



Aboriginal and Torres Strait  
Islander Health Practice  
Chinese Medicine  
Chiropractic  
Dental  
Medical  
Medical Radiation Practice  
Nursing and Midwifery  
Occupational Therapy  
Optometry  
Osteopathy  
Pharmacy  
Physiotherapy  
Podiatry  
Psychology

Australian Health Practitioner Regulation Agency

## Agency Management Committee Communiqué

June 2017

The 87<sup>th</sup> meeting of the [Agency Management Committee](#) (the Committee) was held on Tuesday 20 June 2017 in Melbourne and via teleconference.

This Communiqué highlights key discussions and considerations from the Committee's meeting.

### Chair and members' report

Members noted the update provided by Mr Gorton, including:

- Attendance at the College of the Surgeons to give a presentation on expectations of safe surgeons
- Attended the second workshop to develop an Aboriginal and Torres Strait Islander Health strategy.

### Business items

The Committee noted the CEO report and update, and discussed and provided advice on key themes about the:

- Introduction of the first tranche of amendments to the National Law, to be known as the *Health Practitioner Regulation National Law Amendment Law 2017* to the Queensland Parliament on Tuesday 13 June 2017 and the upcoming Committee scrutiny and likely issues of interest.

Members discussed whether it would be desirable to amend the legislation to remove the need for annual renewal of registration. Members noted that further policy work would need to be undertaken to inform consideration of this as a possible option.

- Overview of the Notifications Dashboard for May 2017, noting the higher rate of matters closed relative to the number of new matters received in May 2017. There continues to be significant pressure on investigation timeframes.
- Dr Flynn provided a brief overview of the recent Medical Board of Australia conference which focused on medical notifications and ways to improve how they are managed.
- Launch of first national AHPRA staff survey and the positive response rate to date (31% of staff overall).
- The status of a notice from the Australian Taxation Office under s.353-10 of the *Taxation Administration Act 1953* (Cth), requiring AHPRA to provide registration data to assist with tax compliance activities. Further confirmation was sought about the legal basis of the initial notice and the need to advise the Ministerial Council if the ATO is looking for data to be regularly updated by AHPRA. An update will also be provided to National Boards.
- Members requested an update on the implementation of the research strategy, priorities and outputs to date and the use of data by external researchers.
- Members expressed interest in a presentation from the AHPRA Engagement Advisor on the trends and themes emerging from interviews with practitioners and notifiers and the surveys being undertaken.

Ms Barbara Yeoh (Chair of the FARMC) provided an update regarding the Finance, Audit and Risk Management Committee meeting held 19 June 2017.

The Committee:

- Noted the self-assessment of AHPRA's Information Security Program in relation to the Australian Cyber Security Centre (ACSC) recently updated guidance on cyber security risks.
- The ACSC has identified 8 essential strategies and there are three areas in which the Committee is seeking further advice and assurance at the August FARMC meeting in relation to possible vulnerabilities:

1. Application whitelisting
  2. Patching of applications
  3. Hardening of configurations for user applications
- In relation to the Financial Accounts for FY2016-17, three major issues were discussed:

**1. Paramedicine**

There is an initial government grant of \$211,000 this financial year to prepare for the regulation of paramedicine and the establishment of the Paramedicine Board of Australia (pending legislative amendment). A further grant is expected in FY 2017-18.

If there is a surplus of grant revenue over grant expenditure for FY 2017-18, it is proposed that it will be treated as equity in advance.

An additional disclosure note will be added to the accounts so that this accounting treatment is clear. The Victorian Auditor-General's Office (VAGO) concurs with this approach.

**2. Overpayments to the Office of the Health Ombudsman (OHO) in Queensland.**

In March 2017 we received advice from the Queensland Department of Health that a refund of \$3.75 million will be made to AHPRA in respect of overpayments made to the OHO in 2014/15 and 2015/16.

\$2.26 million of this overpayment will be retained by the Queensland Department of Health as payment in full for the AHPRA contribution to OHO for this financial year.

This will be treated as a specific expenditure line item in the financial statements

The balance of \$1.49 million will be retained by Queensland Health as a contribution towards the amount AHPRA will be required to pay OHO in 2017/18.

This will be treated as an asset (prepayment) in the balance sheet.

An additional disclosure note will be added to the accounts so that this accounting treatment is clear. VAGO concurs with this approach.

**3. Related Party Disclosures (AASB 124)**

- AASB 124 will apply to 'not for profit' and government entities for the first time this year.
- The intent of the standard is to enable users to understand the potential effect on the financial statements of the relationships with Key Management Personnel and Related Parties.
- FARMC endorsed the inclusion of members of AManC, the CEO and the three Executive Directors within the definition of Key Management Personnel (KMP) and each will be required to complete disclosures.
- The Committee considered at length whether the 9 ministers who sit on Ministerial Council are KMP, given the powers of Ministers and the Ministerial Council under the National Law. This can be argued from a number of different legal and accounting perspectives and the Committee had a rigorous and healthy discussion (and the Chair noted the comprehensive and considered advice from the AHPRA Corporate Counsel Mr Phil McAloon).
- AHPRA does not neatly fit into the guidance material published by the AASB. However, VAGO's preliminary view is that individual ministers are KMP. VAGO is doing further work to establish the approach being undertaken in other jurisdictions and to finalise their technical advice.
- Ultimately, FARMC has decided to recommend a prudent approach and identify individual Ministers who have served on the Australian Health Workforce Ministerial Council during FY 17/18 as KMP. For the purposes of the disclosure this financial year, it is proposed that information will be collected from the published disclosure statements made by Ministers as part of their parliamentary requirements and AHPRA records of any financial transactions.
- For disclosures in future years, AHPRA will write to relevant central agencies in each jurisdiction to look at how related party disclosures by Ministers for the purposes of reporting by AHPRA, can be integrated with government wide approaches to health portfolio entities.

- FARMC also considered whether individual National Board members are KMP and came to the view that they do not meet the 20% threshold for influence, given that there are 14 Boards and around 140 individual Board members.
- The Chair of the AManC thanked the Chair of FARMC for her comprehensive report and noted that the advice from FARMC on these accounting issues will be formally recommended to the AManC at the July meeting.

Members approved the strategic measures for implementation, subject to inclusion of an amended set of measures related to capability and culture which might include measures related to workplace health and safety, upskilling of staff, unplanned absences, complaints around bullying and harassment and grievances.

Members approved the amendments to the Schedule of Financial Delegations and associated policy.

Members approved the Financial Materiality Policy which will commence from 1 July 2017.

Members approved the use of income from invested funds to address the funding shortfall for the Aboriginal and Torres Strait Islander Health Practice Board in 2017- 18, and that final advice will be provided to National Boards on this basis.

Ms Deb Frew gave a presentation on status of the Governance Review: National Registration and Accreditation Scheme.

Members noted the proposed approach to adoption of the annual financial statements for the period ending 30 June 2017.

Members noted the correspondence from the Secretariat of AHMAC advising of the outcomes of the review of AHMAC committees of relevance to AHPRA

Members noted the current status of the fee position for each National Board for 2017-18

Members noted the updated action plan and endorsed the changes to upcoming meetings for 2017 which will see a greater number of face to face meetings.