred to the committee for examination and report:

- Department of Health (DOH);
- Department of Social Services (DSS); and
- Department of Human Services (DHS).

2.2 The committee considers the annual reports of the departments to be 'apparently satisfactory' and to have been presented to the Parliament in a timely manner.

Department of Health

Tabling of the report

2.3 The Department of Health (DOH) 2015–16 annual report was tabled in the House of Representatives on 17 October 2016, in time for examination at the Supplementary Estimates 2015–16 hearing.¹ The report was later tabled in the Senate on 7 November 2016.²

Secretary's review

2.4 The Secretary, Mr Martin Bowles PSM, highlighted several significant factors impacting the Department's work during the reporting period, including:

- the challenge of financial sustainability of the health system in an environment where health spending continues to rise faster than GDP;
- high proportions of Australians living with chronic disease and the need to rebuild Australia's primary health care system to address chronic health issues;
- ongoing reforms to health care systems, including an agreement with the Council of Australian Governments (COAG) to provide an additional estimated \$2.9 billion in funding for public hospitals;
- responsibility for aged care returning to the health portfolio and the continued transformation of aged care services from a welfare-based approach to an approach which prioritises consumers' needs;
- the potential of increased use of health care data to provide increasingly effective preventative health care; and

1 House of Representatives, *Votes and Proceedings*, No. 12—17 October 2016, p. 220.

2 *Journals of the Senate*, No. 12, 7 November 2016, pp. 358.

- the ongoing focus on the importance of being active for physical and mental health.³

Chief Medical Officer's Report

2.5 The Chief Medical Officer (CMO), Professor Chris Baggoley AO, addressed several important issues in the work of the Department in his report including:

- co-ordinating Australia's response to the challenge of mosquito-borne diseases in Australia;
- collaboration with relevant agencies on the implementation of the *Biosecurity Act 2015*, which came into effect on 16 June 2016;
- funding of the National Serology Reference Laboratory to evaluate the serological tests used to diagnose Lyme disease;
- addressing antimicrobial resistance (AMR) as a significant global health priority to address the increase in microorganisms displaying greater resistance to antibiotics to which they were previously susceptible;
- progression of the antiviral treatments for Hepatitis C to create medicines with a treatment success rate of more than 90 per cent;
- the ongoing challenge of diagnosing and treating cancer, noting the high proportion of Australians that will be diagnosed with cancer; and
- continuing the priority of immunisation for the prevention of communicable diseases.⁴

2.6 The committee extends its thanks to Professor Baggoley for his service as Australia's CMO following his retirement in July 2016. Professor Brendan Murphey was appointed as Australia's new CMO and commenced in October 2016.

Ministerial responsibilities

2.7 As at 30 June 2016, the Ministers and Assistant Minister responsible for the portfolio and its agencies were:

- the Hon. Sussan Ley MP, Minister for Health, Minister for Aged Care and Minister for Sport;
- Senator the Hon. Fiona Nash, Minister for Rural Health; and
- The Hon. Ken Wyatt AM, MP, Assistant Minister for Health and Aged Care.⁵

Changes in administrative arrangements

2.8 Machinery of Government (MoG) changes made in the AAO issued on 30 September 2015 resulted in:

3 Department of Health, *Annual Report 2015–2016*, pp. 4–7.

4 Department of Health, *Annual Report 2015–2016*, pp. 8–11.

5 Department of Health, *Annual Report 2015–2016*, p. 32–33.

- the return of portfolio responsibility for Ageing and Aged Care to DOH from DSS;
- the transfer of statutory offices of the Aged Care Commissioner and the Aged Care Pricing Commissioner to the Health portfolio from Social services;
- transfer of Medicare Provider Compliance for the Medical Benefits Schedule (MBS), the Pharmaceutical Benefits Scheme (PBS) and the allied health services were to DOH from DHS.⁶

2.9 In 2015–16 there were a number of changes to portfolio entities as a result of Smaller Government reform initiatives:

- functions of the Private Health Insurance Administration Council were transferred to the Australian Prudential Regulation Authority as of 1 July 2015;
- responsibilities of the Private Health Insurance Administration Ombudsman were transferred to the Office of the Commonwealth Ombudsman as of 1 July 2015;
- functions of the National Health Performance Authority (NHPA) were transferred to the Australian Institute of Health and Welfare, the Australian Commission of Safety and Quality in Health Care and the Department of Health following the abolishment of the NHPA as of 30 June 2016;
- operational functions of the Independent Hospital Pricing Authority were transferred to DOH, as of 1 July 2016; and
- commencement of the Australian Digital Health Agency which replaced the functions of the National eHealth Transition Authority, as of 1 July 2016.

Performance reporting

2.10 The annual report addresses Key Performance Indicators (KPIs) as listed in the *Portfolio Budget Statements 2015–16*. The majority of DOH performance targets were met across the 11 deliverable outcomes reported on. The committee particularly commends the results of Outcome 4: Acute Care, Outcome 6: Private Health and Outcome 10: Sport and Recreation, in which 100 per cent of performance criteria were met.

2.11 Performance criteria under Outcome 1: Population Health, included six instances where the 2015–16 result is reported as 'Data not available'. Whilst the committee acknowledges that some DOH data may not be available in time for inclusion in its annual report, the committee encourages the Department to provide more information on when the data will become available and where the data will be published once available.

2.12 Performance criteria which were reported as not met can be found in: Outcome 3: Access to Mental and Dental Services, Outcome 5: Primary Health Care,

6 Department of Health, *Annual Report 2015–2016*, p. 27.

Outcome 7: Health Infrastructure, Regulation, Safety and Quality, Outcome 8: Health Workforce and Capacity, Outcome 9: Biosecurity and Emergency Response and Outcome 11: Ageing and Aged Care. The committee notes that, in the instances where performance criteria were not met, DOH provided additional information indicating the cause of the targets not being met.

2.13 Major community outcomes achieved during the reporting period include:

- expansion of the National Bowel Cancer Screening Program (program) to include people in the 64–72 year old age bracket. The program supports the early detection and improved survival rates of bowel cancer. In 2020, the program will be fully implemented and accessible by 4 million Australians who will be invited to be screened every two years;⁷
- advancement of the Pharmaceutical Benefits Scheme (PBS) to include 370 new and amended medications;⁸
- 400 000 additional dental services provided under the National Partnership Agreement on Treating More Public Dental Patients;⁹
- commencement of the Australian Digital Health Agency (agency) from 1 July 2016. The agency aims to lead the evolution of digital health systems nationwide, including the development of the My Health Record initiative launched in March 2016 to provide individuals with electronically accessible health records;¹⁰ and
- implementation of Practice Incentives Program (PIP) After Hours Incentive to support general practices in providing their patients with access to afterhours health care. Through PIP Australian's can access afterhours health care at 4680 eligible locations.¹¹

2.14 DOH reported that it is at the forefront of significant health challenges, including: addressing chronic disease as a leading cause of preventable death; increasing participation in cancer screening programs;¹² regulating new gene technology;¹³ equitable distribution of the health sector workforce;¹⁴ antimicrobial resistance¹⁵ and better targeted aged care services to Indigenous Australians¹⁶. The

7 Department of Health, *Annual Report 2015–2016*, p. 45, 47.

8 Department of Health, *Annual Report 2015–2016*, p. 67.

9 Department of Health, *Annual Report 2015–2016*, p. 83.

10 Department of Health, *Annual Report 2015–2016*, pp. 131, 133.

11 Department of Health, *Annual Report 2015–2016*, p. 107, 111.

12 Department of Health, *Annual Report 2015–2016*, p. 47.

13 Department of Health, *Annual Report 2015–2016*, p. 149.

14 Department of Health, *Annual Report 2015–2016*, p. 164.

15 Department of Health, *Annual Report 2015–2016*, p. 178.

16 Department of Health, *Annual Report 2015–2016*, p. 196.

committee notes these challenges will require sustained and targeted work efforts in order to be addressed.

2.15 The Australian National Audit Office (ANAO) concluded four reports into the operations of DOH throughout the 2015–16 reporting period. The reports examined the effectiveness of the administration of the Radiation Oncology Health Program Grants Scheme;¹⁷ the effectiveness of the administration of the Child Dental Benefits Schedule;¹⁸ the effectiveness of records management arrangements;¹⁹ and the effectiveness of the implementation of deregulation activities²⁰. The ANAO made 10 recommendations which were directly relevant to DOH; all of which DOH agreed with.

Financial performance

2.16 In 2015–16 DOH administered \$55.8 billion in expenses on behalf of the Commonwealth, which was comprised primarily of personal benefits of \$39.6 billion. The Department incurred an operating loss—exclusive of unfunded depreciation—of \$5.5 million on account of the transfer of ageing and aged care functions, transferred to the Department as a result of the administrative Arrangement Orders (AAO) of 30 September 2015.

Department of Social Services

Tabling of the report

2.17 The Department of Social Services (DSS) 2015–16 annual report was tabled on 13 October 2016, in time for examination at the Budget Supplementary Estimates 2016–17 hearing.²¹

Secretary's review

2.18 DSS Secretary, Mr Finn Pratt AO PSM, highlighted several significant achievements of DSS during the reporting period, including:

- the continued rollout of the National Disability Insurance Scheme (NDIS) over its final year in trial phase. During the NDIS trial phase, over 35 000 people have been assisted through the scheme. Transition to the full scheme commenced on 1 July 2016 and it is anticipated that around 460 000 people will be assisted;

17 Australian National Audit Office, *Administration of the Radiation Oncology Health Program Grants Scheme—Report No. 35 2015–16*, p.7.

18 Australian National Audit Office, *Administration of the Child Dental Benefits Schedule—Report No. 12 2015–16*, p.7.

19 Australian National Audit Office, *Records Management in Health—Report No. 10 2015–16*, p.7.

20 Australian National Audit Office, *Implementing the Deregulation Agenda: Cutting Red Tape—Report No. 29 2015–16*, p.7.

21 House of Representatives, *Votes and Proceedings*, No. 11—13 October 2016, p. 214.

- assistance with the settlement of 10 961 people through the Humanitarian Settlement Program; and
- introduction of the JobAccess service to assist people with disabilities to access mainstream employment opportunities. The JobAccess service consolidates the National Disability Recruitment Coordinator, the JobAccess telephone and web service, the National Disability Abuse and Neglect Hotline, and the Complaints Resolution and Referral Service.²²

Changes in administrative arrangements

2.19 Machinery of Government (MoG) changes made during the reporting period resulted in portfolio responsibility for:

- childcare policy and programmes, and the co-ordination of early childhood development policy and responsibilities, being transferred from DSS to the Department of Education and Training (DET) under the AAO of 21 September 2015;²³ and
- services for older people, including their carers, and policy for and promotion of active ageing, other than employment policy, were transferred from DSS to DOH under the AAO of 30 September 2015.²⁴

Ministerial responsibilities

2.20 As at 30 June 2016, the Ministers and Parliamentary Secretaries responsible for the portfolio and its agencies were:

- The Hon. Christian Porter MP, Minister for Social Services;
- The Hon. Craig Laundy MP, Assistant Minister for Multicultural Affairs; and
- The Hon. Jane Prentice MP, Assistant Minister for Disability Services.²⁵

Performance reporting

2.21 The 2015–16 annual report highlights several key performance results including:

- the continued administration of the welfare system in accordance with the Australian Government's longer-term objectives of it being targeted and sustainable;

22 Department of Social Services, *Annual Report 2015–2016*, pp. 2–4.

23 Department of Prime Minister and Cabinet, *Administrative Arrangements Order made on 21 September 2015*, <https://www.dpmc.gov.au/sites/default/files/publications/AAO-amendment-21-Sept-2015.pdf> (accessed 27 January 2017).

24 Department of Prime Minister and Cabinet, *Administrative Arrangements Order made on 21 September 2015*, <https://www.dpmc.gov.au/sites/default/files/publications/AAO-summary-30-September-2015.pdf> (accessed 27 January 2017).

25 Department of Social Services, *Annual Report 2015–2016*, p. 18.

-
- the release of the *Third Action Plan 2015–18* under the National Framework for Protecting Australia’s Children 2009–2020;
 - 88.0 per cent of participants in family and children programs, and financial wellbeing and capacity programs reporting improved circumstances;
 - establishing agreements with all states and territories under the NDIS to transition to the full scheme, or to expand or extend trial sites; and
 - implementing the Disability Employment—A Better Way to Work initiative, utilising \$25 million in funding to improve access to employment opportunities for people with a disability.²⁶

2.22 The committee commends DSS for preparing a substantive and well-presented annual report. The report is relevant to a broad audience and contains critical information on DSS' performance.

2.23 As noted in previous committee reports, the KPIs for DSS are extensive. It would, however, aid the committee in its examination of future annual reports if DSS, when reporting on its performance criteria, could indicate whether the reported result is considered to have met, substantially met, exceeded, or not met the performance criteria's target.

2.24 During the reporting period, the ANAO concluded five performance audits involving DSS. Two of these performances audits were specific to DSS.²⁷ The ANAO reported on DSS administration of the Early Intervention Services for Children with Disability (EISCD). The overall conclusion of the report found that DSS was effective in administering some areas of the EISCD, but noted administration could be improved, and made four associated recommendations.²⁸ ANAO also reported on the effectiveness of DSS administration of the National Rental Affordability Scheme (NRAS). The ANAO concluded that the administration of NRAS could have been better implemented.²⁹

Financial performance

2.25 In 2015–16 DSS managed a budget of \$120.9 billion, approximately one quarter of the Commonwealth Budget. The budget included \$120.3 billion in administered appropriations, of which \$113.4 billion of payments were made to individuals and \$6.9 billion for programs, subsidies, and grants to support the community. The remaining \$0.6 billion of departmental appropriations formed the operating expenditure of DSS. DSS achieved a small surplus of \$0.8 million.³⁰

26 Department of Social Services, *Annual Report 2015–2016*, pp. 21–101.

27 Department of Social Services, *Annual Report 2015–2016*, p. 117.

28 Australian National Audit Office, *Early Intervention Services for Children with Disability—Report No. 24 2015–16*, p.10.

29 Australian National Audit Office, *Administration of the National Rental Affordability Scheme—Report No. 8 2015–16*, p.10.

30 Department of Social Services, *Annual Report 2015–2016*, p. 129.

Department of Human Services

Tabling of the report

2.26 The Department of Human Services (DHS) 2015–16 annual report was tabled in the House of Representatives on 17 October 2016, in time for examination at the Supplementary Estimates 2015–16 hearing.³¹ The report was later tabled in the Senate on 7 November 2016.³²

Secretary's review

DHS Secretary, Ms Kathryn Campbell CSC, noted several achievements during the 2015–16 year including:

- providing \$172.1 billion in payments to customers and providers and processing 3.8 million social security and welfare claims;
- further development of processes to improve reduced telephone wait times through the modernisation of telephony systems and the improvement of online digital channels to support more expedient online assistance;
- the release of the *Enough-Family and Domestic Violence Strategy 2016–19* which acknowledges the impact of family and domestic violence in Australia, and structuring the Department's response on the key principles of zero tolerance, avoiding blame, respect, support and collaboration; and
- continuing to rollout the Welfare Payment Infrastructure Program (WPIT) to improve service delivery. WPIT is expected to transform the welfare payment platform to deliver improved standards of service and increased systems stability.³³

2.27 The Secretary's review also comments on the issue of telephone call wait times for customers, suggesting that some customers found the Department's wait times frustrating and that phone service levels were improving from past years. The committee notes that Centrelink customer feedback and Medicare customer feedback highlights issues with phone services as the most frequent complaint from amongst 142 453 DHS customer feedback contacts (Centrelink and Medicare contacts).³⁴

Ministerial Responsibilities

2.28 As at 30 June 2016, the Minister responsible for the Human Services Portfolio was Minister for Human Services, the Hon. Alan Tudge MP.³⁵

31 House of Representatives, *Votes and Proceedings*, No. 12—17 October 2016, p. 220.

32 Journals of the Senate, No. 12, 7 November 2016, pp. 358.

33 Department of Human Services, *Annual Report 2015–2016*, p. VIII.

34 Department of Human Services, *Annual Report 2015–2016*, pp. 155–156.

35 Department of Human Services, *Annual Report 2015–2016*, p. 8.

Performance reporting

2.29 The annual report addresses the KPIs as listed in the *Portfolio Budget Statements 2015–16*. The committee acknowledges that DHS met 31 of its 36 KPIs. The KPIs met in 2015–16 are a small proportional improvement on the KPIs met during the 2014–15 reporting period.³⁶

2.30 DHS continued to focus on service delivery across its three key programs and delivered a number of important results including:

- supporting individuals, families and communities through Program 1.1: Services to the community—Social security welfare. In 2015–16 payments made to recipients totalled \$115.8 billion. 98.4 per cent of all payments were delivered correctly with DHS continuing to review and update related processes. 99.3 per cent of Centrelink payments to Indigenous recipients were made correctly. DHS reported investing in Indigenous cultural awareness training to continue to improve the service standard offered to Indigenous recipients and payment integrity outcomes.
- in Program 1.2: Services to the Community—Health, DHS administered the Medicare system to support eligible people to access affordable health care. During 2015–16, \$21.4 billion in payments were made through the Medicare program. The committee notes that satisfaction reporting by Medicare customers was significantly lower than Medicare providers and below the criterion target.³⁷
- DHS continued administration of Program 1.3—Child Support to assist families and separated families to ensure their children are supported. The committee commends the performance of DHS in exceeding 6 out of 7 KPI targets of the Child Support program. DHS performed especially well in processing claims within standard and the collection of child support liabilities. The committee looks forward to noting improvements to the results of the customer satisfaction criteria in future DHS annual reports.

2.31 Budget measures for Strengthening the Integrity of Welfare Payments were achieved within budget and time criteria. Through the Employment Income Matching project \$401.2 million was raised and over 101 000 compliance interventions were completed. The AUSTRAC Data Matching project raised \$8.4 million in savings, albeit with less compliance reviews conducted than intended, due to the resource intensiveness of the investigations.³⁸

2.32 The ANAO published five reports into the operations of DHS throughout the financial year and made a total of 12 recommendations that related to DHS. The reports investigated: the administration of the Financial Information Service; the administration of the Radiation Oncology Health Program Grants Scheme;

36 Department of Human Services, *Annual Report 2015–2016*, p. 25.

37 Department of Human Services, *Annual Report 2015–2016*, pp. 19–22.

38 Department of Human Services, *Annual Report 2015–2016*, pp. 13–18.

administration of the Disability Support Pension eligibility; and, review process, administration of the Child Dental Benefits Schedule and administration of procurement initiatives to support opportunities for Indigenous Australians. DHS accepted all of the recommendations made by the ANAO.³⁹

2.33 Uniform reporting standards across departments and agencies assists to increase transparency by providing a framework for important information to be presented in a high quality and recognisable format. The committee notes that DHS has provided all the information on consultant contracts required under 17AG(7)(a) of the *Public Governance and Performance Accountability Rule 2014*, albeit in a format differing from the prescriptive statement of paragraph 17AG(7)(b).

Financial performance

2.34 DHS administered approximately \$172.1 billion in expenses on behalf of the Commonwealth in 2015–16, which constitutes approximately 41 per cent of total government outlays. The total income for DHS in 2015–16 was \$4417.1 million, of which \$4223.5 million was government appropriations and \$193.6 million sourced from self-generated revenue and gains. Accounting for amortisation and unfunded depreciation, DHS reported a small operating deficit of \$3.2 million.⁴⁰

2.35 DHS remained in a sound financial position during 2015–16. DHS reported equity of \$639.0 million and assets valued at \$2061.1 million. Liabilities of DHS were reported as \$1363.1 million, a one per cent decrease from the 2014–15 financial year.⁴¹

2.36 DHS presentation of summary financial performance information is clear and reader friendly. However, the committee encourages DHS to present this information in a way that better complies with subdivision 17AF of the *Public Governance, Performance and Accountability Rule 2014*, which requires information be presented in a table that summarises the total resources and payments of the department.

39 Department of Human Services, *Annual Report 2015–2016*, pp. 234–237.

40 Department of Human Services, *Annual Report 2015–2016*, p. 186.

41 Department of Human Services, *Annual Report 2015–2016*, pp. 187–38.

Chapter 3

Annual Reports of Commonwealth Entities and Companies

Health Portfolio

3.1 For the financial year 2015–16, the following annual reports from Commonwealth entities and companies of the Health Portfolio were referred to the committee for examination and report by 31 October 2016:

- Administrator of the National Health Funding Pool;
- Aged Care Complaints Commissioner;
- Aged Care Pricing Commissioner;
- Australian Commission on Safety and Quality in Health Care;
- Australian Institute of Health and Welfare;
- Australian Organ and Tissue Donation and Transplantation Authority;
- Australian Radiation Protection and Nuclear Safety Agency;
- Australian Sports Anti-Doping Authority;
- Australian Sports Commission;
- Australian Sports Foundation Limited;
- 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 Industrial Chemicals Notification and Assessment Scheme;
- National Mental Health Commission;
- Office of the Gene Technology Regulator;
- Pharmaceutical Benefits Advisory Committee; and
- Professional Services Review.

3.2 The committee also received the following reports for examination after 31 October 2016:

- Australian Aged Care Quality Agency (AACQA).

3.3 The Committee will examine the AACQA annual report for 2015–16 in its second report on annual reports.

3.4 The committee has chosen to examine the following Health Portfolio reports in more detail:

- Aged Care Complaints Commissioner;
- Australian Aged Care Pricing Commissioner;
- Australian Institute of Health and Welfare;
- Food Standards Australia New Zealand;
- National Blood Authority;
- Office of the Gene Technology Regulator;
- Professional Services Review;
- Australian Sports Commission;
- Australian Sports Foundation;
- National Mental Health Commission;

Aged Care Complaints Commissioner

3.5 The Aged Care Complaints Commissioner (ACCC) is an independent statutory office holder established under the *Aged Care Act 1997*. The key functions of the ACCC are to resolve complaints about Australian Government funded aged care services, and educate people and aged care providers about how to handle complaints.¹

3.6 This is the first annual report of the ACCC since it became an independent statutory officer holder on 1 January 2016. Prior to that date, responsibility for complaints about Australian Government funded aged care services sat with the Secretary of the Department of Health. The transfer of responsibility from the Department of Health to the ACCC has improved the independence of complaints handling and resulted in an increased number of contacts, complaints and enquiries.²

3.7 The ACCC exceeded both of its deliverables, with a commendable 91 per cent of complaints received finalised within 90 days.³ The ACCC is working toward developing new key performance indicators for the 2016–17 financial year, which the committee looks forward to reviewing in the ACCC's next annual report.

3.8 The annual report is well presented and concise, with helpful case studies and information. The report meets all of the requirements set out in section 95A-12 of the *Aged Care Act 1997*, and is apparently satisfactory. Part 2 of annual report includes reporting on the final six months of operation of the Aged Care Commissioner which investigated complaints made under the former Aged Care Complaints Scheme. The Aged Care Commissioner annual report appears to meet all of the mandatory reporting requirements and is apparently satisfactory.

1 Aged Care Complaints Commissioner, *Annual Report 2015–16*, p. 11.

2 Aged Care Complaints Commissioner, *Annual Report 2015–16*, p. 7.

3 Aged Care Complaints Commissioner, *Annual Report 2015–16*, p. 32.

Aged Care Pricing Commissioner

3.9 The Aged Care Pricing Commissioner (ACPC) is an independent statutory office holder appointed under section 95B of the *Aged Care Act 1997*. The key functions of the ACPC are to approve proposed increases to Extra Service fees, and approve proposed accommodation requirements that are higher than the maximum amount of accommodation payment that an approved provider can charge a person as determined by the Minister for Aged Care under section 52G-3 of the *Aged Care Act 1997*.

3.10 The ACPC produced a succinct annual report that satisfactorily meets the mandatory reporting requirements set out in section 95B-12 of the *Aged Care Act 1997*. The report is easy to read and navigate and includes useful trend information about the number of accommodation rooms approved by price, and by facility.⁴

3.11 The committee commends the ACPC on its performance against statutory timeframes and requirements. The committee notes that in 2015–16 the ACPC took an average of 24 days to assess an accommodation application and make a decision on proposed accommodation prices, compared to the statutory timeframe of 60 days.⁵ The ACPC also took an average of 3.5 days in 2015–16 to make a decision regarding an Extra Service fee application, compared to 5 days in 2014–15.⁶

3.12 The committee notes that limited information about the ACPC's budget, staffing, and organisational structure is included in the report.⁷ Although it is not a mandatory requirement for the ACPC, the committee considers that it is best practice for annual reports to include information about the salary ranges of employees, and the non-salary benefits, if any, provided. The committee also encourages the ACPC to include in future annual reports a discussion of the ACPCs revenue, expenditure and operating costs, and information about its financial management.

3.13 The committee also considers that it would be useful for the ACPC to include in future reports more detailed information about the nature of applications for higher accommodation payments and Extra Service fees, such as a discussion about why an applicant may propose a higher payment or Extra Service fee is required, and discussion about on what basis an application is not likely to succeed.

Australian Institute of Health and Welfare

3.14 The Australian Institute of Health and Welfare (AIHW) is a corporate Commonwealth entity whose key function is to develop, collect, analyse and report information from the national data collection in the areas of health and community

4 Aged Care Pricing Commissioner, *Annual Report 2015–16*, pp. 6–7.

5 Aged Care Pricing Commissioner, *Annual Report 2015–16*, p. 11.

6 Aged Care Pricing Commissioner, *Annual Report 2015–16*, p. 4.

7 Aged Care Pricing Commissioner, *Annual Report 2015–16*, p. 10.

services.⁸ The AIHW achieved most of its performance deliverables and met the majority of its indicator targets or specified reference points.⁹

3.15 The AIHW produced a quality annual report with highly informative graphs, data and trend information. The annual report satisfactorily meets all of the mandatory reporting requirements set out in section 46 of the *Public Governance, Performance and Accountability Act 2013* and division 3A of the *Public Governance, Performance and Accountability Rule 2014*.

3.16 Following a review of accessibility for stakeholders, the AIHW implemented the 'AGILE' framework to deliver concise snapshot information to a variety of audiences.¹⁰ The AIHW has also been developing its social media presence to help promote its work through web snapshots across multiple topic areas.¹¹ The committee commends the AIHW on its work to make the information and statistics it produces more accessible and user friendly for the Australian public, including people with vision impairment.¹²

3.17 A key change for 2016 will be the transfer of the Performance and Accountability Framework (PAF) reporting function from the National Health Performance Agency to AIHW.¹³ The change is expected to result in an increase of annual appropriation and staff to AIHW.¹⁴

Food Standards Australia New Zealand

3.18 Food Standards Australia New Zealand (FSANZ) produced a well presented annual report that highlights its regulatory and non-regulatory achievements for the 2015–16 financial year.¹⁵ FSANZ achieved a seamless introduction of the revised Australia New Zealand Food Standards Code, which commenced on 1 March 2016.¹⁶

3.19 Overall, the committee considers that the annual report is apparently satisfactory. The committee notes that a number of page references listed in the compliance index in the report are incorrect. It would assist the committee in its examination of the report if the page numbers referenced in the compliance index were consistent with the report.

8 Australian Institute of Health and Welfare, *Annual Report 2015–16*, p. ix.

9 Australian Institute of Health and Welfare, *Annual Report 2015–16*, pp. xii; 5–15.

10 Australian Institute of Health and Welfare, *Annual Report 2015–16*, p.46.

11 Australian Institute of Health and Welfare, *Annual Report 2015–16*, p.46.

12 Australian Institute of Health and Welfare, *Annual Report 2015–16*, p.46.

13 Australian Institute of Health and Welfare, *Annual Report 2015–16*, p. xviii.

14 Australian Institute of Health and Welfare, *Annual Report 2015–16*, p. xviii.

15 Food Standards Australia New Zealand, *Annual Report 2015–16*, pp. xii–xiii.

16 Food Standards Australia New Zealand, *Annual Report 2015–16*, p. ix.

National Blood Authority

3.20 The National Blood Authority (NBA) is a non-corporate Commonwealth entity. The NBA appears to have met most of its deliverables and KPIs.¹⁷

3.21 The NBA had a number of notable achievements in 2015–16.¹⁸ The NBA achieved uninterrupted supply for blood and blood products at a saving in the supply of blood budget of \$90.6 million.¹⁹ The saving brings the amount of funding returned to governments over the last four years to \$446.5 million.²⁰ The NBA also executed a new nine year Deed of Agreement with the Australian Red Cross Society, securing the supply of fresh blood products by the Australian Red Cross Blood Service.²¹

3.22 The outlook for 2016–17 for the NBA includes ensuring the sustainability of immunoglobulin by improving the supply and demand arrangements, and enhancing data collection and reporting.²²

3.23 The NBA produced an exemplary report that met all mandatory requirements. The report was well presented, engaging and highly informative. It would assist the committee in its examination of future reports if more detail about the organisational structure of the NBA is included. For example, a short description about the roles and responsibilities of each main grouping under the organisational chart would assist the committee's understanding of the NBA's structure and operations.²³

Office of the Gene Technology Regulator

3.24 The Office of the Gene Technology Regulator (OGTR) is a statutory office holder whose key role is to identify and manage risks posed by, or as a result of, gene technology.²⁴ The OGTR met, or substantially, met its deliverables and key performance indicators.²⁵

3.25 Overall, the report is well-structured and easy to navigate and read. The OGTR has satisfactorily met most of the mandatory requirements set out in division 3A of the *Public Governance, Performance and Accountability Rule 2014* and section 136 of the *Gene Technology Act 2000*.

3.26 The Gene Technology Act Amendment Bill 2015 was passed in September 2015, giving effect to minor and technical amendments that came out of the 2011

17 National Blood Authority, *Annual Report 2015–16*, pp. 20–23.

18 National Blood Authority, *Annual Report 2015–16*, pp. 6–7.

19 National Blood Authority, *Annual Report 2015–16*, p. 6.

20 National Blood Authority, *Annual Report 2015–16*, p. 9.

21 National Blood Authority, *Annual Report 2015–16*, p. 34.

22 National Blood Authority, *Annual Report 2015–16*, p. 14.

23 National Blood Authority, *Annual Report 2015–16*, p. 76.

24 Office of the Gene Technology Regulator, *Annual Report 2015–16*, p. 2.

25 Office of the Gene Technology Regulator, *Annual Report 2015–16*, pp. 64–66.

review of the *Gene Technology Act 2000*.²⁶ The changes are expected to reduce regulatory burden.²⁷

3.27 Key challenges for the OGTR for 2016–17 include maintaining efficient and effective regulation of new gene technologies to ensure the national regulatory scheme remains robust.²⁸

Professional Services Review

3.28 The Professional Services Review Agency (PSR) is a non-corporate Commonwealth entity under the PGPA Act. The PSR is established by the *Health Insurance Act 1973* to ensure the integrity of the Commonwealth Medicare benefits, dental benefits and pharmaceutical benefits scheme through protecting the Commonwealth, patients and the community from risks associated with inappropriate practice.²⁹

3.29 PSR has continued to experience an increase in new referrals of potential compliance breaches in 2015–16, having receiving 80 referrals from Medicare. This figure represents a referral increase of 29 per cent from 2014–15 and a substantial increase of 81.8 per cent from 2013–14.³⁰

3.30 In 2015–16 PSR met its 100 per cent target for two of its key performance indicators including: the percentage of cases referred to regulatory bodies where a potential threat to life or health of patient was referred to a regulator body; and, the number of PSR actions upheld by court after appeal.³¹

3.31 Two PSR quantitative performance indicators were not met and the committee considers that greater articulation of the context in which the KPIs were not met, and the forward actions taken to support the targets being met in future years, would positively contribute to the rigour of the PSR report. Further to this point, the committee considers that it would be beneficial for the PSR, in its analysis of qualitative indicators, to clearly note whether PSR considers these indicators have been met.

3.32 Overall, the committee considers the PSR 2015–16 annual report to meet the requirements of the PGPA Act and is 'apparently satisfactory'.

3.33 The committee observes that a key forward challenge of the PSR is to adapt to the increasing complexity of the Medical Benefits Schedule (MBS) and the range of health professionals whose services are covered by the MBS.³²

26 Office of the Gene Technology Regulator, *Annual Report 2015–16*, p. 11.

27 Office of the Gene Technology Regulator, *Annual Report 2015–16*, p. 11.

28 Office of the Gene Technology Regulator, *Annual Report 2015–16*, p. 12.

29 Professional Services Review, *Annual Report 2015–16*, p. 4.

30 Professional Services Review, *Annual Report 2015–16*, p. 9.

31 Professional Services Review, *Annual Report 2015–16*, p. 11.

32 Professional Services Review, *Annual Report 2015–16*, p. 7.

Australian Sports Commission

3.34 The Australian Sports Commission (ASC) is a corporate Commonwealth entity and the leading sport agency aimed at developing, supporting and investing in Australian sport.³³ The ASC produced a sound annual report, which is well presented and satisfactorily meets the mandatory reporting requirements.

3.35 The ASC achieved or exceeded most of its key performance indicators, with five KPIs not achieved but reported as making significant progress, and another five KPIs reported as commenced.³⁴ The ASC exceeded its planned performance targets for the Sporting Schools program, providing funding to 4 393 schools and achieving over 1.29 million program attendances.³⁵ The committee commends the ASC on its commitment to increasing school children participation rates in sporting activities through the Sporting Schools Program.

3.36 A significant highlight for the ASC in 2015–16 was the Rio de Janeiro 2016 Olympic and Paralympic games, in which Australia secured a top 10 place in the Olympics and a top five place in the Paralympics.³⁶ 422 athletes across 26 sports participated in the Olympic Games, and 177 athletes across 16 sports participated in the Paralympic Games.³⁷ In the four years prior to the Rio 2016 Games the Australian Government invested more than \$340 million in the Olympic Games, and more than \$64 million in the Paralympic Games.³⁸

3.37 Another notable achievement for the ASC this year was its launch of a new national population tracking survey called AUSPlay in November 2015. The AUSPlay survey will produce annual data on sport participation which will be used to inform investment, policy and sport delivery.³⁹

3.38 The ASC had an operating loss of \$15.2 million for 2015–16.⁴⁰ The ASC attributed the loss to, amongst other things, depreciation expenses as a result of revaluations to land, buildings, property, plants and equipment, and carry-over of funding provided by the Department of Health in 2014–15.⁴¹

3.39 A highlight looking forward for the ASC will be hosting the 2018 Commonwealth Games on the Gold Coast, Australia.⁴²

33 Australian Sports Commission, *Annual Report 2015–16*, p. 4.

34 Australian Sports Commission, *Annual Report 2015–16*, pp. 46, 50, 54, 59.

35 Australian Sports Commission, *Annual Report 2015–16*, p. 51.

36 Australian Sports Commission, *Annual Report 2015–16*, p. 12.

37 Australian Sports Commission, *Annual Report 2015–16*, pp. 16–17.

38 Australian Sports Commission, *Annual Report 2015–16*, p. 16–17.

39 Australian Sports Commission, *Annual Report 2015–16*, p. 24.

40 Australian Sports Commission, *Annual Report 2015–16*, p. 92.

41 Australian Sports Commission, *Annual Report 2015–16*, p. 92.

42 Australian Sports Commission, *Annual Report 2015–16*, p. 18.

Australian Sports Foundation

3.40 The Australian Sports Foundation (ASF) is a Commonwealth company under the PGPA Act and established under the *Australian Sports Commission Act 1989* for the purpose of raising money for the development of sport in Australia.⁴³ This is the first year that the ASF has produced an independent annual report following its separation from the Australian Sports Commission in 2014.

3.41 The CEO's report highlighted 2015–16 as a year of significant achievement for the ASF.⁴⁴ The ASF increased donations to \$32 million, which represented a 31 per cent growth on donations from 2014–15 and took the cumulative total of donations to over \$300 million.⁴⁵ The Fundraising4Sport program includes 1 494 active projects and the ASF annual report provides a number of insightful examples of the use of program funds.

3.42 The ASF states on page 61 of its report that the report complies with the mandatory requirements of section 17BE of the *Public Performance and Accountability Rule 2014* for corporate Commonwealth entities.⁴⁶ The committee notes that ASF is considered a Commonwealth company under the PGPA Act.⁴⁷ As such, the committee suggests that the reference to section 17BE of the *Public Performance and Accountability Rule 2014* be updated in future annual reports of the ASF to section 28, the relevant section for Commonwealth companies.

3.43 The ASF also states 'The Foundation's operations are not regulated by any significant environmental regulation under the law of the Commonwealth...'. The committee considers that subsection 516A(4) of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) may be applicable to the ASF and encourages the ASF to report against EPBC Act requirements.

3.44 The *Work Health and Safety Act 2011* (WHS Act) is noted as applicable in the ASF report.⁴⁸ The committee is concerned that despite this reference to WHS Act, no work health and safety reporting is included in the report. The Committee considers that part 4 of schedule 2 of the WHS Act may be applicable to the ASF and encourages the ASF to report against WHS Act requirements.

3.45 Looking forward, the ASF five-year plan has set a commendable target of raising \$100 million in donations per annum for sport by 2020.⁴⁹ The committee recognises the need to invest in sport and acknowledges the ASF's important role in

43 Australian Sports Foundation, *Annual Report 2015–16*, p. 6.

44 Australian Sports Foundation, *Annual Report 2015–16*, p. 5.

45 Australian Sports Foundation, *Annual Report 2015–16*, p. 8.

46 Australian Sports Foundation, *Annual Report 2015–16*, p. 61.

47 Department of Finance, *List of General Government Sector, Public Non-financial Corporation and Public Financial Corporation entities under the Public Governance, Performance and Accountability Act 2013 (PGPA Act) – 1 February 2017*, p. 14.

48 Australian Sports Foundation, *Annual Report 2015–16*, p. 61.

49 Australian Sports Foundation, *Annual Report 2015–16*, p. 7.

this regard. The committee looks forward to examining the future achievements of the ASF in its 2016–17 annual report.

National Mental Health Commission

3.46 The National Mental Health Commission (NMHC) is a non-corporate Commonwealth entity under the PGPA Act. The NMHC supports the Australia Government to improve mental health outcomes for Australians and assist in preventing suicide.⁵⁰

3.47 As noted in the committee's previous Report on Annual Reports (No. 1 of 2016), the committee considers that a number of mandatory requirements of the *Public Performance and Accountability Rule 2014* are not met in the NMHC 2015–16 annual report. The committee encourages NMHC to include the following information to meet requirements of the *Public Performance and Accountability Rule 2014*: fraud prevention systems applied within the NMHC, in accordance with section 10; and, salary ranges and non-salary benefits of NMHC employees, in accordance with subsection 17AG(4)(c).

3.48 It would assist the committee in its examination of future reports if the NMHC could clearly indicate whether the results of performance criteria are considered to be met. It would also aid the committee if the NMHC could complete the 'Part of report' column of the compliance index, to improve the transparency of where the *Public Performance and Accountability Rule 2014* requirements have been met in the report. The committee looks forward to examining future NMHC annual reports inclusive of these improvements.

Social Services Portfolio (including Human Services)

3.49 For the financial year 2015–16, the following annual reports from Commonwealth entities and companies of the Social Services Portfolio (including Human Services) were referred to the committee for examination and report by 31 October 2016:

- Australian Hearing;
- Australian Institute of Family Studies; and
- National Disability Insurance Agency.

3.50 The committee chose to examine all the annual reports from entities within the Social Services Portfolio (including Human Services) in further detail.

Australian Hearing

3.51 Australian Hearing is a corporate Commonwealth entity whose purpose is to deliver a positive impact on the hearing impaired through effective and accessible hearing services, quality clinical care and excellence in client service.⁵¹

50 National Mental Health Commission, *Annual Report 2015–16*, p. 6.

51 Australian Hearing, *Annual Report 2015–16*, p. 6.

3.52 In 2015–16 Australian Hearing increased its total number of permanent and visiting by 34 sites – eight of which were permanent sites.⁵² As at 30 June 2016, Australian Hearing clients could access services at 145 permanent hearing centres, 426 visiting centres, via 10 hearing buses and 235 Aboriginal outreach sites.⁵³ Over 516 000 services were provided to individuals with hearing impairments and client surveys subsequently demonstrated that 89 per cent of responders were satisfied, or felt that the overall, services from Australian Hearing were better.⁵⁴

3.53 Australian Hearing continued to build on the previous year's solid results in 2015–16 to achieve total revenue of \$243.5, which was an increase of 6.2 per cent from the previous year. The total before tax profit was \$29.7 million, which was an increase of 19.9 per cent from 2014–15.

3.54 The 2015–16 annual performance statement indicates that Australian Hearing performed strongly against its performance criteria for the period. The committee commends Australian Hearing for its straightforward presentation of its performance statement. However, the committee encourages Australian Hearing to clearly indicate whether it considers performance criteria to be met, substantially met, exceeded, or not met to add further transparency and substance to its report.

3.55 Overall, the committee considers the 2015–16 annual report of Australian Hearing to meet the largely meet the standard of 'apparently satisfactory' under Senate Standing Order 25(20)(a). For future annual reports, the committee encourages Australian Hearing to present information on staffing arrangements and statistics. The committee congratulates Australian Hearing on presenting a succinct report which highlights their strong achievements across 2015–16.

Australian Institute of Family Studies

3.56 The Australian Institute of Family Studies (AIFS) is a non-corporate Commonwealth entity. In 2015–16, AIFS continued to focus on conducting high-quality research related to policy and practice on a wide-range of issues regarding families in Australia. The AIFS conducted research across 52 projects, including two longitudinal studies, Growing Up in Australia and Building a New Life in Australia. AIFS also reported on the reforms of the *Family Law Legislation Amendment (Family Violence and Other Measures) Act 2011* and initiated a new major study on Gambling in Suburban Australia.

3.57 AIFS administered \$4.56 million of government appropriations and \$7.64 million of own-source revenue. Adjusting for unfunded depreciation, AIFS achieved a small surplus of \$5 511.⁵⁵ The committee notes the importance of financial reporting in annual reports as a mechanism for transparency and accountability. As such, the committee encourages AIFS to develop its discussion and analysis of the financial

52 Australian Hearing, *Annual Report 2015–16*, p. 7.

53 Australian Institute of Family Studies, *Annual Report 2015–16*, p. 66.

54 Australian Institute of Family Studies, *Annual Report 2015–16*, p. 7.

55 Australian Institute of Family Studies, *Annual Report 2015–16*, p. 7.

performance section of the annual report, in line with subsection 17AF(1)(a) of the *Public Performance and Accountability Rule 2014*.

3.58 The committee notes that the majority of AIFS' deliverables and KPIs were not met. This was largely attributed to a fiscally constrained operating environment. The committee suggests that greater analysis of factors leading to deliverables and KPIs not being met—particularly if it is expected these factors will impact on AIFS future deliverables and KPIs—would add further substance to the report. Further to the committee's first report in 2016, the committee reminds AIFS that more discussion of the enterprise agreement, particularly a description of the non-salary benefits offered to employees, if any, would add to the report's comprehensiveness.

3.59 The committee considers the annual report of AIFS to largely meet the requirement of 'apparently satisfactory' under Senate Standing Order 25(20). The report is well presented and provides clearly articulated information.

National Disability Insurance Agency

3.60 The National Disability Insurance Agency (NDIA) is a corporate Commonwealth entity responsible for implementing the National Disability Insurance Scheme (NDIS). The NDIA reported that following a three-year trial of the Scheme, the full rollout commenced on 1 July 2016. NDIS will be fully implemented by 2019, and it is expected that approximately 460, 000 Australians with a disability will participate.⁵⁶

3.61 As at the 30 June 2016, the NDIA reported on a number of commendable achievements in its performance report including:

- support for 35 695 people, of which 30 281 had approval plans that documented the participants goals and mechanisms for achieving those goals;
- \$2404.3 million provided to support participants with approved plans;
- a 95 per cent satisfaction from participants, rating their planning experience as either 'good' or 'very good';
- an operating surplus of \$15.8 million, up from \$0.4 million in 2014–15.⁵⁷

3.62 The NDIA highlighted that in 2016–17, total expenses are forecasted to exceed \$4.2 billion, with \$3.5 billion required for support payments to NDIS participants.⁵⁸

3.63 The committee notes that during the reporting period the following reports, related to the work of the NDIA, were tabled in Parliament, including:

- a report on the ongoing progress of the rollout and administration of the NDIS by the Joint Standing Committee on the National Disability Insurance Scheme;⁵⁹

56 National Disability Insurance Agency, *Annual Report 2015–16*, p. iii.

57 National Disability Insurance Agency, *Annual Report 2015–16*, pp. 95–123.

58 National Disability Insurance Agency, *Annual Report 2015–16*, p. 122.

- a report on the appropriateness of affordable housing arrangements under the NDIS by the Joint Standing Committee on the National Disability Insurance Scheme;⁶⁰ and
- a report into the early intervention of services for children with disability by the ANAO.⁶¹

3.64 Given that these reports make recommendations relevant to the NDIS, the committee suggests that reports of equivalent relevance to the work of the NDIA – as the organisation responsible for implementing the NDIS – be noted in the annual reports of the NDIA, in accordance with the intent of paragraph 17BE(r) of the *Public Governance, Performance and Accountability Rule 2014*.

3.65 The committee considers the NDIA 2015–16 report to be 'apparently satisfactory'. The report contains important information regarding the NDIS rollout which is clearly articulated and presented through a diversity of formats to engage with a wide-ranging audience. The committee looks forward to examining future NDIA annual reports documenting the continued rollout of the nationally significant NDIS.

Senator Jonathon Duniam

Chair

59 Joint Standing Committee on the National Disability Insurance Scheme, *Second progress report on the implementation and administration of the National Disability Insurance Scheme*, p. 1.

60 Joint Standing Committee on the National Disability Insurance Scheme, *Accommodation for people with disabilities and the NDIS*, p. 2.

61 Australian National Audit Office, *Early Intervention Services for Children with Disability- Report No.24 2015–16*, p.7

Appendix 1

List of departments, executive agencies and other non-corporate Commonwealth entities required to present annual reports to the Senate

Health portfolio

Department/Agency/Body	Type	Legislation	Reporting Year	Date tabled Senate or presented out of sitting	Date submitted to/received by Minister (if available)
Administrator of the National Health Funding Pool	Independent Statutory Officer	Section 241 to 243 of the <i>National Health Reform Act 2011</i>	2015–16	31/10/2016	20/10/2016 / 20/10/2016
Aged Care Complaints Commissioner	Statutory office holder – Departmental Body	Section 95A-12 of the <i>Aged Care Act 1997</i>	2015–16	5/10/2016	11/8/2016 / 11/8/2016
Aged Care Pricing Commissioner	Statutory office holder	Section 95B-12 of the <i>Aged Care Act 1997</i>	2015–16	10/10/2016	28/9/2016 / 28/9/2016
Australian Aged Care Quality Agency ¹	Non-Corporate Commonwealth Entity	Section 47 of the <i>Australian Aged Care Quality Agency Act 2013</i> , section 70 of the <i>Public Service Act 1999</i> and section 46 of the <i>Public Governance, Performance and Accountability Act 2013</i>	2015–16	19/12/2016	2/12/2016 / 2/12/2016
Australian Commission on Safety and Quality in Health Care	Corporate Commonwealth Entity	Section 111 of the <i>National Health Reform Act 2011</i> and section 46 of the PGPA Act	2015–16	18/10/2016	20/09/2016 / 20/09/2016
Australian Institute of Health and Welfare	Corporate Commonwealth Entity	Section 46 of the PGPA Act	2015–16	27/10/2016	12/10/2016 / 12/10/2016
Australian Organ and Tissue Donation and Transplantation Authority	Non-Corporate Commonwealth Entity	Subsection 28(1) of the <i>Australian Organ and Tissue Donation and Transplantation Authority Act</i> and section 46 of the PGPA Act	2015–16	11/10/2016	30/9/2016 / 9/10/2016
Australian Radiation Protection and Nuclear Safety Agency	Non-Corporate Commonwealth Entity	Section 59 of the <i>Australian Radiation Protection and Nuclear Safety Act 1998</i> and section 46 of the PGPA Act	2015–16	31/10/2016	4/10/2016 / 10/10/2016

¹ Formerly known as the Aged Care Standards and Accreditation Agency Ltd (ACSAA)

Department/Agency/Body	Type	Legislation	Reporting Year	Date tabled Senate or presented out of sitting	Date submitted to/received by Minister (if available)
Australian Sports Anti-Doping Authority	Corporate Commonwealth Entity	Subsection 74(1) of the <i>Australian Sports Anti-Doping Authority Act 2006</i> , section 63 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	31/10/2016	19/20/2016 / 20/10/2016
Australian Sports Commission	Corporate Commonwealth Entity	Section 48 of the <i>Australian Sports Commission Act 1989</i> and section 46 of the PGPA Act	2015–16	28/10/2016	5/10/2016 / 5/10/2016
Australian Sports Foundation Limited	Commonwealth Company	Section 97 of the PGPA Act	2015–16	28/10/2016	7/10/2016 / 10/10/2016
Cancer Australia	Non-Corporate Commonwealth Entity	Section 37 of the <i>Cancer Australia Act 2006</i> and section 46 of the PGPA Act	2015–16	25/10/2016	14/09/2016 / 15/09/2016
Department of Health ²	Non-Corporate Commonwealth Entity	Section 63 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	17/10/2016	30/09/2016 / 30/09/2016
Food Standards Australia New Zealand	Corporate Commonwealth Entity	Section 152 of the <i>Food Standards Australia New Zealand Act 1991</i> and section 46 of the PGPA Act	2015–16	17/10/2016	16/09/2016 / 16/09/2016
Independent Hospital Pricing Authority ³	Corporate Commonwealth Entity	Section 212 of the <i>National Health Reform Amendment (Independent Hospital Pricing Authority) Act 2011</i> and section 46 of the PGPA Act	2015–16	17/10/2016	28/09/2016 / 28/09/2016
National Blood Authority	Non-Corporate Commonwealth Entity	Section 44 of the <i>National Blood Authority Act 2003</i> and section 46 of the PGPA Act	2015–16	18/10/2016	27/09/2016 / 27/09/2016
National Health and Medical Research Council	Non-Corporate Commonwealth Entity	Section 83 of the <i>National Health and Medical Research Council Act 1992</i> , sections 63 and 70 of the <i>Public Service Act 1999</i> , and section 46 of the PGPA Act	2015–16	27/10/2016	28/09/2016 / 28/09/2016

² Incorporates the financial statements for the Australian National Preventative Health Agency at Appendix 4 and the report of the Australian Digital Health Agency at Appendix 5.

³ Includes the report of the Clinical Advisory Committee.

Department/Agency/Body	Type	Legislation	Reporting Year	Date tabled Senate or presented out of sitting	Date submitted to/ received by Minister (if available)
National Health Funding Body	Non-Corporate Commonwealth Entity	267 of the <i>National Health Reform Act 2011</i> , section 63 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	31/10/2016	20/10/2016 / 20/10/2016
National Health Performance Authority ⁴	Corporate Commonwealth Entity	Section 111 of the <i>National Health Reform Act 2011</i> and section 46 of the PGPA Act	2015–16	–	Due to presented to the Minister by 15/03/2017
National Industrial Chemicals Notification and Assessment Scheme ⁵	Regulatory Scheme – Departmental Body	Section 108 of the <i>Industrial Chemicals (Notification and Assessment) Act 1989</i>	2015–16	17/10/2016	30/09/2016 / 30/09/2016
National Mental Health Commission	Non-Corporate Commonwealth Entity	Section 70 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	25/10/2016	29/09/2016 / 29/09/2016
Office of the Gene Technology Regulator	Statutory office holder – Departmental Body	Section 136 of the <i>Gene Technology Act 2000</i> , and Sections 63 and 70 of the <i>Public Service Act 1999</i>	2015–16	31/10/2016	6/10/2016 / 7/10/2016
Pharmaceutical Benefits Advisory Committee ⁶	Independent Expert Body	Section 99YBC of the <i>National Health Act 1953</i>	2015–16	17/10/2016	30/09/2016 / 30/09/2016
Professional Services Review Scheme	Non-Corporate Commonwealth Entity	Section 106ZQ of the <i>Health Insurance Act 1973</i> , Section 63 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	27/10/2016	14/10/2016 / 15/10/2016

⁴ NHPA was abolished from 30 June 2016 and its annual reporting responsibilities were transferred to DOH. Division 4 of schedule 7 of the *Budget Savings (Omnibus) Act 2016* includes provisions for NHPA's final reporting. The committee intends to consider the final NHPA report its second report on annual reports of 2017.

⁵ Incorporated into the Department of Health's *Annual Report 2015–16* as Appendix 2.

⁶ Incorporated into the Department of Health's *Annual Report 2015–16* as Appendix 1.

Social Services Portfolio (including Human Services)

Department/Agency/Body	Type	Legislation	Reporting Year	Date tabled Senate or presented out of sitting	Date submitted to/ received by Minister (if available)
Australian Hearing	Corporate Commonwealth Entity	Section 46 of the PGPA Act	2015–16	10/10/2016	27/9/2016 / 28/9/2016
Australian Institute of Family Studies	Non-Corporate Commonwealth Entity	Section 114LC of the <i>Family Law Act 1975</i> , section 70 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	31/10/2016	7/10/2016 / 7/10/2016
Department of Human Services	Non-Corporate Commonwealth Entity	Section 63 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	17/11/2016	28/09/2016 / 29/09/2016
Department of Social Services	Non-Corporate Commonwealth Entity	Section 63 of the <i>Public Service Act 1999</i> and section 46 of the PGPA Act	2015–16	7/11/2016	22/09/2016 / 22/09/2016
National Disability Insurance Agency	Corporate Commonwealth Entity	Section 172 of the <i>National Disability Insurance Scheme Act 2013</i> and Section 46 of the PGPA Act	2015–16	28/10/2016	12/10/2016 / 12/1/2016

Annual reports from non-portfolio Agencies

Australian Health Practitioner Regulation Agency ⁷	Statutory Agency	Schedule 3, Clause 8 of the <i>Health Practitioner Regulation National Law Act 2009</i> , as in force in each state and territory	2015–16	22/11/2016	4/11/2016 / 4/11/2016
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⁷ The Australian Health Practitioner Regulation Agency supplies an annual report to the Ministerial Council of the Council of Australian Governments, which supplies a copy to each state and territory Parliament and to the Commonwealth.

Appendix 2

List of additional documents presented to the Senate and referred to the committee that are not required to be examined under Senate Standing Order 25(20)

- Aged Care Complaints Commissioner—Report for the period 1 January to 30 June 2016, including final report of the Aged Care Commissioner for the period 1 July to 31 December 2015, received 5 October 2016.
- Australian Competition and Consumer Commission—Communicating changes to private health insurance benefits, received 31 October 2016.
- Australian Competition and Consumer Commission—Report to the Australian Senate on anti-competitive and other practices by health insurers and providers in relation to private health insurance for the period 1 July 2014 to 30 June 2015, received 31 October 2016.
- Australian Institute of Health and Welfare—Australia’s health 2016—Fifteenth biennial report, received 13 September 2016.
- Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 January to 31 March 2016, received 10 October 2016.
- Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 April to 30 June 2016, received 10 October 2016.
- Australian Sports Commission—Corporate plan 2016–20, received 31 August 2016.
- Final budget outcome 2015–16—Report by the Treasurer (Mr Morrison) and the Minister for Finance (Senator Cormann), dated September 2016, received 31 October 2016.
- *Medical Indemnity Act 2002*—Costs of the Australian Government’s run-off cover scheme for medical indemnity insurers—Report for 2014–15, received 14 September 2016.
- *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*—Costs of the Australian Government’s run-off cover scheme for midwife professional indemnity insurers—Report for 2014–15, received 14 September 2016.
- Medical Training Review Panel—Report for 2014–15, received 5 October 2016.
- National Health and Medical Research Council (NHMRC)—Corporate plan 2016–20, received 31 August 2016.
- National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the *Research Involving Human Embryos*

Act 2002 for the period 1 September 2015 to 29 February 2016, received 12 September 2016.

- *Private Health Insurance (Prudential Supervision) Act 2015*—Australian Prudential Regulation Authority—Operations of private health insurers—Report for 2014–15, received 31 August 2016.
- *Private Health Insurance (Prudential Supervision) Act 2015*—Australian Prudential Regulation Authority—Operations of private health insurers—Report for 2014–15, received 31 August 2016.