

Outcome 4

ACUTE CARE

Improved access to, and efficiency of, public hospitals, acute and subacute care services, including through payments to state and territory governments

Outcome Strategy

The Australian Government, through Outcome 4, aims to improve access to, and the efficiency of, public hospitals through the provision of funding to States and Territories. The Australian Government will provide funding of \$16.4 billion to the States and Territories for public hospitals in 2015-16.

The Government has announced that revised public hospital funding arrangements will be introduced in 2017-18.

Outcome 4 is the responsibility of Acute Care Division.

Programme Contributing to Outcome 4

Programme 4.1: Public Hospitals and Information

Outcome 4 Budgeted Expenses and Resources

Table 4.1 provides an overview of the total expenses for Outcome 4 by programme.

Table 4.1: Budgeted Expenses and Resources for Outcome 4

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 4.1: Public Hospitals and Information¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	96,496	79,783
Non cash expenses - depreciation ²	963	963
Departmental expenses		
Departmental appropriation ³	42,360	40,187
Expenses not requiring appropriation in the budget year ⁴	14,904	13,203
Total for Programme 4.1	154,723	134,136
Outcome 4 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	96,496	79,783
Non cash expenses - depreciation	963	963
Departmental expenses		
Departmental appropriation ³	42,360	40,187
Expenses not requiring appropriation in the budget year ⁴	14,904	13,203
Total expenses for Outcome 4	154,723	134,136
	2014-15	2015-16
Average staffing level (number)	119	112

1 This programme includes National Partnerships paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in this chapter under each programme. For Budget estimates relating to the National Partnership component of this programme, please refer to Budget Paper 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

2 Non-cash expenses relate to the depreciation of buildings.

3 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".

4 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme 4.1: Public Hospitals and Information

Programme Objectives

Support states to deliver efficient public hospital services

States and Territories are responsible for the delivery of efficient public hospital services. To assist States and Territories in fulfilling this responsibility, the Commonwealth will, in 2015-16, increase its funding contribution to public hospital services to \$16.4 billion. The Department will work with States and Territories and relevant national agencies to support the efficient pricing, funding, delivery and accountability of public hospital services.

Improve health services in Tasmania

The Australian and Tasmanian Governments will work together to improve the effectiveness, efficiency and sustainability of the State's health services through the National Partnership Agreement (NPA) on Improving Health Services in Tasmania. The NPA will contribute to an increase in Tasmania's ability to provide cost-effective and sustainable elective surgery, alleviate pressure on emergency departments, avoid unnecessary hospitalisation and reduce readmission, and provide Tasmanians with greater choice regarding where they receive palliative and end of life care.

Mersey Community Hospital

The Australian Government currently funds the Tasmanian Government to operate the Mersey Community Hospital at Latrobe, to provide a range of public hospital services for people in the north-west region of Tasmania. Details of the arrangements to apply from 1 July 2015 will be finalised before the end of 2014-15.

Programme 4.1 is linked as follows:

- This Programme includes National Partnership payments for:
 - *Health care grants for the Torres Strait – contribution to Queensland for the treatment of Papua New Guinea nationals in the Torres Strait; and*
 - *Improving health services in Tasmania – reducing elective surgery waiting lists in Tasmania; improving patient pathways through clinical and system redesign; and better access to community-based palliative care services.*

National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

Programme 4.1: Expenses

Table 4.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	96,496	79,783	65,532	65,513	65,694
Non cash expenses - depreciation	963	963	963	963	963
Programme support	57,264	53,390	51,747	52,479	51,633
Total Programme 4.1 expenses	154,723	134,136	118,242	118,955	118,290

Programme 4.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 4.1

Support states to deliver efficient public hospital services

Qualitative Indicator	2015-16 Reference Point or Target
Provide accurate advice to the Minister on public hospital funding policy.	Relevant advice produced in a timely manner.

Improve health services in Tasmania

Qualitative Indicator	2015-16 Reference Point or Target
Implementation of state-wide elective surgery reform activities. ¹	Reform activities, including tendering for elective surgery, commenced.

Mersey Community Hospital

Qualitative Indicator	2015-16 Reference Point or Target
Ensure that residents of north-west Tasmania have ongoing access to hospital services.	Agreement reached with the Tasmanian Government on the arrangements for the Mersey Community Hospital.

¹ This Key Performance Indicator has been revised. Target reported in the 2014-15 Portfolio Budget Statements has been achieved.