

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health

Standing Committee on Finance and Public Administration

Inquiry into the current capability of the Australian Public Service

21 July 2021

PDR Number: IQ21-000159

2021-22 funding allocation

Spoken

Hansard Page number: 41

Senator: Tim Ayres

Question:

CHAIR: Yes, and that necessarily means that, when you work further down the pyramid, people's assessment of risk in different environments is constructed differently. In an office environment or an airline maintenance environment, people consider risk in very different ways, because in some environments small compliance breaches can over time add up to catastrophic outcomes, and in other environments small compliance breaches might not be noticed. I just suggest that aged care sits more close to the airline safety environment than it does to the office environment and that the outcome of that kind of risk management model in a resource constrained environment, where you have at the very least the ASL cap, means that there are very significant challenges for you to meet that compliance level, if we keep the analogy, in the middle of that pyramid. The Morrison government announced an additional \$36.7 million to the commission to ensure sufficient capacity to undertake compliance activities for 80,000 home-care additions. Can you provide, perhaps on notice, a breakdown of what those funds will be used for and how that will be allocated within the commission?

...

CHAIR: ... How many additional staff will be employed using the funds that we just spoke about?

Ms Anderson: As I said earlier, we're still finalising the allocation of budgets, and I won't be able to give you an answer on that today. The other point I would make is that those staff will be distributed across the organisation. They won't all be quality assessors, for example. There may be a component who would find their way into our provider approval section because we fully expect, with the expansion in numbers of packages, that there will be additional organisations who are keen to have their applications to become approved providers for the purpose of receiving Commonwealth funding considered, and that is one of the responsibilities that the commission prosecutes. We control the front gate, the

market entry, and so there will be an enhancement in a number of parts of the commission to address all aspects of the implications of that increase in packages.

CHAIR: And so that's why it doesn't say just to undertake compliance activity; it says to ensure sufficient capacity to undertake compliance activity because it's envisaged that—

Ms Anderson: Yes.

CHAIR: So you will be able to provide me with a breakdown of your imminent decision?

Ms Anderson: Yes, I will. As you would understand, I don't want to give the impression it will be precise and unmoving because we are an integrated functioning organisation and we don't specify in silo the work we do for individual service types in the way that that budget measure might imply.

Answer:

From the Portfolio Budget Statements 2021-22, Health Portfolio, Aged Care Quality and Safety Commission:

Aged Care - Government response to the Royal Commission into Aged Care Quality and Safety – home care.

2021-22	5,178
2022-23	10,482
2023-24	10,521
2024-25	<u>10,561</u>
Total	36,742

The funding will be utilised to employ additional ongoing staff resources (full time equivalents – FTE) for six months (approximately) in 2021-22 and for the full twelve months in the years thereafter:

Provider Approvals	5 FTE
Complaints	16 FTE
Quality Assessment and Monitoring	42 FTE
Other areas (inc. Corporate Services)	<u>10 FTE</u>
Total	73 FTE

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health

Standing Committee on Finance and Public Administration

Inquiry into the current capability of the Australian Public Service (APS)

21 July 2021

PDR Number: IQ21-000164

Risk framework

Spoken

Hansard Page number: 41

Senator: Tim Ayres

Question:

Ms Anderson: Yes, I can. Going to your earlier point, I want to assure you that we have a commission-wide risk framework, so I'm very alive to the issues you are outlining there in relation to risk, particularly in the social care sector with vulnerable people such as older Australians. We have a commission-wide risk framework. All of my staff who manage incoming work, as it were, or undertake regulatory functions are conversant with that framework, and we have a very standard way of assessing risk. Where we become concerned is where our risk assessment is different from that of the provider, particularly if we identify a risk that the provider has not understood it in the same way, that would result in a very early engagement with the provider to ensure that they see the same risk profile that we do and that they are actually onto it, rather than expecting they will understand it the same way as us. As to your current question, Senator, yes, I am happy to provide further detail on our intended use of those funds.

CHAIR: Good. If you could provide an outline of that risk framework that you just talked about too, I think that would be useful.

Answer:

The Commission uses a regulatory risk framework to ensure that its activities are focused on the areas of greatest risk to the safety, health, well-being and quality of life of aged care consumers, and on those providers providing care and services that fall short of legislated standards.

The framework has assisted the Commission to:

1. Establish internal governance arrangements for identifying and responding to regulatory risk in the aged care sector

2. Identify systemic risks and issues through the synthesis of multiple sources of information (“intelligence”)
3. Develop integrated approaches across the Commission to more effectively respond to risk
4. Make evidenced-based decisions about responses that calibrate the intensity of effort and resources to assessed risks
5. Ensure internal processes for feedback, monitoring and reporting on the effectiveness of the Commission’s operational settings.

Specifically, the regulatory risk framework informs internal policies and procedures for the Commission’s assessment of regulatory risk at the level of an approved provider or an individual service. It also informs decisions taken about how to respond to the assessed risk.

The Commission’s risk assessment involves use of a standardised methodology by all regulatory officers to evaluate information that is newly obtained and/or held about a provider or service from any of multiple sources (e.g. complaints, assessment contacts, serious incident notifications, previous findings of non-compliance, provider responses to requests for information, financial and prudential reporting).

Risk assessment of a particular matter (“case”) will inform the Commission’s actions, which can include undertaking a site visit or, where non-compliance is already identified, taking enforcement action (such as imposing a sanction).