Australian Government
Australian Digital Health Agency

Australian Digital Health Agency

ANNUAL REPORT

2022–2023

Our work means so much to so many

Publication details

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If you have any questions or feedback regarding this report, please direct them to:
Performance Reporting Australian Digital Health Agency
25/175 Liverpool Street, Sydney NSW 2000, Australia
Phone: 1300 901 001
Email: help@digitalhealth.gov.au

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Preface

Guide to this report

This annual report describes the operations and performance of the Australian Digital Health Agency during 2022–23. The report was prepared in accordance with legislated reporting requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and other Commonwealth legislation including the *My Health Records Act 2012*.

The Agency is jointly funded by the Australian Government and all state and territory governments.

Part 1. Introduction and overview

Introduces the Agency and provides an overview of its operations, priorities for 2022–23 and outlook for 2023–24.

Part 2. Performance

Details the Agency's performance against work plan priorities captured in its *Corporate Plan 2022–23* and against targets published in the Health Portfolio Budget Statements (PBS) 2022–23. It also addresses reporting obligations under the *My Health Records Act 2012*.

Part 3. Management and accountability

Discusses the Agency's governance arrangements, external scrutiny, human resources, executive remuneration and audit committee disclosures. It also includes mandatory reporting obligations concerning workplace health and safety, advertising and market research, ecologically sustainable development and environmental performance.

Part 4. Financial statements

Includes the report by the Auditor-General and the Agency's financial statements for 2022–23.

Part 5. Navigation aids

Contains references to assist the reader to use the report: an index of compliance with annual report content requirements and a list of abbreviations and acronyms.

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Letter of transmittal

Australian Government
Australian Digital Health Agency

28 September 2023

The Hon Mark Butler MP
Minister for Health and Aged Care
Parliament House
Canberra ACT 2600

Dear Minister

On behalf of the Board of the Australian Digital Health Agency, I am pleased to present our annual report for the period 1 July 2022 to 30 June 2023.

The Agency was established on 30 January 2016, following registration of the *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule* 2016, and commenced operations on 1 July 2016. The report reflects on our seventh year of operations and addresses the requirements of section 46 of the *Public Governance, Performance and Accountability Act 2013,* including annual performance statements under paragraph 39(1)(b) and audited financial statements as required by subsection 43(4) of that Act.

The report also incorporates reporting obligations under other Commonwealth legislation: section 107 of the *My Health Records Act 2012;* Schedule 2, Part 4 of the *Work Health and Safety Act 2011;* section 311A of the *Commonwealth Electoral Act 1918;* and section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* encompassing a new requirement to measure and report on emissions from Agency operations.

The report was approved for presentation to you in accordance with a resolution of the Board on 28 September 2023.

In accordance with sections 68 and 69 of the *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule* 2016, the Agency will notify each state and territory health minister of the availability of the report, and provide a copy on request.

Yours sincerely

Dr Elizabeth Deveny
Chair
Australian Digital Health Agency

Australian Digital Health Agency ABN 84 425 496 912, Level 25, 175 Liverpool Street, Sydney, NSW 2000
Phone +61 2 8298 2600 Facsimile +61 2 8298 2666
www.digitalhealth.gov.au

Chair's message

It is no overstatement that 2022–23 is being seen as the year that digital health came of age – cementing its role as the centrepiece of a modern and connected Australian healthcare system.

The contribution of digital health to the nation's pandemic response, and the continued uptake of digital health services such as electronic prescriptions, telehealth, My Health Record vaccination dashboard, **my health** app and Provider Connect Australia, have reinforced the wisdom of committing to a truly connected healthcare system across federal, state and territory governments.

Connected health care is only achievable through a nationally coordinated effort – the foundations for which were laid in early 2023 when Federal Minister for Health and Aged Care, the Hon Mark Butler MP signalled federal ambitions to drive digital transformation across the Australian healthcare landscape in response to recommendations of the Strengthening Medicare Taskforce convened in 2022.

Connected care is empowering consumers with instant access to their health information – no matter where they are in Australia – and giving them the call on sharing that information with their healthcare providers.

Connected care empowers healthcare providers by giving them the reassurance that comes from having updated clinical information at their fingertips throughout a consumer's healthcare journey. Connected care is a people-centred ecosystem where technology supports the sharing of information across health organisations, care settings and geographical locations – enabling consumers to manage their own health and supporting informed, connected healthcare services.

The 2023–24 Federal Budget provides $1.1 billion investment in digital health across government over the next 4 years, part of a $5.7 billion package aimed at building a stronger healthcare system in response to the recommendations of the Strengthening Medicare Taskforce, on which Agency CEO Amanda Cattermole and I were privileged to serve.

Of significance to our Agency is that over the next 2 years, $429.0 million has been committed to the continued modernisation of My Health Record. A further $325.7 million has been committed over 4 years to establish the Agency as an ongoing entity with direct responsibility for My Health Record and delivery of the Government's commitment to strengthening Medicare. This is further supported by joint funding from the Commonwealth and the States and Territories over the next 4 years under the Intergovernmental Agreement on National Digital Health which makes national health interoperability and the flow of health information across care settings a core focus.

With our world class health system facing mounting challenges, digital innovation is helping to advance new models of care as healthcare consumers themselves set the tone and standard for change.

The Agency Board, executive management and staff are very excited about the opportunities ahead for digital health, while deeply conscious of the responsibility that comes with this significant investment.

Together, we are committed to enshrining digital enablement as a fundamental cornerstone of health policy reform in Australia, to help deliver a patient-centred, connected, sustainable health care system for Australia.

Dr Elizabeth Deveny

Chair

Chief Executive Officer's review

In what has been an extraordinary milestone moment, in May this year digital health received its biggest single investment ever as part of a $5.7 billion Commonwealth package aimed at delivering a stronger Medicare.

The investment came in response to recommendations of Federal Minister for Health and Aged Care, the Hon Mark Butler MP's 2022 Strengthening Medicare Taskforce on which I was privileged to serve, along with Agency Board Chair Dr Elizabeth Deveny.

As the Minister observed: "We simply cannot build a stronger Medicare without better realising the opportunities that digital health technologies open up for more efficient and collaborative health care."

This approach and the investment that supports it represent a paradigm shift - making digital innovation a central platform on which to transform Australia's health system for the future as we drive the next wave of health policy reform. That reform centres around several tenets put forward by the Strengthening Medicare Taskforce, including:

- Ensuring patients are at the centre of Australia's healthcare system.
- Making it easier for Australians to access, manage, understand and share their own health information and find the right care to keep them healthy for longer through strengthened digital health literacy and navigation.
- Better connecting health data across all parts of the health system, underpinned by robust national governance and legislative frameworks, regulation of clinical software and improved technology.
- Modernising Australia's My Health Record system to significantly increase the health information available to Australians and their healthcare providers, including by requiring 'sharing by default' for private and public practitioners and services.

Work to transform the health system is already well underway. The Agency's 2022–23 work program has made significant inroads into this change program and laid foundation stones to support future reform, including:

- Launching the Agency's first mobile application (**my health**) so that Australians using smart devices have mobile access to information contained in My Health Record.
- Developing a new information brokerage service called Provider Connect Australia, designed to reduce the administrative load carried by healthcare provider organisations in connecting with other business partners and streamlining updates of the services they provide and the practitioners who provide them.
- Assisting Royal Perth Hospital to become the first in metropolitan Australia to offer outpatients the choice of electronic or paper prescriptions, reducing the complexity of having medicines dispensed by hospital and community pharmacies.
- Collaborating with Health Level Seven Australia Ltd (HL7) to support the development and implementation of digital health standards to help improve connectivity across the national healthcare system, including training, education and uplift activities to support the health workforce transition to this digitally enabled health information sharing landscape.

- Establishing the Council for Connected Care to provide strategic advice on matters related to interoperability and support national implementation of the Connecting Australian Healthcare – National Healthcare Interoperability Plan.
- Partnering with CSIRO's Australian e-Health Research Centre to deliver a 'centre of excellence for connectivity across the Australian healthcare system' through the National Clinical Terminology Service.
- Collaborating with the Australasian Institute of Digital Health and other key stakeholders on a National Digital Health Capability Action Plan to help Australia's health workforce continue to develop the skills needed to deliver the best care for Australians in a rapidly evolving digital environment.
- Co-hosting Australia's first summit on clinical governance in digital health (C3.0 Connect. Care. Confidence), bringing together leaders and innovators from across the healthcare industry to start a national conversation on the importance of safety, quality and continuous improvement in the delivery of health care services using digital health tools and technologies.
- Strengthening cyber security measures for systems connecting with My Health Record through the advent of a new mandatory security requirements conformance profile which is in consultation with stakeholders and industry.

Together, these initiatives and others set out in this Annual Report take significant steps forward towards our vision for a modern, connected healthcare system that provides Australians and their healthcare providers with the information they need, where and when they need it. The Agency team is passionate about the role that digital innovation can play in supporting Australia's world class health system and I am proud of the collective capabilities, innovative spirit, future focus and sense of service that are the hallmarks of the team.

With what is arguably the greatest transformation in the healthcare system since Medicare already underway, we stand ready to support bold health policy reform that will improve the health and wellness of Australians, empower them in their healthcare journeys, support healthcare providers with accurate, complete, timely information and enable a more connected, multidisciplinary care team environment to flourish around the patients who sit fully at its centre.

Amanda Cattermole PSM

Chief Executive Officer

Case study: Clinical governance summit lays foundation for safety, quality and continuous improvement

After 8 months of planning and collaboration working around a resurgent COVID-19, the Australian Digital Health Agency and the Australian Commission on Safety and Quality in Health Care hosted Australia's first Summit on Clinical Governance in Digital Health (C3.0 Connect. Care. Confidence) in February 2023.

The inaugural one-day summit, held virtually and in person in Sydney, brought together healthcare professionals and clinical governance leaders from government, private health, peak bodies, universities and the software industry. Across the country, an audience of nearly one thousand people, both online and in person, tuned in to hear from 32 national and international experts.

The summit's title – *C3.0 Connect. Care. Confidence* – drew inspiration from Web 3.0; the next evolution of the internet built on the foundations of decentralisation, openness and greater usability and was designed to kickstart a national conversation on the criticality of effective clinical governance in realising the full potential of digital health innovation across the health system.

The summit brought together ideas and areas for action under 3 guiding themes:

1. **Connect:** Connecting leaders in health technology and direct healthcare delivery with a focus on clinical governance

2. **Care:** Exploring the importance of shared responsibility for embedding clinical governance in the development and use of digital health solutions, focused on patient safety and delivering high-quality health and care services
3. **Confidence:** Building confidence and trust in digital health technologies by focusing on creating the right solutions for defined challenges, with patients at the centre of their own health journey

The summit was opened by the Hon Mark Butler MP, Minister for Health and Aged Care who spoke to the importance of a connected health system with safety, quality and continuous improvement as critical components to deliver better health and care outcomes and experiences for Australians. Minister Butler also highlighted that 'digital' is about enabling better quality of care through seamless, personalised and modernised health journeys.

The summit was designed to raise awareness of and educate the audience about clinical governance issues in a future of digital health technologies. Presentations and discussions highlighted the importance of safety, quality and continuous improvement to facilitate the delivery of health and care services using digital health solutions.

National and international delegates heard from healthcare consumers who shared their diverse stories to illustrate the crucial role that the health and technology sectors have in ensuring the accessibility and safety of health and care services. These stories highlighted that person-centred digital health solutions can provide individuals and those who care for them with access to the right information to support their health throughout their life journey.

Leaders from health and technology sectors also shared their experiences and challenged summit delegates to consider how they can adopt a person-centred approach to delivering digital health solutions that enhance health and care and embed clinical governance in their approach, while empowering individuals to better manage their own health.

Agency CEO Amanda also spoke about this unique moment in time in which to "start a national conversation about the governance of digital health technologies and services that are fundamentally changing the way healthcare is provided and experienced in Australia and around the world.".

The summit lifted the national conversation about clinical governance in digital health and has resulted in:

- The establishment of an international community of interest to provide an ongoing forum for collaboration and innovation and linked to the Global Digital Health Partnership (GDHP), a collaboration of governments and territories, government agencies and the World Health Organization (WHO)
- The establishment of a national community of interest to provide a connection between public and private technology and health sectors within Australia in partnership with the Australian Commission on Safety and Quality in Health Care and a peak clinical governance body
- The establishment of an internal forum for staff with health and care backgrounds to share their health and care insights and learnings, to champion clinical governance and support innovation.

Part 1. Introduction and overview

Information about this Part

Part 1 provides a view of the Agency at a glance – an overview of the Agency's purpose, role, strategy and functions and an outline of the path ahead.

The Agency at a glance

Purpose

Better health for all Australians enabled by connected, safe, secure and easy-to-use digital health services.

Foundations

The Agency was established on 30 January 2016 and began operations on 1 July 2016, with a vision of improving health outcomes for Australians through the delivery of digital innovation, health systems and services.

Enabling legislation

The *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016* (Agency Rule)[1] created the Agency and governs its operations. The Rule was made by the Minister for Finance under Section 87 of the PGPA Act[2] that allows for the establishment of corporate Commonwealth entities. The Agency was the first in the Commonwealth to be established by Section 87 of the PGPA Act.

Products and services

The Agency has a lead role in stewarding, operating and developing the national digital health infrastructure that underpins the delivery of digital health in Australia. This vital infrastructure is an enabler for digital health foundations including:

- My Health Record system
- Healthcare Identifiers (HI) Service
- National Authentication Service for Health (NASH)
- Secure messaging delivery
- National Clinical Terminology Service (NCTS) including SNOMED CT-AU and Australian Medicines Terminology (AMT)
- Clinical content specifications based on Clinical Document Architecture (CDA) and Fast Healthcare Interoperability Resources (FHIR®)
- Provider Connect Australia (PCA)
- Vaccine Clinic Connect Finder.

[1] See https://www.legislation.gov.au/Details/F2016L00070

[2] See https://www.legislation.gov.au/Details/C2017C00269

Governing, operating and maintaining this infrastructure is a core activity for the Agency and ensures that Australian healthcare consumers and healthcare providers can be confident they are using clinically safe systems to support their health and care needs. Part 1 provides further detail on this activity.

Delivery priorities for 2022–23

Over the course of 2022–23, the Agency led the way in advancing and expediting digital innovation as part of the broader national health agenda. The Agency's Corporate Plan 2022–23 championed 3 strategic areas of focus:

- Infrastructure solutions and initiatives
- Interoperability supporting connected health and care
- National digital health initiatives

Performance against each priority area is captured in Part 2 of this report.

Governance structure

The Agency is a corporate Commonwealth entity, established by a rule under the PGPA Act. Information about our governance, management and accountability framework is covered in Part 3 of the Report.

Board as the accountable authority

A Board, chaired by Dr Elizabeth Deveny, is the Agency's accountable authority. As the accountable authority, the Board sets the objectives, strategies and policies[3] for the Agency and is responsible for the proper and efficient performance of the Agency's functions.[4]

Advisory committees

The Board is supported in the performance of its functions by advisory committees. Four standing advisory committees are established under the Agency Rule:

- Clinical and Technical Advisory Committee
- Jurisdictional Advisory Committee
- Consumer Advisory Committee
- Privacy and Security Advisory Committee.

The Agency also has an Audit and Risk Committee, as required under the *Public Governance, Performance and Accountability Rule 2014*.

Intergovernmental

The Agency operates under an Intergovernmental Agreement between the Commonwealth and state and territory governments. Under this agreement, the Agency works closely with the states and territories to transform how health information is used to deliver better healthcare and implement a world-class digital health capability in Australia.

[3] Section 14(a) of the Agency Rule.

[4] Section 14(b) of the Agency Rule.

Portfolio and ministerial oversight

The Agency sits within the Health and Aged Care portfolio and is accountable to the Ministers of the Health and Aged Care portfolio:

- The Hon Mark Butler MP, Minister for Health and Aged Care
- The Hon Anika Wells MP, Minister for Aged Care and Minister for Sport
- The Hon Ged Kearney MP, Assistant Minister for Health and Aged Care
- The Hon Emma McBride MP, Assistant Minister for Mental Health and Suicide Prevention and Assistant Minister for Rural and Regional Health
- Senator the Hon Malarndirri McCarthy, Assistant Minister for Indigenous Health.

Our people and their location

At 30 June 2023, the Agency had 412 permanent staff with offices in Brisbane, Sydney and Canberra.

Funding

The Agency is jointly funded by the Commonwealth ($229.5 million) and the states and territories ($32.25 million), reflecting the commitment at all levels of government to the delivery of digital health reform.

Financial outcome

- Operating loss: $32.8 million
- Operating revenue: $255.9 million
- Operating expenses: $288.7 million

The Agency's financial performance and the Australian National Audit Office's (ANAO) audited financial statements are presented in Part 4 of this report.

Overview of the Agency

Role

As the steward for digital enablement of Australia's health system, the Agency has a lead role in coordinating national engagement, delivery and adoption of digital health to enable person-centred, connected healthcare.

Digital health has become a vital part of a modern, accessible healthcare system designed to meet the needs of all Australians, but more work is needed to modernise and expand digital health tools and services to effectively use data and share health information which will empower consumers, improve individual health outcomes, ease pressure on the healthcare workforce, provide insights that inform individual and population health responses and support planning and future investment.

The Agency partners with healthcare providers, other government departments and agencies, state and territory governments and industry to connect, promote and deliver digital technologies across the health ecosystem, making it easier for healthcare providers and consumers to access, manage and share health information, for the benefit of all Australians.

Used effectively, digital health information technology and data can help save lives, improve health and wellbeing and support a sustainable health system that delivers safe, high-quality health services for all Australians.

The Agency's mission is to develop a collaborative environment to accelerate adoption and use of innovative digital health services and technologies.

The Agency's functions, as set out in Section 9 of the Agency Rule, are:

1. to coordinate, and provide input into, the ongoing development of the National Digital Health Strategy
2. to implement those aspects of the National Digital Health Strategy that are directed by the Ministerial Council
3. to develop, implement, manage, operate and continuously innovate and improve specifications, standards, systems and services in relation to digital health, consistently with the national digital health work program
4. to develop, implement and operate comprehensive and effective clinical governance, using a whole of system approach to ensure clinical safety in the delivery of the national digital health work program
5. to develop, monitor and manage specifications and standards to maximise effective interoperability of public and private sector digital health systems
6. to develop and implement compliance approaches in relation to the adoption of agreed specifications and standards relating to digital health
7. to liaise and cooperate with overseas and international bodies on matters relating to digital health
8. such other functions as are conferred on the Agency by the Agency Rule or by any other law of the Commonwealth
9. to do anything incidental to or conducive to the performance of any of the above functions.

The Agency is also the My Health Record System Operator (the System Operator) for the purposes of the *My Health Records Act 2012*.

In its capacity as System Operator, the Agency works with a number of agencies and organisations to deliver the My Health Record system. These include Services Australia, Deloitte Australia, DXC and Accenture. The Agency also works with other partners to deliver Agency products and services.

Values

The Agency's values and culture are fundamental to successful delivery of our work program. They reflect our reputation – who we are, what drives us, what we stand for, how we work together and with others and our ethics. As a Commonwealth public sector organisation, the Agency embraces the Australian Public Service ICARE values:

I	Impartial
C	Committed to service
A	Accountable
R	Respectful
E	Ethical

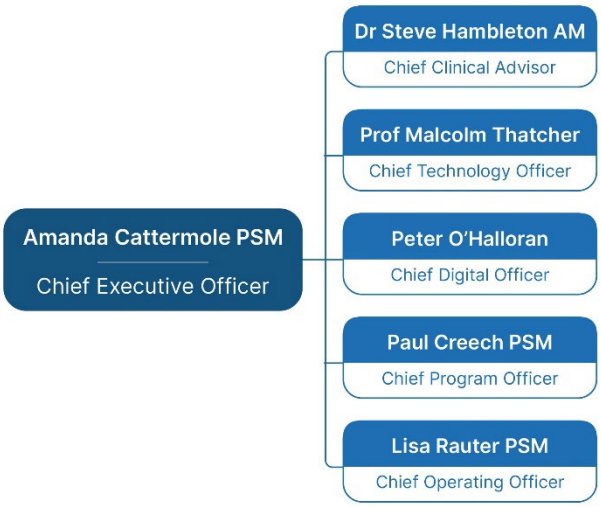
These values are embedded in the *Workforce Strategy 2021–26*, the *Agency's Leadership Strategy 2022–23* and all other people-related policies to bring them to life and to help define our organisational 'DNA' (Figure 1).

Structure

The Agency is structured to support its purpose, strategy, principles and values by providing clear lines of reporting and responsibility, aligning resources to core priorities and supporting stakeholder engagement activities.

Management team

Chief Executive Officer (CEO) Amanda Cattermole PSM is responsible for the overall management of the Agency. She is assisted by a Senior Executive Committee:



Divisions

The Agency has the following divisions:

Technology Services	Operation of high quality, trusted, reliable and secure national digital health infrastructure and health support systems, including the My Health Record.
Digital Solutions	National digital health design and strategy, underpinned by strong clinical governance, digital health standards and a foundational user experience capability.
Policy Programs and Engagement	Collaboration and coordination with external partners to influence and shape national policy and program development and oversee implementation.
Corporate Services	Bringing together our corporate enabling services to enable, coordinate and support the effective delivery of the Agency's operations.

The Agency's committee structure and decision-making processes are further detailed in Part 3.

Digital health solutions that support Australians

In today's rapidly evolving healthcare landscape, consumers and providers are embracing digital health innovation in unprecedented ways. Rightly, Australians are demanding that the tools and technologies that support their healthcare delivery are convenient, easy to use and enable better quality, more connected healthcare. To meet these demands the Agency remains committed to investing in cutting-edge solutions that foster a nationally connected, easily accessible and highly efficient health system that empowers Australians to access the care they need where and when they need it.

By leveraging digital health solutions, we can ensure continuity of care, alleviate the strain on healthcare professionals and minimise duplication and wastage, thereby paving the way for a more sustainable healthcare

ecosystem. Underpinning these efforts is our ongoing commitment to modernising the national digital health infrastructure, and our key focus is on establishing a robust framework for capturing and storing health information in a structured and industry-standardised format. This will enable trusted healthcare providers to effortlessly discover and use this data to make well-informed decisions about patient care in real time.

In 2022–23, the Agency continued to enhance the following products and services.

My Health Record

My Health Record is Australia's personally controlled electronic health record. It enables Australians to have their health information available whenever it is needed, including in an emergency – saving time, reducing unnecessary tests and the chance of medication-related errors and helping to put consumers firmly at the centre of their healthcare journey. My Health Record keeps key health information, such as immunisations, pathology reports and diagnostic imaging reports, prescription and dispensing information, hospital discharge summaries and more, all in one safe and secure place. In turn this can help support diagnosis and treatment, document approaches and results and promote continuity of care among healthcare providers.

Healthcare Identifiers Service

The Health Identifiers Service is a national service for uniquely identifying healthcare providers and individuals, ensuring that the right health information is associated with the right individual as patients move through the health system. Clearly identifying the patient, the healthcare provider and the organisation where healthcare is provided helps reduce the potential for error with healthcare-related information and communication.

Healthcare identifiers are the foundation for government initiatives such as My Health Record and electronic prescriptions.

National Authentication Service for Health

The National Authentication Service for Health (NASH) is a service to support healthcare providers and organisations in securely accessing and sharing health information. NASH builds on the HI Service to provide healthcare providers and organisations with authentication credentials.

Provider Connect Australia

Provider Connect Australia (PCA) is a service that connects healthcare provider organisations with their business partners to streamline updates of the services they provide and the practitioners that provide them. This significantly reduces the time that healthcare provider organisations spend updating their business partners, ensures that updates are not missed and reduces the transcription errors that occur with manual updates.

Australian Medicines Terminology and SNOMED CT-AU

Clinical terminologies provide a vocabulary to describe and accurately identify clinical terms, including all commonly used medicines in Australia. They enable a common understanding between digital health systems and are an essential building block for the safe exchange of healthcare information between those systems.

Australian Medicines Terminology in particular is essential for electronic prescribing and electronic medication management in the Australian healthcare community.

The Agency and Australia's national science agency, CSIRO's Australian e-Health Research Centre (AEHRC) are collaborating to deliver a centre of excellence for connectivity across the Australian healthcare system, through the National Clinical Terminology Service (NCTS).

The Agency and Australia's national science agency, CSIRO's Australian e-Health Research Centre (AEHRC) are collaborating to deliver a centre of excellence for connectivity across the Australian healthcare system, through the National Clinical Terminology Service (NCTS).

The NCTS, which manages, develops and distributes national clinical terminologies and related tools and services to support the digital health requirements of the Australian healthcare community. The NCTS manages, develops and distributes national clinical terminologies and related tools and services to support the digital health requirements of the Australian healthcare community.

The Agency has responsibility for governance and the strategic role of end-to-end management, SNOMED CT licensing and the relationship with SNOMED International, while CSIRO delivers the services and functions required to manage the NCTS, as well as content authoring and tooling.

Clinical content specifications

Digital health systems exchanging healthcare information rely on common formats for their transmissions. Well-established specifications for such information formats are produced by the Agency in the form of clinical content specifications.

Traditionally, the Agency focused on specifications for clinical documents, based on the Clinical Document Architecture (CDA) standard. Increasingly, the Agency is transitioning to content specifications based on the more recent Fast Healthcare Interoperability Resources (FHIR®) standard, which supports documents and other formats of clinical content.

Clinical content specifications and clinical terminologies form a key part of national infrastructure, supporting the sharing of high-quality information with a commonly understood meaning that can be used with confidence, driving greater safety, quality and efficiency.

Medicines safety

The estimated costs of medicines to Australians, including prescription and over-the-counter medicines, accounts for approximately 12% of annual healthcare expenditure in Australia:[5] at least one prescription was received by 70% of the general population and over 90% of older Australians.[6]

The high frequency of medication use is interrelated with medication-related problems that often lead to patient harm.[7]

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[5] Lim, R., Ellett, L.M.K., Semple, S. et al. The Extent of Medication-Related Hospital Admissions in Australia: A Review from 1988 to 2021. Drug Safety 45, 249–257 (2022). https://doi.org/10.1007/s40264-021-01144-1

[6] ibid.

[7] ibid.

The Agency undertakes initiatives designed to assist in this area, including electronic prescribing, the Active Script List, the Pharmacist Shared Medicines List (PSML) and real-time prescription monitoring (RTPM). They are outlined further in Part 2.

Outlook for 2023–24 and beyond

Building on recent initiatives, the Agency will place a strong emphasis on activities that drive a consumer-centred healthcare system, ensuring national connectivity, accessibility and efficiency.

The Agency's key activities in 2023–24 are focused on 3 primary areas that together will deliver on the Agency's purpose by digitally connecting healthcare:

- driving information sharing
- improving connectivity and advancing real-time data exchange
- modernising national infrastructure.

Driving information sharing

A key priority is to enrich the content of My Health Record to support patients and the health workforce and to improve health outcomes. Our efforts are aimed at reducing duplication, wastage and hospital admissions and improving health and digital literacy, including in vulnerable populations and remote communities, empowering Australians to take greater control of their health journeys.

my health app: my health was made available on the Apple and Google Play stores on 28 February 2023. The Agency will develop a roadmap to further enhance the app in support of the government's priorities, focused on the Strengthening Medicare agenda, including MyMedicare, and on continued support for the aged care sector.

Allied health: To support the government's commitment to Strengthening Medicare, the Agency will work with the allied health sector to enable and drive practitioner participation with My Health Record. This will be achieved through targeted support for software vendors to integrate their products and, through education, awareness-building and registration support activities with practitioners themselves.

Aged Care: The Agency's Aged Care Program will support residential aged care providers to register for My Health Record, to improve the sharing of information and help uplift digital systems in the residential aged care sector. The Aged Care Transfer Summary via My Health Record will capture and enable the transfer of key clinical information for residential aged care residents as they move from aged care facilities to hospitals or other healthcare settings. We will also work together with software developers to encourage and support aged care clinical information system conformance with the broader digital health system to drive interoperability across the whole sector.

Default sharing: The Agency will support implementation of the government's policy to move to a 'share by default' setting for all important health information, commencing with pathology and diagnostic imaging reports. We will work with healthcare organisations and software developers to establish connectivity to My Health Record where it does not already exist and support the health sector to remove unnecessary bottlenecks in existing upload channels, so patients and care teams have access to a more comprehensive set of clinical information.

Immediate sharing: Building on the success that came with giving Australians immediate access to their test results for COVID-19 and respiratory pathogens in My Health Record, the Agency will work with clinical and consumer peak bodies to review and refine the rule that prevents consumers from viewing other diagnostic reports in My Health Record until 7 days after they are uploaded.

Organised, user-friendly test results: My Health Record will be enabled to receive structured, machine-readable pathology reports and we will pilot the upload of such reports from early adopter jurisdictions.

PCA: Following the successful roll out of PCA in 2022–23, PCA is now available as a key piece of national digital infrastructure. The Agency will continue to promote awareness and uptake of PCA to drive information sharing and improve connectivity, while reducing the administrative burden on healthcare providers. This includes supporting healthcare provider organisations to register for PCA and encouraging PCA uptake by business partners that will benefit from receiving timely updates from the providers.

Medicines safety: The Agency will continue to leverage digital technologies and initiatives to drive improvements in timely access to medicines, medicines information and quality use of medicines also in line with the objectives of the National Medicines Policy. Electronic prescribing and Real Time Prescription Monitoring – national digital health initiatives introduced to support the National Medicines Policy – are already making significant contributions to medicines safety through reducing the risk of dispensing errors and fraudulent alteration of prescriptions. The software industry will be supported to implement enhancements to the Active Script List (ASL), enabling consumer self-registration on mobile devices through mobile applications.

National and transnational cooperation: The Agency will also continue to support the Department of Health and Aged Care to further the government's priorities on digital health and demonstrate Australia's role as a global digital health leader. Priority activities have a focus on interoperability and standards. Opportunities through forums such as the SNOMED Business Meetings and the Global Digital Health Partnership enable the Agency to learn from the digital health expertise of other countries to support the effective implementation of initiatives in Australia, share best practice approaches and advance mutually beneficial projects.

Improving connectivity and advancing real-time data exchange

A more connected healthcare system will improve patient access to care, enhance communication between sectors, reduce the cost of care and improve the patient, family and clinician experience. Healthcare providers will have access to high-quality, meaningful and trustworthy information about the person they are caring for to support them in providing safe and quality care. At the same time, patients will be confident that their health data is secure and that they have control over how information is made available to healthcare providers to improve their health and wellbeing.

National Digital Health Strategy: A connected healthcare system is a cornerstone of the National Digital Health Strategy, the Australian Government Digital Health Blueprint and of state and territory digital health strategies.

Connected Care: At a national level the Agency is charged with implementing the Connecting Australian Healthcare – National Healthcare Interoperability Plan (Plan), endorsed by Health Chief Executives in March 2023. The Plan identifies 5 priority areas and 44 actions to support safe, high-quality care in a connected healthcare system that conveniently and seamlessly shares high-quality data with the right people at the right time.

Council for Connected Care: The Council for Connected Care (Council) will play a critical role in supporting the Plan to achieve the connected healthcare system Australians desire, ensuring the foundational infrastructure, including priorities and the standards agenda, builds confidence and trust in the integrity and provenance of health information. The Council has been established to provide strategic advice on matters related to interoperability and support national implementation of the Plan, including advice to drive and monitor progress against the Plan's actions and contributing to annual reporting requirements. The Council will achieve its purpose through targeted consultation with health technology stakeholders, discussing foundational issues that are perceived as barriers to

sharing consumer health information including identity, standards and consent and formulating strategic advice for the Agency on best ways to address these barriers.

National Digital Health Standards Catalogue: The Agency will publish a National Digital Health Standards Catalogue to provide access to the full range of existing and new digital health standards. The development and application of digital health standards are designed to improve integration and utility of digital health tools by all healthcare professionals and across care settings and increase the information available in real time to the care team. Standards are a key foundation for interoperability.

The utility of the Standards Catalogue will be the presentation of standards in use case or health priorities.

Strengthening Medicare: The Agency will work with peak bodies and health professionals across all sectors in support of the Government's commitment to Strengthen Medicare and the move to a 'share by default' setting for all important health information, commencing with pathology and diagnostic imaging reports.

Empowering the healthcare workforce: The Agency will continue to work with the Australasian Institute for Digital Health (AIDH) to support the health workforce in Australia and deliver the priorities identified in the workforce Capability Action Plan.

Modernising national infrastructure

Key activities will continue to transform the national infrastructure. Over the long term this investment will contribute to the sustainability of the health system through reduced duplication and wastage, help ease pressure on the health workforce and deliver better health outcomes for Australians.

Digital health ecosystem and Fast Healthcare Interoperability Resources: The next stage of modernising the My Health Record system is to transition from a clinical document repository (PDF style system) to a data-rich platform built on the international data standard known as Fast Healthcare Interoperability Resources (FHIR®), to better ensure health data can be seamlessly connected across all parts of the health system. The new FHIR® based repository will be aligned to future state ecosystem API standards and can support registered and standalone repositories that do not interact with My Health Record, reducing both cost and time for new systems. This continues the required stepwise approach to transformation that was significantly advanced in 2022-23 with the development of the Health API Gateway and the move of the My Health Record system to a secure, government-certified public cloud environment and ensures that we support all parts of the broader health ecosystem and access to vital health information by the workforce to support patients when they need it.

Connectivity between public and private health systems: This transformation journey will build on existing national infrastructure, including vital foundational elements like the HI Service, and the success of the connections activity that has connected nearly all GPs, pharmacy and public hospitals to the My Health Record system. The next stage of modernisation will further improve interoperability between public and private clinical systems and help overcome the challenges faced by different parts of the health system in connecting with and sharing key health information.

Supporting transitional care: These changes will help progress work with all states and territories towards the evolution of a national health information exchange capability to support patients as they transition through all care settings in all locations. The Agency will work closely with all states and territories under the next Intergovernmental Agreement on Digital Health and through the next National Digital Health Strategy to determine the architecture and a roadmap and to inform future decisions of government.

Part 2. Performance

Information about this part

This part highlights the Agency's performance in achieving its purpose and is divided into 3 sections:

1. the Agency's 2022–23 Annual Performance Statements as required by the PGPA Act
2. a report on the Agency's delivery of its annual national digital work program
3. My Health Record System Operator reporting requirements under the *My Health Records Act 2012*.

Annual performance statements 2022–23

Statement of preparation by accountable authority

On behalf of the Board, I present the 2022–23 annual performance statements of the Australian Digital Health Agency, as required under paragraph 39(1)(a) of the PGPA Act. In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the Agency and comply with subsection 39(2) of the PGPA Act.

Dr Elizabeth Deveny

Chair

28 September 2023

Performance targets from the Portfolio Budget Statements 2022–23

This section reports on the Australian Digital Health Agency's 2022–23 results against the performance measures and supporting annual targets published in the Health and Aged Care Portfolio Budget Statements 2022–23 (PBS) in March 2022 and October 2022, and in the Agency's Corporate Plan 2022–23. The targets tie performance to 3 strategic areas of focus:

- infrastructure solutions and initiatives
- interoperability supporting connected health and care
- national digital health initiatives.

An analysis of performance is provided below for each 2022–23 target. Of the 11 targets all but 4 were met or exceeded.

In addition to these specific performance outcomes, the Agency has also successfully delivered a range of other initiatives outlined in the Agency Work Plan (an attachment to the Corporate Plan). Performance against the Work Plan is provided in section 2.

Infrastructure solutions and initiatives

Infrastructure solutions and initiatives provide access to and promote adoption of secure digital health services

2022–23 target and source	Performance result	Analysis
1. Increased usage of strategically significant Agency products: Source: *PBS March p182* *PBS October p174* *CP p24*	Target partially met	This target comprised 3 subtargets: • 20% increase in consumer use of My Health Record • 15% increase in provider use of My Health Record • 20% increase in electronic prescribing Two of the subtargets – healthcare provider use and electronic prescribing – were achieved, with consumer use of the My Health Record falling short of the target, and accordingly, the mixed results generates an overall target rating of partially met.

Subtarget not met

- **20% increase in consumer use of My Health Record**

The pandemic years saw a substantial surge in My Health Record use, as Australians looked to the record for critical health information – proof of vaccination and test results.

As the pandemic eased, so did the need for this information and the pace of growth weakened over 2022–23 from this unprecedented high growth rate, with the effect that the Agency did not meet the target of a 20% increase in consumer use of the My Health Record from 1 July 2022 to 30 June 2023. The result was a 7.46% decrease. The table below shows usage before (and at the start) of the pandemic (2018–20), usage during pandemic life (2020–22) and the subsequent drop-off (2022–23).

***Use** is defined as a consumer uploading to or viewing their record in the last 12 months.*

Financial year	Percentage shift
2018–19	12,137,468 views/uploads
2019–20	10.5% increase on 2018–19 with 13,412,724 views/uploads
2020–21	45.07% increase on 2019–20 with 19,459,099 views/uploads
2021–22	292.83% increase on 2020–21 with 76,247,335 views/uploads
2022–23	7.46% decrease on 2021–22 with 70,559,223 views/uploads

While the pandemic produced an annual spike and peak (76,247,335 views/uploads) which has not been maintained, there is nonetheless a sustained growth in usage when pre-COVID-19 statistics (12,137,468 annual views/uploads) are compared with results this year (70,559,223).

Month/Year	Views	Uploads	Views %	Uploads %
Jul 2022	7096908	3547	10.06	12.43
Aug 2022	4957977	2273	7.03	7.97
Sep 2022	4774570	1925	6.77	6.75
Oct 2022	6317191	2621	8.96	9.19
Nov 2022	5041755	1869	7.15	6.55
Dec 2022	4622088	1564	6.55	5.48
Jan 2023	5808394	2292	8.24	8.03
Feb 2023	5864374	2196	8.31	7.7
Mar 2023	6434864	2642	9.12	9.26
Apr 2023	7228182	2716	10.25	9.52
May 2023	6312146	2485	8.95	8.71
Jun 2023	6072245	2399	8.61	8.41
TOTAL	70530694	28529		

<table>
<tr><th colspan="3">Infrastructure solutions and initiatives provide access to and promote adoption of secure digital health services</th></tr>
<tr><th>2022–23 target and source</th><th>Performance result</th><th>Analysis</th></tr>
<tr><td></td><td></td><td>Our focus is now on continuing to drive consumer use. In February 2023 the Agency released the my health app which places key health information in the hands of Australians. Following release, the my health app brought about a notable boost in consumer engagement, with 6.38 million app screen views recorded from 28 February to the end of June 2023.</td></tr>
<tr><td rowspan="2"></td><td rowspan="2"></td><td><u>Subtarget met</u>
15% increase in provider use of My Health Record
Strong participation by the healthcare community in the My Health Record system continued over 2022–23, with the growth rate of 30.43% exceeding the 15% usage target.<table><tr><th>Use</th><th>2021–22</th><th>2022–23</th><th>Difference</th><th>% change</th></tr><tr><td>Uploads</td><td>260,399,961</td><td>311,772,264</td><td>51,372,303</td><td>19.73%</td></tr><tr><td>Views</td><td>33,049,444</td><td>70,965,685</td><td>37,916,241</td><td>114.73%</td></tr><tr><td>Total</td><td>293,449,405</td><td>382,737,949</td><td>89,288,544</td><td>30.43%</td></tr></table></td></tr>
<tr><td><u>Subtarget met</u>
20% increase in electronic prescribing
The Agency significantly outperformed the 20% target. Comparing the average monthly data for the current and previous financial years, there was a 62% increase in the volume of electronic prescriptions used to supply PBS/RPBS medicines to consumers in 2022–23. By 30 June 2023, over 144 million electronic prescriptions had been issued since May 2020.<table><tr><th>Dispense of medicines to consumers</th><th>2021–22</th><th>2022–23</th><th>% increase</th></tr><tr><td>TOTAL
PBS/RPBS electronic prescriptions</td><td>34,256,667</td><td>55,329,500</td><td>62%</td></tr><tr><td>MONTHLY AVERAGE</td><td>2,854,722</td><td>4,610,792</td><td></td></tr></table>In addition, over 1 million Australians are now registered for an Active Script List (ASL), a digital list of active electronic prescriptions, a 140% increase from the past financial year.

The Agency undertook a number of initiatives to drive the dispensing of prescriptions including:
providing technical support to the medical software industry to expedite development and testing against the latest Electronic Prescribing conformance profiles
in collaboration with clinical and consumer peak bodies, coordinating and delivering change and adoption and education activities
actively managing Electronic Prescribing ecosystem stakeholder groups including hosting a “Peaks and Partners” forum for industry partners, clinical peaks and clinicians to discuss any development related issues.</td></tr>
</table>

<table>
<tr><th colspan="3">Infrastructure solutions and initiatives provide access to and promote adoption of secure digital health services</th></tr>
<tr><th>2022–23 target and source</th><th>Performance result</th><th>Analysis</th></tr>
<tr><td>2. Agency products meeting or exceeding the planned availability target:

<u>Target of 99.9%:</u>
National Consumer Portal
National Provider Portal
My Health Mobile
API Gateway

<u>Target of 99.5%:</u>
Virtual Assistant

Source:
PBS March p182
PBS October p174
CP p24</td><td>Target partially met</td><td>Four out of the 5 Agency products exceeded planned availability targets:
<table><tr><th>Product</th><th>Result</th><th>Target</th></tr><tr><td>National Consumer Portal</td><td>99.95%</td><td rowspan="4">99.9%</td></tr><tr><td>National Provider Portal</td><td>99.95%</td></tr><tr><td>my health app</td><td>100%</td></tr><tr><td>API Gateway</td><td>98.50%</td></tr><tr><td>Virtual Assistant</td><td>99.91%</td><td>99.5%</td></tr></table>
Overall, the target is partially met as the API Gateway fell short of 99.9% availability due to intermittent firewall failures. Although the system continued to be operational and accessible during these firewall failures, access speeds slowed and that degradation in performance is categorised as system unavailability.

To lift results to the targeted 99.9% in the next reporting period the Agency and delivery partner Deloitte Australia have established a dedicated team to improve system performance. The team is analysing past incidents and problems to identify systemic issues and to identify improvement opportunities for processes, resources and tools.</td></tr>
<tr><td>3. Establish approach, methodology and baseline for measuring user experience of My Health Record.
Source:
PBS March p182
PBS October p174
CP p24</td><td>Target met</td><td>The target for this first year was to establish an approach and baseline for the appropriate measure to test the user experience of My Health Record via the my health app access channel.

A universally recognised methodology using the User Experience Questionnaire (UEQ) has been designed, validated and analysed for the baseline. As the UEQ is a well-established and validated tool, it has a frame of reference against which to compare scores. By averaging specific UEQ scale items (i.e. valuable, clear, supportive, secure, meets expectations) we have derived a baseline figure of 1.2. This figure is a positive evaluation. Values between -0.8 and 0.8 represent a neutral evaluation, values > 0.8 represent a positive evaluation and values < -0.8 represent a negative evaluation.

Measuring the user experience of My Health Record demonstrates the usability and fit-for-purpose nature of the digital health infrastructure designed, developed and operated by the Agency.</td></tr>
<tr><td>4. Deliver 350 digital health literacy and awareness related educational events.

Source:
PBS March p182
PBS October p174
CP p24</td><td>Target met</td><td>The Agency has surpassed its target of 350 education sessions – 461 were delivered live to over 5,000 participants and an additional 6,000 people viewed recorded sessions.

The growing trend towards viewing recorded sessions highlights the need to provide flexible education options where people can view sessions and access other education at a time suitable to them. This is particularly important for frontline clinicians who face challenges scheduling dedicated time for education and training. The Agency has responded to the trend towards microlearning by providing options for shorter education sessions with more specific topics discussed.

Audiences included the spectrum of healthcare providers, healthcare support staff and consumers. A range of topics were covered, with the majority focused on My Health Record, electronic prescriptions, the my health app and cyber security.

In addition to Agency hosted education sessions, the Agency engaged both clinical and community peak organisations to provide co-delivered education sessions for</td></tr>
</table>

Infrastructure solutions and initiatives provide access to and promote adoption of secure digital health services		
2022–23 target and source	**Performance result**	**Analysis**
		their members. Over 2022–23 the Education Team collaborated with key Agency partners to co-deliver 133 learning sessions, and used members of these peak bodies to review online learning modules. Over 150 virtual classroom sessions were delivered where healthcare providers and their staff could register for small group sessions on a specific topic. These sessions were designed to encourage interaction from participants and were offered regularly. Specific sessions for Aboriginal Health workers and practitioners were a new addition to the virtual classroom sessions and have been promoted through the Agency's partnerships with state-based Aboriginal and Torres Strait Islander Affiliate organisations. A series on Digital Health Foundations ran throughout 2022–23 covering topics including healthcare identifiers; Provider Digital Access (PRODA) and Health Professional Online Services (HPOS); registering organisations with the Health Identifiers Service and setting up My Health Record; and electronic prescriptions. From March 2023 the Agency delivered a series of webinars open to all consumers covering My Health Record, electronic prescriptions and the **my health** app. Additional webinars were also provided in collaboration with community peaks that provided their members with the opportunity to increase their knowledge of digital health and ask questions.
5. Improved access to digital health services and information are demonstrated by a case study into electronic prescriptions Source: *PBS March p182* *PBS October p174* *CP p24*	Target met	Electronic prescribing combines healthcare and digital technology to improve consumer access to prescriptions and empower consumers to manage their own medicines. To understand the effectiveness and efficiency of electronic prescribing in Australia, in 2022–23 the Agency conducted: 1. a national online survey on how electronic prescribing is being used by consumers and healthcare providers 2. 5 on-site in-pharmacy observation studies. *Survey* The survey, conducted from March to June 2023, aimed to better understand healthcare providers' and consumers' perceptions, attitudes, behaviours and use of electronic prescribing and ASL. 1,104 consumers, 369 prescribers, 429 dispensers and 140 other healthcare providers responded to this survey. Of the consumers: • 77% lived in a major city, 59% had been diagnosed with at least one chronic condition and 15% were taking 5 or more prescription medicines (ongoing or repeat scripts) at the time of the survey. • 60% of Australians aged 65+ years were aware of electronic prescriptions and, of this group, 62% had used an electronic prescription. Fewer (12%) were aware of ASL. • 81% were satisfied with electronic prescribing, identifying convenience and ease of access as the primary benefits. • Consumers noted their ability to keep track of electronic prescriptions and issues with technology not working at pharmacies (or on their phones) were issues in the use of electronic prescriptions. Of the prescribers and dispensers: • 85% of prescribers and 72% of dispensers reported that electronic prescribing has had a positive impact on both their practice and their patients.

Infrastructure solutions and initiatives provide access to and promote adoption of secure digital health services		
2022–23 target and source	**Performance result**	**Analysis**
		• 62% of prescribers and 46% of dispensers noted the biggest benefit of electronic prescribing as being the ability to issue electronic prescriptions in a telehealth appointment. • 48% of prescribers noted the environmental benefits of electronic prescriptions and 47% of dispensers noted the positive benefit associated with the legibility of electronic prescriptions (compared to handwritten scripts). However, all groups had concerns about internet connectivity (including in pharmacies), limited phone credit and digital literacy – especially for elderly consumers finding the management of their electronic prescriptions challenging. To overcome barriers to accessing prescriptions, consumers raised the need for an app to manage, store and view electronic prescriptions. *In-pharmacy observation (time and motion) studies* The Agency conducted 5, two-day observational studies, in New South Wales and Queensland community pharmacies, from April to May 2023, and the following behaviours and actions were observed: • the most common prescription type observed was computer-generated barcoded prescriptions at 54%; followed by 10% mobile QR tokens and 7% printed QR tokens. • on average, individual scripts presented via mobile QR token were the quickest to dispense, with paper scripts without a barcode being the slowest to dispense. Many factors impacted script processing efficiency, including level of demand (dispensing took longer during busy periods), the use of dispense robots (shortening dispense times), and customer familiarity (new customers experienced longer dispense times). Socioeconomic advantage or disadvantage did not appear to impact the use of electronic prescriptions. *Conclusion* The inaugural survey and study results have established a baseline for ongoing evaluation of the effectiveness and efficiency of the electronic prescribing ecosystem. The research data will inform future electronic prescribing initiatives, to ensure that consumers' access to prescriptions in Australia is improved and to support change and adoption actions in community pharmacy to minimise workflow disruption when new digital healthcare technologies, such as electronic prescriptions, are introduced.

Interoperability supporting connected health and care

<table>
<tr><th colspan="3">Digital health interoperability available to healthcare providers and consumers that improves how people use digital healthcare information</th></tr>
<tr><th>2022–23 target and source</th><th>Performance result</th><th>Analysis</th></tr>
<tr><td>6. Establish an approach and trial baseline for measuring meaningful use via a ‘meaningful use index’ for My Health Record

Source:
PBS March p183
PBS October p175
CP p25</td><td>Target met</td><td>Foundational to the concept of a connected healthcare system is the sharing of information between healthcare providers which enables the health workforce to deliver the right care to consumers, at the right time. Directly linked with ‘meaningful’ growth in the use of the My Health Record system across healthcare settings, measuring how connected care teams are to consumers in My Health Record is a practical way to measure performance based on the principles of coordinated care.

Measuring meaningful use for My Health Record aims to demonstrate how the Agency facilitates digital health interoperability between healthcare providers and consumers to improve how people use healthcare information.

The target for this first year was to establish an approach and baseline for the appropriate measure to test the meaningful use of My Health Record. A ‘meaningful use index’ has been designed, validated and analysis completed which forms the baseline.

The meaningful use index estimates the proportion of Australians that have multiple Healthcare Provider Identifier-Organisation’s (HPIOs) interacting with their My Health Record. By standardising the rate per 1,000 Australian resident population, the metric is robust and interpretable within the context of population health reporting; and can be applied to any jurisdiction or area to better understand how My Health Record is used across Australia. Using this methodology, a baseline figure of 2.9 has been derived.

This figure per 1000 population is effectively saying that approximately 3 out of every 1000 people (in Australia) currently have multiple HPIOs interacting with their My Health Record (i.e. coordinated care). As use and adoption of MHR improves over time, it is expected that this baseline number will also increase to reflect increased meaningful use. That is, in future calculations “2.9 per 1000” is the base (and frame of reference) against which we measure increases or decreases in meaningful use.

The baseline provides a reference point to measure improvements in later years.</td></tr>
<tr><td>7. 20% increase in the number of healthcare provider cross-views in My Health Record compared to the previous financial year

Source:
PBS March p183
PBS October p175
CP p25</td><td>Target met</td><td>Measuring the cross-views of documents in My Health Record by healthcare providers aims to demonstrate how healthcare providers use digital health documents, uploaded by other organisations, for continuity of care.

<table>
<tr><th>Financial year</th><th>Cross views</th><th>Increase compared with previous year</th></tr>
<tr><td>2018–19</td><td>215038</td><td></td></tr>
<tr><td>2019–20</td><td>768496</td><td>257.38%</td></tr>
<tr><td>2020–21</td><td>1544863</td><td>101.02%</td></tr>
<tr><td>2021–22</td><td>3381546</td><td>118.89%</td></tr>
<tr><td>2022–23</td><td>7625872</td><td>125.51%</td></tr>
</table>

Cross-views significantly surpassed the 20% growth goal.

The increase in cross-views demonstrates the positive and growing ‘network effect’ My Health Record is providing to healthcare providers across the health system to support connected care. The data shows there is cross viewing behaviour taking place across all healthcare provider sectors, particularly by general practice and public hospitals and, more recently, pharmacies and specialists.</td></tr>
</table>

Digital health interoperability available to healthcare providers and consumers that improves how people use digital healthcare information		
2022–23 target and source	**Performance result**	**Analysis**
8. Demonstrate implementation of the Agency's responsibilities under the National Healthcare Interoperability Implementation Plan by completing a case study into the standards catalogue Source: *PBS March p183* *PBS October p175* *CP p25*	Target not met	The development of the standards catalogue hinged on the publication of the Connecting Australian Healthcare – National Healthcare Interoperability Plan 2023-2028 (the Plan). The Plan was endorsed by health chiefs and published post 30 June 2023. The Agency undertook extensive preparatory work in 2022-23 in support of the publication of digital health standards and specifications as follows: • developed inclusion and exclusion criteria to provide transparent guidance for published content • engaged with standards development organisations to negotiate intellectual property agreements to enable filling of the catalogue • established a cross-jurisdictional roundtable on standards to facilitate ongoing collaboration and engagement between states and territories • developed from international materials Australian course material to support delivery of several training courses on implementation of the HL7 FHIR® standard to uplift the availability of technical implementation skills and knowledge of the standard nationally. Five courses were delivered to 124 participants. As the catalogue was not published by 30 June 2023, the target is considered not met.

National digital health initiatives

Ensure digital health services, systems and products are sustainable and cost effective		
2022–23 target and source	**Performance result**	**Analysis**
9. Establish an approach and baseline for measuring annual estimated digital health benefits realised Source: *PBS March p183* *PBS October p175* *CP p26*	Target partially met	Measuring annual estimated digital health benefits realised across the health system aims to demonstrate how digital health services, systems and products are sustainable and cost effective. The target for this first year was to establish an approach and baseline for the appropriate measure estimated digital health benefits realised. A methodology has been designed and analysed to inform the baseline. Work is commencing to peer review the methodological approach with leading digital health experts to guide validation of the analysis and application to a baseline measure. The baseline will provide a reference point to measure improvements in later years. As the peer review work is still pending completion, the target has been assessed as partially met.
10. Establish approach and baseline for measuring cost-effective digital health infrastructure through a	Target met	The target for this first year was establishing a baseline to enable the Agency to measure and monitor the cost-effectiveness of the digital health infrastructure over time. The baseline seeks to measure key performance in areas such as contract performance, value for money, quality of relationship and thought leadership. The Agency undertook a series of infrastructure partner meetings throughout 2022–23 to validate the index and discussions were also conducted with stakeholders in monthly internal partnership performance forums to ensure the

Ensure digital health services, systems and products are sustainable and cost effective		
2022–23 target and source	**Performance result**	**Analysis**
partnership value index Source: *PBS March p183* *PBS October p175* *CP p26*		Agency received consistent and constructive feedback that could add value to our vendor partnerships. Key performance indicators covering on-time delivery, cost optimisation, quality, responsiveness and innovation were settled in draft form in March 2023 and the baseline was established by 30 June 2023. With the baseline established and the index in use, the priority going forward is collating data, with reviews being undertaken for comparison every quarter.
11. **Conduct 40 train the trainer sessions and capacity building workshops, with a 90% approval rating, to facilitate sustainable national digital health literacy and awareness** Source: *PBS March p183* *PBS October p175* *CP p26*	Target met	The Agency exceeded the target of 40 train the trainer sessions with a total of 66 being provided to staff from PHNs, Aboriginal and Torres Strait Islander Affiliates, hospitals, consumer peaks and software vendors. The sessions had in excess of 750 attendees and recorded an overall approval rating of over 97%. The Agency runs a series of regular train the trainer capacity building sessions for PHNs and Aboriginal and Torres Strait Islander Affiliates. This assists both new and existing staff attain the knowledge required to promote and educate their members on digital health. These sessions provide information on My Health Record, electronic prescriptions, digital health foundations and eRequesting. Train the trainer sessions for other organisations are also provided on request. The introduction of the **my health** app and the ongoing rollout of Provider Connect Australia has provided additional train the trainer opportunities resulting in a significant increase in the number of sessions provided this financial year. As with webinars, regular feedback is sought from attendees for the train the trainer sessions. Feedback received is reviewed and where appropriate, changes to the sessions are made. This has helped increase the relevance and quality of the sessions provided and assisted in attaining the high approval rating for the sessions.

Annual work plan priorities from the Corporate Plan 2022–23

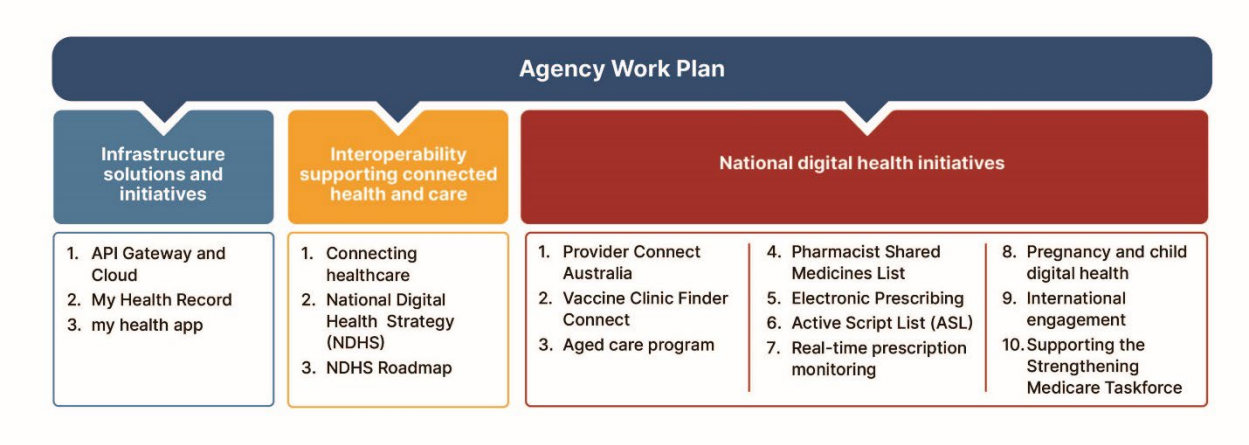
The targets in the 2022–23 Portfolio Budget Statements and Agency Corporate Plan, covering all the critical activities within our digital health remit, give a broad perspective of the Agency's performance but do not complete the performance story. The Agency is one of only a handful of Commonwealth entities with a statutory obligation to produce an annual work plan.[8] The effect is to put that work plan at the centre of any performance discussion.

The Agency Work Plan is an attachment to the Corporate Plan, and this section of the performance report covers implementation and achievements in its delivery in 2022–23.

Agency Work Plan

The diagram below presents the Agency Work Plan priorities for the financial year. Just as our performance targets aligned to 3 principal areas of focus, the Work Plan consists of a series of key activities clustered under the same priority areas:

- infrastructure solutions and initiatives
- interoperability supporting connected health and care
- national digital health initiatives.



In support of measuring the Agency's performance in 2022–23, each program is assessed in terms of key areas of activity for the year and the results produced, followed by a synoptic analysis of factors contributing to those results. This approach shows how each work program priority area furthers the Agency's purpose.

Infrastructure solutions and initiatives

Providing contemporary digital channels for exchanging and accessing health information and allowing connectivity with the broader health ecosystem supports Australians with the healthcare they need. In 2022–23, there were 3

[8] Under Section 70 of the Agency Rule, the Agency's Board "must prepare a national digital health work program for each financial year".

priorities in support of designing, delivering and managing infrastructure, solutions and initiatives that encourage Australians to embrace digital health technologies.

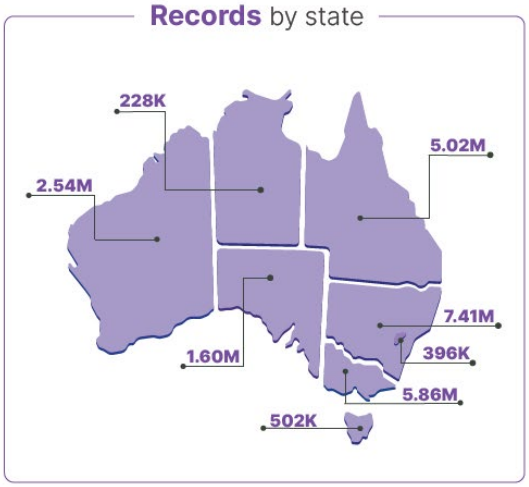
1. National infrastructure modernisation – API Gateway and Cloud

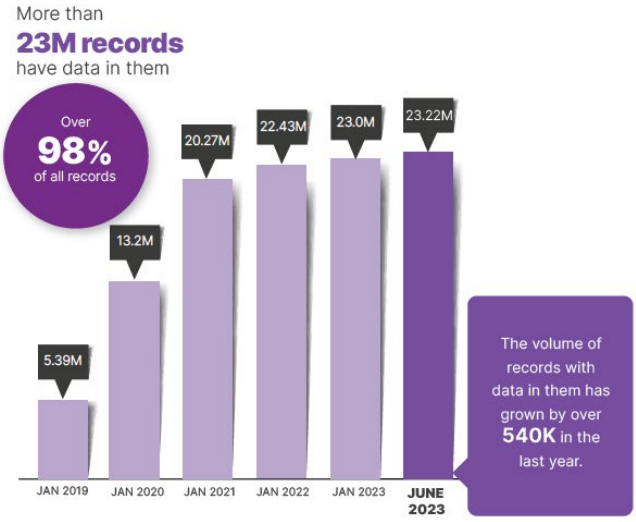
- As the cornerstone of a connected healthcare system, in 2022 the Agency delivered a modern **Health Application Programming Interface (API) Gateway** to provide a simplified, future ready national digital health infrastructure.
- The Gateway was designed, built, tested and deployed by the Agency, replacing the previous Oracle API gateway product. The deployment was managed in a phased approach to reduce and mitigate risks. The first phase was the core platform and Medicare data for My Health Record which was deployed in the previous financial year (March 2022). The second phase, for FHIR® (Mobility) APIs, used by third-party software applications that consumers use on their smart phones and tablets to access My Health Record, went live in September 2022. The final phase for the business to business (B2B) APIs was phased over 3 deployments between November and December 2022.
- The Health API Gateway provides a national solution for effective communication of health information between doctors, nurses, midwives, hospitals, specialists, allied health providers and, most importantly, consumers. It does this by processing APIs to enable the flow of data between multiple points across the system. By setting the standards for data exchange specifications, authentication and security, it enables that information exchange between commercial providers, governments, frontline care and other providers without compromising the safety, security and privacy of a consumers' health information.
- The Agency also transitioned to a secure, public government-certified **cloud** platform. This occurred as part of the Department of Home Affairs (Home Affairs) Global Switch Ultimo (GSU) Exit Program established to fund, support and manage the exit of 4 Commonwealth entities' (Agencies) ICT systems and data from the GSU data centre by July 2022.
- The project successfully went live on 7 July 2022, seamless to end users. More than 23 million My Health Records are now hosted on new, secure and extensible hyperscale public cloud infrastructure in Microsoft's Azure Australia East Region. This was followed up on 29 July 2022 with the successful commissioning of the Secondary Site hosted in Azure South East. This provides the Agency with robust and resilient infrastructure hosted from 2 different regions, Sydney and Melbourne.
- Since go-live a cloud optimisation program has been established to build cloud capabilities and deliver improved efficiencies without diminishing availability and performance. $4.5 million in savings has been delivered from December 2022 to June 2023 from this work.

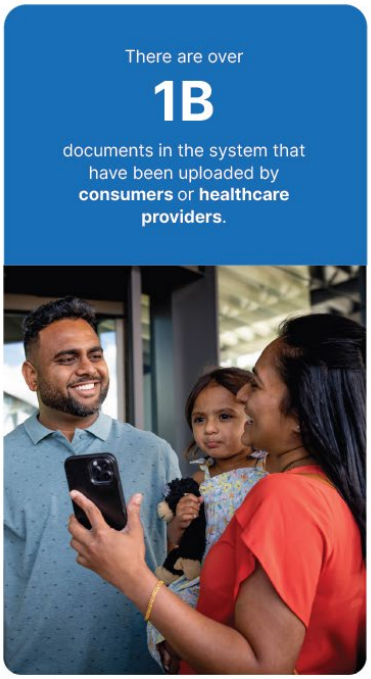
2. My Health Record

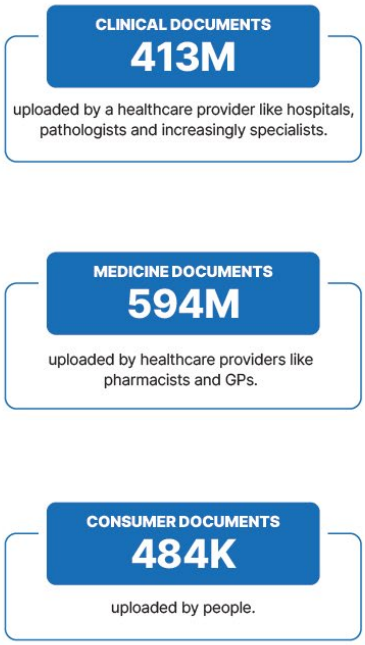
- Throughout 2022–23, the Agency engaged with healthcare providers across the entire continuum of care to increase the sharing and use of core clinical content in My Health Record. Going forward, we will work with specialists in private practice, emergency departments and residential aged care facilities to ensure the My Health Record system supports them and their patients. This builds on progress to date in increased consumer and carer engagement, increased uptake in aged care and among specialist communities and further improvements in content and use in clinical workflows. It will also include the use of mobile technologies to enable clinicians to access information in My Health Record wherever they need it most.

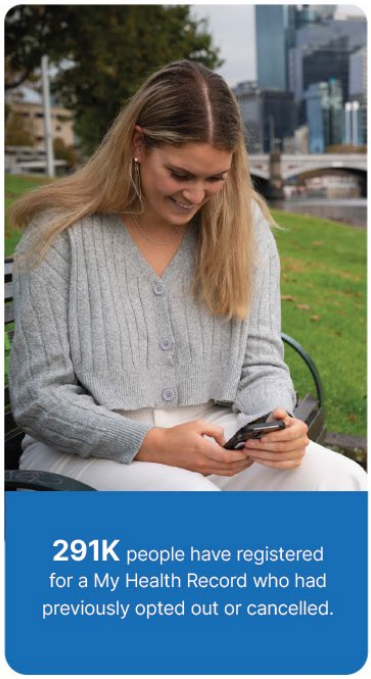
- Quality-driven enhancements have elevated the utility and functionality of My Health Record:
  - successful removal of the 7-day delay for blood clot management international normalised ratio (INR) and diabetes management haemoglobin A1C (HBA1C) pathology reports allowing consumers to access these reports as soon as they are uploaded to My Health Record
  - co-delivered Clinical Information Systems (EpiSoft and CHARM) of Australia's first cancer treatment cycle event summaries to be uploaded using My Health Record with a single, longitudinal view of a patient's treatment outcomes for the whole treatment cycle.

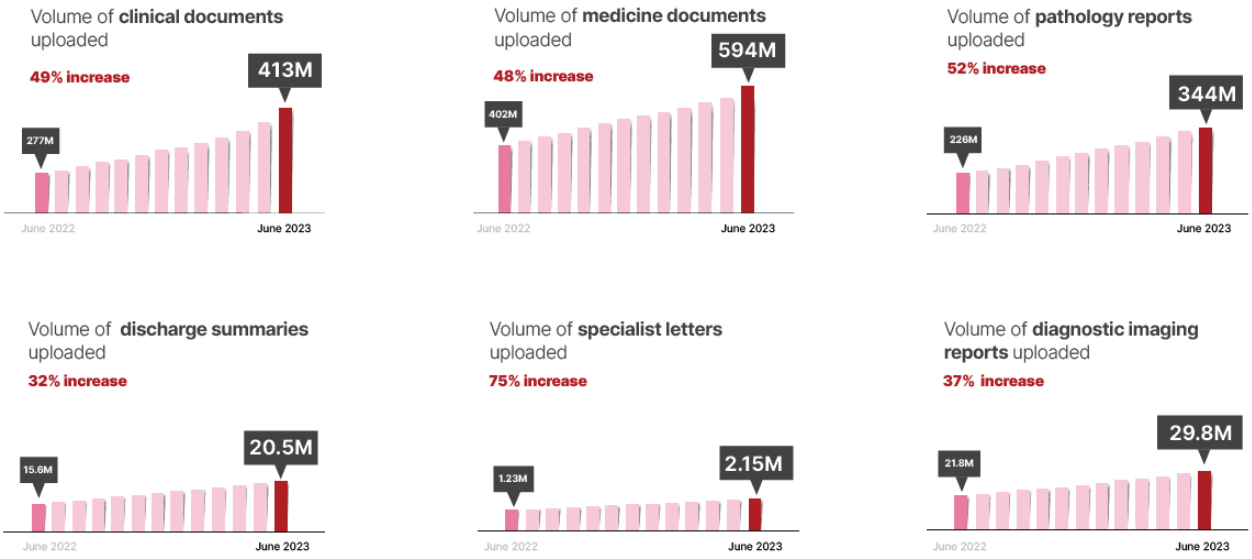












The number of documents in My Health Record increased by 24% in 2022–23 and now totals nearly 5 billion, with more than 1 billion uploaded by either healthcare providers or consumers.

The following table shows the number of documents uploaded to My Health Record (by category) during 2022–23 and change relative to 2021–22.

MY HEALTH RECORD DOCUMENT VOLUMES 2022–23 (ALL VALUES HAVE BEEN ROUNDED)

Document category/name	At 30 June2022	At 30 June 2023	Growth
Clinical documents	**278m**	**413m**	**48%**
Shared health summary	9m	11m	19%
Discharge summary	16m	21m	31%
Event summary	4m	5m	33%
Goals of Care	3K	7K	110%
Specialist letter	1.2m	2.2m	72%
eReferral note	0.4K	0.5K	4%
Pathology report	226m	345m	51%
Diagnostic imaging report	22m	30m	36%
Pharmacist Shared Medicines List	277K	576K	104%
Prescription and dispense record	**402m**	**595m**	**47%**
Prescription	161m	225m	39%
Dispense	241m	370m	52%
Consumer documents	**445K**	**484K**	**9%**
Consumer-entered health summary	301K	327K	8%
Consumer-entered notes	73K	77K	6%
Advance care document custodian report	38K	42K	11%

Document category/name	At 30 June2022	At 30 June 2023	Growth
Advance care planning document	12K	16K	27%
Personal health observation	9K	10K	5%
Personal health achievement	2K	2K	4%
Child parent questionnaire	10K	10K	5%
Medicare documents	**3bn**	**4bn**	**20%**
Australian Immunisation Register	20m	20m	1%
Australian Organ Donor Register	2m	3m	11%
Medicare/DVA benefits report	2bn	2.3bn	20%
Pharmaceutical benefits report	1bn	1.6bn	20%
Total documents in My Health Record	**4bn**	**5bn**	**24%**

bn = billion, m = million, K = thousand

Healthcare provider views

The table below highlights the healthcare providers with the highest, second highest and third highest views by healthcare provider.

Top 10 Provider Views

View Type	GPs	Pharmacies	Public Hospitals	Private Hospitals	Pathology & Diagnostic Imaging	Specialists
Prescription & Dispense View	5,423,586	**694,012**	4,276,192	222,133	5,471	811,682
Pathology Report View	**5,517,147**	40,204	4,069,686	228,529	7,800	**812,128**
Diagnostic Imaging View	4,752,129	2,618	3,716,560	223,611	**10,179**	743,991
Medicines View	2,044,743	84,340	5,658,545	130,400	5,734	56,536
Medicare Overview	592,501	39,097	**6,419,676**	**323,953**	6,701	47,241
Australian Immunisation Register	4,299,669	1,212	1,538,608	45,397		680,138
Health Record Overview	175,883	92,207	4,165,220	177,441	6,254	37,474
Pathology Report	1,337,043	53,317	1,010,177	18,388	9,046	100,229
Dispense Record	583,873	25,568	1,398,435	3,568	70	62,569
Shared Health Summary	1,062,854	621,566	213,487	11,473	333	156,991

Highest number of views
2nd highest
3rd highest

3. **my health** app

- The **my health** app was developed to capitalise on the seismic shift in the uptake of digital health and increased consumer engagement and use of My Health Record.
- **my health** was launched on 28 February 2023. The app enables consumers to view all health information available in their record. Consumers can access and share their health information with their healthcare providers. The app also saves consumers time to find and view health information.
- Key findings from 4 months of use (as of 30 June 2023) are:
  - Total linked users 81,240.
  - Around 6.38 million total app screens viewed.
  - 65% of the app users are using Apple phones.
  - The rating score for Google is 3.8/5 and Apple is at 3.7/5.
  - Average number of daily users is 660.
- The app will bring about several positive outcomes for Australian consumers.
  - Easy access to all medical history information and documents.
  - Enable users to understand and manage their own healthcare and information to drive better health outcomes and improve health literacy.
  - Easy access to all consumers' COVID-19 information in a single place. This includes vaccination and test results with the capability to download and store it in their digital wallet.
  - Enable quick access and sharing of consumers' immunisation history statements.
  - Support the transition from traditional to modern medicine (where the healthcare provider works in partnership with the consumer to guide their healthcare).
- Together, these benefits will encourage higher consumer engagement and use of My Health Record.

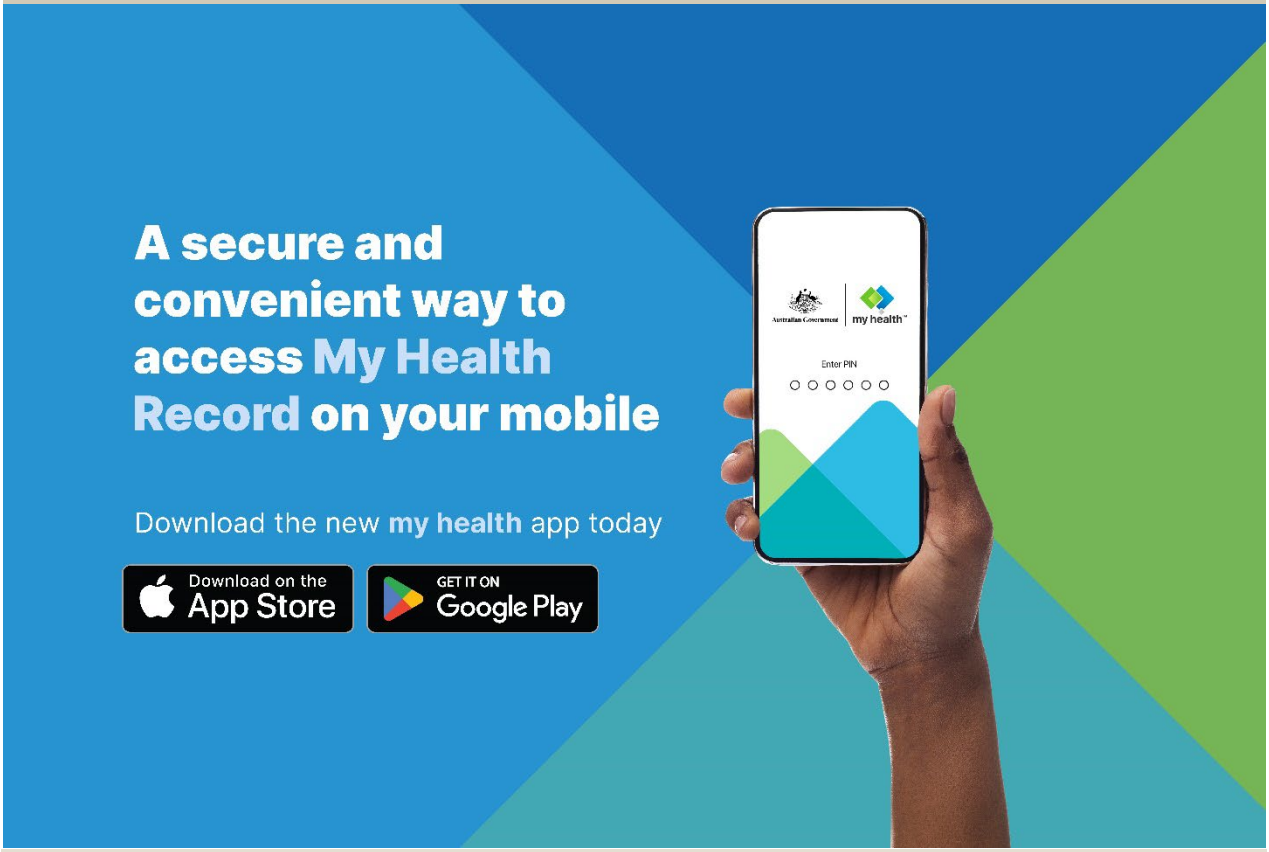
Analysis of factors contributing to results

INFRASTRUCTURE SOLUTIONS AND INITIATIVES: POSITIVE FACTORS AND CHALLENGES

Positive factors	Challenges
My Health Record connections • Excellent engagement with stakeholders and partners for Advanced Care Planning; and Pathology and Diagnostic Imaging including Heart Foundation and Diabetes Australia • Clinical Information Systems are now conformant which covers an estimated 60% of the Specialists market • Excellent engagement with stakeholders and partners for Royal Australasian College of Physicians, Royal Australasian College of Surgeons, National Allergy Council, Australian Society of Anaesthetists and The Australian and New Zealand College of Anaesthetists	• Demand for vendors for other federal government initiatives is impacting their capacity to deliver. For example, Medicare Web Services • An estimated 30% of Specialists are still paper based with resistance to move to electronic record keeping

Positive factors	Challenges
my health app	
• The app's release was supported by limited/time limited media promotion which generated some positive media coverage and a spike in uptake, but the Agency has not actively promoted the app since while still seeing consistent organic growth in uptake • Based on the reviews given by consumers, the app has been easy to set-up, use and navigate to find and access health information, and many have found it useful to view their medical information	• Some of the consumers are not aware that they would need to link **my health** to My Health Record prior to accessing the app. The one-time requirement to link myGov is deterring potential users who downloaded the app but have not yet linked My Health Record to their myGov account. We are addressing this through updated communications in the first instance and working with Services Australia on other potential longer term options • Hurdles with linking My Health Record with MyGov have been most commonly reported as well as lack of medical information. iPad and Tablet users are affected as they are not supported by the app

Case study: Mobile app puts power in the palms of consumers



The launch in March 2023 of the Agency's first consumer mobile application – **my health** – has made it more convenient than ever for Australians to access key health information securely and instantly from My Health Record.

In response to an almost 300 per cent increase in consumer views of My Health Record in 2021–22, the **my health** app's user-friendly interface provides direct visibility of key health information, whenever and wherever it is needed.

my health is an easy-to-use digital health tool offering users greater autonomy over their health journey and supports active participation in everyday health management.

From the home screen users can:

- see their medicines information history
- check pathology results including COVID-19 and respiratory test results
- view vaccination history and upcoming immunisations for themselves and authorised family members
- track allergies and reactions information
- view hospital discharge summaries
- keep track of advance care planning documents
- share their documents with others
- view multiple records, such as records for children under 14 and any other records with authorised access

Agency CEO Amanda Cattermole said one of the hallmarks of a modern health system was the opportunity for consumers to engage fully in their healthcare by giving easy access via quality apps and devices to trusted health information from birth through to end-of-life care.

“One of the things we have learned from the surge in use of My Health Record is that around 75 per cent of interactions between the system and users occurred on mobile devices,” she said.

“The co-design approach for **my health** has been at the core of its development and will continue to drive change and improvement to the app over time so that it responds to the needs of all Australians,” Ms Cattermole said.

The accessibility of a consumer-facing app further enhances the way people engage with their health and equips users with a simplified way to efficiently see, store and share documents. Having this information right at users' fingertips can help greater engagement and support throughout the entirety of their health and wellness journey.

"We know from our own research that almost two-thirds of Australians regularly use their mobile phones to access, share and manage their health information, so the release of a consumer-facing app is not only a logical technical development but also a direct response to consumer expectations.”

To provide the most user-friendly and accessible app experience, the Agency conducted interviews, surveys, accessibility and usability testing with consumer users and medical professionals from a range of ages, locations, cultural backgrounds and varying complexity of health needs.

The **my health** app is fortified with robust data protection mechanisms to secure consumers’ health information from external interference and integrated through end-to-end encryption with the My Health Record platform.

A seamless connection between the app and the platform is made by leveraging the new Health API Gateway, with new health data automatically downloaded onto the app's interface as soon as it is available on My Health Record.

my health is available to download from all iOS and Android by clicking on the links below or searching ‘my health gov’ in the app stores:

- Apple: https://apps.apple.com/us/app/my-health-gov/id1596846961
- Google: https://play.google.com/store/apps/details?id=au.gov.digitalhealth.my health

Interoperability supporting connected health and care

The future of health is an ecosystem of connected providers together supporting Australian healthcare consumers and conveniently and seamlessly sharing high-quality data with easily understood meaning throughout the health system. In 2022–23, the Agency continued to take significant steps in making this vision a reality.

There were 3 priorities in 2022–23 in this program of work.

1.Connecting healthcare

- Interoperability is the ability to move information easily between people, organisations and systems. It supports connected care by providing consumers with access to their health information when and where they want it, and healthcare providers with timely information to improve clinical decision-making and reduce duplication.
- *The Connecting Australian Healthcare – National Healthcare Interoperability Plan* (the Plan) is Australia's first nationally agreed pathway to a more connected healthcare system. The Plan was developed following extensive consultations over more than 2 years and includes 10 principles, 5 priority areas and 44 actions to progress over the next 5 years.
- Over 2022–23, the Plan progressed through the intergovernmental approval process in 2022–23 with final acceptance from the Health Chief Executives Forum in March 2023.
- Through the extensive engagement on the Plan partners engaged to support implementation of the actions. Governance arrangements were established, including a Council for Connected Care to provide strategic advice on implementation of the Plan. The Council is chaired by the CEO of the Australian Institute of Health and Welfare and comprises leaders from government agencies, standards and research organisations and peak bodies representing healthcare providers, consumers and the technology sector. The Council had its first meeting on 7 June 2023 and agreed its annual work plan.
- Other key achievements in 2022–23 included:
  - Developing a Healthcare Identifiers Roadmap to increase the adoption of healthcare identifiers
  - Progression of the Board-endorsed National Digital Health Standards Program
  - Stewarding formal agreements with HL7 AU and Standards Australia to strengthen and align priorities
  - Endorsement of an Aged Care Clinical Information System Standards program to support the Aged Care Program and the Department of Health and Aged Care
  - Design and delivery of FHIR® training to support national upskill in FHIR®.

2. National Digital Health Strategy (NDHS)

- The Agency has a statutory obligation to coordinate and develop a National Digital Health Strategy.
- The National Digital Health Strategy 2023–2028 (strategy) sets an ambitious agenda to place people at the centre of a modern, connected and digitally enabled healthcare system. Building on the achievements of the 2017–22 strategy, this strategy acknowledges the efforts, planning and investment to date towards digital enablement and the uplift in digital health maturity. On this foundation the

potential of a more interoperable digital health system and the benefits it offers the community, governments, industry and healthcare providers can be realised.

- Over 2022–23, the Agency coordinated and led development of the strategy in consultation with consumers, governments, healthcare providers and organisations, researchers and industry and technology vendors.
- Feedback on the draft strategy was gathered from July to December 2022. Further, refinements were necessary to reflect the Australian Government's health reform agenda announced in the 2023–24 Budget. This includes to the focus on strengthening Medicare by driving health information sharing, improving connectivity and modernising My Health Record. Refinements through the second half of 2022–23 were also needed to reflect the priorities agreed by all governments under the next Intergovernmental Agreement on National Digital Health.
- The strategy identifies opportunities and digital health enablers to support national health system reforms agreed by governments and address emerging, contemporary health system challenges to deliver a safe, secure, sustainable, connected health system.
- The strategy will be launched in the next reporting period and will guide delivery for the next 5 years of an innovative, person-centred health system powered by digital health that addresses current and future challenges, including workforce pressure, equitable access and sustainability. Cross-jurisdictional collaboration and engagement with all partners will be the key to realising the strategy's outcomes and vision.

3. NDHS Roadmap

- The Strategy Delivery Roadmap (the roadmap) supports implementation of the strategy. The roadmap identifies priority actions and initiatives that will deliver on the strategy's vision and contribute to the strategy's 4 health system outcomes.
- While the roadmap has the same 5-year period as the strategy it will be reviewed and updated as required to keep pace with technology developments and emerging health challenges and priorities. It includes actions and initiatives for governments and partners to deliver on key policy and behavioural changes needed to support health system reforms, such as supporting consumer and workforce digital health capability.
- The Agency coordinated and led development of the roadmap based on information gathered through the development of the strategy. The roadmap was drafted between September 2022 and May 2023 and draws on consultations and existing plans and strategies such as the Connecting Australian Healthcare: National Healthcare Interoperability Plan, the National Digital Health Capability Action Plan, and national, state and territory initiatives and workplans.
- The Agency worked with the Australian Government, states and territories between February and May 2023 to refine and prioritise the roadmap initiatives. It is not intended to be an exhaustive list of all digital health activity, rather the roadmap seeks to focus attention on areas that require coordinated, national effort over the next 5 years.

Analysis of factors contributing to results

INTEROPERABILITY SUPPORTING CONNECTED HEALTH AND CARE: POSITIVE FACTORS AND CHALLENGES

Positive factors	Challenges
Interoperability	
• Strong interest from key stakeholders to collaborate on connecting Australia's healthcare system through membership on the Council for Connected Care • Formal partnerships with standards development organisations with agreed work plans • Delivery of FHIR® training courses - https://hl7.com.au/training/	• Future funding necessary to implement actions in the Plan was dependent on the outcomes of the new Intergovernmental Agreement that will commence in 2023–24
National Digital Health Strategy	
• Stakeholder enthusiasm to work collaboratively to improve digital health capability development across Australia • A diverse range of stakeholders commented on the draft strategy and were consulted on how their views could be incorporated into the final strategy	• Finalisation of the strategy was delayed from its original July 2022 release date. This was to ensure the strategy reflected recent Australian Government priorities, including initiatives to strengthen Medicare and the priorities of all governments under the new 4-year Intergovernmental Agreement on National Digital Health
NHDS Roadmap	
• The roadmap reflects key priorities and areas of collaboration identified through extensive consultation with partners that will contribute to delivering the strategy	• Some of the future initiatives identified in the roadmap do not have resources allocated. Implementation of these initiatives may be subject to budgetary pressures and competing priorities

National digital health initiatives

Our final focus is on a range of initiatives designed to personalise and integrate care to improve the patient experience across their healthcare journey. Our activities are aimed at improving care coordination through the seamless integration of healthcare services across different providers and settings, reducing duplication of services and eliminating inefficiencies. In this way we are working towards delivering a more sustainable and cost-effective health system.

This body of work features 10 activities.

1. Provider Connect Australia

- Provider Connect Australia (PCA) connects healthcare provider organisations with their business partners to streamline updates of the services they provide and the practitioners who provide them. This reduces the administrative burden of separately updating many different partners and improves the quality of health service data across the entire healthcare system. As more and more partners receive data from PCA, this will bring a true tell-us-once approach for healthcare providers to update those private sector and government programs that are critical to their healthcare service delivery.
- Practices receive at least one message per day in error, which takes time and resources to investigate, correct and follow up. The introduction of PCA will reduce the number of incorrectly addressed messages, saving practices up to 45 minutes each day in unnecessary administrative overhead. Combined with improvements in organisations' ability to manage their address books and update their practitioner details, these savings are estimated at $30 million per year. This is time that can be given directly back to clinical care.
- The PCA service commenced operation in November 2022 with a pilot that included 283 healthcare provider organisations across Australia. Feedback from pilot participants was used to inform improvements to the service with additional releases in December 2022, February 2023 and May 2023.
- The national rollout of PCA commenced in March 2023 with a four-month transition of vaccine clinics across from the temporary Vaccine Clinic Finder Connect service. PCA will be open to all healthcare provider organisations from July 2023.
- As of 30 June 2023, there are 31 business partners onboarded to PCA, comprising 2 government services, 25 government funded services and 4 private sector services.

2. Vaccine Clinic Finder Connect

- Vaccine Clinic Finder (VCF) Connect enables healthcare providers to publish and make timely and accurate updates to their COVID-19 vaccination clinic details, which in turn ensures that consumers have the most up-to-date information to find a suitable appointment.
- VCF Connect was developed in late 2021 as a temporary tool to support COVID-19. It was based on early development work for PCA and was delivered as a collaboration between the Agency, Department of Health and Aged Care and Healthdirect Australia.
- In 2022–23 VCF supported approximately 3300 clinics to actively update their COVID-19 vaccination service details to the National Health Services Directory, meaning consumers had easy to access and up-

to-date information on those services. From March to June 2023, the Agency supported the transition of these users to PCA. VCF Connect was subsequently decommissioned on 30 June 2023.

3. Aged care program

- The Aged Care Program was established to enable older Australians to receive better connected aged care and healthcare enabled by My Health Record and supported by a digitally capable and proficient aged care and healthcare sector.
- The use of digital technologies will help to ensure safe and effective care for older Australians in residential aged care and contribute to meeting the government's response to the Royal Commission into Aged Care Quality and Safety.
- The Agency continued to work closely with the Department of Health and Aged Care to coordinate activity across the suite of reform programs and initiatives being rolled out to limit the administrative burden of changes for the sector while maximising the outcomes and benefits, as well as partnering with clinical, consumer and industry peaks, software vendors, aged care staff and healthcare providers to integrate My Health Record functionality in a way that is seamless and secure.
- During 2022–23, 4 key projects were progressed to deliver on the outcomes of the Aged Care Program. These are:
  - My Health Record Registration project completed a successful pilot involving 40 residential aged care facilities to support their registration to My Health Record occurred from October to December 2022. The national roll out to support My Health Record registration commenced in February 2023 to all residential aged care facilities nationally through a state-by-state approach commencing with Victoria and NSW.
  - The Aged Care Industry Enablement project is delivering an industry offer to enhance software functionality for Residential Aged Care Facility Clinical Information Systems and Electronic Medication Management Systems to integrate to My Health Record: 14 vendors were engaged in phase one of the project; 1 vendor withdrew; 9 vendors are now conformant with My Health Record; and the remaining 4 are expected to be conformant early in the next reporting period.
  - Significant industry consultation, detailed solution architecture and user experience design usability testing inputs were developed and progressed in 2022–23 for a new Aged Care Transfer Summary with detailed planning for the solution build in progress. The Aged Care Transfer Summary capability will be active in My Health Record by the end of 2023 and will improve the transition of care of residents between aged care facilities and hospitals by developing a new document to be uploaded to My Health Record to capture and enable the transfer of key clinical information. The Aged Care Clinical Information Systems Standard project commenced work to develop a set of agreed guidelines and rules that describe the key features that a software product would need to support the effective management of clinical documentation, administration, and care, including care plans and progress notes in an aged care residential setting. The project aims to support the aged care sector with effective use of digital systems which are connected to My Health Record and the healthcare system.

- A detailed analysis of the barriers to hospitals uploading discharge summaries within a timely manner to My Health Record was undertaken to support access to this information during transfer of patients from hospital to Residential Aged Care.
- Over 2022–23, we also actively engaged with peak bodies to develop and deliver a digital maturity assessment framework and tools to enhance a digitally enabled and proficient aged care and healthcare sector.

4. Pharmacist Shared Medicines List

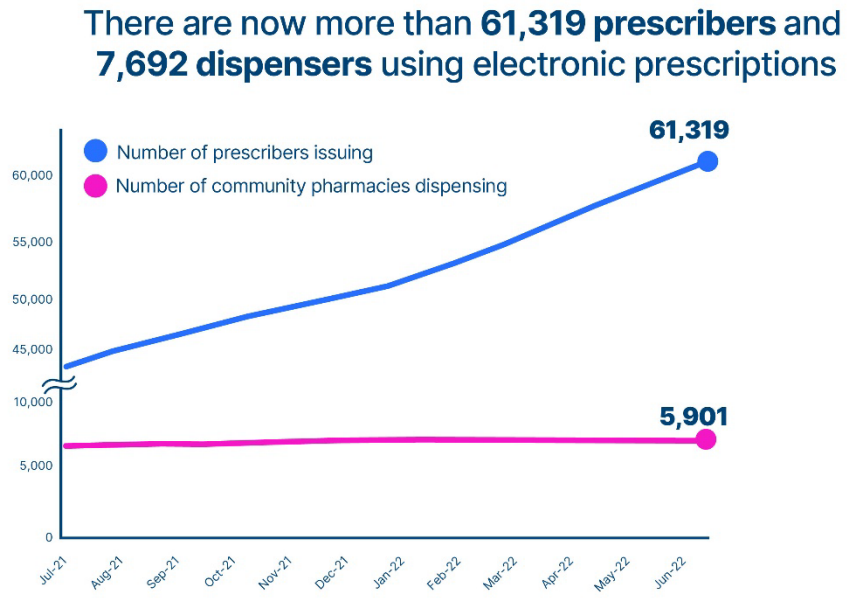
- Transitions between episodes of care are prone to error and create risk. More than 50% of medication errors occur at these transitions of care. The Pharmacist Shared Medicines List (PSML), a document type in My Health Record curated by registered pharmacists, represents a current, consolidated list of medicines, including non-prescription items, to provide a more detailed source of medicines information (at a point in time) in addition to existing prescribed and dispensed medicine data in My Health Record. It is a safety initiative helping patients and healthcare providers reduce the risk of medicine-related mishaps.
- Following successful implementation of PSML in some public hospitals, PSML uploads to the My Health Record system increased by over 35% in the past 12 months, with 300,919 PSMLs uploaded to My Health Record by 30 June 2023 (compared with 223 275 in 2021–22). In 2022–23 another 3 hospital services in Victoria implemented PSML functionality thus further enriching medicines information in the My Health Record system and improving information sharing between health professionals, especially at transitions of care.
- Data suggests approximately 82% of PSMLs are currently uploaded by hospitals (including State Government Healthcare Administration) and the remainder by community pharmacists (18%), and 3% of the uploaded PSMLs have been viewed by healthcare providers and 6% by consumers.

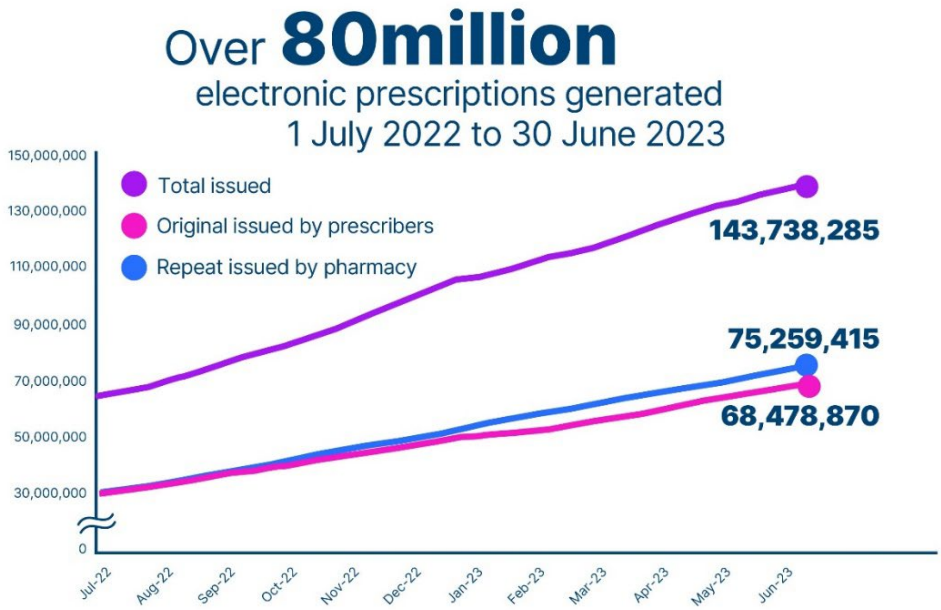
5. Electronic prescribing

- The Agency is committed to enhancing the functionality and use of electronic prescribing as part of whole-of-government solutions to health and care. In partnership with the Department of Health and Aged Care, a solution for chart-based prescribing capability in aged care is being explored, enhancing consumer options through medication management apps, and developing electronic prescribing in hospitals.
- In 2022–23, the Agency continued to provide its function in Electronic Prescribing as the custodian of the technical framework including but not limited to: governance, management and administration of the Conformance Assessment Scheme; conformance and compliance issue management; technical support to medical software industry partners in the development and implementation of electronic prescribing capabilities specified in the latest conformance profiles.
- Since the rollout of electronic prescribing in May 2020, over 143 million electronic prescriptions (original and repeats) have been issued by prescribers with an average of over 921,399 generated each week. Over 80 million prescriptions were generated during 2022–23.
- In 2022–23, the percentage of Pharmaceutical Benefits Scheme–listed prescriptions dispensed nationally as electronic prescriptions increased by 55 % compared to the previous year. More than

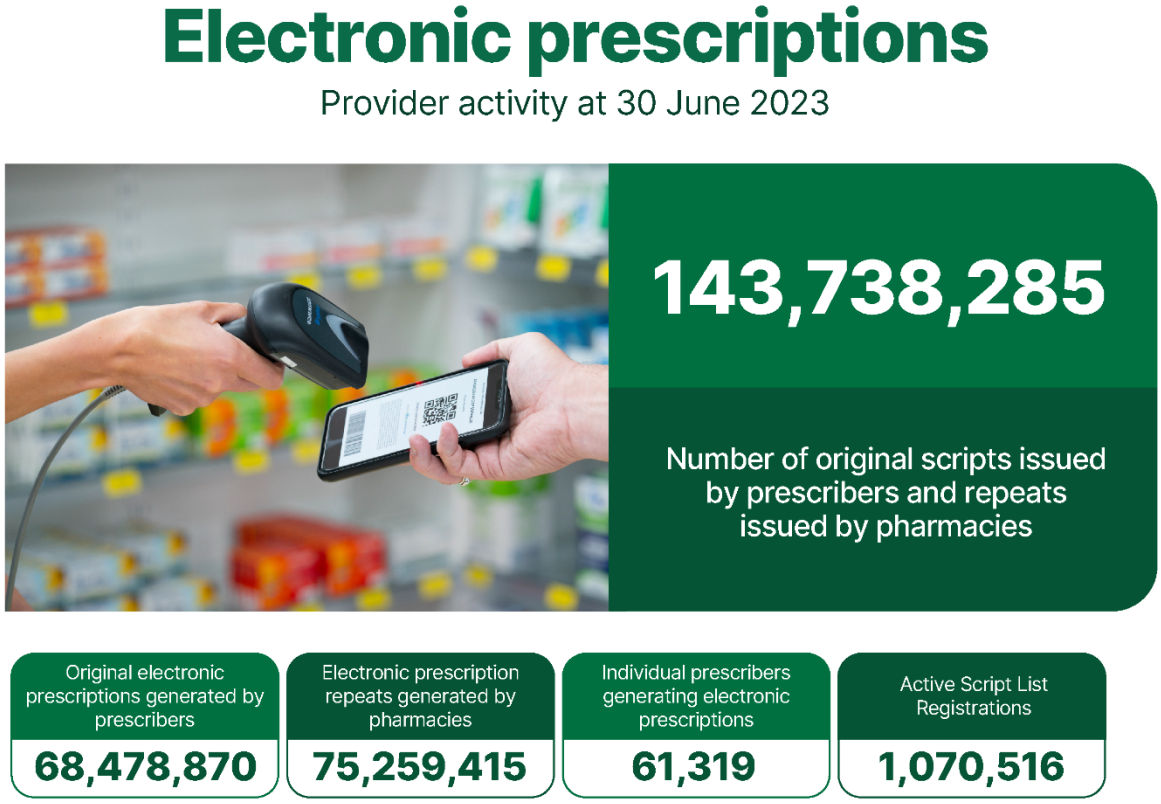
61,300 prescribers have issued electronic prescriptions, and at least 98% of all Pharmaceutical Benefits Scheme–approved community pharmacies have dispensed a medicine from an electronic prescription.

- To support the Department of Health and Aged Care in the response to the Royal Commission in Safety and Quality in Residential Aged Care, the Agency also took on responsibility for managing the assessment and approval process for eNRMC products; and publication and maintenance of the Transitional eNRMC Conformance Register. The implementation of transitional eNRMC in aged care resulted in 71% increase of prescriptions dispensed in aged care as electronic.
- To provide patients with easier and better access to medicines at transfer between hospitals and care settings (aged care and/or community), electronic prescribing is being extended to public hospitals noting significant inroads in Western Australia Health where over 75% of outpatient prescriptions have been issued as electronic prescriptions.





6. Active Script List



[1] Source: https://hwd.health.gov.au/resources/data/gp-primarycare.html# 57% assumes majority of prescribers are GPs (given that software is predominantly rolled out in primary care).

[2] Based on 5900 community pharmacies approved to supply PBS medicines as at 30 June 2023.

- ASL is a token management solution for electronic prescriptions and repeats that can help people who are taking multiple medicines. It provides a consolidated list of all current active prescriptions and repeats available to be dispensed, allowing a consumer to safely store their tokens for their active electronic prescriptions and manage which prescribers and dispensers have access to them. An ASL also includes information about any current paper prescriptions or repeats for which electronic information is available. The registration process for ASL will move from pharmacy enabled to self-registration through external vendor mobile applications.
- In 2022–23, community pharmacists continued driving the uptake of the ASL, an online token management system that allows consumers to safely store tokens for their active electronic prescriptions and repeats available to be dispensed. Over 93% of community pharmacies have assisted over 1 million (1,070,516) Australians (to date) register for an ASL, a 28% increase in the past 12 months.

7. Real-time prescription monitoring

- Real-time prescription monitoring (RTPM) is a digital application that gives prescribing doctors and dispensing pharmacists real-time visibility of a patient's prescription history for controlled drugs, helping them to better identify and support members of the community at risk of harm and dependency and

protect patients from medication misuse. The RTPM system makes a significant contribution to medicines safety and to national health infrastructure.

- In September 2022, a formal transition commenced for the Agency to take stewardship of the national RTPM program's enduring governance and management. The Agency and the Department of Health and Aged Care are working in close collaboration with jurisdiction stakeholders and the primary supplier of the system to ensure the transition is both effective and efficient.

Case study: Electronic prescriptions introduced at major hospital

In August 2022, Royal Perth Hospital became the first in metropolitan Australia to offer patients the choice of electronic prescriptions.

In a joint project with Western Australia's Health Support Services and the Australian Digital Health Agency, Royal Perth Hospital expanded the service to all specialties following a successful 3-month trial in selected outpatient clinics – with the ultimate goal being statewide adoption.

Registered prescribers are now able to generate electronic prescriptions with patients receiving an SMS or email message with a token that they can either present in person or forward electronically to their local pharmacy for dispensing.

This offers patients a choice between paper prescriptions and electronic formats – a major step forward in making life easier for them and enhancing an essential service.

Royal Perth Hospital Bentley Group Outpatient Project Lead, Ros Jones said: "As we are now delivering more healthcare virtually via video and phone call appointment, the ability to also provide patients with their medication scripts electronically enables us to be far more responsive. Patients receive their script in real time, straight away, no more waiting for them to be posted out."

The significance of the technology's transition to a metropolitan hospital environment was summed up by journalist Kate McDonald on the leading technology industry platform, Pulse+IT News: "Hospital patients often have complex prescriptions on discharge, and one of the real successes of this project is the ability to not only produce an electronic token for one prescribed drug, but to also produce a paper script for another, and to allow patients to collect one medicine from the hospital pharmacy and the other when they are discharged back into the community."

Major hospital uptake of electronic prescribing is a natural progression for an Australian Digital Health Agency product adopted by healthcare providers and consumers since May 2020 in a bid to reduce the added healthcare workload of the COVID-19 pandemic.

Between May 2020 and June 2023, more than 143 million electronic prescriptions were dispensed to Australians. Over the same period, more than 61,000 prescribers – GPs and nurse practitioners – issued electronic prescriptions, which were able to be filled at 98 per cent of the nation's pharmacies.

Widely acknowledged for their convenience and available now to most Australians as an alternative to the paper equivalent, electronic prescriptions and telehealth services have played a vital role during natural disasters when consumers found themselves unable to consult a doctor in person.

8. Pregnancy and child digital health

- In 2022–23, the Agency focused on investigating and developing the necessary foundational elements to support future national pregnancy and child digital health initiatives, including the incorporation of this information into My Health Record. This included:
  - supporting the creation and adoption of an Individual Healthcare Identifier (IHI) as close as possible to birth, to enable the capture and sharing of critical newborn delivery and early child health check information digitally across care settings,
  - progressing the development of contemporary, national clinical information specifications for high priority pregnancy and child health use cases (e.g. antenatal health checks, newborn delivery and scheduled child health checks) that can be used to readily share this information across information systems and eventually, the My Health Record system
  - identifying innovative approaches to capturing and sharing pregnancy and child health information, leveraging existing capabilities wherever possible.

9. International engagement

- The Agency has a statutory obligation to liaise and cooperate with overseas and international bodies on matters relating to digital health. Throughout, 2022–23 the Agency participated in several key international forums to learn from the digital health expertise of other countries, support the effective implementation of initiatives in Australia, share best practice approaches and advance mutually beneficial projects. Priority was given to international forums where the greatest value and return on investment can be realised and where they aligned with the broader government agenda.
- The Agency continued to lead Australia's involvement in the Global Digital Health Forum, participating as an active member on the Cyber Security, Interoperability and Patient Engagement Workstreams and supporting the exchange of global best practice to advance mutually beneficial projects.
- The Agency is Australia's representative to SNOMED International and a member of the General Assembly. The Agency is also a member of Standard Australia's health informatics committee (IT-014) whose remit includes input to, and review of standards produced by the International Organisation for Standards (ISO).
- The Agency supported the Department of Health and Aged Care in responding to international matters relating to digital health with multilateral bodies such as the World Health Organization, Organisation for Economic Co-operation and Development and the G20.

Case study: Connecting Australians to better healthcare

To deliver Australians a better national healthcare system, the alignment of technology with seamless connectivity, robust standards and transparent specifications is essential.

These factors are behind a 2022 partnership between the Australian Digital Health Agency and Health Level Seven Australia Ltd (HL7) – the Australian chapter of the global leaders in standards development fundamental to the efficient exchange, integration, sharing and retrieval of electronic health information.

A Memorandum of Understanding between the 2 organisations is underpinned by a shared commitment to building a thriving digital health standards ecosystem, promising Australians better access to their health information through their healthcare system.

“Digital health standards are critical to the safe, secure and seamless movement of consumer health information between different healthcare providers,” said Agency CEO, Amanda Cattermole.

“Fostering and enabling interoperability across the health system is critical, and interoperability relies on the consistent adoption of standards.

“The aim of this agreement is to create a new era for digital health in Australia marked by strong governance. This means open, and collaborative processes for the agreement, development, testing, publishing and maintenance of digital health standards,” she said.

The Agency and HL7 Australia are collaborating on digital health standards to strengthen connected healthcare across Australia. National priorities will be addressed systematically, and the standards community supported to grow in size and ability.

Ms Cattermole said the Agency wanted to foster a vibrant Fast Healthcare Interoperability Resources (FHIR®) community in Australia – as outlined in the Agency’s *Connecting Australian Healthcare – National Healthcare Interoperability Plan*.

"Put simply, FHIR® is the how-to-guide that enables health information movement from one place to another – a freely available and nationally endorsed interoperability standard," she said.

The Agency and HL7 acknowledge that different parts of the health system are at different points in their digital journey, and the long-established V2 and CDA standards that are widely used will continue to be supported during the transition to FHIR®.

"Together with HL7 we will deliver training, education and uplift activities to support the health workforce to use the new standards," Ms Cattermole said.

HL7 Australia Chair, Isobel Frean said the MoU was a turning point for the promotion and adoption of interoperability standards across Australia.

"It is testament to the world-class standards development community that we have in Australia," she said.

"Equally, it presents an opportunity for our community to help nurture new partnerships across health and social care and achieving a consensus approach to the development of the standards we use in Australia," she said.

One of the partnership priorities is to communicate requirements more clearly for standards to win acceptance across public and private health and social care.

Australia has announced an ambitious plan to connect healthcare by 2027. The Agency and HL7 are working together to ensure the digital health standards needed to enable the movement of consumer health information through a connected healthcare system are developed robustly, easily adopted, widely available, well maintained and effectively governed.

10. Supporting the Strengthening Medicare Taskforce

- The Strengthening Medicare Taskforce sought to identify the most pressing investments needed in primary care, building on the direction outlined in Australia's Primary Health Care 10 Year Plan 2022–2032 (the 10 Year Plan).
- The Agency's CEO was a member of the Strengthening Medicare Taskforce and provided a view on how to leverage national digital health infrastructure and digital solutions to achieve the Taskforce's outcomes in identifying opportunities to support the future of primary care and improve patient outcomes.
- The final Taskforce Report identified the need for data and digital technology to be better used to inform value-based care, safely share critical patient information to support better diagnosis and healthcare management, empower people to participate in their own healthcare, and drive insights for planning, resourcing and continuous quality improvement.

Analysis of factors contributing to results

NATIONAL DIGITAL HEALTH INITIATIVES: POSITIVE FACTORS AND CHALLENGES

Positive factors	Challenges
Provider Connect Australia	
• PCA has received strong in-principle support from all parts of the healthcare system, including healthcare provider organisations and their supporting business partners • The development and rollout of PCA continues to benefit from strong collaboration with Commonwealth, state and territory governments, PHNs and peak bodies representing PCA users • Using an agile approach to PCA development has enabled feedback gained from pilot participants to be utilised for improvements to the system within a short timeframe	• PCA will only be of value when a majority of significant business partners that support a healthcare provider are using it. Business partners must invest in changes to processes and systems to take advantage of PCA, and the timing of this is subject to internal business and investment factors • Difficulties recruiting technical staff during nationwide skill shortages combined with the imperative to support the COVID vaccine rollout with the interim VCF Connect service delayed the go-live of PCA
Vaccine Clinic Finder Connect	
• Strong collaboration between the Agency, the Department of Health and Aged Care and Healthdirect Australia has supported the success of VCF Connect as well as the transition to PCA	• The imperatives of the vaccine program required the transition of vaccine clinics to PCA to commence before the PCA improvements could be fully completed. This put a strain on our technical, transition and support staff as the original PCA registration processes required manual support

Positive factors	Challenges
Aged care program	
• The continuation of the Aged Care Digital Advisory Group has enabled close collaboration with key stakeholder groups during the development and rollout of the program • Willingness of the aged care sector (particularly residential aged care facilities and software vendors) to actively engage with the Agency on the program of work • Strong collaboration with key industry partners such as the Aged Care Industry Information Technology Council and the Australasian Institute of Digital Health have been key to supporting change in a challenging environment	• Consistent feedback from the sector has called for greater transparency of the program of change to allow for greater planning in an era of constricted workforce capacity. The lack of a roadmap of reform across the broader aged care reform package has resulted in some delays to elements of the Aged Care Program • The need for residential aged care providers and software vendors to prioritise investment in changes that are required to support the introduction of Quality Indicators and Star Ratings reporting and reforms in particular, as opposed to changes supporting better access to healthcare information for residents
Pharmacist Shared Medicines List	
Public hospitals recognise benefits of the PSML. As a result, uptake by public hospitals has enriched medicines information on patient discharge from hospitals available in My Health Record	• Availability of structured PSML in My Health Record has delayed further adoption in community care settings
Electronic prescribing	
• Continuous collaboration between the Department of Health and Aged Care, the Agency, industry and health professionals via clinical peak bodies to support electronic prescription adoption across Australia • Communications, published resources and health professional education events increased awareness and understanding of electronic prescribing and electronic prescriptions	• The latest Electronic Prescribing Conformance Profile introduced medications chart-based prescribing, which has required new data models and new workflows • Prescription delivery services have not yet become conformant to the latest Electronic Prescribing Conformance Profile that enable full electronic prescribing functionalities, limiting the broader rollout of electronic prescribing to the entire healthcare sector (including specialists, hospitals, residential aged care and allied health practitioner prescribers) • Implementation of electronic prescribing introduced complex, hybrid workflows in community pharmacies, impacting on breadth and depth of adoption

Positive factors	Challenges
International engagement • There is a commitment from many international governments to collaborate and share best practice in relation to digital health. Australia is seen as a key contributor to many of the relevant international digital health forums Supporting the Strengthening Medicare Taskforce • The CEO attended the 6 Taskforce meetings and provided expert advice and support to the Department of Health and Aged Care to inform member discussions on digital health opportunities	• Ensuring a visible presence in international digital health policy and engagement, while constraining commitments of time, travel and expenditure

My Health Record System Operator reporting requirements

The security of patient health and other personal information lies at the very heart of the My Health Record system. Many of the protections provided by the *My Health Records Act 2012* (the Act) are about ensuring that Australians' digital health records have strong protections. These protections are underpinned by rigorous reporting obligations.

The Act establishes the role and functions of the Agency as System Operator; a registration framework for individuals and entities (such as healthcare provider organisations) to participate in the system; and a privacy framework (aligned with the *Privacy Act 1988*) specifying which entities can access and use information in the system and the penalties that can be imposed on improper use of this information.

Section 107 of the Act requires the Agency to include statistics in its annual report on My Health Record system registration, usage, security and complaints and the outcomes of those complaints in terms of investigations, enforceable undertakings or court proceedings seeking injunctive relief. These statistics are outlined below.

My Health Record system registration, usage, security and complaints

Reporting requirement	Statistics
Registrations, cancellations, suspensions of registrations	• Individuals – In 2022–23 as System Operator, the Agency registered 430,829 people for a My Health Record (23.69% decrease from 2021–22). There are more than 23.6 million total active records in the My Health Record system. • Healthcare provider organisations – In 2022–23 the System Operator registered an additional 354 healthcare provider organisations (an increase of more than 12.23% on the previous year). There were 136 registrations (an increase of 54.5%) cancelled or suspended for reasons such as a provider organisation discontinuing operations or transferring ownership. • Portal operators – In 2022–23 the System Operator cancelled one mobile portal operator (Healthi). Telstra Health and Healthdirect Australia were the remaining portal operators as at 30 June 2023. • Contracted service providers – In 2022–23 the System Operator registered an additional 8 contracted service providers (an increase of 50% on the previous year) and one registration was cancelled. There were 26 contracted service providers as at 30 June 2023.
Use of the My Health Record system by healthcare providers and healthcare recipients	• There were 2,124,561 unique My Health Records accessed in 2022–23, down from 3,217,617 in 2021–22 (33.97% decrease), and total access of these records was 7,317,936 in 2022–23, down from 9,799,731 in 2021–22 (25.33% decrease). • An average of 7,607 unique healthcare provider organisations, via their clinical information systems, viewed records each week during 2022–23 (21.3% increase on 2021–22). • An average of 11,420 unique healthcare provider organisations uploaded documents to the My Health Record system each week during 2022–23 (12.29% increase). • A total of 1,000,211,154 documents (including Medicare) were uploaded to the My Health Record system in 2022–23 (1.93% increase on 2021–22).

Reporting requirement	Statistics
Occurrences relating to the integrity or security of the My Health Record system	During 2022–23, 24 matters were reported under section 75 of the *My Health Records Act 2012*: • One matter was reported to the Office of the Australian Information Commissioner (OAIC) by the System Operator. This notification related to a procedural failure by a call centre operator when linking consumers' myGov accounts to their My Health Records. Where this occurred, the consumer's myGov account was linked with the correct consumer's My Health Record; however, the identity verification process was completed by the caller, who appears to be a relative of the consumer. Additional training was provided to relevant staff to reduce the risk of similar events occurring in the future. • 23 matters were reported to the System Operator by healthcare provider organisations: – 13 matters were reported by 9 healthcare provider organisations in relation to access to a My Health Record, by a staff member. The healthcare provider organisations provided additional education and training to staff to improve their understanding of appropriate use of the My Health Record system. In some of these matters, additional measures included review of policy and guidance materials and formal staff cautions. – 8 matters were reported by 7 healthcare provider organisations in relation to access to multiple My Health Records by a staff member. The healthcare provider organisations implemented measures to strengthen My Health Record training provided to their staff. In some of these matters, additional measures included review of policy and guidance materials and disciplinary action. – Two matters were reported by 2 organisations as potential data breaches; however, the reporting organisations subsequently advised that a data breach had not occurred. *Note: healthcare provider organisations are required to notify the System Operator and the OAIC. However, where the entity is a state or territory authority, notification to the OAIC is not required.*
Complaints received, investigations undertaken, enforceable undertakings accepted, injunctions granted	• Complaints about My Health Record are made to the call centre via email through a website form or in writing. Complaints are escalated through the Agency for investigation and response if the issue is complex or relates to a potential privacy, clinical or cyber security breach. • In 2022–23, 108 complaints were received in relation to My Health Record through the "Contact us" form, call centre, email or paper mail. No enforceable undertakings were sought by the System Operator, and no proceedings were initiated by the System Operator in relation to enforceable undertakings or injunctions.

Case study: Enhanced cyber security for My Health Record system

The Australian Digital Health Agency is strengthening its system cyber security with a new, mandatory security requirements conformance profile for clinical information systems connected to My Health Record.

The new conformance profile is being co-developed with stakeholders including regulators, software vendors and security experts and will hold an evidence-based suite of security requirements that harden clinical information systems against cyber security attacks, uplift information security and give better protection for consumer information.

Each vendor with software products connected to the My Health Record system will need to supply extensive evidence to show conformance with each requirement and undertake an observation session conducted by a specialist Agency team.

“Protecting sensitive information is essential in the provision of healthcare services and is a fundamental capability to enable connected healthcare systems and safe, seamless, secure, and confidential information sharing across all healthcare providers,” commented Australian Digital Health Agency CEO, Amanda Cattermole.

“The Agency has and will continue to work with clinical information system vendors to give support and guidance to further secure and protect their software for the benefit of patient privacy, national infrastructure, and their own businesses,” she said.

The new requirements when finalised will align with best practice standards recommended by the Australian Cyber Security Centre (ACSC). They are detailed in the ACSC’s Strategies to Mitigate Cyber Security Incidents and known as the Essential Eight to help protect systems against online and cyber security threats.

Part 3. Management and accountability

Corporate governance

The Agency is governed by a skills-based Board supported by advisory committees and reports to Commonwealth, state and territory health ministers through the National Federation Reform Council.

The Agency's governance framework has its legislative foundation in the Agency Rule. The PGPA Act sets out requirements for the governance, reporting and accountability of Commonwealth entities and for their use and management of public resources. It vests many of the powers and responsibilities for the financial management of a Commonwealth entity in the hands of the accountable authority, which is the Board of the Agency. The Agency Rule established the Board, advisory committees and the position of CEO and defines their roles and responsibilities.

The accountability and governance practices in place to support this legislative regime promote strong performance and careful stewardship of public resources. They are designed to ensure the Agency's ability to deliver on the expectations of government, the health sector and the community.

Fundamental to the Agency's governance arrangements is establishing an appropriate controls environment to ensure probity and transparency. Roles, lines of authority and delegations for decision-making are all clearly defined. They are reinforced through training and awareness initiatives so that staff have a common understanding of their obligations and their purpose in providing a system of checks and balances to safeguard the integrity of the Agency's work.

Other key governance features include:

- a focus on audit, risk management and fraud control strategies
- a mechanism for stakeholder participation through representation on specialist committees
- internal and external scrutiny through a robust planning and reporting framework
- embedding ethics and integrity in the values and culture of the Agency

A number of governance bodies form a key part of the Agency's assurance processes.

The Board

The Agency Board sits at the apex of the governance structure and is the accountable authority of the Agency under the PGPA Act. The Board is accountable to Parliament through the Minister for Health and Aged Care. In accordance with Section 14 of the Agency Rule, the Board sets the strategic and policy direction to achieve the Agency's purpose and oversees performance, governance and resource allocation as custodian of federal, state and territory funding.

The Board maintains a watching brief over internal and external environments and ensures that Agency operations and outcomes are fit for purpose and align with government priorities.

Its efforts are balanced across creating the future and delivering the present. In fulfilling its statutory obligation to produce an annual work program, it gives a clear picture of operational priorities, actions and planned outcomes for each financial year.

Board members

The Board brings a range of skills and perspectives to the Agency. The Agency Rule prescribes the eligibility requirements for Board members so that, collectively, the Board has expertise and experience in the fields of health informatics, leading digital healthcare delivery, policies and services, consumer health advocacy, clinical safety, law, financial management and Board and business leadership.

Board appointments, functions, powers and procedures are also conferred by the Agency Rule and further clarified in the Board Charter. The Board consists of the Board Chair and at least 6, but not more than 10 other members (currently 9 members in total), all of whom are non-executive members, appointed by the Minister for Health and Aged Care for a term (in aggregate) of up to 3 years. Members who have served on the Board during 2022–23 are listed below.

Dr Elizabeth Deveny (Chair)

Dr Deveny is an experienced and well-respected director and executive with a strong commitment to providing sustainable health outcomes for all Australians. She also has a demonstrated ability to build and maintain positive, productive partnerships with key stakeholders and the broader community.

Dr Elizabeth Deveny is currently the CEO of Consumers Health Forum of Australia, the national independent peak body for health consumers. Her recent roles include CEO of South Eastern Melbourne PHN, CEO of Bayside Medical Local and Chair of Southern Metropolitan Partnership.

She holds a masters in vocational health education and a PhD in Medicine (clinical decision support development), both from Melbourne University.

Dr Zoran Bolevich
Until 2 December 2022

Dr Zoran Bolevich is Chief Executive of eHealth NSW and the Chief Information Officer (CIO) for NSW Health.

He represented NSW Health on the Board of the Australian Digital Health Agency and on the NSW Government's ICT Leadership Group and is a Board member of the Australian Institute of Health and Welfare.

Dr Bolevich is well recognised in the healthcare sector and ICT industry for driving innovation and influencing rapid change across NSW Health. In 2019 he was ranked fifth by the CIO Australia CIO50 as one of Australia's top 50 technology and digital chiefs.

Previous roles include the NSW Ministry of Health's Director of Demand and Performance Evaluation, and Executive Director, Health System Information and Performance Reporting. Dr

Bolevich also oversaw the national health information strategy and architecture for New Zealand's Ministry of Health.

As well as being a Doctor of Medicine, Dr Bolevich holds a Master of Business Administration and is a Fellow of the Royal Australasian College of Medical Administrators and Executive Fellow of the Australian and New Zealand School of Government (ANZSOG).

Dr Samuel Heard OAM

Until 19 April 2023

Dr Samuel Heard OAM is primarily a rural general practitioner. He is currently the Medical Director of the Central Australian Aboriginal Congress, a 45-year-old community-controlled health service with 400 staff and 11 clinics across Central Australia. He is also the Medical Director of the Flinders University Regional Training Hub in Central Australia, where he is an Associate Professor.

Dr Heard grew up in Naracoorte, South Australia, and studied medicine at Adelaide University, graduating in 1978. He completed his general practice training in London and was a part-time academic with London University. He returned to Darwin in 1992, working with Menzies School of Health Research but staying involved with European eHealth research projects. He developed the openEHR methodology with Thomas Beale, an engineer, in the late 1990s. Key elements of this work have been adopted as an international (CEN and ISO) standard.

Dr Heard has been a founding Fellow of the Australian College of Health Informatics and a founding director of the openEHR Foundation, with appointment as a Senior Visiting Research Fellow at University College London. He continues to be a director of Ocean Informatics, an Australian company that first implemented the openEHR methodology and provided the NT My eHealth Record software. He has worked extensively in education and standardisation, representing Australia in international eHealth standards development. He has been a delegate to CEN (European), ISO (International) and HL7 (International) standards organisations. Dr Heard worked on technical committees at IHTSDO (International terminology) as a United Kingdom nominee. Dr Heard holds a Bachelor of Medicine and Bachelor of Surgery (MBBS) and a Diploma of the Royal College of Obstetricians and Gynaecologists (DRCOG). He is a member of the Royal College of General Practitioners (MRCGP), Fellow of the Royal Australian College of General Practitioners (FRACGP) and Fellow of the Australian Institute of Digital Health (FAIDH).

Ms Emma Hossack

Ms Emma Hossack is the CEO of the Medical Software Industry Association (MSIA Ltd). She is also a council member of the National Aged Care Advisory Council, the Connected Care Council, and a Director of the University of Melbourne Law School Foundation Board.

Prior to becoming CEO of MSIA Ltd, Ms Hossack was the CEO of several software companies, a commercial lawyer and a Board member of several not-for-profit and advisory committees focused on healthcare improvement and privacy, including being President of the International Association of Privacy Professionals ANZ. She holds a BA (Hons), LLB and LLM. In 2021, Ms Hossack was awarded a Telstra Health Brilliant Women in Digital Health inaugural award.

Ms Lyn McGrath

Ms McGrath is the Chair of the Audit and Risk Committee.

Lyn McGrath is a Non-Executive Director with over 30 years' experience at both senior executive and board level in highly regulated and complex industries.

Ms McGrath is a Non-Executive Director at Credit Corp Ltd (ASX:CCP), Auswide Bank Ltd (ASX:ABA), Challenger Bank Ltd, subsidiary of Challenger (ASX:CGF) and is also Chair and Non-Executive Director of TogetherAI Pty Ltd.

Ms McGrath is the former Group Executive Retail Banking at BOQ where she led a significant business turnaround and launched the Virgin Money Australia Digital Bank. She has successfully led contemporary data/digital and technology transformations as well as business turnarounds in ASX 100 companies. Ms McGrath brings substantial experience in big consumer and retail distribution including digital and multi-brand from her senior executive roles in CBA and BOQ. She has a strong track record and experience in people-oriented businesses and distributed workforces and brings to the Board significant governance and risk management experience.

Ms McGrath has a Bachelor of Arts from Macquarie University; and a Master of Business Administration from Macquarie Business School; and is a Graduate of the Australian Institute of Company Directors (AICD). She is a Senior Fellow of FINSIA, a Vincent Fairfax Fellow in Ethical Leadership, and a member of Chief Executive Women.

Professor Keith McNeil

From 23 May 2023

Professor Keith McNeil has spent the last 42 years in the public health system both here in Australia (Queensland) and overseas in the National Health Service (NHS) in the UK.

He has held senior clinical specialist and leadership roles in heart and lung transplantation and pulmonary vascular disease, and latterly moved into the corporate arena as a hospital Chief Executive, health service CEO, and senior Health Department officer.

His more recent appointments include CEO of Metro North Hospital and Health Service, CEO of Cambridge University (Addenbrookes) Hospitals, National Head of IT and Chief Clinical Information Officer (CCIO) for the NHS, and Deputy Director General, CCIO and Chief Medical Officer for Queensland Health.

Professor McNeil brings a broad and deep experience across healthcare and is passionate about leveraging the digital agenda to transform patient outcomes and embed sustainability in the Australian healthcare system. He holds a Bachelor of Medicine, Bachelor of Surgery (MBBS) from the University of Queensland and is a Fellow of the Royal Australasian College of Physicians, Member of the Royal Society of Medicine and Fellow of the Australasian Institute of Digital Health.

Ms Kathrine Morgan-Wicks

Ms Morgan-Wicks' 20-plus-year career as a lawyer and executive has spanned the private and public sectors, including 14 years travelling throughout Australia and overseas with Australia's corporate regulator, the Australian Securities and Investments Commission (ASIC), with senior executive responsibility for various operational divisions (Enforcement, Consumer Protection, Corporate Services and Registry Operations [Digital Transformation]) across ASIC.

A move to Tasmania brought with it the opportunity to shift from the Commonwealth to the State Service, and in February 2014 she commenced as Deputy Secretary (Budget and Finance) at the Department of Treasury and Finance, one month prior to Tasmania's first change in state government for over 16 years. Ms Morgan-Wicks led her Treasury division through the delivery of 4 state budgets in just over 3 years, while quickly coming up to speed with the Tasmanian business and community context.

In 2017, Ms Morgan-Wicks was appointed as Acting Secretary for the Department of Justice and was confirmed in the role in early 2018. In the role, Ms Morgan-Wicks was responsible for overseeing 1,400 plus employees across 29 locations, with portfolios spanning the Courts, Corrections, Worksafe Tasmania, Consumer Protection, Planning and Building Regulation and a $340 million capital program.

In September 2019, Ms Morgan-Wicks was appointed as Secretary for the Department of Health and Aged Care and is now responsible for the delivery of a $2.6 billion health service including public hospitals, district health services, Tasmania Ambulance, mental health and public health, encompassing over 15,000 employees across Tasmania. At

the onset of COVID-19 in early 2020, Ms Morgan-Wicks took on the role of State Health Commander COVID-19, responsible for preparation and response of the state health system to the pandemic.

Ms Morgan-Wicks holds a BA(Hons), LLB(Hons), LLM and is a Barrister and Solicitor (HCA, SupCt VIC) and Solicitor (SupCt Qld). In addition to her legal qualifications, Ms Morgan-Wicks has completed graduate courses in business and leadership with the Melbourne Business School and Harvard Leadership Program.

Corporate governance, people and financial management and digitally transforming organisations to customer-centric delivery are at the heart of her service-oriented career.

Professor Brendan Murphy AC

Professor Murphy commenced as the Secretary of the Department of Health and Aged Care on 13 July 2020.

Prior to his appointment as Secretary, Professor Murphy was the Chief Medical Officer (CMO) for the Australian Government and, previously, the CEO of Austin Health in Victoria.

Professor Murphy is:

- a Professorial Associate with the title of Professor at the University of Melbourne
- an Adjunct Professor at Monash University and at the Australian National University
- a Fellow of the Australian Academy of Health and Medical Sciences (FAAHMS)
- a Fellow of the Royal Australian College of Physicians (FRACP)
- a Fellow of the Australian Institute of Company Directors (FAICD).

He was formerly CMO and director of Nephrology at St Vincent's Health and sat on the boards of the Centenary Institute, Health Workforce Australia, the Florey Institute of Neuroscience and Mental Health, the Olivia Newton-John Cancer Research Institute and the Victorian Comprehensive Cancer Centre. He is also a former president of the Australian and New Zealand Society of Nephrology.

Dr Bennie Ng

Dr Bennie Ng is the CEO of the Australian Medical Association Western Australia (AMA WA). He commenced as a general practitioner before becoming immersed in health policy and management.

Dr Ng has extensive experience in providing advice to the Australian Government having been the Head of Social Policy at the Office of the Prime Minister with responsibilities across health and hospitals, aged care, disabilities and the National Disability Insurance Scheme. He has held senior positions in strategy, services planning and general management across public and private hospital sectors, including the Peter MacCallum Cancer Centre, Healthscope Limited and the Hong Kong public hospital authority.

Dr Ng has a Bachelor of Medicine and Bachelor of Surgery and a Master of Business Administration. He is a Fellow of the Royal Australasian College of Medical Administrators (FRACMA) and of the Royal Australian College of General Practitioners (FRACGP) as well as a Council member of the National Library of Australia.

Adjunct Professor Kylie Ward

From humble beginnings, Adjunct Professor Ward has gone on to become one of the most influential professional health leaders of the country and a formidable, passionate advocate for the advancement of the nursing profession including the delivery of excellence in education.

Her strengths lie in breaking down the walls, reframing the issue for fresh thinking, and bringing people together to create long-lasting solutions.

Adjunct Professor Ward currently serves as CEO of the Australian College of Nursing (ACN) and CEO of the Australian College of Nursing Foundation. She has led a program of transformation including raising awareness of the profession and building a legacy of nursing leadership, policy, advocacy and social impact, as well as creating hundreds of leadership and representation positions for nurses Australia wide. As such, ACN is now Australia's beacon for Nurse Leadership.

Adjunct Professor Ward is inspired to ensure nurses from all backgrounds have access to world-class education at all stages of their career. She believes ongoing education is key to nurses working to their full scope of practice, contributing to the design of health systems and providing consumers with optimal care, every time. She holds honorary professorships with 7 leading Australian universities, and has been awarded several fellowships, including a Wharton Fellow, USA.

In May 2023, Adjunct Professor Ward was awarded a Commendation from the Chief of the Defence Force, for her exceptional devotion to military nurses. In August 2023, she raised the statue of Lieutenant Colonel Vivian Bullwinkel at the Australian War Memorial, the first sculpture of an individual nurse or woman to be installed at the Memorial.

Adjunct Professor Ward is a multi-award winner. In 2022, she was named National Winner of Executive / Team Leader of the Year and Overall National Winner at the Outstanding Leadership Awards. In the same year, she was named the ACT Winner of the Excellence in Women's Leadership Awards by Women and Leadership Australia. She has been named Telstra ACT Business Woman of the Year for Purpose and Social Enterprise.

Adjunct Professor Ward holds a Masters of Management and is a Registered Nurse, Fellow of the Australian College of Nursing, Honorary Fellow of the Australasian College of Health Service Management, Wharton Fellow and Graduate of the Australian Institute of Company Directors.

Board meetings

The Board meets regularly in accordance with an annually approved timetable and agenda. The Board convened on 11 occasions (the October and December 2022 meetings were split over 2 days) throughout 2022–23, 6 of which were via videoconference.

In accordance with PGPA Act requirements, Board member terms of appointment and details of the number of Board meetings attended during the financial year are outlined below.

Attendance at Board meetings

Board member (all non-executive)	Period as Board member during 2022–23	Meetings attended
Dr Elizabeth Deveny	1 July 2022 to 30 June 2023	11/11
Dr Zoran Bolevich	1 July 2022 to 2 December 2022	3/3
Dr Samuel Heard OAM	1 July 2022 to 19 April 2023	8/8
Ms Emma Hossack	1 July 2022 to 30 June 2023	10/11
Ms Lyn McGrath	1 July 2022 to 30 June 2023	10/11
Professor Keith McNeil	23 May 2023 to 30 June 2023	1/1
Professor Brendan Murphy AC	1 July 2022 to 30 June 2023	7/11
Ms Kathrine Morgan-Wicks	1 July 2022 to 30 June 2023	9/11
Dr Bennie Ng	1 July 2022 to 30 June 2023	10/11
Adjunct Professor Kylie Ward	1 July 2022 to 30 June 2023	7/11

Advisory committees

The Board relies on expert advisory committees to provide strategic thought leadership in their areas of specialist remit and to assist the Board more broadly in the performance of its functions.

A number of committees are created expressly by the Agency Rule, which prescribes the eligibility requirements for membership (such as relevant expertise) and gives an overview of functions.

BOARD ADVISORY COMMITTEES

Clinical and Technical Advisory Committee	The Clinical and Technical Advisory Committee advises on: • the efficient and effective delivery of clinical care using digital health • the architectural integration of digital health systems • changes to digital health system design to improve clinical usability and usefulness based on experience with the use of digital systems • proposed innovations and measures to improve the efficiency and effectiveness of digital health systems for clinicians and users of the system • recommendations in relation to priorities of investment in, and development and implementation of, national digital health systems
Jurisdictional Advisory Committee	The Jurisdictional Advisory Committee gives guidance on all matters for consideration by the Board in order to facilitate national coordination and consistency across geographic and health sector boundaries. Its members are senior representatives of Commonwealth, state and territory health departments.
Consumer Advisory Committee	The Consumer Advisory Committee advises on: • how to ensure key messages about digital health are communicated effectively to relevant stakeholders and health consumer groups • recognising the interests of minority and special interest groups so as to ensure that their interests are taken into account in the design and implementation of digital health systems • establishing and maintaining collaboration with health consumers and providers in relation to digital health systems
Privacy and Security Advisory Committee	The Privacy and Security Advisory Committee advises on: • legal issues in relation to digital health systems, including copyright, data privacy issues, confidentiality issues, data security and legal liability • the long-term legal framework of digital health systems • privacy and security issues encountered by users of digital health systems and the resolution of any problems arising from monitoring these issues • standards (including compliance with standards) relating to privacy and security in relation to digital health systems

The final advisory body, an Audit and Risk Committee, is mandated by Section 45 of the PGPA Act, and Section 17 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) sets out its powers of review.

AUDIT AND RISK COMMITTEE

Audit and Risk Committee	The Audit and Risk Committee was established to help the Board discharge its responsibilities under the PGPA Act and PGPA Rule through review of financial reporting, performance monitoring, risk oversight and management, internal control and legislative and policy compliance. This includes: • Financial reporting: activities such as advising on the entity's preparation and review of its annual financial statements, the adequacy of the entity's internal budgeting and reporting, and the entity's obligations under the PGPA Act and other relevant Acts • Performance reporting: reviewing the framework of key performance indicators and other performance measures, or the entity's annual performance statements; or making recommendations on concerns or opportunities identified by internal or external audits • System of risk oversight and management: advising the entity about internal audit plans; advising about professional standards to be used by internal auditors in the course of carrying out audits; reviewing the entity's response to internal and external audits and reviewing the entity's risk management framework, which may include review of the entity's risk management plan and business continuity plan • System of internal control: reviewing the entity's compliance framework, governance arrangements and internal control environment

Audit and Risk Committee

The Audit and Risk Committee is independent of the Agency and provides assurance and advice to the Board on the Agency's risk, governance and control framework and the integrity of its performance and financial reporting. Its efforts are aimed at championing a risk-aware culture that encourages robust risk assessment, risk-informed decision-making and anticipation of risk in the pursuit of Agency objectives. A primary responsibility of the committee under its charter is to oversee the preparation and implementation of the Agency's key risk management initiatives, including audit, fraud control and business continuity activities. The Audit and Risk Committee also oversees the Agency's fraud control arrangements.

The risk framework is complemented by an assurance framework designed to confirm the operation and effectiveness of key controls. It is developed to industry standards and scaled to Agency requirements. Consistent with annual obligations in its charter, during the reporting period the committee commissioned an Agency-wide assurance map to identify the Agency's key assurance arrangements. This yearly exercise supports early detection and correction of any gaps or duplications in assurance coverage, thereby strengthening the Agency's compliance and review processes and freeing up resources for other use.

Audit committee disclosures

Amendments to the PGPA Rule 2014 in February 2020[9] give greater transparency over audit committee membership and remuneration. The new disclosure requirements align the disclosure of Commonwealth public sector audit committee members' information in relation to names, qualifications, skills, attendance at meetings and

[9] Section 17BE (taa) of the Public Governance, Performance and Accountability Rule 2014.

remuneration with better practice in the corporate sector. The *ASX Corporate Governance Principles and Recommendations*[10] recommends that listed companies disclose much of the information included in these items.

In accordance with new statutory requirements, the electronic address of the Audit and Risk Committee's charter (the landing page on which a link to the charter is hosted) is https://www.digitalhealth.gov.au/about-us/organisational-structure/board-advisory-committees.

[10] ASX Corporate Governance Council – Corporate Governance Principles and Recommendations, 4th edition, recommendation 4.1, pp. 19–20.

Member name	Qualifications, knowledge, skills or experience	Attendance at meetings / eligible to attend	Total remuneration GST inclusive	Additional information
Lyn McGrath	Lyn McGrath is a Non-Executive Director with over 30 years' experience at both senior executive and board level in highly regulated and complex industries. Ms McGrath is a Non-Executive Director at Credit Corp Ltd (ASX:CCP), Auswide Bank Ltd (ASX:ABA), Challenger Bank Ltd, subsidiary of Challenger (ASX:CGF) and is also Chair and Non-Executive Director of TogetherAI Pty Ltd. Ms McGrath is the former Group Executive Retail Banking at BOQ where she led a significant business turnaround and launched the Virgin Money Australia Digital Bank. She has successfully led contemporary data/digital and technology transformations as well as business turnarounds in ASX 100 companies. Ms McGrath brings substantial experience in big consumer and retail distribution including digital and multi-brand from her senior executive roles in CBA and BOQ. She has a strong track record and experience in people-oriented businesses and distributed workforces and brings to a Board significant governance and risk management experience. *Qualifications*: MBA and BA, Macquarie University, Graduate of the AICD, Senior Fellow of FINSIA, Vincent Fairfax Fellow in Ethical Leadership, and a member of Chief Executive Women.	11/11	$12,021	Chair of Audit and Risk Committee and Agency Board member
Maria Storti	Ms Storti serves as an independent member of several Commonwealth audit committees and is a non-executive director. She is a former Ernst & Young advisory partner and has worked with professional services firms in the areas of audit, consultancy and risk. She has also held senior executive roles in various sectors, including government and education. Ms Storti is a Fellow of Chartered Accountants Australia & New Zealand, a Fellow of the AICD and a member of the Australian Institute of Internal Auditors. *Qualifications*: MBA, BEcon.	11/11	$30,349	N/A
Dr David Bryant	Dr Bryant has over 35 years experience and understanding of ICT governance and risk management as well as the delivery of ICT projects and services in the public sector environment. He is an Australian Computer Society Certified Professional (ACS PCP) and Certified Practising Project Director, Australian Institute of Project Management (AIPM CPPD). Dr Bryant is qualified in program management and project management (Accredited Practitioner PRINCE2 [A1122], MSP [A2894] Benefits Management [A249], P30 [A706]). He currently teaches at the ANU and is a member of several ICT governance and audit boards in federal government. In late 2016, Dr Bryant completed a PhD investigating the behaviours of key project team members in successful ICT projects. He is a Director of DB Consulting, Fellow of the Australian Institute of Project Management, Fellow of the Higher Education Academy, Member of the Australian Computer Society, Practising Computer Professional and Graduate of the AICD. *Qualifications*: Doctor of Philosophy in Management Information Systems, MBA in Technology Management, Bachelor's degree in Information Technology.	11/11	$28,850	N/A
Total			**71,220**	

**Note ARC payments to Lyn McGrath have also been disclosed as part of the Key Management Personnel (KMP) disclosure requirements.*

Internal governance

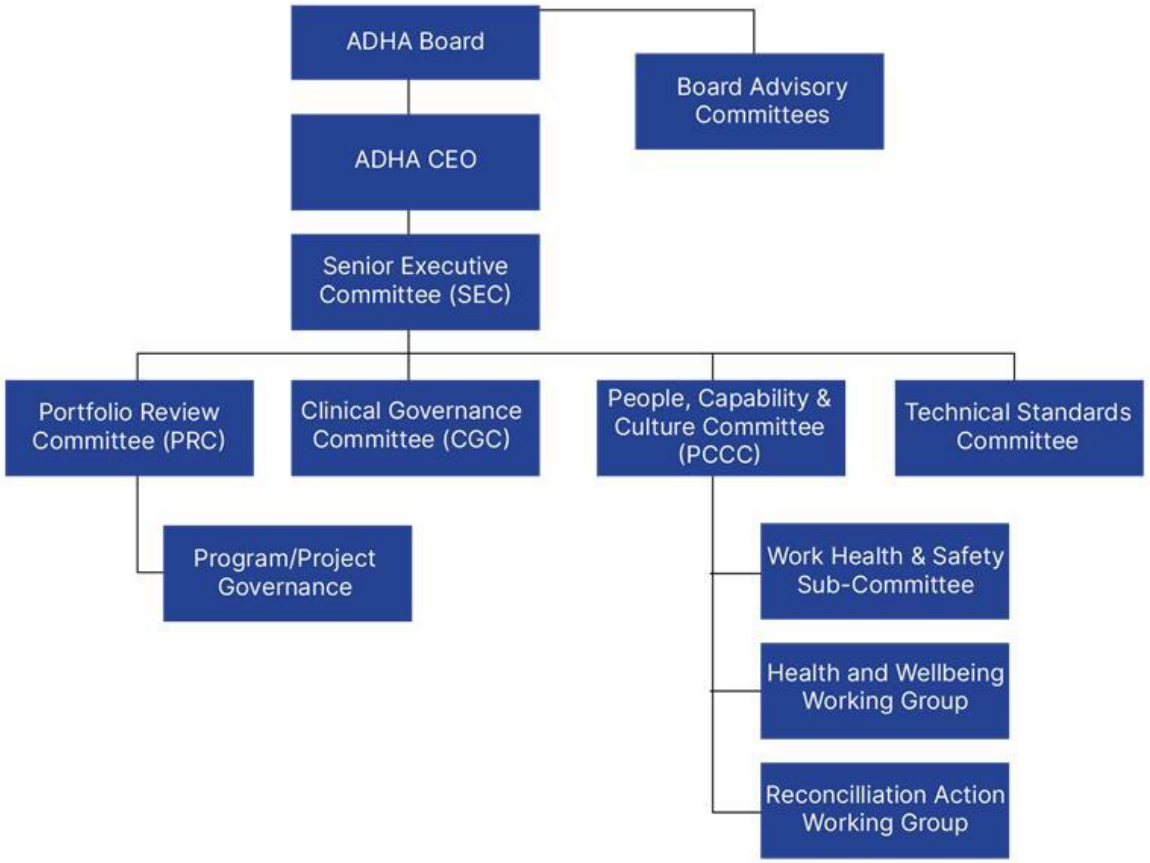
Chief Executive Officer

The CEO leads the Agency in implementing a portfolio of work that supports the Board's vision. Under Section 53 of the Agency Rule, the CEO manages the day-to-day administration of the Agency and does so in accordance with the strategy, plans and policies approved by the Agency Board. The CEO is the primary point of liaison between the Board and senior management.

Senior Executive Committee

The CEO is supported by the Senior Executive Committee. The team meets weekly with the CEO and is active in the implementation of the governance framework through strategic and financial planning, consideration of ongoing and emerging risks, review of controls and monitoring the delivery of performance outcomes.

Internal committees



A range of internal committees also supports the Agency's leadership and its ability to deliver on its strategic priorities. The Agency has retained the four committees from previous years, being: Senior Executive Committee, Portfolio Review Committee, Clinical Governance Committee and People, Capability and Culture Committee. In October 2022, the Senior Executive Committee agreed to establish a new committee, the Technical Standards Committee, to ensure designs, key decisions and reference materials have a pathway to a decision and/ or approval. The committees were formed after a comprehensive review of the governance framework with a particular focus on committee structures and decision-making processes. The aim was to evaluate governance and assurance capability and processes, as fundamental enablers for the Agency to operate effectively, efficiently, accountably and transparently. With a principles-based approach aligned to organisational values, the Agency implemented the following fit-for-purpose and streamlined governance committee structure.

The Agency's internal committees are:

Senior Executive Committee	Provides strategic oversight to all Agency committees and is the ultimate escalation point for both committee and other functional advisory and decision-making needs of the Agency.
Portfolio Review Committee	Coordinates and provides oversight of the portfolio investments, performance risks and issues to deliver strategic outcomes in the Agency.
Clinical Governance	Ensures clinical governance is observed in action, is measurable and underpins the Agency's quality, clinical safety and performance agenda.
People, Capability and Culture	Responsible for strategic resource planning and management, including human capital capacity, capability and culture.
Technical Standards Committee	Responsible for reviewing solution architecture design, reference materials and key architecture/ design decisions.

Risk management

The Agency is committed to comprehensive and coordinated risk management across its strategic, tactical and project-level operations. The Board approved the revised Risk Management Framework, which includes the updated Risk Appetite Statement, in June 2023. The Framework aligns to the international standard on risk management (AS/NZS ISO 31000) and the 2023 Commonwealth Risk Management Policy. The Framework is designed to support the delivery of the strategic objectives determined by the Board by ensuring that potential adverse events, threats and uncertainties are identified, analysed, evaluated and treated. An equal focus is placed on the active and ongoing reporting of risks to ensure they are captured and escalated, where appropriate, to allow visibility by senior management.

Audit arrangements

The Agency relies on audit activities as an essential tool to identify opportunities to deliver better practices that will drive performance and greater transparency of the Agency's governance and decision-making arrangements.

Internal audit

The Agency's 2022–23 Strategic Internal Audit Plan was delivered by Axiom Associates. The Plan was informed by the Agency's risk environment and through collaboration with Agency Executive. It was endorsed by the Audit and Risk Committee and approved by the Board. 2022–23 audits included the Agency's multivendor environment, electronic prescribing, project funding processes, leave practices and fraud and corruption practices. All audit products were presented to the Audit and Risk Committee, and implementation of recommendations is actively monitored to improve Agency processes and performance.

The Agency continues to focus audit resources on areas of high risk while being flexible enough to respond to emerging risks and changing demands. The 2023–24 Strategic Internal Audit Plan is under way to further mature the Agency's capability to deliver products and services.

External audit

The Auditor-General is the external auditor for the Agency, as required by the PGPA Act. The Auditor-General, through the ANAO, audited the Agency's financial statements to ensure they were prepared in accordance with the Australian Accounting Standards and other requirements prescribed by the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*. The Agency's financial statements are presented in Part 4 of this report. The Auditor-General issued an unmodified audit report for the 2022–23 financial statements of the Agency.

Under its charter, the Audit and Risk Committee is empowered to act as the liaison point between Agency management and the ANAO and to review both the financial accounts and the processes in place that support the integrity of financial information published in the annual report.

No performance audits were conducted by the ANAO on Agency operations in 2022–23.

Fraud control

The Agency's 2021–23 Fraud Control Plan and Fraud Policy articulates clear expectations to Agency staff, aimed at ensuring standards of professionalism, individual accountability and ethical behaviour are valued, shared and met across the organisation. The Control Plan is underpinned by policies, plans and procedures such as the accountable authority instructions that encourage responsible public administration and minimise the risk of misappropriation of Agency resources. The Agency assesses all fraud and corruption allegations.

In 2022–23, the Agency reviewed and updated the Fraud Risk Assessment. A number of improvements were identified and are under way to improve the Agency's fraud control, including:

- expansion of the risk assessment to include probity, integrity and corruption risks, in line with the *National Anti-Corruption Commission Act 2022* and the Australian National Audit Office's series on probity management in financial regulators
- development and application of the Commonwealth Fraud Prevention Centre's Commonwealth Pressure Testing Framework to further strengthen the Agency's fraud and corruption controls

No material instances of fraud were reported during 2022–23.

Business continuity management

In 2022–23, the Agency introduced the Resilience and Agility Program to drive ongoing maturity and governance arrangements for emergency management, incident management, business continuity and crises management and disaster recovery across the Agency. The program will see the Agency mature it approach to these key business support areas.

Under this program, the Agency's Business Continuity and Crisis Management Plan was updated to ensure it remained fit for purpose to the Agency's operating environment and current threat profile.

External scrutiny

The Agency is accountable to the Australian Government through the Minister for Health and Aged Care and to state and territory health ministers through the National Federation Reform Council. It reports quarterly to the Australian Health Ministers' Advisory Council that is responsible for providing strategic and operational support to the National Federation Reform Council.

The Agency's operations are also open to scrutiny from the Auditor-General, the courts, administrative tribunals, parliamentary committees, the Commonwealth Ombudsman, the Australian Information Commissioner and the community under the freedom of information regime.

Judicial decisions or administrative reviews

There were no judicial or administrative tribunal decisions impacting on the operations of the Agency.

Parliamentary, Ombudsman, Australian Information Commissioner reports

The Agency appeared before the Senate Estimates (Community Affairs Legislation) Committee on 10 November 2022 and 16 February 2023 but was not called to appear by the Committee at its May 2023 hearing. No reports on the Agency were released by a parliamentary committee or the Commonwealth Ombudsman.

Every year the Australian Information Commissioner produces a report that touches directly on the work of the Agency as My Health Record System Operator. The Information Commissioner has a statutory obligation to produce an annual report on digital health compliance and enforcement activity in accordance with Section 106 of the *My Health Records Act 2012.* That Act contains provisions that protect and restrict the collection, use and disclosure of personal information. The Australian Information Commissioner monitors and enforces compliance with those provisions as the independent regulator of the privacy aspects of the My Health Record system.

Capability reviews

The Australian Public Service Commission oversees a program of external reviews of public sector agencies to assess their ability to meet future objectives and challenges. No capability reviews of the Agency were conducted during the reporting period.

Freedom of information regime

Part 2 of the *Freedom of Information Act 1982* (FOI Act) established the Information Publication Scheme (IPS), effective from 1 May 2011. It reflected a shift to a pro-disclosure culture for government, with the expectation that agencies take the lead in anticipating and publishing material for public accessibility, rather than react to ad hoc requests. The scheme compels the Agency to publish certain categories of information online. These include the Agency's structure, functions and decision-making powers, as well as operational information supporting the exercise of those functions and powers. The Agency is also required to publish a plan detailing the information that will be made available as part of the IPS and the steps it will take to ensure compliance with IPS obligations.

The Agency has met the regulatory requirements by website publication of the broad range of information required, as well as by preparing a plan explaining how it will administer the IPS. It undertakes to keep the online content accurate, current and complete.

The Agency recognises that public sector information – information that is generated, collected or funded by government – is a valuable national resource that should be available for community access and use.

Consistent with the objects of the FOI Act and the Agency's commitment to transparency and open government, the Agency favours disclosure in the absence of competing public interest considerations such as the protection of personal information.

During 2022–23, the Agency received 30 requests pursuant to the FOI Act. Information released in response to the FOI Act requests is published in accordance with IPS requirements and accessible in the FOI Disclosure log page on the Agency website: https://www.digitalhealth.gov.au/about-us/policies-privacy-and-reporting/freedom-of-information-foi/foi-disclosure-log.

Additional reporting requirements under the PGPA Rule

Ministerial directions and policy orders

The PGPA Rule provides that the Minister for Health and Aged Care may give directions to the Agency about the performance of its functions or the exercise of its powers. In addition, the Minister for Finance, under the PGPA Act, may notify the Board of any general Australian Government policies that apply to the Agency.

No ministerial directions or notifications were given during the 2022–23 reporting period.

Compliance with finance law

The PGPA Rule requires that the Agency report on any significant non-compliance during 2022–23 with finance law (encompassing the PGPA Act, any delegated legislation under that Act, or an Appropriation Act).

The Agency has not identified any significant non-compliance issues during the 2022–23 reporting period.

Significant activities and changes

The PGPA Rule also requires the Agency to provide details of significant activities and changes that affected the operations or structure of the entity during the reporting year. The PGPA Rule requires the Agency to notify the Minister for Health and Aged Care of events such as proposals to form a company, partnership or trust; to acquire or dispose of a significant shareholding in a company; or commence or cease business activities; or to make other significant changes. No significant events of that nature arose during 2022–23.

Related entity transactions

The Agency is related to the Department of Health and Aged Care under the PGPA Rule 2014[11] because the Secretary of the Department of Health and Aged Care (Dr Brendan Murphy) was both the accountable authority for one body (the Department of Health and Aged Care), and a member of the accountable authority of another (a member of the Agency Board) for the reporting year.

[11] Section 4 definition of related entity, PGPA Rule 2014.

The PGPA Rule[12] requires the Agency to disclose any related entity transactions between those 2 bodies where a minimum financial threshold is met (the aggregate value of transactions exceeds $10,000) during the reporting period and to describe the process supporting the procurement decision. The Agency is also to provide the number and aggregate value of those transactions.[13] The purpose of the provision is to ensure transparency around any perceived or potential conflicts of interest.

The reporting obligation arises as the Agency has shared service arrangements with its portfolio entity, the Department of Health and Aged Care, to minimise the resource cost associated with various corporate service functions, such as payroll and financial processing and recording services. The Agency also subleases its premises in Canberra and Melbourne from the Department of Health and Aged Care.

All related entity procurements were operational in nature and authorised by Agency management in accordance with the Commonwealth Procurement Rules and relevant Board delegations. The arrangements are independent of, and separated from, Board decision-making processes. The relationship is managed under a memorandum of understanding and appropriate contractual arrangements.

There were 42 transactions in 2022–23, and their value in aggregate was $3.84 million (GST inclusive).

Insurance and indemnities

The PGPA Rule requires the Agency to provide details of any indemnity that applied to the Agency Board, any member of the Board or officer of the Agency against a liability (including premiums paid, or agreed to be paid, for insurance against the Agency Board, member or officer's liability for legal costs). In 2022–23 the Agency maintained directors' and officers' liability insurance, which covers Board members as part of its overall insurance arrangements with the Commonwealth's self-managed insurance fund, Comcover. The premium paid for this coverage for 2022–23 was $268,014.82 (GST inclusive).

Human resources management

Our vision as an Agency is to create a healthier future for Australians through connected healthcare, and our workforce plays a vital role in supporting this vision.

Through our workforce strategy, the Agency aims to create a culture of high-performance, adaptability, transparency and accountability. Regular strategic workforce planning discussions are held to identify the skills needed to maintain and improve and plan for the development of skills required now and in the future. Through the workforce strategy, the Agency can ensure its vision and strategic objectives are achieved through a high-performance, adaptable and capable workforce.

The Agency has unique and diverse skills and experience areas including clinical, digital, data, health informatics, user experience, project management, cyber security, IT, design and policy support. With targeted recruitment, training and partnerships, the Agency continues to build on its capability to meet current and future project needs. The workforce strategy also includes the rollout of our inaugural Australian Public Service Graduate Program in 2023, which saw the Agency welcome 9 graduates. Having graduates integrated into the workforce helps with succession planning strategies, builds a talent pipeline, fosters a culture of learning and growth, and allows us to

[12] Section 16EB(n), PGPA Rule 2014.

[13] Section 16EB(o), PGPA Rule 2014.

develop close and ongoing relationships with the Australian Public Service Commission, as well as other key departments and agencies.

Developed to complement the workforce strategy, the Agency's Learning and Development Strategy was launched in June 2023. With this strategy, we are shifting from responding to learning needs to proactively supporting our people in building knowledge and skills across their fields, and across the Agency's 5 core competency areas, including leadership, data, digital, project management and health and care. In addition, the strategy facilitates targeted capability development through on-the-job training opportunities and formal learning and development offerings offered through the Agency and APS Academy course catalogues.

As part of our commitment to professional development, the Agency also offers a range of leadership development programs. These initiatives encompass various training programs such as seminars organised by the Growth Faculty and Converge International, executive coaching through specialised programs like HelloMonday and MindNavigator, internal leadership courses and leadership series, DiSC behavioural profiling workshops, Culture Matters and Core Competency Matters workshops, monthly mandatory training and access to LinkedIn Learning. Our commitment to leadership capability development is outlined in the Agency Leadership Strategy.

Diversity within our workforce is crucial to understanding and responding to the diverse perspectives and needs of the Australian people we serve. The Agency has several diversity initiatives under way, including the revision of our Diversity, Inclusion and Belonging Strategy (set to be released in 2023-24), as well as the review and uplift of Agency systems, processes and training to improve accessibility.

We continue to strengthen our performance management systems and refine our employment value proposition so that we can attract the best candidates in the market. The Agency operates within a public service system and draws on its values and principles of responsiveness, service and ethical conduct. We also seek out skills from the private sector, along with health and community services that together equip us to think and act innovatively, efficiently and effectively. Our sense of purpose, along with our culture, capabilities, mindset and attitudes, make up our workforce and leadership DNA.

Staff statistics

The Agency is empowered to employ staff under the *Public Service Act 1999* as well as under its own enabling legislation, the Agency Rule. At 30 June 2023, the Agency employed 412 staff under both those arrangements with offices located in Brisbane, Sydney and Canberra.

The tables below give a breakdown of staff across offices in the form mandated by a 2019 amendment to the PGPA Rule 2014.[14] The tables record the numbers of ongoing (permanent) and non-ongoing (temporary) staff, full-time or part-time status, gender and location, with data for both the current and previous year.

[14] Inclusion of a new Section 17BE(ka) in the *Public Governance, Performance and Accountability Rule 2014*.

All ongoing employees current report period (2022–23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	
NSW	45	1	46	54	9	63	-	-	-	-	-	-	-	-	-	109
Qld	69	2	71	93	10	103	-	-	-	-	-	-	-	-	-	174
Vic	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2
WA	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	1
ACT	39	1	40	63	7	70	-	-	-	-	-	-	-	-	-	110
Total	155	4	159	210	27	237	-	-	-	-	-	-	-	-	-	396

All non-ongoing employees current report period (2022–23)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	1	0	1	1	0	1	-	-	-	-	-	-	-	-	-	2
Qld	2	0	2	2	0	2	-	-	-	-	-	-	-	-	-	4
Vic	1	0	1	-	-	-	-	-	-	-	-	-	-	-	-	1
ACT	2	1	3	5	1	6	-	-	-	-	-	-	-	-	-	9
Total	6	1	7	8	1	9	-	-	-	-	-	-	-	-	-	16

All ongoing employees previous report period (2021–22)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	
NSW	31	2	33	65	9	74	-	-	-	-	-	-	-	-	-	107
Qld	64	-	64	81	8	89	-	-	-	-	-	-	-	-	-	153
Vic	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1
WA	-	-	-	2	1	3	-	-	-	-	-	-	-	-	-	3
ACT	39	2	41	49	6	55	-	-	-	-	-	-	-	-	-	96
Total	135	4	139	197	24	221	-	-	-	-	-	-	-	-	-	360

All non-ongoing employees previous report period (2021–22)

	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	Full time	Part time	*Total*	
Qld	2	-	2	2	-	2	-	-	-	-	-	-	-	-	-	4
SA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACT	-	2	2	2	-	2	-	-	-	-	-	-	-	-	-	4
Total	2	2	4	4	-	4	-	-	-	-	-	-	-	-	-	8

Executive remuneration

In April 2019, the PGPA Rule was amended to provide greater clarity over Commonwealth executive remuneration and to standardise annual report disclosure of the remuneration of key management personnel, senior executives and other highly paid staff. In 2020, the PGPA Rule was further amended to extend remuneration reporting to members of the Agency's Audit and Risk Committee. These new requirements recognise the heightened interest from Parliament and the public for transparency over remuneration arrangements. They are to replace online reporting of executive remuneration on the Agency's website introduced in 2016–17 and supplement aggregate reporting for key management personnel in financial statements. The new disclosures include key management personnel, senior executives and other highly paid staff.

Key management personnel (KMP)	Under accounting standards, KMP are defined as having authority and responsibility for planning, directing and controlling the activities of the Agency. The Agency has determined KMP to be its Board members, its CEO and Senior Executive Committee. This is consistent with the reporting of the Agency's KMP in its financial statements (in Part 4). Under the new arrangements KMP, their positions and total remuneration package are identified, reflecting the shift to individual (rather than aggregate) reporting for the Agency's Board and leadership team.
Senior executives	Senior executives encompass the Agency's General Managers and anyone (who does not qualify as a KMP) who is responsible for decision-making or having substantial input to decisions affecting the operations of the Agency.
Other highly paid staff	Whereas the above 2 categories are determined by role or classification, this final category, other highly paid staff, is decided solely on the basis of remuneration. It captures any staff who are neither KMP nor senior executives whose total remuneration exceeds an annual reporting threshold of $240,000 for the 2022–23 reporting period (this figure will be indexed yearly).

Remuneration policies and practices

The Agency employs both public servants and common law employees. For all non-SES officers, including both public servants and common law employees, the Agency utilises the remuneration bands set out in the section 24 Determination made under section 24(1) of the *Public Service Act 1999*. The Agency has established SES remuneration bands for the management of SES remuneration. To ensure parity between APS and common law employees at all levels, remuneration tables utilise total remuneration to account for differences in superannuation.

Remuneration governance arrangements

Remuneration for the CEO is managed through the Remuneration Tribunal, an independent statutory authority that handles remuneration of key Commonwealth offices. As the Agency is small, the CEO is responsible for setting remuneration for all SES officers. To support this, the Agency applies the Department of Health and Aged Care remuneration bands for SES, and annual indexation increases are considered for those SES who are within the remuneration bands. Any requests for remuneration outside these bands must be supported by a business case to the CEO for consideration.

For all non-SES officers, including both public servants and common law employees, any requests for remuneration outside the section 24 Determination remuneration bands also requires a business case to the CEO for consideration.

Remuneration tables

Under new requirements introduced in the 2020–21 reporting year, each of the Agency's KMP names, positions and remuneration packages are identified.

Key management personnel

The remuneration information in the tables below is presented in accordance with 2019 amendments to the PGPA Rule.[15]

[15] Sections 17BE(ta), 17CA-CC and Schedule 3 of the *Public Governance, Performance and Accountability Rule 2014*.

Remuneration of key management personnel

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	**Position title**	**Base salary**	**Bonuses**	**Other benefits and allowances**	**Superannuation contributions**	**Long service leave**	**Other long-termbenefits**		
Amanda Cattermole	Chief Executive Officer	511,580	-	-	74,197	7,646	-	-	593,434
Lisa Rauter	Chief Operating Officer	359,474	-	2,317	60,345	3,604	-	-	425,740
Holger Kaufmann	Acting Chief Digital Officer	150,033	-	1,316	15,147	3,736	-	-	170,232
Peter O'Halloran	Chief Digital Officer	137,923	-	820	17,907	2,805	-	-	159,455
Steven Issa	Chief Digital Officer	26,255	-	3,179	10,416	1,185	-	71,627	112,662
Paul Creech	Chief Program Officer	323,877	-	2,593	58,202	5,601	-	-	390,273
Malcolm Thatcher	Chief Technology Officer	338,468	-	3,849	34,960	7,974	-	-	385,251
Steve Hambleton	Chief Clinical Advisor	230,805	-	-	-	-	-	-	230,805
Elizabeth Deveny	Board Chair	121,997	-	-	12,810	-	-	-	134,807
Lyn McGrath	Board Member	71,877	-	-	7,547	-	-	-	79,424
Emma Hossack	Board Member	71,877	-	-	7,547	-	-	-	79,424
Kylie Ward	Board Member	71,877	-	-	7,547	-	-	-	79,424
Bennie Ng	Board Member	60,999	-	-	9,394	-	-	-	70,393
Samuel Heard	Board Member	59,232	-	-	6,219	-	-	-	65,451

Senior executives

Senior executive disclosures are at aggregate level, reporting on averaged remuneration packages within dollar ranges ($25,000 bands), and show the number of executives within each band.

REMUNERATION OF SENIOR EXECUTIVES

		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
$0- $220,000	8	94,618	-	5,879	10,815	2,202	-	-	113,514
$220,001- $245,000	3	193,462	-	14,268	27,094	2,113	-	-	236,937
$245,001- $270,000	1	217,015	-	-	21,996	10,889	-	-	249,900
$270,001- $295,000	5	241,563	-	832	32,480	4,283	-	-	279,157
$295,001- $320,000	4	259,946	-	1,974	36,206	6,696	-	-	304,821
$320,001- $345,000	1	231,413	-	-	34,111	5,078	-	105,656	376,258
$345,001- $370,000									

Other highly paid staff

Under new statutory requirements, the Agency is obliged to produce a table showing the value of remuneration packages for other highly paid staff, defined as those employees who do not fall into the categories above but whose average reportable remuneration was $240,000 or more for the financial period.

No staff fell in this category in 2022–23.

Mandatory reporting requirements under various Commonwealth legislation

Workplace health and safety

Valuing the Agency's people extends to recognising the responsibility to promote their health and wellbeing and to meet employer obligations under the *Work Health and Safety Act 2011* (WHS Act).

The Agency's National Work Health and Safety Committee is the key forum that supports the Agency's health and safety culture. It oversees and coordinates the Agency's compliance with the WHS Act and its implementation, including the development of WHS policies and promotion of safe work practices. Committee representatives worked closely with state-based health and safety committees and senior managers and supervisors to deliver a number of prevention and early intervention initiatives to minimise the risk of workplace injuries and enable staff to work in a happy and healthy environment and maintain a work–life balance.

Under the WHS Act, the Agency must provide statistics of any notifiable incidents (serious work-related injuries or illness) and details of any investigations conducted during the reporting period. In accordance with Schedule 2, Part 4 of that Act, the Agency is also required to report on initiatives taken during the year to ensure workplace health and safety and the outcomes of those initiatives.

These initiatives included the following.

Workplace health and safety

- Encouraging staff to report accidents, incidents or dangers
- Workstation assessments with the provision of tailored ergonomic equipment as required
- Availability of sit-to-stand desks in all offices to promote movement and active working
- Providing early intervention support to all staff in line with Agency policy to support staff to actively manage their physical and mental health and wellbeing.
- Agency-funded influenza vaccination program
- Presence of first aid facilities and supplies
- Training for first aid officers, fire wardens responsible for emergency evacuation procedures and staff with specific WHS-related responsibilities (Health and Safety Representatives)
- Work health and safety procedural guidance for all workers
- Ensuring all WHS Framework policy and procedures are in line with current state and federal legislative advice
- Delivery of a staff wellbeing program of activities to encourage physical movement, mental health and connection with other staff

Psychosocial safety

- Adopted an implementation plan for the recent changes to the Work Health Safety Model Laws with the focus of these changes around psychological safety in the workplace

- Engaged with People at Work to facilitate a confidential survey to assess the Agency's psychosocial risk profile
- Adoption of Safe Work Australia's process to manage psychosocial risks
- Engagement with WHS Committees
- Currently developing Psychological Safety Risk Assessments
- Development of a learning and development plan targeting learning initiatives with a multilevel focus, including staff wellbeing

Work–life balance

- Flexible work arrangements to support staff, including a new Flexible Work Arrangements Policy introduced in April 2022
- ICT remote working capabilities to cover all staff, enabling flexible delivery from outside the office or at home, with manager approval

Wellbeing

- Staff and family access to an Employee Assistance Program (EAP) – an independent, confidential and free professional counselling service provided by external, registered consultants to address vocational or personal issues
- Active Agency Health and Wellbeing Committee to engage staff on a broad range of initiatives to enhance employee experience and engagement. Recent initiatives include a Gym Cartel 12 week health and wellbeing program, Tabata Thursdays, The Push Up Challenge for mental health and the Agency Park Run Challenge.
- Culture Matters Workshops are run by the Agency's Learning and Development team in consultation with subject matter experts from the Agency's EAP covering a range of health and wellbeing topics

These initiatives have assisted employees in adopting healthy work and lifestyle practices and reflect the Agency's commitment to fostering a strong health and safety culture.

No accidents or injuries occurred that were reportable under Section 38 of the WHS Act, and no investigations were conducted under Part 10 of that Act.

Advertising and market research

Under Section 311A of the *Commonwealth Electoral Act 1918* the Agency is required to disclose payments exceeding $15,200 (GST inclusive) to advertising agencies, market research, polling, direct mail or media advertising organisations.

During 2022–23 the Agency's total payments to advertising, market research and media services over the reporting threshold was $6,269,966 (GST inclusive). The following table shows the breakdown of payments by category.

ADVERTISING, MARKET RESEARCH AND MEDIA EXPENDITURE

Advertising agency	Expenditure ($, GST inclusive)
ASKABLE PTY LTD	20,480
DIG AGENCY PTY LTD	717,401
Track Customer Marketing Pty Ltd	639,538
Laundry Lane Productions Pty Ltd	53,116
VMLY&R PTY LTD	704,299
Market research organisation	**Expenditure ($, GST inclusive)**
Fifty-Five Five Pty Ltd	1,379,525
Australian Survey Research Group Pt	15,400
McNair YellowSquares Pty Ltd	431,823
Stokes Mischewski Pty Ltd	79,200
Lonergan Research Pty. Ltd.	137,749
Whereto Research Based Consulting	293,150
Media organisation	**Expenditure ($, GST inclusive)**
Mediabrands Australia Pty Ltd	1,798,285
Total	**6,269,966**

Ecologically sustainable development and environmental performance

Under Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, the Agency is obliged to report on:

- ecologically sustainable development – how its activities accord with, and contribute to, environmental sustainability
- environmental performance – how its activities impact on the environment, and measures taken to minimise their impact

Digital health's contribution to ecological sustainability

Discussion of the benefits of digital health rightly tends to focus on improved patient outcomes and the delivery of high-quality, safe and cost-effective care. However, one impact that is often overlooked is the potential benefit to the environment.

At a macro level, the Agency is helping to build a digital health future that promotes environmental sustainability. In this future, online health records will replace paper files, electronic diagnostic imaging reports will reduce plastic waste from x-rays, and telehealth will reduce reliance on patient transportation by lessening the need for face-to-face consultations.

Agency strategies to minimise environmental footprint

From an operational perspective, the Agency is mindful of its environmental responsibility and has taken steps to ensure both the efficient use of resources and effective waste management through the use of:

- video and teleconferencing facilities as an alternative to travel, wherever possible
- initiatives to reduce paper consumption, such as introduction of paperless processes and follow-me printing in business areas, the use of dual monitors at workstations, large screen displays in group settings and web-based sharing tools across teams
- recycling programs for paper, communal and co-mingled waste to minimise disposal to landfill
- energy-efficient practices in air-conditioning, computer and lighting, such as lighting control systems activated by motion sensors

Agency actions to reduce our environmental impact will continue to evolve as technology and automation enable us to increase our efficiency and reduce our environmental footprint.

Net Zero emission reporting

As part of the reporting requirements under the *Environment Protection and Biodiversity Conservation Act 1999*, and consistent with the Australian Government's APS Net Zero 2030 policy – to achieve net zero emissions across public sector operations by 2030 – from this reporting period the Agency will include emissions data in its annual report.

Reporting greenhouse gas emissions provides transparency in understanding the sources and levels of greenhouse gases being emitted to target mitigation efforts. Tracking over time will enable an evaluation of progress towards emission reduction goals. Greenhouse gas emissions reporting has been developed with methodology that is consistent with the Whole of Australian Government approach as part of the APS Net Zero 2030 policy.

The table below gives a breakdown of Agency emissions.

Agency Greenhouse Gas Emissions Inventory

Emission Source	Scope 1[16] kg CO2-e	Scope 2[17] kg CO2-e	Scope 3[18] kg CO2-e	Total kg CO2-e
Electricity (Location Based Approach)[19]	N/A	103,915	17,889	121,804
Natural Gas	-	N/A	-	-
Fleet Vehicles (N/A)	-	-	-	-
Domestic Flights	N/A	N/A	123,968	123,968
Other Energy	-	N/A	-	-
Total kg CO2-e	-	103,915	141,857	245,772

[16] Scope 1 is direct emissions from entity facilities.

[17] Scope 2 is indirect emissions from purchased electricity, steam, heating and cooling for own use.

[18] Scope 3 is all other indirect emissions, including from leased assets up and down stream.

[19] This reporting reflects electricity use in our Brisbane and Sydney offices. Due to leasing arrangements, emissions reporting for our Canberra and Melbourne operations is included in the annual report of the Department of Health and Aged Care.

Part 4. Financial statements

Information about this part

This part reports on the Agency's financial performance and includes financial statements audited by the Auditor-General.

Financial summary

The Agency is jointly funded by Commonwealth appropriation ($229.5 million) and funding from the states and territories ($32.25 million).

Financial outcome

The Agency had a total operating revenue of $255.9 million, and incurred total expenses of $288.7 million. As a result, the Agency recorded an operating loss of $32.8 million in 2022–23.

An operating loss of $58.7 million, inclusive of the Agency's depreciation and amortisation expenses was approved for 2022–23 by the Minister of Health and Minister of Finance. The Agency's actual operating loss in 2022-23 was within the level of this approval. There is no impact on the financial sustainability of the Agency resulting from this operating loss in 2022-23, with a sufficient net asset position that provides reasonable grounds to believe that the Agency will be able to pay its debts as and when they fall due.

Audited financial statements

The ANAO inspected the Agency's financial records and provided an unqualified audit opinion on the financial statements and accompanying explanatory notes on 28 September 2023. The ANAO's report and the Agency's financial statements are presented below.

Independent auditor's report

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

Opinion

In my opinion, the financial statements of the Australian Digital Health Agency (the Entity) for the year ended 30 June 2023:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Chair of the Board, Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Sally Bond

Executive Director

Delegate of the Auditor-General

Canberra

28 September 2023

Australian Digital Health Agency Statement by the Chair of the Board, the Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Digital Health Agency will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Australian Digital Health Agency Board.

Signed.....	Signed.....	Signed.....
Elizabeth Deveny	Paul Creech	Christopher Davis
Board Chair	A/g Chief Executive Officer	A/g Chief Financial Officer
Accountable Authority		
28 September 2023	28 September 2023	28 September 2023

Australian Digital Health Agency Statement of Comprehensive Income for the period ended 30 June 2023

		ACTUAL		
				Original
		2023	2022	Budget
	Notes	**$'000**	$'000	$'000
NET COST OF SERVICES				
Expenses				
Employee Benefits	1.1A	**56,410**	42,085	54,998
Suppliers	1.1B	**205,685**	244,900	185,431
Depreciation and Amortisation	2.2A	**26,480**	37,657	35,878
Finance Costs	1.1C	**150**	111	80
Total expenses		**288,725**	324,753	276,387
Own-Source Income				
Own-Source Revenue				
Revenue from Contracts with Customers	1.2A	**9,650**	9,535	-
Contributions from Jurisdictions	1.2B	**32,250**	32,250	32,250
Interest	1.2C	**2,779**	64	-
Other Revenue	1.2D	**82**	13,083	-
Total own-source revenue		**44,761**	54,932	32,250
Gains				
Other Gains		**-**	90	-
Total gains		**-**	90	-
Total own-source income		**44,761**	55,022	32,250
Net cost of services		**(243,964)**	(269,731)	(244,137)
Revenue from Government	1.2E	**211,125**	223,345	208,259
Deficit on continued operations		**(32,839)**	(46,386)	(35,878)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		**640**	-	-
Total other comprehensive income		**640**	-	-
Total comprehensive loss attributable to the Australian Government		**(32,199)**	(46,386)	(35,878)

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Expenses

Employee Benefits expenses were $1.4 million higher than the original budget primarily due to average staff costs in 2022-23 higher than the rate used for budget estimates, and the 3% pay rise for staff in February 2023 which was also not factored into budget estimates.

Suppliers expenses were $20.2 million higher than the original budget primarily due to higher than budgeted contractor expenses as a result of entering 2022-23 with a level higher than incorporated into budget estimates and higher IT costs due to increases in consumption volumes and charges for cloud storage, partially offset by reductions in advertising and communications expenses to support the Agency's budget position.

Depreciation and Amortisation costs were $9.4 million lower than the original budget. This budget was based on projected expenses prior to the decision to extend the useful life of the Agency's My Health Record intangible assets at the end of the 2021-22 financial year. Before this extension higher amortisation expenses were projected, with lower amortisation expenses resulting in the 2021-22 financial year after the adjustment part way through the year, with further reductions in the 2022-23 financial year reflecting the full annual impact.

Own-Source Income

Revenue from Contracts with Customers were not included in the original budget as the amounts were not known and/or confirmed at the time of preparing budget estimates.

Interest revenue (and cash inflows in the Cashflow Statement) was not included in the original budget as amounts received were not known and can be variable, with the level of revenue in 2022-23 reflecting the Agency's cash on deposit balance and the general trend of increased interest rates within the economy.

Revenue from Government

Revenue from Government was $2.9 million higher than the original budget due to additional funding received from Government through 2022-23 Portfolio Additional Estimates for the COVID-19 Response Package. This is also the reason for increased Appropriation cash inflows in the Cashflow Statement.

An operating loss $58.7 million, inclusive of the Agency's depreciation and amortisation expenses was approved for 2022-23 by the Minister of Health and Minister of Finance. The Agency's actual operating loss in 2022-23 was within the level of this approval. There is no impact on the financial sustainability of the Agency resulting from this operating loss in 2022-23, with a sufficient net asset position that provides reasonable grounds to believe that the Agency will be able to pay its debts as and when they fall due.

Australian Digital Health Agency Statement of Financial Position as at 30 June 2023

		ACTUAL		
				Original
		2023	2022	Budget
	Notes	**$'000**	$'000	$'000
ASSETS				
Financial Assets				
Cash and Cash Equivalents	2.1A	**62,067**	103,253	103,253
Trade and Other Receivables	2.1B	**4,520**	11,541	11,481
Total financial assets		**66,587**	114,794	114,734
Non-Financial Assets				
Leasehold Improvements	2.2A	**3,356**	4,343	3,626
Right of use Assets	2.2A	**6,900**	9,004	5,221
Plant and Equipment	2.2A	**1,645**	1,664	3,018
Intangibles	2.2A	**65,929**	66,724	50,780
Prepayments		**3,473**	5,862	5,977
Total non-financial assets		**81,303**	87,597	68,622
Total assets		**147,890**	202,391	183,356
LIABILITIES				
Payables				
Suppliers	2.3A	**27,060**	65,141	69,109
Other Payables	2.3B	**2,044**	1,278	1,273
Total payables		**29,104**	66,419	70,382
Interest bearing liabilities				
Leases	2.4A	**7,956**	10,044	5,426
Total interest bearing liabilities		**7,956**	10,044	5,426
Provisions				
Employee Provisions	3.1A	**11,747**	10,686	10,686
Other Provisions	3.1B	**382**	2,748	356
Total provisions		**12,129**	13,434	11,042
Total liabilities		**49,189**	89,897	86,850
Net assets		**98,701**	112,494	96,506
EQUITY				
Contributed Equity		**226,787**	208,381	226,787
Reserves		**25,907**	19,267	19,267
Accumulated Deficit		**(153,993)**	(115,154)	(149,548)
Total equity		**98,701**	112,494	96,506

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Assets

Cash and Cash equivalent were $41 million lower than the original budget primarily due to the higher supplier payables balance at 30 June 2022, with increased cash outflows required to settle these obligations in 2022-23 which were not factored into budget estimates, combined with the impact of the Agency's operating loss (excluding non-cash depreciation and amortisation expenses).

The original budget for Trade and Other Receivables was estimated based on the balance at the end of 2021-22. This balance can vary at a point in time and the $7 million decrease from the original budget is primarily due to a $4 million reduction in GST receivables from the ATO due to the Agency's lower supplier payables balance, and a $3 million reduction in trade receivables due to payments for significant 2022-23 milestones in contracts with other Commonwealth entities being received prior to 30 June.

Right of Use assets were $1.7 million higher than the original budget primarily due to the Agency's take-up of a lease extension option for our Sydney office lease of 1 year which was not factored into budget estimates.

Intangibles were $15.1 million higher than the original budget primarily due to the My Health Record's useful life adjustments at the end of 2021-22 which resulted in $9.4 million decrease in amortisation expenses and a higher closing net book value that was not factored into budget estimates, combined with new asset for projects in 2022-23 in relation to My Health Record (MHR), the Application Programming Interface (API) Gateway, the Healthcare Identifier and PCEHR System (HIPS), Provider Connect Australia (PCA), and the **my health** app.

The original budget for Prepayments was estimated based on the balance at the end of 2021-22. This balance can vary at a point in time, with the Agency making prepayments consistent with normal market practices, for example annual software licences and maintenance agreements and annual insurances.

Liabilities

The original budget for Suppliers payable was based on the balance at the end of 2021-22. This balance can vary at a point in time, with the lower balance in 2022-23 reflecting the reduced level of project-related activity and milestones at the end of 2022-23 compared to 2021-22 (e.g. the API Gateway and Data Centre Rehosting projects) and reduced Services Australia charges.

Employee provisions were $1 million higher than original budget primarily due to increased staffing levels within the Agency, with the original budget based on the balance at the end of 2021-22.

Australian Digital Health Agency Statement of Changes in Equity for the period ended 30 June 2023

	ACTUAL		
	2023	2022	Original Budget
	$'000	$'000	$'000
CONTRIBUTED EQUITY/CAPITAL			
Opening balance			
Balance carried forward from previous period	**208,381**	186,277	208,381
Adjusted opening balance	**208,381**	186,277	208,381
Transactions with owners			
Contributions by owners			
Equity injection - Appropriations	**18,406**	22,104	18,406
Total transactions with owners	**18,406**	22,104	18,406
Closing balance as at 30 June	**226,787**	208,381	226,787
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	**(115,154)**	(65,769)	(113,670)
Adjustment for rounding	**-**	1	-
Adjusted opening balance	**(115,154)**	(65,768)	(113,670)
Comprehensive income			
Deficit for the period	**(32,839)**	(46,386)	(35,878)
Total comprehensive income	**(32,839)**	(46,386)	(35,878)
Transfers between equity components[1]	**(6,000)**	(3,000)	-
Closing balance as at 30 June	**(153,993)**	(115,154)	(149,548)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	**1,267**	1,267	1,267
Other comprehensive income[2]	**640**	-	-
Closing balance as at 30 June	**1,907**	1,267	1,267
CASH RESERVE			
Opening balance			
Balance carried forward from previous period	**18,000**	15,000	18,000
Transfers between equity components[1]	**6,000**	3,000	-
Closing balance as at 30 June	**24,000**	18,000	18,000

	ACTUAL		
	2023	2022	Original Budget
	$'000	$'000	$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	**112,494**	136,775	113,978
Adjustment for rounding	**-**	1	-
Adjusted opening balance	**112,494**	136,776	113,978
Comprehensive income			
Deficit for the period	**(32,839)**	(46,386)	(35,878)
Other comprehensive income[2]	**640**	-	-
Total comprehensive income	**(32,199)**	(46,386)	(35,878)
Transactions with owners			
Contributions by owners			
Equity injection - Appropriations	**18,406**	22,104	18,406
Total transactions with owners	**18,406**	22,104	18,406
Closing balance as at 30 June	**98,701**	112,494	96,506

The above statement should be read in conjunction with the accompanying notes.

[1] Transfer relates to Board's decision to increase cash reserve by $6.0 million for the 2022-23 financial year (2021-22: $3.0 million increase).

[2] Other comprehensive income from changes in asset revaluation surplus consists of a $0.666m revaluation increment of leasehold improvement and plant and equipment and equipment assets as outlined in Note 2.2A, partially offset by a $0.026m revaluation decrement relating to the Agency's provision for restoration obligations as outlined in Note 3.1B.

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Cash Reserve

The Agency has determined a cash reserve should be maintained to hold funds for the dismantlement of the Agency and to cover associated costs of commitments in the event the ongoing funding for all operations include My Health Record is not received in the future. The creation and maintenance of this reserve account has been approved by the Board.

Budget Variances Commentary

Total Equity was $2.2 million higher than the original budget primarily due to the lower operating loss than approved/budgeted in 2022–23, partially offset by unbudgeted valuation adjustments recorded through other comprehensive income.

Australian Digital Health Agency Cash Flow Statement for the year ended 30 June 2023

		ACTUAL		
				Original
		2023	2022	Budget
	Notes	**$'000**	$'000	$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**211,125**	223,345	208,259
Contributions from jurisdictions		**32,903**	31,597	32,250
Rendering of services		**11,211**	8,039	-
Net GST received		**27,519**	22,476	-
Interest		**2,610**	16	-
Other		**807**	12,083	-
Total cash received		**286,175**	297,556	240,509
Cash used				
Employees		**54,583**	39,674	54,998
Suppliers		**267,037**	240,225	180,813
Interest payments on lease liabilities		**150**	111	80
Total cash used		**321,770**	280,010	235,891
Net cash inflows/ (outflows) from operating activities		**(35,595)**	17,546	4,618
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment and intangibles		**19,078**	37,966	18,406
Total cash used		**19,078**	37,966	18,406
Net cash (outflows) from investing activities		**(19,078)**	(37,966)	(18,406)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		**18,406**	22,104	18,406
Total cash received		**18,406**	22,104	18,406
Cash used				
Principal payments of lease liabilities		**4,919**	4,713	4,618
Total cash used		**4,919**	4,713	4,618
Net cash inflows from financing activities		**13,487**	17,391	13,788
Net decrease in cash held		**(41,186)**	(3,029)	-
Cash and cash equivalents at the beginning of the reporting period		**103,253**	106,282	103,253
Cash and cash equivalents at the end of period	2.1A	**62,067**	103,253	103,253

The above statement should be read in conjunction with the accompanying notes.

Budget Variances Commentary

Cash outflows from operating activities were $40.2 million higher the original budget primarily due to the higher supplier payables balance at 30 June 2022, with increased cash outflows required to settle these obligations in 2022-23 which were not factored into budget estimates, combined with the impact of the Agency's operating loss (excluding non-cash depreciation and amortisation expenses).

The higher Suppliers cash used than the original budget is consistent with above, combined with the higher than budgeted supplier expenses in 2022-23 and budget estimates not incorporating GST cashflows.

Overview

Objectives of the Agency

The Australian Digital Health Agency (the Agency) is an Australian Government controlled corporate Commonwealth Agency established by the *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016* (the Rule).

The Agency was established as a Corporate Commonwealth Agency on 30 January 2016 following registration of the rule on 29 January 2016 and commenced operations on 1 July 2016.

The Agency has responsibility for the strategic management and governance for the national digital health strategy and the design, delivery and operations of the national digital healthcare system including the My Health Record (MHR) system. It provides the leadership, coordination and delivery of a collaborative and innovative approach to utilising technology to support and enhance a clinically safe and connected national health system.

The Agency is structured to meet the following outcome:

Outcome 1*: To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians*

The continued existence of the Agency in its present form and with its present programs is dependent on:

- Government policy and on continued funding by the Australian Government for the Agency's administration and programs relating to the MHR functions.
- Funding from the Australian Government, states and territories received pursuant to the Inter-Governmental Agreement signed in October 2018, and on any future such agreements.

The Basis of Preparation

The financial statements are general purpose financial statements as required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015 and
b) Australian Accounting Standards and Interpretations – Simplified Disclosure Requirements issued by the Australian Accounting Standards Board (AASB 1060) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest $'000 unless otherwise specified.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period.

The following amending standards were issued prior to the signing of the statement by the Accountable Authority and Chief Financial Officer, were applicable to the current reporting period and did not have a material effect on the Agency's financial statements:

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions1, and adjustment to financial statements
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (AASB 2021-2)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.
AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. The details of the changes in accounting policies and adjustments are disclosed below and in the relevant notes to the financial statements. This amending standard is not expected to have a material impact on the Agency's financial statements for the current reporting period or future reporting periods.

Going Concern

The financial statements have been prepared on a going concern basis. As per the 2023-24 Department of Health and Aged Care Portfolio Budget Statements (PBS), the Agency is resourced ongoing from 2023-24. The Government continues to publicly support the Agency's objectives, and a new Intergovernmental Agreement on National Digital Health for 2023-2027 has been signed by all jurisdictions in early 2023-24. As such, the Agency continues to operate as a going concern until such time as a formal decision is made not to proceed with Agency activities.

Significant Accounting Judgements and Estimates

Assumptions or estimates have been made in the following areas that have the most significant impact on the amounts recorded in the financial statements:

- The Agency's intangibles comprise software licences, data sets, internally developed software for internal use and the MHR asset. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.
- Software is amortised on a straight-line basis over its anticipated useful life which is reviewed as part of the annual impairment process.
- Cloud computing arrangements (CCA) are first evaluated whether they contain a lease. Non-lease components are further evaluated as a service contract or an intangible asset. CCA are an intangible asset if it is identifiable, controlled by the Agency and give the Agency the power to obtain future

economic benefits. Configuration or customisation costs from CCAs are evaluated under the same principles. Useful life of intangible assets under CCA are determined by obsolescence, technology, economic factors and any rapid changes that may be occurring in the development of hosting arrangements or hosted software.

- Leave provisions involve assumptions based on the expected tenure of staff, patterns of leave claims and payouts, future salary movements and future discount rates.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next twelve months.

Taxation

The Agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events After the Reporting Period

There were no matters or circumstances which have arisen since the end of the financial year which significantly affected, or alternatively may affect the operations of the Agency, the results of these operations or state of affairs of the Agency in subsequent years.

Breach of Section 83 of the Constitution

The Agency receives own-source revenue detailed in note 1.2, including appropriation made by law through Appropriation Acts and Supply Acts, and makes a number of payments including under Remunerational Tribunal determinations.

During 2022-23 the Agency received advice that indicated there could be breaches of Section 83 relating to travel allowance payments under the Travel Principal Determination 2022 of the Remuneration Tribunal. The Agency undertook a review of relevant transactions and identified 31 instances where travel allowance payments were incorrect, totalling $3,360. The Agency has assessed these breaches as minor and administrative in nature. Changes to systems and processes have already been put in place to mitigate the risk of further overpayments occurring in the future, and recovery actions for overpayments has commenced.

1. Financial Performance

This section analyses the financial performance of the ADHA for the period ended 30 June 2023.

1.1 Expenses

	2023	2022
	$'000	$'000
Note 1.1A: Employee Benefits		
Wages and salaries	**41,785**	31,890
Superannuation		
Defined contribution plans	**5,229**	3,471
Defined benefit plans	**2,162**	1,402
Leave and other entitlements	**6,923**	5,221
Separation and redundancies	**311**	101
Total employee benefits	**56,410**	42,085

Accounting Policy

Accounting policy for employee related expenses is contained in note 3.1.

Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Contract for services	**132,190**	157,279
Contractors	**41,405**	50,583
IT services	**25,030**	20,953
Consultants	**390**	1,203
Communications	**1,565**	8,770
Travel	**808**	260
Audit fees[1]	**120**	120
Other	**3,594**	5,260
Total goods and services supplied or rendered	**205,102**	244,428
Other suppliers		
Workers compensation expenses	**539**	472
Short-term leases[2]	**44**	-
Total other suppliers	**583**	472
Total suppliers	**205,685**	244,900

[1] Amount paid or payable to the Australian National Audit Office for the audits of the financial statements.

[2] During the 2022-23 financial year, the Agency entered into a Memorandum of Understanding (MOU) with the Department of Health and Aged Care in relation to a licence of accommodation for Level 16, 595 Collins Street Melbourne, Victoria commencing 5 December 2022. The lease arrangement terminates on 31 August 2023.

Accounting Policy

Suppliers' expenses

The Agency applies a $5,000 threshold for recognition of prepayments and accrued expenses.

Short-term leases and leases of low-value assets

The Agency has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low value assets (less than $10,000 per asset). The Agency recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	$'000	$'000
Note 1.1C: Finance Costs		
Interest on lease liabilities	**150**	111
Total finance costs	**150**	111

The above lease disclosures should be read in conjunction with the accompanying notes 2.2A and 2.4A.

1.2 Income

	2023	2022
	$'000	$'000
Note 1.2A: Revenue from Contracts with Customers		
Rendering of services	**9,650**	9,535
Total revenue from contracts with customers	**9,650**	**9,535**

Revenue from rendering services is related to contracts with other Commonwealth entities for various projects, and are recognised at a point in time.

Accounting Policy

The Agency has revenue from general contracts that are enforceable through legal or equivalent means and have specific performance obligations that transfer goods or services to a customer. Contracts are considered to be enforceable where there are specific rights specified in the agreement, the parties can reasonably be expected to act on their obligations.

The Agency provides services to other entities and individuals, including undertaking functions or incurring costs on behalf of other Australian Government entities in accordance with contracts or other arrangements.

Revenue is recognised over time as costs are incurred (where the Agency is entitled to recover the costs) or point in time on completion of services depending on the nature of the services being provided.

A contract liability for unearned revenue is recorded for obligations under contracts for which payment has been received in advance. Contract liabilities unwind as "revenue from contracts with customers" upon satisfaction of the performance obligations under the terms of the contract or other arrangements.

	2023	2022
	$'000	$'000
Note 1.2B: Contributions from Jurisdictions		
New South Wales	**10,326**	10,326
Victoria	**8,114**	8,114
Queensland	**6,476**	6,476
Western Australia	**3,496**	3,496
South Australia	**2,283**	2,283
Tasmania	**697**	697
Australian Capital Territory	**529**	529
Northern Territory	**329**	329
Total contributions from jurisdictions	**32,250**	32,250

Accounting Policy

The Agency receives contributions from jurisdictions based on an agreed formula as set out in Schedule A to the Intergovernmental Agreement on National Digital Health (signed October 2018) and subsequent agreements. The above contributions from states and territories of $32.25 million represents the total contributions made under the Intergovernmental Agreement, with a further $32.25 million being contributed by the Australian Government. The latter contribution is included in Revenue from Government and is shown in note 1.2E.

Note 1.2C: Interest		
Deposits	**2,779**	64
Total interest	**2,779**	64

Accounting Policy

Interest revenue is recognised using the effective interest method.

	2023	2022
	$'000	$'000
Note 1.2D: Other Revenue		
Other	**82**	13,083
Total other revenue	**82**	13,083

In 2021-22, the Agency received $13.08 million in funding from the Department of Home Affairs to support the Agency moving to cloud-based data centre arrangements. This was assessed as revenue under AASB 1058 *Income of Not-for-Profit Entities.*

Note 1.2E: Revenue from Government		
Department of Health		
Corporate Commonwealth entity payment item	**211,125**	223,345
Total revenue from Government	**211,125**	223,345

Accounting Policy

Revenue from Government

Funding appropriated to the Department of Health as a corporate Commonwealth Agency payment item for payment to this Agency is recognised as revenue from the Australian Government, unless the funding is in the nature of an equity injection or a loan, or goods and services revenue under AASB 15 *Revenue from Contracts with Customers*. The Agency's revenue from the Australian Government includes $32.25 million paid pursuant to the Intergovernmental Agreement (refer also note 1.2B).

2. Financial Position

This section analyses ADHA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in Section 3 People and Relationships.

2.1 Financial Assets

	2023	2022
	$'000	$'000
Note 2.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	**62,067**	103,253
Total cash and cash equivalents	**62,067**	103,253

Accounting Policy

Cash is recognised at its nominal amount.

Note 2.1B: Trade and Other Receivables		
Goods and services receivables		
Goods and services	**637**	3,799
GST receivable from the ATO	**3,185**	7,426
Interest Receivable	**217**	48
Other receivables	**481**	268
Total goods and services receivables	**4,520**	11,541

The goods and services receivables are associated with amounts receivable from other Commonwealth entities, refer Note 1.2A.

Total trade and other receivables (gross)	**4,520**	11,541
Total trade and other receivables (net)	**4,520**	11,541

Credit terms for goods and services were within 20 days. The Agency has not provided any loans.

Accounting Policy

Financial assets

The Agency classifies its financial assets at the time of initial recognition depending on the nature and purpose of the asset. All receivables are classified as trade and other receivables and are expected to be recovered within 12 months unless otherwise indicated.

The collectability of debts are reviewed at the end of the reporting period and an impairment loss allowance is recognised if required.

2.2 Non-Financial Assets

Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment, computer software and other intangibles for 2023

	Leasehold Improvements $'000	Right of Use (ROU) Assets $'000	Plant and Equipment $'000	Computer Software[1] $'000	Other Intangibles[2] $'000	Total $'000
As at 1 July 2022						
Gross book value	**6,014**	**21,237**	**2,958**	**17,840**	**197,623**	**245,672**
Accumulated depreciation and amortisation	**(1,671)**	**(12,233)**	**(1,294)**	**(17,718)**	**(131,021)**	**(163,937)**
Total as at 1 July 2022	**4,343**	**9,004**	**1,664**	**122**	**66,602**	**81,735**
Additions						
Purchased	**390**	**-**	**658**	**-**		**1,048**
Internally developed	**-**	**-**	**-**	**-**	**18,030**	**18,030**
Revaluation increment recognised in other comprehensive income	**492**	**-**	**174**	**-**	**-**	**666**
Depreciation and amortisation	**(1,869)**	**-**	**(851)**	**(114)**	**(18,711)**	**(21,545)**
Depreciation on right-of-use assets	**-**	**(4,935)**	**-**	**-**	**-**	**(4,935)**
Other movements of right-of-use assets[3]	**-**	**2,831**	**-**	**-**	**-**	**2,831**
Total as at 30 June 2023	**3,356**	**6,900**	**1,645**	**8**	**65,921**	**77,830**
Total as at 30 June 2023 represented by:						
Gross book value	**3,356**	**24,068**	**2,396**	**17,840**	**215,653**	**263,313**
Accumulated depreciation and amortisation	**-**	**(17,168)**	**(751)**	**(17,832)**	**(149,732)**	**(185,483)**
Total as at 30 June 2023	**3,356**	**6,900**	**1,645**	**8**	**65,921**	**77,830**

[1] The carrying amount of computer software includes all purchased software. Internally generated assets are disclosed as Other Intangibles.

[1&2] The carrying amount of computer software and other intangibles includes assets under construction of $15.3 million, primarily relating to My Health Record, Application Programming Interface Gateway and the Healthcare Identifier and PCEHR system.

[3] Other movements of right-of-use assets relate to remeasurement of lease obligations following the decision to exercise an extension option for the Agency's leased premises in Sydney.

Capital commitments

The Agency has a $12.5 million (2022: $24.8 million) contractual obligation for the MHR system improvements to financial year 2024-25, and $7.4 million contractual obligations for the construction of Healthcare Identifier and PCEHR system and other platforms to financial year 2023-24.

Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position. Purchases costing less than $2,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total) except for IT hardware where a lower capitalisation threshold of $500 is applicable. Software and IT projects have a higher threshold.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in leases taken up by the Agency where there exists an obligation to make good. These costs are included in the value of the Agency's provisions, refer note 3.1B.

Category	Capitalisation Threshold
Purchased IT hardware and IT software	$500
Leasehold improvements	$50,000
Internally developed IT software and hardware	$100,000
IT projects (software and hardware integration)	$100,000
All other property, plant and equipment	$2,000

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease unless they are short-term (less than 12 months) or of low value (less than $10,000), and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by the Agency as separate asset classes to corresponding assets owned outright.

On initial adoption of AASB 16 the Agency adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of Asset Revaluation Reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the Statement of Comprehensive Income. Revaluation decrements for a class of assets are recognised directly in the Statement of Comprehensive Income except to the extent that they reversed a previous revaluation increment for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

All revaluations were conducted in accordance with the revaluation policy. An independent valuation was performed at 30 June 2023 by Jones Lang Lasalle.

Depreciation and Amortisation

Depreciable property, plant and equipment and amortisable intangible assets are written-off to their estimated residual values over their estimated useful lives, in all cases using the straight-line method. Depreciation/amortisation rates, residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Depreciation/amortisation rates applying to each class of asset are based on the following useful lives:

Asset Class	Useful life (years)
Leasehold improvements	Length of lease
Plant and equipment	3 – 10
Computer software	2 – 5
Other intangibles	1 – 5

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Agency were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment or an intangible asset is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

2.3 Payables

	2023	2022
	$'000	$'000
Note 2.3A: Suppliers		
Trade creditors and accruals	**27,060**	65,141
Total suppliers	**27,060**	65,141

Accounting Policy

Trade creditors and accruals

Trade creditors and accruals are recognised at amortised cost. Liabilities are recognised to the extent that goods and services have been received.

Note 2.3B: Other Payables		
Salaries and wages	**1,848**	1,143
Superannuation	**196**	135
Total other payables	**2,044**	1,278

2.4 Interest Bearing Liabilities

	2023	2022
	$'000	$'000
Note 2.4A: Leases		
Lease liabilities	**7,956**	10,044
Total leases	**7,956**	10,044

Total cash outflow for leases for the year ended 30 June 2023 was $5.1 million.

Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**5,762**	5,069
Between 1 to 5 years	**2,270**	5,076
Total leases	**8,032**	10,145

The Agency in its capacity as lessee occupies the following premises:

- Level 25 & 26, 175 Liverpool Street, Sydney.
- Level 17 & 18B, 1 Eagle Street, Brisbane.
- Scarborough House, Level 6 & 7, 1 Atlantic Street, Canberra.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1C and 2.2A.

Accounting Policy

For all new contracts entered into, the Agency considers whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains, a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Agency's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3. People and Relationships

This section describes a range of employment and post-employment benefits provided to our employees and our relationships with other key people.

3.1 Provisions

	2023	2022
	$'000	$'000
Note 3.1A: Employee Provisions		
Leave	**11,747**	10,686
Total employee provisions	**11,747**	10,686

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years is estimated to be less than the annual entitlement for sick leave.

The liability for long service leave has been determined using the shorthand model provided by Department of Finance as per the FRR and Commonwealth Agency Financial Statement Guide. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Agency recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Agency's staff comprise both Australian Public Service (APS) employees and staff whose employment is subject to contracts under common law. Both groups of employees are reflected in the Agency's ASL numbers.

APS staff are either members of the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The PSS is a defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Agency makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The Agency accounts for these contributions as if they were contributions to defined contribution plans.

In respect of the other more prominent group of common law contract employees, the Agency makes employer contributions to funds held outside of the Australian Government.

The liability for superannuation recognised as at 30 June represents outstanding contributions, if any.

	June 2023 $'000	2022 $'000
Note 3.1B: Other provisions		
Provision for restoration obligations	**382**	356
Provision for supplier costs	**-**	2,392
Total other provisions	**382**	2,748
Provision for restoration obligations		
As at 1 July	**356**	312
Revaluation	**26**	44
Total as at 30 June	**382**	356
Provision for supplier costs		
As at 1 July	**2,392**	-
Additional provision made	**-**	2,392
Amounts used	**(2,392)**	-
Total as at 30 June	**-**	2,392
Total other provisions	**382**	2,748

The Agency currently has two agreements for office leases in Sydney and Brisbane that require the Agency to restore the premises to their original condition at the conclusion of the lease. The Agency has made a provision for restoration to reflect the present value of these obligations.

The provision for supplier costs at 30 June 2022 related to claims for service delivery delays, by Agency suppliers. This provision was subsequently used to pay approved claims received during the 2022-23 financial year.

Provision for Restoration Obligations

Where the Agency has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

3.2 Key Management Personnel Remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing, and controlling the activities of the Agency, directly or indirectly, including any Board member (whether executive or otherwise). The Agency has determined the KMP to be Chief Executive Officer (CEO), Senior Executive Committee (SEC) members and Board members. KMP remuneration is reported in the table below:

	2023	2022
	$'000	$'000
Key management personnel remuneration expenses		
Short-term employee benefits	**2,550**	2,620
Post-employment benefits	**322**	298
Other long-term employee benefits	**33**	61
Termination benefits	**72**	-
Total key management personnel remuneration expenses[1]	**2,977**	2,979

The total number of KMP that are included in the above table for 2022-23 is 15 (2021-22: 14), which includes 2 cessations relating to SEC members positions (2021-22: two cessations relating to Board members positions).

[1] The above KMP remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Agency. The head count only includes KMP who received remuneration from the Agency in 2022-23.

3.3 Related Party Disclosures

The Agency is an Australian Government controlled corporate Commonwealth Agency. It has a governing Board of members, a CEO and SEC members and a Portfolio Minister.

Pursuant to *AASB 124 Related Party Disclosures* (AASB 124), the Agency KMP are asked to provide details of where any of their close family members, or a controlled Agency/entities has/have transacted with the Agency. Where any doubt exists, the information is to be recorded and collected in any event.

AASB 124 requires disclosure of related party relationships that include transactions where significant influence exists between the Agency and other parties. The Standard identifies that KMP have the capacity to influence the operations of the Agency, and therefore parties related to KMP become related parties to the Agency and require disclosure in the annual financial statements.

The Agency has determined that all board members, the CEO and SEC members constitute KMP. This includes those acting in a role for three months or more continuously.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity of ‘common citizens’. Common citizen or ‘open contest’ transactions are not requested or recorded as they reflect those transactions that may be undertaken with the Agency under the same terms and conditions as any other citizen.

The Agency transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums. These are not considered individually significant to warrant separate disclosure as related party transactions.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Agency, it has been determined that there are no related party transactions to be separately disclosed.

4. Managing Uncertainties

This section analyses how the Agency manages financial risks within its operating environment.

4.1 Contingent Assets and Liabilities

Quantifiable Contingencies

The Agency had no quantifiable contingencies at reporting date.

Unquantifiable Contingencies

The Agency had no unquantifiable contingencies at reporting date.

Accounting Policy

Contingent assets and liabilities may arise from uncertainty as to the existence of an asset or liability, or where the amount cannot be reliably measured.

Contingent assets are disclosed when settlement is probable but not virtually certain.

Contingent liabilities are disclosed when settlement is greater than remote.

4.2 Financial Instruments

	2023	2022
Note 4.2A: Categories of Financial Instruments	**$'000**	$'000
Financial assets at amortised cost		
Cash and cash equivalents	**62,067**	103,253
Trade and other receivables	**4,520**	11,541
Total financial assets at amortised cost	**66,587**	114,794
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	**27,060**	65,141
Total financial liabilities measured at amortised cost	**27,060**	65,141

The Agency is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk was the risk that arises from potential default of a debtor. The amount was equal to the total amount of the trade receivables of $4.52 million in 2022-23 (2021-22: $11.54 million).

The Agency had no financial assets that were past due but not impaired at 30 June 2023 (2021-22: Nil).

Accounting Policy

Financial Assets

The Agency classifies its financial assets in the following categories:

a. financial assets at fair value through profit or loss;

b. financial assets at fair value through other comprehensive income; and

c. financial assets measured at amortised cost.

Financial assets are recognised when the Agency becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Interest revenue from financial assets for 2022-23 was $2.779 million (2021-22: $0.06 million).

Financial Liabilities

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or amortised cost. Financial liabilities are recognised and derecognised upon ‘trade date’.

4.3 Fair Value Measurement

The Agency has Leasehold Improvement and Plant and Equipment assets that are measured at fair value. The remaining assets and liabilities disclosed in the Statement of Financial Position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Agency can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Leasehold improvements are categorised as Level 3.

Plant and equipment are categorised as Level 2 and Level 3.

Note 4.3A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2023	2022
	$'000	$'000
Non-financial assets		
Leasehold Improvements	**3,356**	4,228
Plant and equipment	**1,645**	1,664
Total fair value measurements in the Statement of Financial Position	**5,001**	5,892
Total non-financial assets not measured at fair value in the Statement of Financial Position	**76,302**	81,705

Accounting Policy

All revaluations were conducted in accordance with the revaluation policy. An independent valuation (including impairment assessment) was performed at 30 June 2023 and no material fair value movements were identified in 2023.

5. Other Information

5.1 Current/non-current distinction for assets and liabilities

	2023	2022
	$'000	$'000
Note 5.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**62,067**	103,253
Trade and other receivables	**4,520**	11,541
Prepayments	**2,912**	5,101
Total no more than 12 months	**69,499**	119,895
More than 12 months		
Leasehold Improvements	**3,356**	4,228
Right of use Assets	**6,900**	9,004
Plant and equipment	**1,645**	1,664
Intangibles	**65,929**	66,724
Prepayments	**561**	876
Total more than 12 months	**78,391**	82,496
Total assets	**147,890**	202,391
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**27,060**	65,141
Other payables	**2,044**	1,278
Leases	**5,693**	5,003
Employee provisions	**5,128**	2,787
Other provisions	**-**	2,392
Total no more than 12 months	**39,925**	76,601
More than 12 months		
Leases	**2,263**	5,041
Employee provisions	**6,619**	7,899
Other provisions	**382**	356
Total more than 12 months	**9,264**	13,296
Total liabilities	**49,189**	89,897

Part 5. Navigation aids

Information about this part

This part helps readers locate information in the report. It includes an index of annual report content requirements and a list of abbreviations and acronyms.

The compliance table below, identifying the location of compulsory content in the Agency's annual report, is presented in the form required by amendments to the PGPA Act in 2019.

Index of annual report content requirements

Corporate Commonwealth entities

PGPA Rule reference	Part of report	Description	Requirement
17BE Contents of annual report			
17BE(a)	Enabling legislation page 6	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Role page 8	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Purpose page 6	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Portfolio and ministerial oversight page 8	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	Ministerial directions and policy orders page 71	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	Ministerial directions and policy orders page 71	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
17BE(g)	Annual performance statements 2022–23 page 17	Annual Performance Statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory
17BE(h), 17BE(i)	Compliance with finance law page 71	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory
17BE(j)	The Board page 55	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Structure page 10	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Staff statistics page 73	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory
17BE(l)	Our people and their location page 8	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Corporate governance page 55	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Related entity transactions page 71	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than $10,000 (inclusive of GST): (a) The decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company. (b) The value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	If applicable, mandatory
17BE(p)	Significant activities and changes page 71	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Judicial decisions or administrative reviews page 70	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	External scrutiny page 70	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act) or	If applicable, mandatory

PGPA Rule reference	Part of report	Description	Requirement
		(b) a Parliamentary Committee or (c) the Commonwealth Ombudsman or (d) the Office of the Australian Information Commissioner.	
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	Insurance and indemnities page 72	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Audit committee disclosures page 64	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee (b) the name of each member of the audit committee (c) the qualifications, knowledge, skills or experience of each member of the audit committee (d) information about each member's attendance at meetings of the audit committee (e) the remuneration of each member of the audit committee.	Mandatory
17BE(ta)	Executive remuneration page 76	Information about executive remuneration	Mandatory
17BF Disclosure requirements for government business enterprises			
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	N/A	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	N/A	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations (b) an assessment of the cost of fulfilling those obligations.	If applicable, mandatory
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

Acronyms and abbreviations

Acronym	Term
ACCHS	Aboriginal Community Controlled Health Service
AMT	Australian Medicines Terminology
ANAO	Australian National Audit Office
AIDH	Australasian Institute of Digital Health
HI	healthcare identifiers
ICT	information and communication technology
IPS	information publication scheme
MSIA	Medical Software Industry Association
NASH	National Authentication Service for Health
NCTS	National Clinical Terminology Service
NHMRC	National Health and Medical Research Council
NGO	non-government organisations
OAIC	Office of the Australian Information Commissioner
PBS	Portfolio Budget Statements
PSML	pharmacist shared medicines list
PGPA	Public Governance, Performance and Accountability