

Chapter 2

2016–17 annual report of the Australian Digital Health Agency

2.1 The Australian Digital Health Agency (ADHA) is a corporate Commonwealth entity established on 30 January 2016 by the Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016 (ADHA Rule), under Section 87 of the *Public Governance, Performance and Accountability Act 2013*.

2.2 The ADHA is broadly accountable for the evolution of digital health in Australia and has responsibility for national digital health operations, which includes the role of My Health Record System Operator.¹ Section 9 of the ADHA Rule provides a complete list of the functions of which the ADHA is tasked.

2.3 The 2016–17 annual report of the ADHA is a clear and considered document that is presented in accordance with the relevant annual reporting requirements outlined in Chapter 1. The committee considers the report is of an apparently satisfactory standard.

Tabling

2.4 The ADHA's report was tabled in the Senate on 13 November 2017 and in the House of Representatives on 4 December 2017.²

2.5 The guidance resources prepared by the Department of Finance on the enhanced Commonwealth performance framework note an expectation that annual reports will be tabled in Parliament no later than 31 October of each year.³ The committee notes that ADHA's report was not tabled by 31 October 2017, and the report was not available to the committee for examination at the 2017–18 Supplementary Budget estimates.

Chief Executive Officer's review

The Chief Executive Officer, Tim Kelsey, provided a review of the ADHA's key achievements for 2016–17 which included:

- establishing the organisation and building momentum in national digital health;
- co-producing the National Digital Health Strategy;
- assuming responsibilities of the My Health Record System Operator;

1 Australian Digital Health Agency (ADHA), *Annual report 2016–17*, p. 20.

2 *Journals of the Senate*, No. 68—13 November 2018, p. 2166; House of Representatives, *Votes and Proceedings*, No. 88—4 December 2017, p. 1239.

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

- establishing a cyber security centre to ensure 'best-in-class' protection;
- initiating projects for secure end-to-end messaging solutions that enable healthcare providers to transmit clinical correspondence; and
- supporting the establishment of the National Collaborative Network for Child Health Informatics.⁴

Performance

2.6 The ADHA met all of the six performance targets set by the Minister for Health in the 2016–17 Health Portfolio Budget Statements.⁵

2.7 The ADHA set seven work priorities for 2016–17, as follows: messaging; medicines safety; pathology and diagnostic imaging; My Health Record; strategy; core clinical; and organisational excellence.⁶ The committee commends the ADHA's qualitative reporting of its results for the 2016–17 priorities, particularly for the medicines safety and My Health Record priorities.

Medicines safety

2.8 The ADHA reported that with the increased use of medicines there is greater risk of adverse drug events and medicine related hospital admissions comprise 2–3 per cent of hospital admissions, costing an estimated \$1.2 billion annually.⁷ The ADHA's medicines safety program will be a multi-year national program with an aim to:

...increase medicines awareness, reduce hospital admissions due to adverse drug events, reduce harm due to medicines misadventure, and improve quality of life through the safe and effective use of medicines.⁸

2.9 Under the medicines safety priority, the ADHA reported three key results:

- the undertaking of an extensive co-design process to develop a new approach for the display of medicines-related information in the My Health Record system;
- the establishment of a Medicines Safety Program Governance Framework, including a steering committee which is, amongst other things, conducting a scan of the current and planned digital activities that support safer access to medicines, identifying new priority projects and developing an evidence based, sector-wide roadmap for the Medicines Safety Program; and
- progress with implementing clinical terminologies in private and public clinical settings as the foundation for standardised medicines information to

4 ADHA, *Annual report 2016–17*, pp. 10–13.

5 ADHA, *Annual report 2016–17*, pp. 69–70.

6 ADHA, *Annual report 2016–17*, pp. 36–37.

7 ADHA, *Annual report 2016–17*, p. 43.

8 ADHA, *Annual report 2016–17*, p. 43.

produce more accurate medicines data and enhanced data exchange capabilities.⁹

My Health Record

2.10 The AHDA reported on its My Health Record program and noted the objective of the program is to 'support the realisation of the full potential of the My Health Record', including by improving its value for key system users such as hospital emergency departments.¹⁰

2.11 Under the My Health Record priority, the ADHA reported its key results for the 2016–17 financial year which included:

- collaborating with the software industry to enhance user experience and to connect more users to the system and increase the volume of content being uploaded;
- connecting an additional 231 public hospital and health services to the My Health Record and increasing the proportion of public healthcare services connected from 52 per cent in July 2016 to 67 per cent in June 2017. For private hospital and health services, there were an additional 95 services connected increasing the proportion from 38 per cent in July 2017 to 79 per cent in June 2018;
- creating a developer interface which will enable mobile applications to connect to My Health Record information (with patient consent) and which will allow consumers to interact with their My Health Record data through a mobile application;
- introducing a medicines information view to the My Health Record that allows for users to quickly sort and display the medicines information stored in a patient's record; and
- progressing national opt-out arrangements, including supporting the preparation of a submission to government on My Health Record consumer participation and completing research to inform communication strategies.¹¹

Financial reporting

2.12 In 2016–17, the ADHA received \$120.89 million from the Commonwealth and \$32.25 million jointly from state and territory governments.¹² The ADHA reported that following 30 June 2017 it '...received \$181.6 million additional funding from the Australian Government for delivering national opt-out for My Health Record due by 31 December 2018'.¹³

9 ADHA, *Annual report 2016–17*, p. 44.

10 ADHA, *Annual report 2016–17*, p. 48.

11 ADHA, *Annual report 2016–17*, pp. 48–55.

12 ADHA, *Annual report 2016–17*, p. 19.

13 ADHA, *Annual report 2016–17*, p. 109.

2.13 Total operating expenses for the 2016–17 reporting period were \$181.36 million, of which \$115.76 million was costs associated with suppliers, including \$81.38 million spent on consultants.¹⁴ The ADHA recorded total employee benefit expenses of \$33.96 million, of which \$25.41 million was the cost of wages and salaries.¹⁵

2.14 The ADHA reported a 2016–17 total comprehensive income of \$20.21 million.¹⁶

Human resources management

2.15 The committee notes that, as at the time of reporting, the ADHA had 247 permanent and temporary staff working across Brisbane, Sydney and Canberra.¹⁷ Whilst not a mandatory reporting requirement for corporate Commonwealth entities, the committee encourages the ADHA to report on its workforce in greater detail, such as including composition data, information on employees' engagement, and salary structures.

2.16 The ADHA notes in its report that it aims for its staff composition to reflect the communities it serves, and the committee would welcome further information in future annual reports of the ADHA on the strategies undertaken to ensure workplace diversity.

2.17 The committee welcomes the 2016–17 annual report of the ADHA.

Senator Rachel Siewert

Acting Chair

14 ADHA, *Annual report 2016–17*, pp. 19, 100, 110.

15 ADHA, *Annual report 2016–17*, p. 110.

16 ADHA, *Annual report 2016–17*, pp. 100, 105.

17 ADHA, *Annual report 2016–17*, p. 91.