

Auditor-General's Reports 22 and 39 (2020-21)

Opening Statement

Thank you for the opportunity to speak to the Department of Health's submission to the Implementation of COVID-19 measures: Inquiry into Auditor-General Reports. Firstly, I would like to acknowledge the Traditional Owners and Custodians the Ngunnawal Nation of the ACT on which we meet today, and pay my respects to Elders past, present and emerging. I acknowledge and respect all Traditional Owners in continuing their culture and their contribution to the life of this country. I would like to extend that acknowledgement and respect to any Aboriginal and Torres Strait Islander peoples here today.

I will speak to audits 22 and 39 which examined the function of the Department's National Medical Stockpile during the COVID-19 pandemic.

Both 2020 and 2021 have been two extraordinary years which have seen a 1-in-100-year pandemic impact economies, health services and supply chains across the globe. COVID-19 has challenged Australia's economy and put incredible pressure on our health system. Globally, no one was prepared for a pandemic of this nature, the scale of which has not been seen since the 1918 influenza pandemic.

Australia's response to COVID-19 has been effective, and the National Medical Stockpile has been a critical component of Australia's national response.

Despite the global supply chain disruptions, the Department of Health, with the assistance of other Commonwealth agencies, purchased enough personal protective equipment (mask, gowns and gloves) and medical equipment within a very short timeframe to meet Australia's demand.

More than 85% of the contracts for the supply of personal protective equipment and medical products were executed by the end of May 2020 despite intense competition for these products. This was acknowledged by the ANAO in report number 22.

Since the beginning of the pandemic, the Department has made over 7,700 deployments in support of health care workers, including making available:

- ~71 million surgical masks;
- ~43.5 million respirators;
- ~23 million gloves;
- ~8.8 million isolation gowns; and
- ~8 million goggles/face shields.

Australia has not, during this pandemic, been in a position where clinically recommended personal protective equipment has not been able to be supplied to a health worker. This has not been the case for many other countries in the world.

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Any consideration of the Department's activities should fully reflect that the Department was managing an entire system approach on the most critical national threat in recent history and responded accordingly.

The two performance audits conducted by the ANAO commenced in May 2020, during the peak of the pandemic. Responding to these audits placed an additional burden on staff who were already working overtime to respond to COVID-19. At no stage during this period, did stockpile staff fail to fulfil COVID-19 stock demands or respond to audit inquiries.

Nevertheless, the department agrees with the eight recommendations from the two ANAO audits and is progressing reforms to the National Medical Stockpile while continuing to respond to the COVID-19 pandemic.

The department is building a modern, fit-for-purpose stockpile for the future and is taking into account the lessons learned from COVID-19 and the recommendations from the ANAO audits.

A strategic review of the National Medical Stockpile has been completed is also guiding mechanisms to reform and enhance capability of the future stockpile.

As indicated in our submission, the Department has accepted the recommendations from each of the audits and is addressing them as part of the broader reform activities. This will ensure that work undertaken to enhance and future proof the stockpile also considers the broader purpose of the stockpile including Australia's Chemical, Biological, Radiological and Nuclear (CBRN) response framework.

In closing, the Department is proud of how it has supported Australia and how it continues to support states and territories during this novel pandemic. It has been a steep learning curve for everyone, and the department is taking into account its experience and lessons learned to build a fit-for-purpose national medical stockpile to respond to future national health emergencies.

I thank the Auditor-General and the Auditors for their robust work in making recommendations to ultimately achieve greater efficiencies and effectiveness of the National Medical Stockpile. And, again thank you for the opportunity to speak with you on our ongoing response to the recommendations.