

30 August 2006

The Commissioners
Study into Standard Setting and Laboratory Accreditation
Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Commissioners,

**Re: Comments on the Study into Standard Setting and Laboratory Accreditation
Productivity Commission**

Thank you for forwarding a copy of the Productivity Commission Draft Research Report on the Study into Standard Setting and Laboratory Accreditation for comment.

I have recently retired but remain on a few committees related to Department of Health and Ageing (DoHA) National Pathology Accreditation Advisory Council activities, am on the Steering Committee of the DoHA for the development of Key Performance Indicators for assessing pathology laboratories using their quality assurance (QA) data, have been involved in development and implementation of QA programs at a scientific and administrative level with RCPA Quality Assurance Programs Pty Limited for many years and have worked closely with NATA on a number of committees.

From my perspective the Draft Report is a comprehensive and thorough review of the role and functions of NATA, particularly in the pathology laboratory area. However there are two areas which are of considerable concern and which, if implemented, would have deleterious impact on the community. My comments are as follows:

Pages 225 and 226

The Commission states on page 225 that "... *public funding should be directed only at activities that provide public benefits which are not rewarded in the marketplace.*" While I agree with this statement I do not agree with the dot point

- "*NATA's funded activities directly benefit laboratories or the customers of laboratories and there are no significant spillover benefits to other members of the community.*"

In the pathology area NATA's role (with RCPA) in monitoring and maintaining laboratory standards is fundamental to the maintenance of a reliable pathology testing environment for the entire community. This is of greater benefit than just supporting laboratories and their patients; it sets an appropriately high community standard and a community expectation which is absolutely justified. To me, this is an essential service which must be maintained for the community.

The third dot point

- “ *Relying on private funding has some advantages over government funding, since requiring laboratories to pay more readily ensures that only those activities providing more benefits than costs for laboratories are undertaken*”

is very idealistic. While I accept the concept in theory, in practice if implementation of a required standard or practice imposes additional costs on the laboratory and reduces their profit margins then they may not provide funding even though there is a community benefit.

Pages 226, 227 and 228

The discussion on reducing funding to NATA’s international activities comes at a time of significant international activity in pathology laboratory testing. Two activities in particular are of concern.

Firstly the international recognition for the need for accreditation of pathology laboratories. Australia is a leader in accreditation of laboratories but this approach is not universally accepted. More work must be done and it is essential that international standards are not set lower than those in Australia as this would eventually have deleterious effects on Australian standards and as a consequence on the quality of Australian pathology services.

Secondly, in the last four years The Joint Committee on Traceability in Laboratory Medicine (JCTLM) has been established by the International Federation of Clinical Chemistry and Laboratory Medicine (IFCC) and Bureau International des Poids et Mesures (BIPM) with the task of developing standards, procedures and materials to support “international accuracy” in laboratory testing. I was a member of the Executive Committee and other committees related the activities of JCTLM. While my funding came from RCPA Quality Assurance Programs Pty Limited I collaborated with and was supported by NATA and ILAC who took significant leadership roles in these activities. I believe that the participation of Australian professionals and NATA and ILAC has effectively made the deliberations of JCTLM more pragmatic and more directly relevant to laboratories delivering pathology services and therefore of better support for the community. It is essential that this input is not jeopardised.

I strongly believe that financial support of, at least, the activities mentioned above must continue so as to protect, maintain and develop the high standards of pathology services for the Australian community.

I would be happy to discuss any of these issues further and can be contacted by telephone at [*phone Nos*] or at [*email address*] if needed to expand on these comments.

Thank you for the opportunity to comment.

Yours sincerely,

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