



Review health care agreements – performance audits and reward good practice

Report tabled - Wednesday 15 August 2007

When the next Australian Health Care Agreements (AHCAs) are being negotiated, the House Health committee has recommended that the parties to the AHCAs agree that state and territory auditors-general be empowered to conduct full performance audits of AHCA expenditure within the public hospital systems of their respective states. The Committee was also promoting financial incentives to reward good practice.

The committee has undertaken a review of the performance audit by the Australian National Audit Office (ANAO) - Audit Report No. 19 2006-2007, *Administration of State and Territory Compliance with the Australian Health Care Agreements (AHCA)*. The House Committee tabled its report in the Parliament yesterday, Wednesday 15 August 2007.

Committee Chairman, Alex Somlyay, said "The Committee welcomed the opportunity to contribute further to the health debate on compliance by the states and territories. The Committee's review of ANAO report followed very quickly behind the tabling of its own inquiry report on health funding, *The Blame Game*, in December 2006."

The Committee recommended that in negotiating the 2008-2013 AHCAs, the Australian Government:

- require a reporting framework that provides the Commonwealth with regular and compatible data from the states and territories on the number and nature of complaints and allegations they receive about non compliance with the AHCAs;
- offer a structure of financial incentives to allow it to reward those states and territories that significantly exceed bench marks associated with meeting AHCA objectives;
- include dispute resolution procedures; and
- require the parties to the AHCAs to agree that state and territory auditors-general be empowered to conduct full performance audits of AHCA expenditure within the public hospital systems of their respective states.

"The health care needs of the Australian community should be better served by including these issues in negotiating the next AHCAs." Mr Somlyay said.

For media interview with the Chairman:

Please contact Mr Alex Somlyay's Parliament House office on (02) 6277 4727 or the electorate office on (07) 5471 6611.

For a copy of the report: Contact the Committee secretariat on (02) 6277 4145

or visit the website at: <http://www.aph.gov.au/house/committee/haa/Auditreport/index.htm>