

AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE

Entity Resources and Planned Performance

Australian Commission on Safety and Quality in Health Care

Health Portfolio Entity

ACSQHC

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government aims to improve the long-term capacity and the quality and safety of Australia's health care system. This will be achieved in part through the work of the Australian Commission on Safety and Quality in Health Care (ACSQHC).

The ACSQHC was established by the Council of Australian Governments to lead and coordinate national improvements in safety and quality in health care based on best available evidence. This includes providing strategic advice to Health Ministers on best practice to drive safety and quality improvements. The ACSQHC works in partnership with patients, consumers, clinicians, managers, policy makers and health care organisations to achieve a sustainable, safe and high-quality health system.

The ACSQHC has four priority areas of work. The aims of these priority areas are:

1. Patient safety: to have a safe health system that is designed to ensure that patients and consumers are kept safe from preventable harm.
2. Partnering with patients, consumers and communities: to have a health system where patients, consumers and members of the community participate with health professionals as partners in all aspects of health care.
3. Quality, cost and value: to have a health system that provides the right care, minimises waste and optimises value and productivity.
4. Supporting health professionals to provide safe and high-quality care: to have a health system that supports safe clinical practice by having robust and sustainable improvement systems.

The *National Health Reform Act 2011* specifies the roles and responsibilities of the ACSQHC. ACSQHC is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: ACSQHC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	13,159	11,030	-	11,030
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	-	-	-	-
Total ordinary annual services	-	-	-	-
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	-	-	-	-
Payments from related entities³				
Amounts from Other				
Government Entities	670	-	-	-
Amounts from the Portfolio				
Department	16,479	-	12,413	12,413
Total payments	17,149	-	12,413	12,413
Total funds from Government	17,149	-	12,413	12,413
FUNDS FROM OTHER SOURCES				
State Government Contributions	6,760	-	7,190	7,190
Interest	450	-	200	200
Total other sources	7,210	-	7,390	7,390
Total net resourcing for ACSQHC	37,518	11,030	19,803	30,833

All figures are GST exclusive.

The ACSQHC is not directly appropriated. Appropriations are made to the Department of Health which are then paid to the ACSQHC and are considered 'departmental' for all purposes.

- 1 Appropriation Bill (No. 1) 2015-16.
- 2 Appropriation Bill (No. 2) 2015-16.
- 3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

Section 1.3 is not applicable to ACSQHC.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

Improved safety and quality in health care across the health system, including through the development, support for implementation, and monitoring of national clinical safety and quality guidelines and standards

Outcome Strategy

Lapses in safety and quality of health care have enormous costs, both in terms of the impact on people's lives and financially: healthcare associated injury and ill health add 8-12 per cent to hospital costs alone.^{1,2,3} Underuse and/or overuse of healthcare services identified through observed variation in practice raises questions about the overall productivity, safety and quality of healthcare delivery.⁴

The ACSQHC is undertaking work in four priority areas to address these challenges. Following consultation with industry and approval from Health Ministers, the ACSQHC developed the National Safety and Quality Health Service (NSQHS) Standards for health services. The ACSQHC works with the States, Territories and the private sector, to coordinate the implementation of these standards and monitor their effectiveness.

The ACSQHC is also examining healthcare variation in Australia and developing solutions to reduce variation that is unwarranted. These tools include standards that describe the clinical care that a patient should be offered for a specific clinical condition. The ACSQHC provides guidance and tools to health professionals and healthcare organisations that support safe clinical practice and local improvement in the safety and quality of health care.

¹ Health Policy Analysis 2013, *Analysis of hospital-acquired diagnoses and their effect on case complexity and resource use - Final report*, ACSQHC, Sydney.

² Trentino KM, Swain SG, Burrows, SA, Sprivilis PC, Daly FFS 2013, 'Measuring the incidence of hospital acquired complications and their effect on length of stay using CHADx', *Medical Journal of Australia*, vol. 199, no. 8, pp. 543-547.

³ Ehsani JP, Jackson T, Duckett SJ 2006, 'The incidence and cost of adverse events in Victorian hospitals 2003-2004', *Medical Journal of Australia*, vol. 184, no. 11, pp. 551-555.

⁴ Australian Institute of Health and Welfare and Australian Commission on Safety and Quality in Health Care 2014, *Exploring Healthcare Variation in Australia: Analyses Resulting from an OECD Study*, ACSQHC, Sydney.

ACSQHC Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for ACSQHC by programme.

Table 2.1: Budgeted Expenses for ACSQHC

	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
Programme 1.1: Safety and quality in health care					
Revenue from Government					
Amounts from the Portfolio					
Department	16,708	19,238	7,811	7,628	7,857
Amounts from Other					
Government Entities	9,329	7,266	7,406	7,628	7,857
Revenues from independent sources	450	200	200	200	200
Operating deficit (surplus)	-	-	-	-	-
Total for Programme 1.1	26,487	26,704	15,417	15,456	15,914
Total expenses for Outcome 1	26,487	26,704	15,417	15,456	15,914
	2014-15	2015-16			
Average staffing level (number)	82	92			

Programme 1.1: Safety and Quality in Health Care

Programme Objectives

Patient safety

In 2015-16, the ACSQHC will continue to drive the uptake and monitor the effectiveness of the NSQHS Standards with the States, Territories and private hospital sector. The ACSQHC will administer the Australian Health Service Safety and Quality Accreditation Scheme that provides the arrangements for accreditation of health services. The ACSQHC will continue to support health services to implement the NSQHS Standards. The NSQHS Standards will be reviewed in 2015-16.

The ACSQHC will also work with the Department of Health and the States and Territories to provide a nationally coordinated approach to the prevention of antimicrobial resistance, antibiotic usage, and unwarranted healthcare variation.⁵

Partnering with patients, consumers and the community

The ACSQHC will work towards a health system where patients and consumers participate with health professionals as partners in all aspects of health care. The ACSQHC will support health services to meet the requirements of the NSQHS Standards that relate to partnerships, and further embed partnerships in the next version of the NSQHS Standards.

The ACSQHC will continue to provide information about safety and quality that is relevant to the general public, as well as health professionals.

Quality, cost and value

In 2015-16, the ACSQHC will release the first Australian Atlas of Healthcare Variation that will include a range of clinical topics agreed with the Department of Health and the States and Territories. The ACSQHC will examine and work to reduce healthcare variation where it is unwarranted through the development tools such as patient decision aids and clinical care standards. In 2015-16, the ACSQHC will work with expert clinicians, clinical and consumer groups to develop clinical care standards and other tools focussing on areas of high volume, high cost where there is known variation from well-established models of care.

Supporting health professionals to provide safe and high-quality care

In 2015-16, the ACSQHC will continue to identify and specify clinical measures and safety and quality indicators to assist health professionals to improve the safety and quality of health care at a local level. This work is undertaken in partnership with health professionals, health services and technical experts.

⁵ For further information on antimicrobial resistance, refer to Outcome 9 Biosecurity and Emergency Response in these Portfolio Budget Statements.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Patient safety

Qualitative Deliverable	2015-16 Reference Point or Target
Establish a national surveillance system for antimicrobial resistance and antibiotic usage across hospital and community settings.	Establish a national surveillance system for antimicrobial resistance and antibiotic usage based on the collection and analysis of data from an enhanced nationwide network of surveillance systems.

Partnering with patients, consumers and the community

Qualitative Deliverable	2015-16 Reference Point or Target
Provide safety and quality information to the general public.	Reporting in the Annual Report on the state of safety and quality in health care, and in the report for the general public, Vital Signs 2015. Reporting to the general public through regular ACSQHC newsletters.

Quality, cost and value

Qualitative Deliverables	2015-16 Reference Point or Target
Production of an Australian Atlas of Healthcare Variation covering clinical topic areas agreed by Commonwealth, States and Territories.	Produce and disseminate maps of health care variations in Australia for a set of topic areas agreed by the Commonwealth, States and Territories.
Develop Clinical Care Standards for consultation, informed by outcomes from the work on health care variation.	Clinical standards focussing on high impact, high burden and high variation areas of clinical care.

Supporting health professionals to provide safe and high-quality care

Qualitative Deliverable	2015-16 Reference Point or Target
Provide safety and quality information and resources to health professionals.	Development and distribution of sector-specific implementation tools and resources for the public and private acute sector and primary care.

Quantitative Deliverables for Programme 1.1

Supporting health professionals to provide safe and high-quality care

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Condition specific clinical indicator sets developed.	2	2	3	3	3

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Patient safety

Qualitative Indicator	2015-16 Reference Point or Target
Successful implementation of the NSQHS Standards.	Successful negotiations with States and Territories on ongoing arrangements for the maintenance and review of the NSQHS Standards in hospitals and day procedure services.

Quantitative Key Performance Indicators for Programme 1.1

Patient safety

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of hospitals and day procedure services assessed to the NSQHS Standards.	70%	100%	100%	100%	100%
Percentage of public hospitals meeting the benchmark for hand hygiene compliance. ⁶	N/A	≥70%	≥70%	≥70%	≥70%
Number of clinicians completing the health care associated infection online education modules.	≥10,000	≥12,000	≥13,000	≥14,000	≥15,000

⁶ This Key Performance Indicator has been revised to reflect the fact that almost all public hospitals are now submitting data for the National Hand Hygiene Initiative. This Key Performance Indicator is a better reflection of actions to reduce healthcare associated infections and to improve patient safety.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to ACSQHC.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to ACSQHC.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Section 3.1.3 is not applicable to ACSQHC.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity Resourcing and Financial Statements

Section 3.2.1 is not applicable to ACSQHC.

3.2.2 Analysis of Budgeted Financial Statements

An analysis of ACSQHC's budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive Income Statement

ACSQHC Workplan operational costs are funded jointly by the Australian Government and State and Territory Governments on a 50:50 basis through annual contributions.

ACSQHC's total resourcing available for 2015-16 is estimated at \$30.8 million, including Commonwealth and State Workplan funding of \$14.4 million and other carry forward and funding receipts of \$16.4 million. The 2015-16 estimated resourcing includes the full year of funding for the delivery of ACSQHC's programmes and projects, as well as the associated agency management costs. This is consistent into the forward year estimates.

Balance Sheet

ACSQHC's total asset and liabilities are expected to remain stable over the forward years. The assets are budgeted to comprise predominantly of cash and non-financial assets. The liabilities are budgeted to comprise of suppliers payable, employee entitlements and deferred revenue.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	12,077	12,264	10,888	11,052	11,217
Supplier expenses	14,410	14,440	4,529	4,404	4,697
Total expenses	26,487	26,704	15,417	15,456	15,914
LESS:					
OWN-SOURCE INCOME					
Revenue					
Interest	450	200	200	200	200
Grants received	16,708	19,238	7,811	7,628	7,857
Other	9,329	7,266	7,406	7,628	7,857
Total revenue	26,487	26,704	15,417	15,456	15,914
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	26,487	26,704	15,417	15,456	15,914
Net cost of (contribution by) services	-	-	-	-	-
Revenue from Government	-	-	-	-	-
Surplus (Deficit)	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,030	4,129	4,129	4,129	4,129
Receivables	2,214	2,214	2,214	2,214	2,214
Other	91	185	185	185	185
Total financial assets	13,335	6,528	6,528	6,528	6,528
Non-financial assets					
Property, plant and equipment	56	56	56	56	56
Prepayments	155	155	155	155	155
Other	100	200	200	200	200
Total non-financial assets	311	411	411	411	411
Total assets	13,646	6,939	6,939	6,939	6,939
LIABILITIES					
Payables					
Suppliers	6,130	2,037	2,389	2,389	2,389
Other	3,544	891	882	853	823
Total payables	9,674	2,928	3,271	3,242	3,212
Provisions					
Employees	2,260	2,299	1,956	1,985	2,015
Other	389	389	389	389	389
Total provisions	2,649	2,688	2,345	2,374	2,404
Total liabilities	12,323	5,616	5,616	5,616	5,616
Net Assets	1,323	1,323	1,323	1,323	1,323
EQUITY					
Contributed Equity	1,836	1,836	1,836	1,836	1,836
Reserves	5	5	5	5	5
Retained surpluses or accumulated deficits	(518)	(518)	(518)	(518)	(518)
Total equity	1,323	1,323	1,323	1,323	1,323

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(518)	5	1,836	1,323
Surplus (deficit) for the period	-	-	-	-
Contribution by Government	-	-	-	-
Estimated closing balance as at 30 June 2016	(518)	5	1,836	1,323

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Grants from Portfolio Department	16,479	12,413	7,811	7,628	7,857
State Government contributions	6,760	7,190	7,406	7,628	7,857
Amounts from Other					
Government Entities	670	-	-	-	-
Interest	450	200	200	200	200
Net GST received	500	500	500	500	500
Other cash received	-	-	-	-	-
Total cash received	24,859	20,303	15,917	15,956	16,414
Cash used					
Employees	11,354	12,260	11,231	11,023	11,187
Suppliers	15,134	14,444	4,186	4,433	4,727
Net GST paid	500	500	500	500	500
Total cash used	26,988	27,204	15,917	15,956	16,414
Net cash from (or used by) operating activities	(2,129)	(6,901)	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(2,129)	(6,901)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	13,159	11,030	4,129	4,129	4,129
Cash and cash equivalents at the end of the reporting period	11,030	4,129	4,129	4,129	4,129

Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	-	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	-	-	-	-
Total cash used to acquire assets	-	-	-	-	-

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	-	328	-	328
Accumulated depreciation/amortisation and impairment	-	(272)	-	(272)
Opening net book balance	-	56	-	56
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - funded internally	-	-	-	-
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2016				
Gross book value	-	328	-	328
Accumulated depreciation/amortisation and impairment	-	(272)	-	(272)
Closing net book balance	-	56	-	56