PART 03

MANAGEMENT ARRANGEMENTS
3.1 CORPORATE GOVERNANCE IN THE DEPARTMENT

The Department’s governance framework provides the structure for informed decision making, efficient and effective program management, risk management and accountability.

The Executive introduced a new governance structure in April 2007 which will provide the Department with rigorous and robust capacity for effective governance. Factors that motivated the review included the Australian National Audit Office’s growing focus on governance structures for projects and systems within departments and an increased emphasis within the public sector on risk management. A divisional restructure to accommodate an injection of administered funding and major additional work and responsibility was also a factor.

Departmental Committees

Executive Management Committee
In 2006–07, the Executive Management Committee was the Department’s peak decision-making body. It provided leadership and strategic guidance for the Department and considered recommendations from the Policy Strategy Committee, the Risk and Security Committee and the Planning and Performance Committee. The Executive Management Committee made all major decisions on departmental policy, financial and operational issues. It also assessed all expenditure proposals involving major investment and was responsible for strategic people management. This included the development of the Collective Agreement and remuneration policy for departmental staff. The committee also implemented the broad policy agenda and direction set by the Government and approved the Department’s research agenda.

Policy Strategy Committee
The Policy Strategy Committee provided advice to the Executive Management Committee on major policy issues, including policy priorities and gaps. It developed future policy initiatives and provided advice and recommendations about priorities for the Department’s research agenda. The committee also commissioned specific
research projects and suggested major and long term policy positions for endorsement and consideration by the Government. In addition, the committee acted as a forum for discussions of major policy issues.

Planning and Performance Committee
The Planning and Performance Committee provided advice to the Executive Management Committee on major strategic resourcing issues. It was responsible for the performance of administered programs and capital expenditure. IT systems and applications proposals, and funding priorities and pressures were also priority areas.

The committee developed resource management strategies for submission to the Executive and ensured departmental capital investment and other expenditure plans and proposals were achievable. This was to ensure they were in line with departmental priorities and were appropriate in terms of the budget outlook.

Some of the Planning and Performance Committee’s work was undertaken by the former Business Management Committee, which was responsible for providing strategic guidance and oversight of corporate change in the Department.

Risk and Security Committee
In 2006-07, the Risk and Security Steering Committee was responsible for risk management, security, business continuity and insurance frameworks. The committee encouraged awareness of these frameworks and supported compliance through monitoring and evaluation activities.

During 2006-07, the committee continued to work on the Enterprise Risk Management Plan which incorporated strong linkages to business planning. It commenced further enhancement of the Agency Security Plan and took part in the annual Comcover risk management benchmarking survey. The Department improved its rating against all key result areas.

The committee tested the Department’s Business Continuity Plan, which included a desktop test involving the National Incident Room and a partial live test of critical communications to government and the public. These tests resulted in better preparedness for the Department as well as whole-of-government business continuity.

Audit Committee
The Audit Committee provided independent assurance and advice to the Secretary on the Department’s risk control and compliance framework, and its external accountability responsibilities. This included reviewing the Department’s financial statements and advising the Secretary regarding their signing. The committee also reviewed the internal audit coverage and annual work plans and provided input and feedback on the financial statement and performance audit coverage afforded by the Australian National Audit Office.

Discussion relating to the Audit Committee’s achievements in 2006-07 can be found in Part 3.5 - Internal Audit Arrangements.

Ethical Standards
In 2006-07, the Department continued its commitment to maintaining high ethical standards. This is reflected in the Department’s 2006-09 Corporate Plan, which guides team leaders and staff on how to approach their work. These principles are underpinned by the Australia Public Service Values.

The Department provided all new staff with a copy of the Australian Public Services Values and Code of Conduct. Each new staff member was made aware of his or her responsibilities under the Public Service Act 1999 during their orientation and induction sessions. This information was available to all staff on the Department’s intranet site. Staff could also access related practical information through the Understanding your Accountabilities training course.

The Secretary launched the Respect campaign on 18 October 2006 to reinforce the Department’s disapproval of harassment. The campaign raised staff awareness of the importance of treating others with respect and courtesy at all times.

On 3 May 2007, the Department reminded all staff of their individual obligations under the Australia Public Services Values and Code of Conduct to manage real and perceived conflict of interest (with links to a range of information on the practical application of the Australian Public Services Values and Code of Conduct).

The Department will review its conflict of interest policy framework to reflect the Australian Public Service Commission’s advice of June 2007, regarding the management of declarations of financial and other interests, and post separation employment arrangements.
Staff Survey
The Department held its fourth annual Staff Survey on 22 November 2006. The survey provides an evidence-based evaluation of organisational culture, staff motivation and the workplace factors that impact on motivation and productivity.

Ninety per cent of staff present on the day participated in the survey. This was a three per cent improvement on the participation rate of the 2005 Staff Survey, and was the largest staff population surveyed since the survey was introduced in 2003.

This year the Department used a more refined model for measuring staff motivation and productivity. Where only four ‘drivers’ of motivation were measured in 2005, in 2006 seven were measured. These new measures have been structured in such a way that they allow for year-on-year comparison.

The Department achieved a score which exceeded its target and represented a significant improvement on 2005 results. The Department’s overall motivation score has improved in every survey. A comparison of 2004 and 2006 results shows an improvement of over nine per cent, in the combined score on the seven drivers.

The highest scoring drivers were manager, job, employer and development. Results also revealed that more staff feel they have real opportunities to participate in decision making and that the Department has high standards of professionalism. Staff also indicated that they believe the Department appreciates the skills and knowledge of mature age workers and the cultural diversity of our workforce in general.

Recruitment and Selection
Evaluation of Recruitment Processes
The Department evaluated its recruitment processes in 2006–07 to assess their effectiveness in meeting operational needs. In doing so, the Department took into account staff feedback from annual surveys and focus groups, and different methodologies used by other organisations. The review also included a detailed analysis of the time, cost and effort taken in conducting recruitment exercises. The Department will use the results from the review to ensure a continual improvement in our ability to attract skilled and experienced staff in an increasingly competitive labour market.

Recruitment for the Office of Aged Care Quality and Compliance
A major recruitment campaign conducted by the Department was to fill approximately 100 aged care investigator positions nationwide for the newly established Office of Aged Care Quality and Compliance. The campaign attracted 3,381 applications and all positions were filled within eight weeks of advertising.

Graduate Recruitment
The Department also increased its focus on the Graduate Development Program, recruiting 97 graduates in 2007, almost double the previous year’s intake.

Performance Development
Online Rating Collection System
In 2006–07, the Department commenced work on an online system to administer the Performance Development Scheme and established, as the first stage, an online rating collection system. Previously, ratings were collected manually through business management units and sent to the Department’s People Branch for processing. Under the new system, staff directly enter their performance rating after a face-to-face discussion with their supervisor, improving both efficiency and privacy.

Improving Supervisor Feedback
The Department also developed further training for supervisors to reinforce the Capability Map and the importance of providing ongoing feedback to staff on performance and achievements. The Capability Map is a comprehensive map of ‘how’ staff undertake their work to achieve the Department’s outcomes, shown as five standard capabilities, and one optional capability for all non-Senior Executive Service staff.
Staff Training and Development

Learning and Development Framework
The Department developed a new learning and development framework in 2006-07 which places greater emphasis on business needs and helps develop data on developmental needs. It also provides for a multi-strategy approach to learning, and evaluates the effectiveness of training on staff performance. Following this, the Department reviewed and recast its calendar of internal learning to fit in with the framework.

Aged Care Investigation Training
The Department developed a comprehensive five day Aged Care Investigation training program to help the new Office of Aged Care Quality and Compliance protect and preserve the rights and dignity of elderly Australians living in aged care homes. The course provided staff with the skills to be competent in understanding and applying knowledge of the requirements of approved aged care providers, administrative law and investigation skills in undertaking their duties. Two hundred and forty staff completed the training in 2006-07.

Financial Management Training
The Department continued to place a priority on improving the financial skills and capabilities of staff. A total of 86 staff have completed the Certificate or Diploma in Financial Management since 2004-05 with a further 13 staff commencing the program in 2007.

Health and Life Strategy
Under its Health and Life Strategy, the Department encouraged staff to be healthy and to have a good work/life balance. The Department plans to implement a range of evidence-based corporate health initiatives under the strategy which are aligned with the key elements of the Australian Better Health Initiative, focusing on smoking cessation, nutrition and physical activity, targeted screening and mental health.

Around the World in 80 Days
Further to the flagship 10K a Day program promoting 10,000 steps per day, the inaugural Around the World in 80 Days walking challenge was a particular success. From April to June 2007, 95 teams across the Department, including State and Territory Offices, took part in a race to be the first team to walk the equivalent of around the world and walked in excess of 650 million steps. At an award ceremony in July 2007, the Secretary presented certificates to teams acknowledging this achievement. The overall winning team was from the Department’s South Australia Office.

Workplace Diversity
The Department’s ongoing employment rates of Aboriginal and Torres Strait Islander staff, and staff with disabilities, remained above the Australian Public Service average, as reported in the 2005-06 State of the Service Report accessible at <www.apsc.gov.au>. The Department's ongoing employment rate of mature age staff was also marginally higher than the public service average.

During 2006-07, the Department continued to work with, and support, the Aboriginal and Torres Strait Islander Staff Network to deliver a broad range of initiatives identified in the Aboriginal and Torres Strait Islander Workforce Action Plan. The Department also launched the Reconciliation Action Plan which recognised the important role of Aboriginal and Torres Strait Islander people and our partnership in the development and implementation of policies and programs to overcome Indigenous disadvantage.

The Department upgraded its membership of the Australian Employers’ Network on Disability, which provided additional support to advance employment opportunities for people with disability. The Department also provided support to mature age staff through a number of initiatives, including biannual superannuation information sessions.
In addition, the Department launched the Respect campaign which reinforced the Department’s commitment to a workplace that is free from bullying and harassment.

Workplace Agreements in the Department

The Department supported its Certified Agreement and Australian Workplace Agreements with employment guidelines and policies that provided staff with comprehensive detail on how their terms and conditions of employment were administered and applied. Refer to Part 4.8 - Staffing Information for details on the Certified Agreement and Senior Executive Service Australian Workplace Agreements.

Negotiation of a New Collective Agreement

In February 2007, the Department initiated negotiations with staff representatives on a replacement for the current certified agreement which reached its nominal expiry date on 8 July 2007. During negotiations the Department and staff representatives took amendments to the Workplace Relations Act 2006 into consideration. They also ensured that negotiations were consistent with the policy parameters for agreement making in the Australian Public Service. The new agreement was put to staff for a vote in August 2007.

Australian Workplace Agreements

The Department offered Australian Workplace Agreements to all Senior Executive Service and Executive Level 2 staff, as well as graduates on recruitment or promotion. The Secretary may enter into an Australian Workplace Agreement with staff at any classification level at any time. Workplace agreements nominally expire three years after lodgement.
3.3 FINANCIAL MANAGEMENT

The Department’s financial accountability responsibilities are set out in Section 44 of the Financial Management and Accountability Act 1997 and are based on efficient, effective and ethical use of allocated resources. The Department meets these responsibilities by working within a financial control framework that supports efficient processing and recording of financial transactions (including the production of audited financial statements).

In 2006-07, the Government introduced an annual financial reporting requirement called the Certificate of Compliance. The certificate required the Secretary to confirm the Department had complied with the financial management and accountability legislation and other specified Commonwealth policies. It also confirmed the Department operated within the agreed resources for the current financial year.

To be confident that the Department was complying with the certificate’s requirements, the Department implemented and continues to maintain effective financial processes and internal control mechanisms as well as compliance monitoring and reporting activities.

Other key initiatives in 2006-07 included:

- the Department’s internal business planning and budgeting incorporated a divisional restructure to better align policy and program delivery with Government initiatives and priorities;
- information technology and business process improvements in the areas of non-ongoing staff processing and external committee management have seen a reduction in the manual administrative processes associated with these activities; and
- the Department’s program management improvements, comprising:
  - the continued adoption of common funding processes supported by an intranet-based program management manual and toolkit;
  - the provision of comprehensive program management staff training; and
  - the introduction of new information technology capabilities which reduce the manual data entry for capturing and using program management information.

Purchasing

In 2006-07, the Department complied with the Government’s purchasing policies as articulated in the Commonwealth Procurement Guidelines.

Asset Management

The Department’s asset management strategy emphasises whole-of-life asset management. In addition, the annual asset review seeks to minimise holdings of surplus and underperforming assets.

The Department’s stocktake of fixed and intangible assets in 2006-07 confirmed their location and condition. The Department’s review of assets for impairment, undertaken in accordance with the Australian Accounting Standard (AASB 136 Impairment of Assets), ensures the Department does not carry assets at a value above their recoverable amount.

Competitive Tendering and Contracting

In 2006-07, the Department continued its outsourced service arrangement for office services, and warehousing and distribution of publications and forms. The outsourced arrangements provided the Department with streamlined services, representing demonstrable benefits and cost efficiencies.

The Department conducted an open market testing exercise for warehousing and distribution services in 2006-07, which resulted in a new three year service contract commencing on 1 April 2007.

Exempt Contracts

In 2006-07, the Department exempted two contracts from publishing on AusTender. The basis for these exemptions was that publishing contract details would disclose exempt matters under the Freedom of Information Act 1982.
In 2006–07, the Department, through its Audit and Fraud Control Branch, continued to work with the Australian National Audit Office, and provided responses to preliminary audit findings and recommendations prior to the Auditor-General presenting his reports in Parliament. The Department also reported to the Joint Committee of Public Accounts and Audit and the Commonwealth Ombudsman’s Office. The Department’s reports and dealings with the Australian National Audit Office, the Joint Committee of Public Accounts and Audit and the Commonwealth Ombudsman’s Office are set out below.

Australian National Audit Office
The Australian National Audit Office tabled several reports in Parliament on audits involving the Department in 2006–07. Included were audits specific to the Department, audits of other individual agencies that involved consultation with the Department, cross-agency audits where the Department was involved and other audits where the Department was not directly involved but where recommendations were targeted at all agencies.

Audits Specific to the Department
• Administration of the Community Aged Care Packages Program (Audit Report No. 38 of 2006–07):

The Australian National Audit Office assessed the effectiveness of the Department’s management of Community Aged Care Packages in meeting the program’s legislated objectives. The Department agreed to seven of the report’s eight recommendations for improvement, and agreed to the eighth with qualification.

• Administration of State and Territory Compliance with the Australian Health Care Agreements (Audit Report No. 19 of 2006–07):

The Australian National Audit Office’s objective was to determine whether the Department adequately assessed the State and Territory governments’ compliance with their obligations under the terms of the Australian Health Care Agreements. The Australian National Audit Office addressed the following criteria when conducting the audit:

• whether the Department assessed the states and territories’ adherence to the principles of clause 6 of the health care agreements, that all eligible persons had equitable access to free public health and emergency services on the basis of clinical need within an appropriate period;
• if the Department assessed whether the states and territories increased, if at all, their own source funding at the rate specified in the health care agreements; and
• if the Department assessed whether the states and territories met the performance reporting requirements set out in the health care agreements.

The Department agreed to all three Australian National Audit Office recommendations.

Audits of Other Individual Agencies that Involved Consultation with the Department

Cross-agency Audits where the Department was Involved
• Non-APS Workers (Audit Report No. 49 of 2006–07).

Other Audits where the Department was not Directly Involved but where Recommendations were Targeted at all Agencies
• Managing Security Issues in Procurement and Contracting (Audit Report No. 43 of 2006-07);
• Application of the Outcomes and Outputs Framework (Audit Report No. 23 of 2006-07);
• Recordkeeping including the Management of Electronic Records (Audit Report No. 6 of 2006-07); and
• The Senate Order for Departmental and Agency Contracts (Calendar Year 2005 Compliance) (Audit Report No. 5 of 2006-07).

In line with arrangements applying to all Government agencies, the Department’s Audit Committee maintained scrutiny over the implementation of any relevant recommendations from Australian National Audit Office reports. The Department provided formal reports to the Audit Committee twice yearly. The Department’s Audit Committee considered the progress of
implementation of Australian National Audit Office recommendations, and then provided a summary report to the Joint Committee of Public Accounts and Audit.

Details of these reports, including responses to the recommendations where the Department was involved in the audit, can be found at the Australian National Audit Office website, accessible at <www.anao.gov.au>. Other enquiries regarding the reports should be directed to the Assistant Secretary, Audit & Fraud Control Branch, in the Department.

Joint Committee of Public Accounts and Audit

- Joint Committee of Public Accounts and Audit Report No. 407 included a review of the Auditor-General’s Audit Report No. 30 of 2004-05, Regulation of Commonwealth Radiation and Nuclear Activities. The Department has responded to nine of the committee’s recommendations.

- On 11 October 2006, the Joint Committee of Public Accounts and Audit conducted a public hearing relating to the Auditor-General’s Audit Report No. 41 of 2005-06, Administration of Primary Care Funding Agreements. The Department attended the public hearing and gave evidence. The committee has yet to release its report on the public hearing.

Judicial Decision and Decision of Administrative Tribunals

In 2006-07, the Department was involved in 18 matters before the Administrative Appeals Tribunal; two matters before the Federal Magistrates Court; and five matters before the Federal Court.

The Department had no matters before the High Court or the Full Federal Court during 2006-07.

Other Parliamentary Scrutiny

The Department appeared before the Senate Community Affairs Committee (Senate Estimates) on three occasions during 2006-07 for a total of four days. The Department also gave evidence and/or made submissions to a number of Parliamentary Committee Inquiries. These are set out in the table on the following page.

In addition, the Department had a significant workload of Parliamentary Questions with a combined total of 229 questions received on notice from the House of Representatives and the Senate, and a total of 772 from the three Senate Estimates Hearings.

Commonwealth Ombudsman

During 2006-07 the Commonwealth Ombudsman investigated 25 complaints against the Department’s administrative practices, with seven of these remaining open. This represents a 14 per cent increase of complaints investigated by the Commonwealth Ombudsman in 2005-06.

As at 30 June 2007, the Ombudsman had completed investigations into five out of six complaints carried over from 2005-06. The Ombudsman did not make any adverse findings for the Department in any investigations finalised during 2006-07.

Information on the role of the Commonwealth Ombudsman can be obtained from the Ombudsman’s website, accessible at <www.ombudsman.gov.au>.
### Evidence and/or Submissions to Parliamentary Committee Inquiries

<table>
<thead>
<tr>
<th>Committee</th>
<th>Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate Select Committee on Mental Health</td>
<td>A National Approach to Mental Health: From Crisis to Community</td>
</tr>
<tr>
<td>Senate Standing Committee on Finance and Public Administration</td>
<td>Provisions of the Medibank Private Sale Bill 2006</td>
</tr>
<tr>
<td>House of Representatives Standing Committee on Family and Human Services</td>
<td>Inquiry into the Impact of Illicit Drug Use on Families</td>
</tr>
<tr>
<td>House Standing Committee on Health and Ageing</td>
<td>Inquiry into Breastfeeding*Review of Audit Report No. 19, 2006-2007: Administration of State and Territory Compliance with the Australian Health Care Agreements Inquiry into Health Funding</td>
</tr>
<tr>
<td>House Standing Committee on Legal and Constitutional Affairs</td>
<td>Inquiry into Older People and the Law</td>
</tr>
<tr>
<td>Joint Standing Committee on Treaties</td>
<td>Protocol Amending the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights</td>
</tr>
<tr>
<td>Joint Standing Committee on Public Works</td>
<td>Proposed Fitout of New Office Accommodation for the Department of Health and Ageing in Woden ACT</td>
</tr>
<tr>
<td>Joint Publications Committee</td>
<td>Inquiry into Printing Standards for Documents Presented to Parliament</td>
</tr>
<tr>
<td>Scrutiny of Bills Committee</td>
<td>Aged Care Amendment (Residential Care) Bill 2006</td>
</tr>
</tbody>
</table>
3.5 INTERNAL AUDIT ARRANGEMENTS

Primary responsibility for internal audit arrangements within the Department rests with the Audit and Fraud Control Branch under the broad direction of the Department’s Audit Committee.

Audit Committee

The role of the Audit Committee is to provide independent assurance and assistance to the Secretary on the Department’s risk management and control and compliance frameworks and its external accountability responsibilities.

In discharging its role, the Audit Committee’s work included the provision of advice to the Secretary on the signing of the Department’s financial statements, reviewing the internal audit coverage and the annual work program of the Audit and Fraud Control Branch and monitoring the implementation of internal and external audit recommendations.

The Department’s Audit Committee met on six occasions during 2006-07. Membership comprised senior departmental managers, two independent external members and a representative from the Australian National Audit Office as a ‘participating observer’.

Audit and Fraud Control Branch

In 2006-07, the Audit and Fraud Control Branch continued to promote and improve the Department’s corporate governance through the conduct of audits and investigations and the provision of high quality independent advice and assistance to departmental senior management.

Key activities in 2006-07 included undertaking a department-wide audit risk assessment to guide the development of a strategic planning framework and annual work program, and the conduct of a range of audits and reviews in line with the work program approved by the Audit Committee. The work program encompassed compliance with departmental control frameworks, grants and contract management, IT management and departmental expenditure and procurement activities. The Branch also provided fraud prevention and investigation services to the Department.

Fraud Minimisation Strategies

The Department pursues a fraud control program that complies with the Commonwealth Fraud Control Guidelines. In this program fraud risk assessments and fraud control plans are prepared; appropriate fraud prevention, detection, investigation and reporting procedures and processes are in place; and annual fraud data is collected and reported.

The Department investigated 41 fraud allegations during 2006-07. While some of these investigations are continuing, the Department referred a number of matters to the Director of Public Prosecutions or departmental officers with powers authorised under the Public Service Act 1999.
3.6 MINISTERIAL RESPONSIBILITIES (as at 30 June 2007)

THE HON TONY ABBOTT MHR, MINISTER FOR HEALTH AND AGEING
The Hon Tony Abbott MHR, as senior Minister and member of Cabinet, holds overarching policy responsibility for all health and ageing issues including specific responsibility for:

- Medicare benefits;
- hospitals;
- medical indemnity;
- private health insurance;
- medical workforce issues;
- the Pharmaceutical Benefits Scheme;
- pharmacy issues;
- population health, including issues concerning HIV/AIDS and other communicable diseases, immunisation, obesity, specific women’s and men’s health issues, environmental health issues and drug abuse reduction;
- biosecurity and bioterrorism;
- national health priorities (with the exception of injury prevention, arthritis musculoskeletal conditions and asthma);
- rural and regional health;
- health and medical research and biotechnology;
- diagnostics and technology;
- Indigenous health issues;
- eHealth;
- strategic policy analysis and evaluation; and
- corporate leadership and resource management.

THE HON CHRISTOPHER PYNE MP, MINISTER FOR AGEING
As Minister for Ageing, the Hon Christopher Pyne MP has responsibility for:

- the National Strategy for an Ageing Australia;
- the National Continence Management Strategy;
- a range of programs to meet the needs of Australia’s ageing population, including:
  - Home and Community Care;
  - Residential Care;
  - National Respite for Carers – including the Carer Information and Support Program, Carer Respite Centres and Carer Resource Centres;
  - Aged Care Assessment;
  - Community Care Packages;
  - Assistance with Care and Housing for the Aged;
  - the Complaints Resolution Scheme;
  - Dementia Support Services;
  - Advocacy Services;
  - the Aged Care Standards and Accreditation Agency Ltd;
  - the Safe at Home Program; and
  - Multipurpose Services.
  - the Hearing Services Program and policy;
  - injury and falls prevention;
  - arthritis and musculoskeletal conditions;
  - illicit drugs;
  - alcohol; and
  - tobacco.

SENATOR THE HON BRETT MASON, PARLIAMENTARY SECRETARY TO THE MINISTER FOR HEALTH AND AGEING
Senator Mason assisted Minister Abbott by assuming responsibility for matters relating to:

- the Therapeutic Goods Administration;
- the Office of the Gene Technology Regulator;
- the National Industrial Chemicals Notification and Assessment Scheme;
- the Australian Radiation Protection and Nuclear Safety Agency;
- Food Standards Australia New Zealand;
- food policy;
- mental health and suicide prevention;
- blood and organ donation regulation;
- human cloning and stem cell research;
- asthma; and
- palliative care.
The Department worked with relevant portfolio agencies in 2006-07 to finalise the outstanding Uhrig reviews and implement transition arrangements for those agencies where the Government approved a change of governance arrangements. The Department and portfolio agencies drew on Uhrig principles to review arrangements for working together collaboratively in a way that reflects the primary policy advice role of the Department while acknowledging the independent legislative or constitutional responsibilities of the agencies.

Eleven agencies and two Statutory Office Holders in the Health and Ageing portfolio were subject to reviews under the Uhrig governance principles, which commenced in 2004-05. The Department was responsible for undertaking the reviews for consideration by the Minister for Health and Ageing. As at June 2007, 12 assessments were completed. The remaining assessment will be completed in the first part of 2007-08. Of the 12 bodies assessed, the Government agreed to change the governance arrangements of three.

The National Health and Medical Research Council commenced operation as a financially independent statutory agency, led by a Chief Executive Officer, on 1 July 2006. Following this, the National Institute of Clinical Studies Ltd staff and functions were merged into the National Health and Medical Research Council on 1 April 2007. The voluntary liquidation of the company is well underway and the final deregistration of the company is expected to be completed by 31 October 2007.

During 2006-07, the Department also assisted the Private Health Insurance Ombudsman in making the transition to governance under the Financial Management and Accountability Act 1997. The National Institute of Clinical Studies and the Private Health Insurance Ombudsman were formerly subject to the Commonwealth Authorities and Companies Act 1997.

The Department managed the development of the new Private Health Insurance Act 2007 which, among other changes in the private health insurance context, established the Private Health Insurance Ombudsman and staff as a statutory agency under the Public Service Act 1999 from 1 July 2007. The Private Health Insurance Ombudsman continued to be independently accountable for the financial management of the agency under the Financial Management and Accountability Act 1997.

In addition, the Department continued to work towards the establishment of the Australia New Zealand Therapeutic Products Authority. Further discussion regarding this activity can be found in the Outcome 1 - Population Health chapter.
### Health and Ageing Portfolio Agencies

#### Aged Care Standards and Accreditation Agency Limited

**Telephone:** (02) 9633 1711  
**Internet:** <www.accreditation.org.au>

The Aged Care Standards and Accreditation Agency Limited (the Agency) was established as a wholly owned Government company limited by guarantee, and incorporated in October 1997. It is subject to the *Commonwealth Authorities and Companies Act 1997* and the *Corporations Act 2001*.

**Functions**

Under the *Aged Care Act 1997*, all aged care homes must meet an accreditation requirement to be eligible to receive residential care subsidy. While the Department pays the residential care subsidy, it is the Agency that decides whether or not to accredit a home. The primary functions of the Agency are to:

- manage the residential aged care accreditation process using the Accreditation Standards;
- promote high quality care and help industry to improve service quality by identifying best practice and providing information, education and training to industry;
- monitor ongoing compliance within the Accreditation Standards; and
- liaise with the Department about homes that do not meet the Accreditation Standards.

During 2006–07, the Agency contributed to the Department’s Outcome 4 – Aged Care and Population Ageing.

**Key Achievements for 2006–07**

- 2,886 accredited homes as at the end of June 2007. Of these homes, 92.1 per cent had been awarded three years accreditation and only 2.9 per cent (85 homes) were identified as having some non-compliance.
- Delivered on the commitment to conduct at least one unannounced visit to every aged care facility in Australia by 30 June 2007 and introduced 12 assessment modules for conducting unannounced visits.
- Conducted education and information sharing activities, ran courses in assessing for accreditation and continued a seminar series on continuous improvement.

#### Australian Institute of Health and Welfare

**Telephone:** (02) 6244 1000  
**Internet:** <www.aihw.gov.au>

The Australian Institute of Health and Welfare is a statutory authority established under the *Australian Institute of Health and Welfare Act 1987*. It is subject to the *Commonwealth Authorities and Companies Act 1997* and is a statutory agency for the purposes of the *Public Service Act 1999*.

**Functions**

The primary functions of the Australian Institute of Health and Welfare relate to the collection and production of health-related and welfare-related information and statistics. The Australian Institute of Health and Welfare:

- identifies and meets the information needs of governments and the community to enable them to make informed decisions to improve the health and welfare of Australians;
- provides authoritative and timely information and analysis to the Commonwealth, and State and Territory governments and non-government clients through the collection, analysis and dissemination of national health, community services and housing assistance data; and
- develops, maintains and promotes, in conjunction with stakeholders, information standards for health, community services and housing assistance.

The Australian Institute of Health and Welfare promotes and puts into the public domain the results of its work. During 2006–07, the institute contributed to its own specific Outcome 1 – Better health and wellbeing for Australians through better health and welfare statistics and information.
Australian Institute of Health and Welfare continued

Key Achievements for 2006-07

• Developed a new corporate plan for 2007-2010 with greater emphasis on strengthening the Australian Institute of Health and Welfare's policy relevance.
• Published 140 reports on aspects of Australia's health and welfare.
• Entered into Memoranda of Understanding with the Australian Institute of Family Studies and the Australian Commission on Safety and Quality in Health Care to collaborate more closely.
• Continued to provide statistics and information services to support the work of the Department.

Australian Radiation Protection and Nuclear Safety Agency

Telephone: (02) 9541 8333  Internet: <www.arpansa.gov.au>

The Chief Executive Officer of the Australian Radiation Protection and Nuclear Safety Agency is a statutory office holder established under the Australian Radiation Protection and Nuclear Safety Act 1998. The Australian Radiation Protection and Nuclear Safety Agency is prescribed under the Financial Management and Accountability Act 1997 and is a statutory agency for the purposes of the Public Service Act 1999.

Functions

The main objective of the Australian Radiation Protection and Nuclear Safety Agency, under the Australian Radiation Protection and Nuclear Safety Act 1998, is to protect the health and safety of people, and to protect the environment, from the harmful effects of radiation. The Australian Radiation Protection and Nuclear Safety Agency:

• is a resource of knowledge about ionizing and non-ionizing radiation;
• has a leading role in measuring radiation, researching the health effects of radiation exposure, and translating this knowledge into developing standards, guidelines and codes of practice;
• provides information and advice to the Government, the Parliament and the Australian public;
• provides some radiation protection services;
• learns about international best practice in radiation protection and nuclear safety, and contributes to international deliberations ensuring that Australia's interest and priorities are appropriately reflected;
• promotes national uniformity in radiation protection and nuclear safety in states and territories on major radiation issues such as the security of radioactive sources, emergency response and the safety of radioactive waste management; and
• is responsible for regulating all radiation and nuclear activities undertaken by Government entities.

During 2006-07, the Australian Radiation Protection and Nuclear Safety Agency contributed to its own specific Outcome 1 – The Australian people and the environment are protected from the harmful effects of radiation.

Key Achievements for 2006-07

• Regulated the hot commissioning of the OPAL research reactor and the development of key regulatory management systems.
• Enhanced nuclear and radiological security through the establishment of radiation emergency response capacities both within Australia and in the region.
• Published radiation protection standards and codes dealing with occupational exposure to ultraviolet radiation, fixed radiation gauges, and the security of radioactive sources.
• Made real time ultraviolet radiation levels around Australia available on the Australian Radiation Protection and Nuclear Safety Agency website to assist the public to protect themselves from skin cancer.
### Cancer Australia

**Telephone:** (02) 6200 1700  **Internet:** <www.health.gov.au>

Cancer Australia is a statutory authority established under the *Cancer Australia Act 2006*. It is prescribed under the *Financial Management and Accountability Act 1997* and is a statutory agency for the purposes of the *Public Service Act 1999*.

#### Functions

Cancer Australia has been established to help reduce the impact of cancer for all Australians. It also aims to lessen the divide in outcomes for groups of people with cancer whose survival rates or cancer experiences are poorer, including Aboriginal and Torres Strait Islander peoples, people living in rural and regional areas, those from culturally and linguistically diverse backgrounds and people from low socioeconomic backgrounds.

Cancer Australia’s main function is to provide strategic leadership in cancer care by bringing together key cancer organisations. It is accountable to the Minister for Health and Ageing and:

- provides national leadership in cancer control;
- enhances support, information and participation in decision-making for people affected by cancer;
- guides improvements to cancer prevention and care, to ensure treatment is based on the best available evidence;
- coordinates and liaises with a wide range of groups and providers with an interest in cancer;
- makes recommendations to the Government about cancer policy and priorities; and
- oversees a dedicated budget for research into cancer.

During 2006–07, Cancer Australia contributed to its own specific Outcome 1 – National consistency in cancer prevention and care that is scientifically based.

#### Key Achievements for 2006–07

- Established strong governance structure and organisational infrastructure, supported by the National Advisory Council.
- Established strong advisory structures to consult with all stakeholders, involving more than 40 cancer consumer representatives.
- Conducted audits of national cancer control activity and cancer research to inform future priorities.
- Developed the Priority-driven Collaborative Cancer Research Scheme with community cancer research funding partners.
- Initiated and developed the Cancer Service Networks National Demonstration Program in which all states and the Northern Territory have agreed to take part.

### Food Standards Australia New Zealand

**Telephone:** (02) 6271 2222  **Internet:** <www.foodstandards.gov.au> <www.foodstandards.govt.nz>

Food Standards Australia New Zealand is a binational statutory authority established under the *Food Standards Australia New Zealand Act 1991*. It is based on a partnership between the Commonwealth, and State and Territory, and New Zealand governments. Food Standards Australia New Zealand is subject to the *Commonwealth Authorities and Companies Act 1997* and is a statutory agency for the purposes of the *Public Service Act 1999*.

#### Functions

Food Standards Australia New Zealand’s core function is to develop, vary or review food standards, whether from application from an outside body or on its own initiative. In Australia, Food Standards Australia New Zealand develops food standards to cover the whole of the food supply chain, ‘from paddock to plate’, for both the food manufacturing industry and primary producers. Other functions include:

- coordinating the surveillance of food available in Australia in consultation with State and Territory governments;
- conducting research and surveys in consultation with State and Territory governments;
- coordinating the recall of food;
- providing advice on the assessment of imported food;
- developing codes of practice;
- food safety education; and
- providing advice to the Minister for Health and Ageing and the Parliamentary Secretary on matters related to food.

During 2006–07, Food Standards Australia New Zealand contributed to its own specific Outcome 1 – A safe food supply and well-informed consumers.
Food Standards Australia New Zealand continued

Key Achievements for 2006-07

- Mandatory fortification of folic acid in bread approved by the Food Standards Australia New Zealand Board and endorsed by the Australia and New Zealand Food Regulation Ministerial Council.
- Increased capacity in the areas of social sciences, public health and epidemiology.
- Designed new processes to meet needs resulting from the amendment of the Food Standards Australia New Zealand Act 1991.
- Surveyed stakeholder satisfaction with Food Standards Australia New Zealand performance.
- Implemented more efficient communication channels with state agencies and local government.

General Practice Education and Training Limited

The General Practice Education and Training Limited was established as a wholly owned Government company limited by guarantee, and incorporated in March 2001. It is subject to the Commonwealth Authorities and Companies Act 1997 and the Corporations Act 2001.

Functions

The General Practice Education and Training’s primary function is to manage, promote, monitor and evaluate a national system of regionalised general practice education and vocational training across Australia on behalf of the Government. The Statement of Expectations issued by the Minister for Health and Ageing details expectations in relation to governance, outcomes and priorities in training delivery. The company has developed the Outcomes for Regionalisation - Regional Training Provider Objectives which detail expectations in relation to business, training, innovation and performance for regional training providers. The General Practice Education and Training:

- operates the regionalised system known as the Australian General Practice Training program. This system aims to be responsive to the existing and changing needs of the community, including individual sections of the community, and to produce doctors who are capable of meeting community needs across Australia, in particular those of rural and remote areas;
- encourages the integration of education and training resources at a regional level and works with the professional colleges to ensure that the Australian General Practice Training is strategic and meets professional standards; and
- aims to position Australian General Practice Training as a world leader in general practice education and training, and provides strategic advice to the Government accordingly.

During 2006-07, General Practice Education and Training contributed to the Department’s Outcome 5 - Primary Care.

Key Achievements for 2006-07

- More than 2,000 general practitioner registrars in training, reaching historically high levels, and reflecting the success of the regionalised training program and the General Practice Education and Training’s operations.
- Provided training opportunities under the Enhanced Rural Training Framework to an increased number of registrars requiring support to prepare for rural practice.
- Established a three year funding agreement with the Government and put in place three year agreements with regional training providers.
National Blood Authority
Telephone: (02) 6211 8300  Internet: <www.nba.gov.au>

The National Blood Authority is a statutory authority established under the National Blood Authority Act 2003. It is prescribed under the Financial Management and Accountability Act 1997 and is a statutory agency for the purposes of the Public Service Act 1999.

Functions
The primary function of the National Blood Authority is to manage and coordinate Australia’s blood supply on behalf of all Australian governments in accordance with the National Blood Agreement. The National Blood Authority does this by:

- working collaboratively with the Government and State and Territory governments and other key stakeholders to ensure that Australia’s blood supply is adequate, safe, secure and affordable;
- negotiating, entering into and managing national blood and blood products supply contracts; and
- providing advice and information to the Minister for Health and Ageing and the Australian Health Ministers’ Conference through the Jurisdictional Blood Committee.

During 2006-07, the National Blood Authority contributed to its own specific Outcome 1 – Australia’s blood supply is secure and well managed.

Key Achievements for 2006-07
- Managed the supply of blood and blood products to ensure products were available to meet the needs of all Australians, including effective intensive supply management and contingent supply arrangements for plasma derived factor VIII.
- Signed a Deed of Agreement with the Australian Red Cross Society for the services provided by the Australian Red Cross Blood Service.
- Established an independent Business Study to assess the operations of the Australian Red Cross Blood Service to determine fair and reasonable costs for products and services provided.
- Implemented initiatives to improve the appropriateness of blood use in Australia through strong engagement with the clinical community.
- Established new and revised arrangements for Defined Blood Products which resulted in the awarding of the Prime Minister’s Silver Award for Excellence in Public Administration.

National Health and Medical Research Council
Telephone: (02) 6217 9000  Internet: <www.nhmrc.gov.au>

The National Health and Medical Research Council is an independent statutory agency established under the National Health and Medical Research Council Act 1992 (NHMRC Act). The council also has statutory obligations under the Prohibition of Human Cloning for Reproduction Act 2002 and the Research Involving Human Embryos Act 2002. It is prescribed under the Financial Management and Accountability Act 1997 and is a statutory agency for the purposes of the Public Service Act 1999.

Functions
The National Health and Medical Research Council is the key agency for managing the Government’s investment in health and medical research. It leads the development and maintenance of public and individual health standards and consolidates within a single national organisation the often independent functions of research funding and development of advice.

The functions of the National Health and Medical Research Council come from the statutory obligations conferred by the National Health and Medical Research Council Act 1992 which require the agency to:

- raise the standard of individual and public health throughout Australia;
- foster the development of consistent health standards between the various states and territories;
- foster medical research and training and public health research and training throughout Australia; and
- foster consideration of ethical issues relating to health.

The National Health and Medical Research Council works to ensure that Australia’s health system benefits from high quality health and medical research conducted at the highest ethical standard, well-developed research capabilities and sound evidence-based advice that informs health policy and practice.

During 2006-07, the National Health and Medical Research Council contributed to two outcomes. From July 2006 to November 2006 the council contributed to the Department’s Outcome 14 – Health and Medical Research. From December 2006 to June 2007 the council contributed to its own specific Outcome 1 - Australia’s health system benefits from high quality health and medical research conducted at the highest ethical standard, well-developed research capabilities and sound evidence-based advice that informs health policy and practice.
National Health and Medical Research Council continued

Key Achievements for 2006-07

• Became an independent statutory agency within the Health and Ageing portfolio on 1 July 2006. The new National Health and Medical Research Council is defined as the Chief Executive Officer, the Council and Committees, and the staff of the National Health and Medical Research Council.
• Incorporated the National Institute of Clinical Studies as an institute of the National Health and Medical Research Council on 1 April 2007.
• Finalised the new Strategic Plan 2007-2009 which was endorsed by the Minister in February 2007.
• Held the first in a series of high level workshops tackling major health issues such as nanotechnology, air quality and complementary medicines.
• Issued the National Statement on Ethical Conduct in Human Research and, through the Australian Health Ethics Committee, revised the Ethical Guidelines for Assisted Reproduction and Research 2004.

Private Health Insurance Administration Council
Telephone: (02) 6215 7900 Internet: <www.phiac.gov.au>

The Private Health Insurance Administration Council is a statutory authority, which was established under the National Health Act 1953. The council's functions are now set out in the Private Health Insurance Act 2007, which came into effect on 1 April 2007. The Private Health Insurance Administration Council is also subject to the Commonwealth Authorities and Companies Act 1997.

Functions
The main functions and powers of the Private Health Insurance Administration Council are to:
• establish a solvency standard and a capital adequacy standard to be complied with by private health insurers;
• give solvency directions and capital adequacy direction to private health insurers;
• administer the Risk Equalisation Trust Fund;
• undertake the supervisory functions in relation to private health insurers, including the appointment of inspectors and administrators;
• collect and disseminate financial and statistical data, including the tabling of an annual report to Parliament on the operations of private health insurers;
• levy private health insurers for the general administrative costs of the Private Health Insurance Administration Council;
• produce membership and coverage statistics quarterly. These statistics detail the proportion of the population with private health insurance. The gap statistics provide information about the out-of-pocket costs and availability of no-gap cover to consumers with private health insurance; and
• collect and disseminate information about private health insurance to allow consumers to make informed choices about the product.

During 2006-07, the Private Health Insurance Administration Council contributed to its own specific Outcome 1 - The prudential safety of registered private health insurance funds, the best interests of members of those funds, and a competitive level of private health insurance premiums, are efficiently regulated to support a viable industry.

Key Achievements for 2006-07

• Completed its program for the first round of reviews of private health insurers and continued to work with the Australian Prudential Regulatory Authority to undertake reviews of the larger private health insurance organisations.
• Commenced work on the revision of the consumer information brochure Insure? Not Sure? to take into account legislative changes.
• Developed and delivered a series of education programs for directors of private health insurance funds.
• Issued, to fund directors, a paper on best practice corporate governance guidelines.
### Private Health Insurance Ombudsman

**Telephone:** (02) 8235 8777 (Administration) 1800 640 695 (Enquiries and Complaints)

**Internet:** <www.phio.org.au>

The Private Health Insurance Ombudsman is a statutory office holder (who is a Corporation with perpetual succession) established under the *National Health Act 1953*. The Ombudsman's functions are set out in the *Private Health Insurance Act 2007*, which came into effect on 1 April 2007. Until 30 June 2007, the Private Health Insurance Ombudsman was also subject to the *Commonwealth Authorities and Companies Act 1997*.

#### Functions

The main functions of the Private Health Insurance Ombudsman are to:

- deal with complaints regarding private health insurance arrangements;
- investigate the procedures and practices of health funds;
- make recommendations to the Minister for Health and Ageing and the Department about private health insurance regulatory and industry practices;
- produce and publish the *State of the Health Funds Report* providing comparative information on the performance and service delivery of all registered organisations; and
- develop and maintain the <www.PrivateHealth.gov.au> website, which contains information for consumers about private health insurance and complying health insurance products.

During 2006-07, the Private Health Insurance Ombudsman contributed to its own specific Outcome 1 – Consumers and providers have confidence in the administration of private health insurance.

#### Key Achievements for 2006-07

- Published the third annual *State of the Health Funds Report*, including individual performance reports for all funds.
- Developed the <www.PrivateHealth.gov.au> website to provide consumers with an independent, reliable source of information about private health insurance.

### Professional Services Review

**Telephone:** (02) 6120 9100  **Internet:** <www.psr.gov.au>

The Director of the Professional Services Review Scheme is a statutory office holder established under the *Health Insurance Act 1973*. The Professional Services Review is prescribed under the *Financial Management and Accountability Act 1997* and is a statutory agency for the purposes of the *Public Service Act 1999*.

#### Functions

The main functions of the Professional Services Review are to:

- review cases of suspected inappropriate practice. On receipt of requests from Medicare Australia, the Professional Services Review examines health practitioners’ conduct to ascertain whether or not they have practised inappropriately in relation to services that attract Medicare or Pharmaceutical benefits. The Professional Services Review Scheme covers services provided and/or initiated by medical and dental practitioners, optometrists, and medical services initiated by chiropractors, physiotherapists, and podiatrists; following review of a request, the Director of Professional Services Review may dismiss a request, negotiate an agreement with the practitioner, or establish a committee of professional peers to further investigate the practitioner’s conduct; and
- where a committee finds that inappropriate practice has occurred, the committee’s report is referred to an independent Determining Authority which will decide on sanctions to be imposed. Sanctions include reprimand, counselling, repayment of Medicare benefits and full and/or partial suspension from access to Medicare benefits for up to three years.

During 2006-07, the Professional Services Review contributed to its own specific Outcome 1 – Australians are protected from meeting the cost and associated risks of inappropriate practices of health service providers.

#### Key Achievements for 2006-07

- Commenced examination of over 25 new requests for review from Medicare Australia.
- Published a second annual *Report to the Professions* outlining the operation of the Professional Services Review Scheme and including details of cases where inappropriate practice had been found by the Professional Services Review committees.
- Participated in the Review of the Professional Services Review Scheme undertaken by the Department of Health and Ageing.