

## **MERGER OF UP TO SIX NATIONAL AGENCIES TO ESTABLISH A HEALTH PRODUCTIVITY AND PERFORMANCE COMMISSION**

### **Current Issue:**

- The establishment of the proposed new Health Productivity and Performance Commission (HPPC).

### **Key Facts & Figures:**

The 2014-15 Federal Budget announced the intention to consult with jurisdictions to inform the establishment of a new HPPC by the potential merging of the following bodies:

- the Australian Commission on Safety and Quality in Health Care;
- the Independent Hospital Pricing Authority;
- the National Health Performance Authority;
- the Australian Institute of Health and Welfare;
- the National Health Funding Body; and
- the National Health Funding Pool Administrator.

### **Minister's Response Lines:**

- The National Commission of Audit highlighted scope to improve the way data is collected, analysed and disseminated by a number of Australian Government bodies working in this sector and recommended a reduction in the number of agencies collecting and reporting on health-related data.
- The Government has taken this recommendation on board and will consider in consultation with the states, further rationalisation of government bodies including the potential merging of six health care bodies to create a Health Productivity and Performance Commission.
- These bodies all have related functions. Consolidation would reduce the administrative and bureaucratic burden, and associated operational costs.
- This is consistent with our *Smaller and More Rational Government Agenda* to reduce the size of government and to ensure that government services are as efficient and well-targeted as possible.
- A consultation process is underway with key stakeholders. The government is yet to consider the outcomes of that process. The timeframe for establishment is yet to be determined.

**Background:**

- The National Commission of Audit recommended a reduction in the number of agencies collecting and reporting on health-related data, and further recommended the establishment of a HPPC, *to better coordinate, report, and drive performance across Australia's health care system with a focus on measurable outcomes.*
- On 13 May 2014, the Minister for Health and the Minister for Finance issued a joint media release (attached).

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Attachment

**The Hon. Peter Dutton MP**  
Minister for Health

**MC 40/14**  
**13 May 2014**

## Improving Productivity And Performance In The Health Care Sector

The Abbott Government will work with its State and Territory counterparts to drive much needed improvements in productivity and performance in the health care sector with the creation of a new health productivity and performance commission.

This decision, like others made in the Budget, will strengthen the economy and prepare Australia for the long term challenges before us.

The National Commission of Audit highlighted scope to improve the way data is collected, analysed and disseminated by a number of Australian Government bodies working in this sector.

Subject to consultation, the formation of the new health productivity and performance commission would be enhanced by merging the following bodies:

- The Australian Commission on Safety and Quality in Health Care;
- The Independent Hospitals Pricing Authority;
- The National Health Funding Body;
- The National Health Funding Pool Administrator;
- The National Health Performance Authority; and
- The Australian Institute of Health and Welfare.

These bodies all have related functions. Consolidating them would improve the efficiency and effectiveness of the Government's efforts to improve the standard of safety and quality of health care for the Australian community.

Consolidation would also reduce the administrative and bureaucratic burden on State Governments which own and operate the nation's 750 public hospitals.

Labor created a dozen new health bureaucracies and their separate administration and operational costs are projected to be millions of dollars over the forward estimates.

The Coalition has consistently argued that the creation of new structures and layers of bureaucracy was wasteful and that their key functions could be streamlined.

The Coalition committed to increasing productivity and to address the ballooning of bureaucracy under Labor.

As some of these bodies are subject to Federal-State arrangements, the Government will work collaboratively with the states to ensure that new arrangements serve the interests of stakeholders and the Australian community.

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