

NATIONAL HEALTH PERFORMANCE AUTHORITY

Agency Resources and Planned Performance

**Performance
Authority**

National Health Performance Authority

Health Portfolio Agency

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Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The National Health Performance Authority (Performance Authority) was established in 2011 to prepare high quality, locally relevant and nationally consistent reports on the performance of Local Hospital Networks, public hospitals, private hospitals and other bodies or organisations that provide health care services. Under the *National Health Reform Act 2011*, this transparent public reporting across a range of performance standards and indicators at a local level, aims to increase accountability and drive continuous improvement in delivery of these health care services.

The Performance Authority is established under the *National Health Reform Act 2011* and is a prescribed agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, the Performance Authority will be governed under the *Public Governance, Performance and Accountability Act 2013*.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

In meeting its statutory obligations to report on health system performance, the Performance Authority operates independently of both the Commonwealth and State and Territory Governments. The costs associated with the establishment and ongoing operations of the Performance Authority are borne by the Commonwealth.

1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

Table 1.2.1: Performance Authority Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	3,957	-	3,957	3,171
Departmental appropriation ³	-	11,112	11,112	11,479
s31 Relevant agency receipts	-	-	-	479
Total	3,957	11,112	15,069	15,129
Administered resources⁴				
Outcome 1		22,738	22,738	22,136
Total	-	22,738	22,738	22,136
Total ordinary annual services	3,957	33,850	37,807	37,265
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	3,957	33,850	37,807	37,265
Total net resourcing for the Performance Authority	3,957	33,850	37,807	37,265

All figures are GST exclusive.

- 1 Appropriation Bill (No.1) 2014-15.
- 2 Estimated adjusted balance carried from previous year for annual appropriations including cash at bank.
- 3 Includes an amount of \$0.098 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
- 4 Appropriation Bill (No.1) 2014-15.
- 5 Appropriation Bill (No.2) 2014-15.

1.3 Budget Measures

Budget measures relating to the Performance Authority are detailed in Budget Paper No.2 and are summarised below.

Table 1.3.1: Performance Authority Budget Measures

Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Whole of Government Measures					
Efficiency Dividend - a further temporary increase of 0.25 per cent					
National Health Performance Authority					
Departmental	1.1	-	(28)	(85)	(86)
Total	-	(28)	(56)	(85)	(86)

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

Contribute to transparent and accountable health care services in Australia, including through the provision of independent performance monitoring and reporting; the formulation of performance indicators; and conducting and evaluating research

Outcome Strategy

The Performance Authority's principal role is to analyse and report local level health system performance information to support greater transparency, accountability and continuous improvement in the delivery of health services in Australia.

The Performance Authority's work is guided by the Performance and Accountability Framework (the Framework) which includes measures of safety, quality, access and efficiency for different parts of the health system. The Framework was agreed by the Council of Australian Governments (COAG) in December 2011.

The effectiveness of the Performance Authority's activities depends in part on its access to a reliable supply of high quality data that does not impose an unnecessary burden on those organisations that collect and provide data. Access to clinical and technical expertise during the development of performance measurement methods and interpretation of results ensures the Performance Authority's work is valid and valued.

Guided by its Strategic Plan, the Performance Authority actively pursues respectful collaboration and consultation with Governments, public and private health organisations, clinicians and consumers.

Performance Authority Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for Performance Authority by Programme.

Table 2.1.1: Budgeted Expenses and Resources for Performance Authority

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Programme 1.1: Health system performance reporting					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	22,136	22,738	23,210	23,628	24,054
Expenses not requiring appropriation ¹	-	-	-	-	-
Departmental expenses					
Departmental appropriation ²	11,379	11,014	10,947	10,868	10,963
Expenses not requiring appropriation in the budget year ³	359	417	442	455	422
Operating deficit (surplus)	(128)	(128)	(128)	(128)	(127)
Total for Programme 1.1	33,746	34,041	34,471	34,823	35,312
Total expenses for Outcome 1	33,746	34,041	34,471	34,823	35,312
	2013-14	2014-15			
Average staffing level (number)	53	54			

- Expenses not requiring appropriation in the Budget year is made up of resources received free of charge.
- Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1 & 3)" and "Revenue from independent sources (s31)".
- Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme 1.1: National Health Performance Authority

Programme Objectives

Produce high quality reports on health system performance

In 2014-15, the Performance Authority will continue to measure, monitor and regularly report on the performance of health care organisations against performance measures in the Performance and Accountability Framework.

The Performance Authority will continue its pursuit of excellence in public reporting. It will draw extensively on expert health system management, and clinical and technical advice through its advisory committees to ensure the findings presented in its reports are accurate, relevant and fair.

Improve community access to performance information

In 2014-15, the Performance Authority will redevelop the MyHospitals website so that health professionals and the community can compare the performance of different hospitals. It will work closely with the private hospital sector to increase the number of private hospitals providing data to the MyHospitals website.

Both the MyHospitals website and MyHealthyCommunities website will undergo development to include interactive mapping tools to enable the community to easily explore and compare the effectiveness and efficiency of their local services.

In 2014-15, the Performance Authority will, wherever feasible, enable public access to a report's underlying data. This will be achieved through the MyHospitals and MyHealthyCommunities websites.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Produce high quality reports on health system performance

Qualitative Deliverable	2014-15 Reference Point or Target
Monitor and prepare reports on Local Hospital Networks, public hospitals, private hospitals and other bodies or organisations that provide health care services	Publication of hospital performance reports and healthy communities reports

Improve community access to performance information

Qualitative Deliverable	2014-15 Reference Point or Target
Deliver publicly accessible information on the performance of local health care organisations	The Performance Authority produces written reports and interactive web products which members of the public can readily access and understand

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Produce high quality reports on health system performance

Qualitative Indicator	2014-15 Reference Point or Target
High quality, locally relevant, nationally consistent information about the performance of health care organisations is routinely made publicly available	The Performance Authority produces written reports and interactive web products which are readily accessible to health care professionals and the public

Improve community access to performance information

Qualitative Indicator	2014-15 Reference Point or Target
The community has access to comparable information on hospital performance on the MyHospitals website, and comparable information on health performance measures across local communities on the MyHealthyCommunities website	Visitors to the MyHospitals website will be able to compare the performance of different hospitals, including private hospitals, and visitors to the MyHealthyCommunities website will be able to compare the performance of local communities across various measures

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to the Performance Authority.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to the Performance Authority.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

The 2014-15 AGIE statement is not applicable because the Performance Authority has no specific Indigenous expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to the Performance Authority.

3.2.2 Analysis of budgeted financial statements

An analysis of the Performance Authority's financial statements follows in order to provide clarification and additional detail for readers.

Departmental Resources

Comprehensive income statement (showing net cost of services)

The Performance Authority's appropriation revenue is in line with its statutory functions. The proposed expense represents the full staffing complement of the Authority, which was achieved in 2013-14.

Balance Sheet

The Performance Authority does not anticipate the purchase of any major assets with the balance sheet largely reflecting appropriations held to meet the increasing level of employee provisions, and existing leasehold property office fit out.

Cash Flow

Cash flows are consistent with projected income and expenses.

Administered Resources

Administered funding for the Performance Authority is associated with measuring, monitoring and regularly reporting on the performance of health care organisations against performance measures in the Performance and Accountability Framework.

3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1: Comprehensive Income Statement (showing net cost of services)
(for the period ended 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
EXPENSES					
Employee benefits	7,570	7,699	7,771	7,862	7,967
Supplier expenses	3,693	3,232	3,093	2,923	2,914
Depreciation and amortisation	347	372	397	410	377
Total expenses	11,610	11,303	11,261	11,195	11,258
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	12	45	45	45	45
Total gains	12	45	45	45	45
Total own-source income	12	45	45	45	45
Net cost of (contribution by) services	11,598	11,258	11,216	11,150	11,213
Revenue from Government	11,379	11,014	10,947	10,868	10,963
Surplus (Deficit)	(219)	(244)	(269)	(282)	(250)
Surplus (Deficit) attributable to the Australian Government	(219)	(244)	(269)	(282)	(250)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(219)	(244)	(269)	(282)	(250)
Note: Reconciliation of comprehensive income attributable to the agency					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(219)	(244)	(269)	(282)	(250)
plus non-appropriated expenses depreciation and amortisation expenses	347	372	397	410	377
Total comprehensive income (loss) attributable to the agency	128	128	128	128	127

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Receivables	3,911	4,295	4,730	5,189	5,316
Total financial assets	4,011	4,395	4,830	5,289	5,416
Non-financial assets					
Property, plant and equipment	1,264	990	690	376	96
Other	47	47	47	47	47
Total non-financial assets	1,311	1,037	737	423	143
Total assets	5,322	5,432	5,567	5,712	5,559
LIABILITIES					
Payables					
Suppliers	1,513	1,348	1,211	1,072	1,072
Other payables	-	-	-	-	-
Total payables	1,513	1,348	1,211	1,072	1,072
Provisions					
Employees	1,200	1,621	2,065	2,535	2,535
Other provisions	-	-	-	-	-
Total provisions	1,200	1,621	2,065	2,535	2,535
Total liabilities	2,713	2,969	3,276	3,607	3,607
Net Assets	2,609	2,463	2,291	2,105	1,952
EQUITY					
Contributed equity	858	956	1,053	1,149	1,246
Retained surpluses or accumulated deficits	1,751	1,507	1,238	956	706
Total equity	2,609	2,463	2,291	2,105	1,952

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2014					
Balance carried forward from previous period	1,751	-	-	858	2,609
Surplus (deficit) for the period	(244)	-	-	-	(244)
Appropriation (equity injection)	-	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	98	98
Estimated closing balance as at 30 June 2015	1,507	-	-	956	2,463

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,351	10,630	10,512	10,409	10,836
Net GST received	328	278	264	251	-
Other cash received	479	-	-	-	-
Total cash received	11,158	10,908	10,776	10,660	10,836
Cash used					
Employees	7,172	7,278	7,327	7,392	7,967
Suppliers	4,228	3,630	3,449	3,268	2,869
Total cash used	11,400	10,908	10,776	10,660	10,836
Net cash from (or used by) operating activities	(242)	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	100	98	97	96	97
Total cash used	100	98	97	96	97
Net cash from (or used by) investing activities	(100)	(98)	(97)	(96)	(97)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	100	98	97	96	97
Total cash received	100	98	97	96	97
Net cash from (or used by) financing activities	100	98	97	96	97
Net increase (or decrease) in cash held	(242)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	342	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	100	98	97	96	97
Total capital appropriations	100	98	97	96	97
Total new capital appropriations represented by:					
Purchase of non-financial assets	100	98	97	96	97
Total items	100	98	97	96	97
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	100	98	97	96	97
Funded internally from Departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	100	98	97	96	97
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	100	98	97	96	97
Non-cash purchases ²	-	-	-	-	-
Total cash used to acquire assets	100	98	97	96	97

- 1 Does not include annual finance lease costs. Includes purchases from current and previous years' appropriation (Departmental Capital Budget).
- 2 Non-cash purchases comprise provisions for end of lease restoration.
DCB = Departmental Capital Budget.

Table 3.2.6: Statement of Asset Movements (2014-15)

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2014				
Gross book value	-	1,804	-	1,804
Accumulated depreciation/amortisation and impairment	-	540	-	540
Opening net book balance	-	1,264	-	1,264
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	98	-	98
By purchase - internal departmental resources	-	-	-	-
Sub-total	-	98	-	98
Other movements				
Depreciation/amortisation expense	-	372	-	372
Disposals ¹	-	-	-	-
Other	-	-	-	-
as at 30 June 2015				
Gross book value	-	1,902	-	1,902
Accumulated depreciation/amortisation and impairment	-	912	-	912
Closing net book balance	-	990	-	990

1 Proceeds may be returned to the Official Public Account.

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation					
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	-	-	-	-	-
Total revenues administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	-	-	-	-	-
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	22,136	22,738	23,210	23,628	24,054
Depreciation and amortisation	-	-	-	-	-
Grants - other	-	-	-	-	-
Total expenses administered on behalf of Government	22,136	22,738	23,210	23,628	24,054

Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Investments	-	-	-	-	-
Total financial assets	-	-	-	-	-
Non-financial assets					
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Inventories	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	-	-	-	-	-
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	830	877	918	953	953
Total payables	830	877	918	953	953
Total liabilities administered on behalf of Government	830	877	918	953	953

Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	22,004	22,691	23,169	23,593	24,054
Total cash used	22,004	22,691	23,169	23,593	24,054
Net cash from (or used by) operating activities	(22,004)	(22,691)	(23,169)	(23,593)	(24,054)
Net increase (or decrease) in cash held	(22,004)	(22,691)	(23,169)	(23,593)	(24,054)
Cash at beginning of reporting period	9	-	-	-	-
Cash from Official Public Account for					
- special accounts	-	-	-	-	-
- appropriations	21,995	22,691	23,169	23,593	24,054
Cash at end of reporting period	-	-	-	-	-