

NATIONAL HEALTH PERFORMANCE AUTHORITY

Entity Resources and Planned Performance

National Health Performance Authority

Health Portfolio Entity

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The National Health Performance Authority (Performance Authority) was established in 2011 to prepare and release high quality, locally relevant and nationally consistent reports on the comparable performance of local hospital networks, public hospitals, private hospitals and other bodies or organisations that provide health care services. Regular transparent public reporting across a range of performance 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 Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

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 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: Performance Authority 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	4,936	5,367	-	5,367
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	33,809	-	34,097	34,097
Total ordinary annual services	33,809	-	34,097	34,097
Other services²				
<i>Non-operating</i>	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	33,809	-	34,097	34,097
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	33,809	-	34,097	34,097
FUNDS FROM OTHER SOURCES				
Interest	-	-	-	-
Sale of goods and services	-	-	-	-
Other	-	-	-	-
Total other sources	-	-	-	-
Total net resourcing for NHPA	38,745	5,367	34,097	39,464

All figures are GST exclusive.

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 the Performance Authority.

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 equity, effectiveness 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 jurisdictions or other organisations that collect and provide data.

In 2015-16, the Performance Authority will continue to make available nationally comparable information on the performance of health care organisations through its Hospital Performance and Healthy Communities reports, and the release of data. The Performance Authority will continue its work developing specifications and methodologies where none exist for indicators in the Framework. The Performance Authority will also commence reporting a range of health performance measures at the Primary Health Network (PHN) level.¹

Through its committees, the Performance Authority consults extensively with governments, health care organisations, clinicians and consumers to ensure its work is valid and valued.

¹ PHNs will replace Medicare Locals from 1 July 2015. For further information on PHNs, refer to Outcome 5 Primary Health Care in these Portfolio Budget Statements.

Performance Authority Budgeted Expenses and Resources

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

Table 2.1: Budgeted Expenses for the Performance Authority

	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: Health system performance reporting					
Revenue from Government					
Appropriations through the Portfolio Department	33,809	34,097	34,368	34,811	35,320
Expenses not requiring appropriation in the budget year ¹	45	45	45	45	45
Operating deficit (surplus)	146	172	186	153	(33)
Total for Programme 1.1	34,000	34,314	34,599	35,009	35,332
Total expenses for Outcome 1	34,000	34,314	34,599	35,009	35,332
	2014-15	2015-16			
Average staffing level (number)	51	54			

¹ Expenses not requiring appropriation in the Budget year is made up of audit fees.

Programme 1.1: National Health Performance Authority

Programme Objectives

Produce high quality information on health system performance

The Performance Authority will continue to measure, monitor and regularly report on the comparable performance of health care organisations, and health and care in local areas. It will report on hospitals and Local Hospital Networks (LHNs), and primary care at local catchment levels including statistical area 3² and, where possible, by postcode. In 2015-16, the Performance Authority will also commence reporting at the level of PHNs.

The Performance Authority will report against performance measures in the Performance and Accountability Framework. It will continue its pursuit of excellence in public reporting, drawing extensively on expert technical and clinical advice through its advisory committees to ensure its reporting is accurate, relevant and fair.

Determine data requirements for nationally comparable performance information

The Performance Authority publishes its rolling *Three Year Data Plan* (Data Plan) each year following consultation and agreement with the Australian and State and Territory Governments. The Data Plan anticipates the data requirements for the Performance Authority's forward reporting programme. This is underpinned by a work programme for the development of indicator definitions and measures.

The Performance Authority participates in national data governance committees and consults with data custodians to ensure the consistency and quality of its data supply. Engagement with relevant clinical, statistical and expert groups informs the development of data methodologies.

Ensure community access to nationally comparable performance information

In 2015-16, the Performance Authority will continue to develop products and tools to ensure the delivery of performance information that is accurate, readily available and user-friendly.

In addition to data updates on the MyHospitals³ and MyHealthyCommunities⁴ websites, the Performance Authority will produce reports and supporting documentation tailored to audiences to enhance the uptake and comprehension of its findings.

² A statistical area defined by the Australian Bureau of Statistics which has a population of between 30,000 and 130,000 people.

³ Available at: www.myhospitals.gov.au

⁴ Available at: www.myhealthycommunities.gov.au

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Produce high quality information on health system performance

Qualitative Deliverable	2015-16 Reference Point or Target
Report on Local Hospital Networks, public hospitals, private hospitals and other bodies or organisations that provide health care services.	Produce nationally consistent and locally relevant comparable information via Hospital Performance reports, Healthy Communities reports and data releases.

Determine data requirements for nationally comparable performance information

Qualitative Deliverable	2015-16 Reference Point or Target
Update the rolling <i>Three Year Data Plan</i> in consultation with the Australian and State and Territory Governments.	Public release of the rolling <i>Three Year Data Plan</i> outlining data requirements agreed to by the Australian and State and Territory Governments.

Ensure community access to nationally comparable performance information

Qualitative Deliverable	2015-16 Reference Point or Target
Performance information released via a suite of products and channels.	Products are targeted to audiences. Performance information is readily available via the MyHospitals and MyHealthyCommunities websites.

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Produce high quality information on health system performance

Qualitative Indicator	2015-16 Reference Point or Target
Performance information on health care organisations is high quality and nationally comparable.	Performance information reflects evolving priorities and enables fair and meaningful comparisons.

Determine data requirements for nationally comparable performance information

Qualitative Indicators	2015-16 Reference Point or Target
Indicators in the Performance and Accountability Framework have clear definitions and methodologies.	Performance information is accompanied by technical supplements outlining methods used to calculate measures and quality issues associated with the data. Data definitions and methodologies are released on METeOR ⁵ for all measures.
Data governance adheres to best practice.	Data practices adhere to internal and external data governance protocols.

Ensure community access to nationally comparable performance information

Qualitative Indicator	2015-16 Reference Point or Target
Performance information is accessible to health care professionals and the public.	Feedback regarding accessibility of performance information is positive.

⁵ The Australian Institute of Health and Welfare’s online metadata registry is available at: www.meteor.aihw.gov.au

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 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)

Section 3.1.3 is not applicable to the Performance Authority.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 to fund its statutory functions. These functions are associated with measuring, monitoring and regularly reporting on the performance of health care organisations against performance measures in the Performance and Accountability Framework as well as associated management and operational costs. This is consistent into the forward year estimates.

The Performance Authority's loss is technical in nature and arises from the unfunded depreciation due to its transition from the former *Financial Management and Accountability Act 1997* agency to Corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. As a result of this classification change the Performance Authority applied for and received approval for an operating loss up to the amount of the unfunded depreciation. The loss is a technical loss and represents no change to the operations or costs for the entity.

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. Total assets and liabilities are expected to remain stable over the forward year estimates.

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	7,699	7,740	7,810	7,905	8,016
Supplier expenses	25,929	26,177	26,379	26,727	27,125
Depreciation and amortisation	372	397	410	377	191
Total expenses	34,000	34,314	34,599	35,009	35,332
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	45	45	45	45	45
Total gains	45	45	45	45	45
Total own-source income	45	45	45	45	45
Net cost of (contribution by) services	33,955	34,269	34,554	34,964	35,287
Revenue from Government	33,809	34,097	34,368	34,811	35,320
Surplus (Deficit)	(146)	(172)	(186)	(153)	33
Surplus (Deficit) attributable to the Australian Government	(146)	(172)	(186)	(153)	33
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(146)	(172)	(186)	(153)	33

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	11	11	11	11
Receivables	5,527	6,003	6,497	6,624	6,750
Total financial assets	5,538	6,014	6,508	6,635	6,761
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	987	687	373	93	-
Intangibles	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	987	687	373	93	-
Total assets	6,525	6,701	6,881	6,728	6,761
LIABILITIES					
Payables					
Suppliers	1,363	1,636	1,689	1,739	1,739
Other payables	437	295	145	-	-
Total payables	1,800	1,931	1,834	1,739	1,739
Provisions					
Employees	1,444	1,661	2,124	2,219	2,219
Other provisions	135	135	135	135	135
Total provisions	1,579	1,796	2,259	2,354	2,354
Total liabilities	3,379	3,727	4,093	4,093	4,093
Net Assets	3,146	2,974	2,788	2,635	2,668
EQUITY					
Contributed equity	858	858	858	858	858
Reserves	7	7	7	7	7
Retained surpluses or accumulated deficits	2,281	2,109	1,923	1,770	1,803
Total equity	3,146	2,974	2,788	2,635	2,668

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

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	2,281	7	858	3,146
Surplus (deficit) for the period	(172)	-	-	(172)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016				
	2,109	7	858	2,974

**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					
Appropriations	33,378	33,621	33,874	34,684	35,194
Net GST received	278	264	251	251	251
Other cash received	-	-	-	-	-
Total cash received	33,656	33,885	34,125	34,935	35,445
Cash used					
Employees	7,377	7,523	7,347	7,810	8,016
Suppliers	26,048	26,123	26,532	26,883	27,186
Net GST paid	-	-	-	-	-
Other	133	142	150	145	145
Total cash used	33,558	33,788	34,029	34,838	35,347
Net cash from (or used by) operating activities	98	97	96	97	98
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	98	97	96	97	98
Total cash used	98	97	96	97	98
Net cash from (or used by) investing activities	(98)	(97)	(96)	(97)	(98)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11	11	11	11	11
Cash and cash equivalents at the end of the reporting period	11	11	11	11	11

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	98	97	96	97	98
Total acquisitions of non-financial assets	98	97	96	97	98
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	98	97	96	97	98
Total cash used to acquire assets	98	97	96	97	98

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	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	1,359	-	1,359
Accumulated depreciation/amortisation and impairment	-	(372)	-	(372)
Opening net book balance	-	987	-	987
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	-	-	-
By purchase - internal resources	-	97	-	97
Total additions	-	97	-	97
Other movements				
Depreciation/amortisation expense	-	(397)	-	(397)
Total other movements	-	(397)	-	(397)
As at 30 June 2016				
Gross book value	-	1,456	-	1,456
Accumulated depreciation/amortisation and impairment	-	(769)	-	(769)
Closing net book balance	-	687	-	687