

The Senate

Community Affairs
Legislation Committee

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Secretariat

Ms Jeanette Radcliffe (Committee Secretary)

Ms Kate Gauthier (Principal Research Officer)

Mr Michael Finch (Research Officer)

Ms Carol Stewart (Administrative Officer)

PO Box 6100
Parliament House
Canberra ACT 2600

Phone: 02 6277 3515

Fax: 02 6277 5829

E-mail: 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

ADHA	Australian Digital Health Agency
ADHA Rule	Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016
committee	Senate Community Affairs Legislation Committee

Chapter 1

Overview

1.1 This is the second report on annual reports of the Senate Community Affairs Legislation Committee (committee) for 2018, in which the 2016–17 annual report of the Australian Digital Health Agency (ADHA) is examined.

1.2 In accordance with Senate Standing Order 25(20)(a) and the Senate's resolution to allocate portfolios to standing committees, the committee is responsible for examining and reporting to the Senate on the annual reports of the departments and agencies of the Health Portfolio and Social Services Portfolio (including the Department of Human Services).¹

1.3 The committee examined and reported on the 2016–17 annual reports which were tabled in Parliament by 31 October 2017 in its first annual report of 2018.² The 2016–17 annual report of the ADHA was tabled in Parliament on 13 November 2017 and, in accordance with Senate Standing Order 25(20)(f), is examined in this report.³

1.4 The committee is pleased to report to the Senate that the 2016–17 annual report of the ADHA appears to conform to the current annual reporting arrangements for Commonwealth entities.

Terms of Reference

1.5 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;

1 *Journals of the Senate*, No. 84—12 February 2018, p. 2668; Note: on 28 August 2018 the Administrative Arrangements Order was amended to, in part, incorporate the Department of Human Services in the Social Services Portfolio.

2 Senate Community Affairs Legislation Committee, *Annual reports (No 1. of 2018)*, pp. 27–29.

3 *Journals of the Senate*, No. 68—13 November 2018, p. 2166.

- (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;
- (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.

Annual reporting requirements

1.6 In its first report on annual reports for 2018, the committee detailed the current annual reporting arrangements for Commonwealth entities.⁴

1.7 Senate Standing Order 25(20)(a) obliges the committee to examine annual reports using an 'apparently satisfactory' criterion. The committee interprets the apparently satisfactory criterion as broadly meaning that annual reports are presented in accordance with current annual reporting arrangements for Commonwealth entities. In particular, annual reports should meet the requirements of the:

- *Public Governance, Performance and Accountability Act 2013*;
- annual reporting provisions of other Commonwealth acts; and
- Government's annual reporting guidelines, such as those published by the Department of Finance.

1.8 Commonwealth entities are obligated to report to Parliament and through Parliament to the Australian public. Annual reporting is a key component of the enhanced Commonwealth performance framework.⁵ In the committee's view, annual reports are important documents that support accountability and transparency in government, and which should be prepared to an appropriate standard.

Structure of report

1.9 The report is structured as follows:

- this chapter provides an overview of committee's reporting requirements;
- Chapter 2 examines the 2016–17 annual report of the ADHA; and
- Appendix 1 lists documents referred to the committee, but which are not required to be examined under Senate Standing Order 25(20).

4 Senate Community Affairs Legislation Committee, *Annual reports (No 1. of 2018)*, pp. 2–4.

5 Department of Finance, *Resource Management Guide No. 130: Overview of the enhanced Commonwealth performance framework*, July 2016, pp. 3–5.

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.

Appendix 1

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)

- Australian Institute of Health and Welfare—Australia's welfare 2017.
- Office of the Australian Information Commissioner—Activities in relation to digital health—Report for 2016–17.
- Healthcare Identifiers Service Operator—Department of Human Services—Report for 2016–17.
- Australian Health Practitioner Regulation Agency—Report for 2016–17.
- National Health Practitioner Ombudsman and Privacy Commissioner—Report for 2016–17.
- Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 July to 30 September 2017.
- NHMRC Embryo Research Licensing Committee—Report on the operation of the *Research Involving Human Embryos Act 2002* for the period 1 March 2017 to 31 August 2017.
- Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 October to 31 December 2017.