

2.1 BUDGET EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Health System Policy, Design and Innovation

Australia's health system is better equipped to meet current and future health needs by applying research, evaluation, innovation, and use of data to develop and implement integrated, evidence-based health policies, and through support for sustainable funding for health infrastructure

Programs Contributing to Outcome 1

- Program 1.1: Health Policy Research and Analysis**
- Program 1.2: Health Innovation and Technology**
- Program 1.3: Health Infrastructure**
- Program 1.4: Health Peak and Advisory Bodies**
- Program 1.5: International Policy**

Linked Programs

Other Commonwealth entities that contribute to Outcome 1

Australian Commission on Safety and Quality in Health Care¹

Program 1.1: Safety and Quality in Health Care

The Australian Commission on Safety and Quality in Health Care works to strengthen safety and quality across Australia's healthcare system in order to reduce patient risks and generate efficiencies (1.1).

Australian Digital Health Agency²

Program 1.1: Digital Health

The Australian Digital Health Agency manages and governs the national digital health strategy, and the design, delivery and operations of the My Health Record system (1.2).

Australian Institute of Health and Welfare³

Program 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community

The Australian Institute of Health and Welfare provides high quality national health related data and analysis (1.1).

Department of Foreign Affairs and Trade

Program 1.4: Payments to International Organisations

The Department of Foreign Affairs and Trade works with the Department of Health in promoting regional and global strategic interests as they relate to health (1.5).

Department of Human Services

Program 1.2: Services to the Community – Health

The Department of Human Services contributes to ensuring that Australia's health system is better equipped to meet current and future health needs by administering the Australian Organ Donor Register (1.1).

¹ Refer to the Australian Commission on Safety and Quality in Health Care chapter in these Portfolio Budget Statements for further information on the work of this entity.

² Refer to the Australian Digital Health Agency chapter in these Portfolio Budget Statements for further information on the work of this entity.

³ Refer to the Australian Institute of Health and Welfare chapter in these Portfolio Budget Statements for further information on the work of this entity.

<p>Other Commonwealth entities that contribute to Outcome 1</p>
<p>Department of Industry, Innovation and Science Program 1: Supporting Science and Commercialisation Program 2: Growing Business Investment and Improving Business Capability The Department of Industry, Innovation and Science works with the Department of Health to implement the Biomedical Translation Fund, the Medical Research Future Fund and strategies to make Australia a preferred destination for clinical trials (1.1).</p>
<p>National Blood Authority⁴ Program 1.1: National Blood Agreement Management The National Blood Authority works to save and improve Australian lives through a world-class blood supply that is safe, secure, affordable and well-managed (1.1).</p>
<p>National Health and Medical Research Council⁵ Program 1.1: Health and Medical Research The National Health and Medical Research Council develops evidence-based health advice for the Australian community, health professionals and Governments, and provides advice on ethical practice in health care and in the conduct of health and medical research (including clinical trials), and administers research grant programs on behalf of the Department of Health (1.1).</p>
<p>Organ and Tissue Authority⁶ Program 1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation The Organ and Tissue Authority works to maximise organ and tissue donation for transplantation by increasing the capacity within the health system, and raising community awareness and stakeholder engagement in support of donation (1.1).</p>
<p>The Treasury Program 1.9: National Partnership Payments to the States The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.⁷ Activities funded through the following National Partnership Agreements contribute to the Government's objectives within this Outcome:</p> <ul style="list-style-type: none"> - Hepatitis C settlement fund (1.1) - Encouraging more clinical trials in Australia (1.1) - Improving Local Access to health care on Phillip Island (1.3) - Hospital Infrastructure – National cancer system (1.3) - Hospital Infrastructure – Regional priority round (1.3) - Proton Beam Therapy Facility (1.3) - Albury-Wodonga Cardiac Catheterisation Laboratory (1.3) - Western Australia Hospitals Infrastructure package (1.3).

⁴ Refer to the National Blood Authority chapter in these Portfolio Budget Statements for further information on the work of this entity.

⁵ Refer to the National Health and Medical Research Council chapter in these Portfolio Budget Statements for further information on the work of this entity.

⁶ Refer to the Organ and Tissue Authority chapter in these Portfolio Budget Statements for further information on the work of this entity.

⁷ For Budget estimates relating to the National Partnership component of the program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.1.1: Budgeted Expenses for Outcome 1

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.1: Health Policy Research and Analysis ^(a)					
Administered expenses					
Ordinary annual services ^(b)	44,941	54,817	49,571	50,893	53,429
Special Accounts					
Medical Research Future Fund	143,315	222,383	392,703	650,236	645,951
Special appropriations					
<i>National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority</i>	718,621	782,766	834,415	904,945	988,577
<i>Public Governance, Performance and Accountability Act 2013 s77 - repayments</i>	2,000	2,000	2,000	2,000	2,000
Departmental expenses					
Departmental appropriation ^(c)	53,975	55,995	53,811	53,676	53,690
Expenses not requiring appropriation in the budget year ^(d)	2,756	2,856	2,685	2,756	2,814
Total for Program 1.1	965,608	1,120,817	1,335,185	1,664,506	1,746,461
Program 1.2: Health Innovation and Technology					
Administered expenses					
Ordinary annual services ^(b)	50,396	3,107	370	442	449
Departmental expenses					
Departmental appropriation ^(c)	6,498	2,652	2,583	2,563	2,664
Expenses not requiring appropriation in the budget year ^(d)	164	175	164	168	172
Total for Program 1.2	57,058	5,934	3,117	3,173	3,285

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.3: Health Infrastructure ^(a)					
Administered expenses					
Ordinary annual services ^(b)	8,712	6,871	8,535	9,094	5,961
Special appropriations					
<i>Health Insurance Act 1973</i> – payments relating to the former Health and Hospitals Fund	26,039	11,844	8,358	10	-
Departmental expenses					
Departmental appropriation ^(c)	3,909	3,916	3,874	3,862	3,923
Expenses not requiring appropriation in the budget year ^(d)	98	105	99	102	104
Total for Program 1.3	38,758	22,736	20,866	13,068	9,988
Program 1.4: Health Peak and Advisory Bodies					
Administered expenses					
Ordinary annual services ^(b)	7,696	7,458	7,312	7,657	7,772
Departmental expenses					
Departmental appropriation ^(c)	3,510	3,513	3,475	3,465	3,519
Expenses not requiring appropriation in the budget year ^(d)	88	94	88	90	92
Total for Program 1.4	11,294	11,065	10,875	11,212	11,383
Program 1.5: International Policy					
Administered expenses					
Ordinary annual services ^(b)	15,874	15,748	15,748	16,175	16,615
Departmental expenses					
Departmental appropriation ^(c)	9,298	9,319	9,219	9,190	9,334
Expenses not requiring appropriation in the budget year ^(d)	234	250	235	241	246
Total for Program 1.5	25,406	25,317	25,202	25,606	26,195

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2017-18 Estimated actual \$'000	2018-19 Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Outcome 1 totals by appropriation type					
Administered expenses					
Ordinary annual services ^(b)	127,619	88,001	81,536	84,261	84,226
Special appropriations	746,660	796,610	844,773	906,955	990,577
Special Account	143,315	222,383	392,703	650,236	645,951
Departmental expenses					
Departmental appropriation ^(c) to Special Accounts	77,190	75,395	72,962	72,756	73,130
Expenses not requiring appropriation in the budget year ^(d)	3,340	3,480	3,271	3,357	3,428
Total expenses for Outcome 1	1,098,124	1,185,869	1,395,245	1,717,565	1,797,312
	2017-18	2018-19			
Average staffing level (number)	427	396			

- ^(a) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.
- ^(b) Appropriation (Bill No. 1) 2018-19 and Appropriation Bill/Act (No. 1, 3, 5) 2017-18.
- ^(c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.
- ^(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Movement of Funds

There were no movements of Administered funds between years for Outcome 1.

Planned Performance for Outcome 1

Tables 2.1.2 – 2.1.6 below detail the performance criteria for each program associated with Outcome 1. These tables also summarise how each program is delivered and where 2018-19 Budget measures have materially changed existing programs.

Table 2.1.2: Performance Criteria for Program 1.1

Purpose
Lead and shape Australia’s health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Outcome 1: Health System Policy, Design and Innovation
Australia’s health system is better equipped to meet current and future health needs by applying research, evaluation, innovation, and use of data to develop and implement integrated, evidence-based health policies, and through support for sustainable funding for health infrastructure.
Program 1.1: Health Policy Research and Analysis
<p>The Australian Government will increase investment in health and medical research, and work to strengthen safety and quality across the health system to reduce patient risks and generate efficiencies. This includes working with States and Territories to ensure a nationally consistent approach to achieving better health outcomes for all Australians. The Government aims to provide Australians with access to an adequate, safe, secure, and affordable blood supply and access to organ, tissue and Haemopoietic Progenitor Cell⁸ transplants.</p> <p>The Government will invest over \$2 billion in disbursements from the Medical Research Future Fund (MRFF) and continue to invest the \$500 million combined Government and private sector Biomedical Translation Fund. Included in the MRFF investment is a \$1.3 billion National Health and Medical Research Industry Growth Plan that will deliver better health care as well as new jobs and industries, and include a \$500.0 million Genomics Health Futures Mission. The Genomics Health Futures Mission will begin a new era of precision medicine with individually tailored diagnostics and treatment capable of curing rare and complex conditions.</p>

⁸ Haemopoietic Progenitor Cells are blood stem cells capable of self-renewal as well as differentiation and maturation into all blood cell types. They can be found in bone marrow, mobilised peripheral blood and umbilical cord blood. Further information, including information about the agreed therapeutic purposes, is available at: www.health.gov.au/internet/main/publishing.nsf/Content/health-organ-bmtransplant.htm

Delivery
<p>A. Collaborating with States and Territories to facilitate a nationally consistent focus on achieving better health outcomes for all Australians</p> <ul style="list-style-type: none">• Support Australian Government Ministers and officials on the Council of Australian Governments' Health Council and the Australian Health Ministers' Advisory Council to progress health issues with States and Territories. <p>B. Improving health policy research and data capacity</p> <ul style="list-style-type: none">• Support health and medical research and innovation through the Medical Research Future Fund and the Biomedical Translation Fund with the objective of improving the health and wellbeing of Australians.• Work with States and Territories to redesign clinical trial operating systems to make it easier to conduct and participate in safe, high quality clinical trials, in accordance with the Government's <i>More Clinical Trials in Australia</i> measure. <p>C. Improving access to organ, tissue and Haemopoietic Progenitor Cell transplants and blood and blood products for life saving treatments</p> <ul style="list-style-type: none">• Fund and administer the Haemopoietic Progenitor Cell program, providing financial assistance and affordable access for patients requiring life saving Haemopoietic Progenitor Cell transplants.• Ensure sufficient, evidence-based access to blood and blood products for all Australians through the National Supply Plan and Budget.• Work with the National Blood Authority and States and Territories to progress key policy priority areas under the <i>2016–18 Jurisdictional Blood Committee Strategic Plan</i>.• Continue to provide policy advice to support the National Blood Authority in managing and maintaining the blood sector systems to ensure clinical effectiveness, improved data, accountability and supply chain resilience.

Outcome 1

Performance criteria		
A. Collaborating with States and Territories to facilitate a nationally consistent focus on achieving better health outcomes for all Australians		
Australian Government Ministers and officials are effectively supported to collaborate with States and Territories on health issues.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
<p>Progress has been made through the Council of Australian Governments' Health Council and the Australian Health Ministers' Advisory Council in a number of areas, including:⁹</p> <ul style="list-style-type: none"> - endorsement of the <i>Fifth National Mental Health and Suicide Prevention Plan 2017–2022</i> and its Implementation Plan; - approval of the <i>National Digital Health Strategy</i>; and - approval of the <i>National Health Genomics Policy Framework 2018–2021</i>. 	<p>Health reform priorities and health initiatives requiring a Commonwealth/State interface will be progressed through the Council of Australian Governments' Health Council and the Australian Health Ministers' Advisory Council.</p> <p>In 2018-19, Council of Australian Governments priorities include improving efficiency and ensuring financial sustainability; delivering safe, high quality care in the right place at the right time; prioritising prevention and helping people manage their health across their lifetime; and driving best practice and performance using data and research.</p>	<p>As per 2018-19.</p>

⁹ Council of Australian Governments' Health Council meeting communiques are available at: www.coaghealthcouncil.gov.au/Announcements/Meeting-Communiques1

B. Improving health policy research and data capacity		
A sustainable source of funding is provided for transformative health and medical research that improves lives, contributes to health system sustainability and drives innovation.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
Further Medical Research Future Fund disbursements have been announced consistent with the Australian Medical Research Advisory Board's Strategy and Priorities, with an increased focus on long-term transformative research and systemic sector improvements. This included a \$100 million fund for an Australian Brain Cancer Mission over the next 10 years.	The second set of Medical Research Future Fund Priorities to be released by end 2018 following public consultation. Further disbursements to be made consistent with the <i>Medical Research Future Fund Act 2015</i> .	Further disbursements to be made consistent with the <i>Medical Research Future Fund Act 2015</i> .
C. Improving access to organ, tissue and Haemopoietic Progenitor Cell transplants and blood and blood products for life saving treatments		
Access to Haemopoietic Progenitor Cells for Australian patients requiring a Haemopoietic Progenitor Cell transplant for agreed therapeutic purposes is improved.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
Commenced the development of a strategic framework for the Haemopoietic Progenitor Cell sector, in consultation with States and Territories, taking into account the findings of the 2016-17 independent review of the Haemopoietic Progenitor Cell sector. The strategic framework will guide future policy decisions for improvements in the Haemopoietic Progenitor Cell sector in Australia.	Work with States and Territories to develop action plans to implement agreed strategic directions in the Haemopoietic Progenitor Cell sector, including funding arrangements and governance structures.	As per 2018-19.

Access to a safe and secure supply of essential blood and blood products is ensured to meet Australia's clinical need through strategic policy and funding contributions.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
<p>The annual blood supply was effectively planned and managed through supporting the implementation, development and approval of the annual National Supply Plan and Budget, including management of the Commonwealth's funding contribution under the National Blood Agreement.</p> <p>Worked with States and Territories and the National Blood Authority to meet the objectives of the National Blood Agreement through ongoing involvement and contribution to strategic policy development and advice to the Council of Australian Governments' Health Council.</p>	<p>Continue working with States and Territories and the National Blood Authority to meet the objectives of the National Blood Agreement¹⁰ through ongoing involvement and contribution to strategic policy development; contribution to and supporting the approval of the National Supply Plan and Budget; and advice to the Council of Australian Governments' Health Council.</p>	<p>As per 2018-19.</p>
<p>Material changes to Program 1.1 resulting from the following measures: There are no material changes to Program 1.1 resulting from measures.</p>		

¹⁰ Further information available at: www.blood.gov.au/national-blood-agreement

Table 2.1.3: Performance Criteria for Program 1.2

Program 1.2: Health Innovation and Technology		
<p>The Australian Government is implementing a digital health system that facilitates accurate, safe and secure information sharing between healthcare providers. The system, which includes My Health Record, is designed to meet Australia’s current and future needs by providing efficiencies to the healthcare system and the delivery of safer better quality health care.</p> <p>In 2018-19, the Government will implement national opt-out arrangements to provide every Australian with a My Health Record, unless they choose not to have one.</p>		
Delivery		
A. Supporting the Government’s Digital Health agenda		
<ul style="list-style-type: none"> • Provide timely and well-informed policy advice to the Australian Government. • Work with and support the Australian Digital Health Agency to realise the benefits of My Health Record by providing policy and legislative advice. 		
Performance criteria		
A. Supporting the Government’s Digital Health agenda		
The Minister and the Australian Digital Health Agency are supported to improve health outcomes for Australians through digital health systems.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
The Department provided policy advice and support for legislative change to transition the My Health Record system to national opt-out arrangements.	Provide high quality, relevant and well-informed research, policy and legal advice to support the delivery of the My Health Record national opt-out arrangements.	Provide high quality, relevant and well-informed research, policy and legal advice to support digital health systems, including the My Health Record system.
Material changes to Program 1.2 resulting from the following measures:		
There are no material changes to Program 1.2 resulting from measures.		

Table 2.1.4: Performance Criteria for Program 1.3

Program 1.3: Health Infrastructure		
The Australian Government supports improvements to the health system through strategic investments in health infrastructure. This enables health facilities to deliver increased health services and increased opportunities to provide further teaching and training for health practitioners.		
Delivery		
A. Improving and investing in health infrastructure		
<ul style="list-style-type: none"> • Work in partnership with general practices to improve and update health infrastructure in rural and regional Australia. • Provide improved health facilities in a number of regional and remote communities. 		
Performance criteria		
A. Improving and investing in health infrastructure		
Investment in health infrastructure supports improved health services.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
66 Rural General Practice Grants Program grants have assisted to deliver 66 infrastructure projects to improve health services across rural Australia. Organisations are on track to meet the performance conditions and milestones in grant agreements.	Monitor infrastructure projects for compliance to demonstrate effective delivery of infrastructure projects that support local services.	As per 2018-19.
Material changes to Program 1.3 resulting from the following measures:		
There are no material changes to Program 1.3 resulting from measures.		

Table 2.1.5: Performance Criteria for Program 1.4

Program 1.4: Health Peak and Advisory Bodies		
The Australian Government will enable national health peak and advisory bodies to contribute to the national health agenda by supporting consultation activities and the provision of expert, evidence-based advice to inform the development of health policies and programs.		
Delivery		
A. Engaging the health sector to communicate and facilitate the development of informed health policy		
<ul style="list-style-type: none"> • Support national peak organisations through grant programs to share information and consult with their members, the wider health sector and the community on health policy and program matters. • Support national peak organisations through grant programs to develop expert, evidence-based and impartial policy advice. 		
Performance criteria		
A. Engaging the health sector to communicate and facilitate the development of informed health policy		
Successfully harness the health sector to share information relating to the Australian Government’s health agenda.		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
The Department, through grant programs, maintained agreements with health-related national peak and advisory bodies to deliver program objectives. Organisations are on track to meet the performance conditions and milestones in grant agreements.	Maintain agreements with health-related national peak and advisory bodies in order to harness input into the Australian Government’s health agenda, through information sharing and relevant, well-informed advice. Organisations meet the performance conditions and milestones in grant agreements.	As per 2018-19.
Material changes to Program 1.4 resulting from the following measures:		
There are no material changes to Program 1.4 resulting from measures.		

Table 2.1.6: Performance Criteria for Program 1.5

Program 1.5: International Policy		
<p>The Australian Government will pursue Australia’s health interests to achieve better health outcomes by relationship-building and negotiation through multilateral engagements and country-to-country partnerships; technical cooperation; and analysis and sharing of international best practice and innovation. Through these engagements, the Australian Government will promote evidence-based international norms and standards; and contribute to Australia’s foreign development, trade and economic policy goals.</p>		
Delivery		
<p>A. Engaging internationally on health issues</p> <ul style="list-style-type: none"> • Capitalise on Australia’s membership in multilateral institutions and in regional collaborative settings to advance Australia’s international health priorities. • Seek out opportunities, through international engagement, to lead and shape Australia’s health and aged care systems and sporting outcomes. • Develop and forge new bilateral relationships with target countries. • Actively participate in World Health Organization (WHO) governance fora as a member of the WHO Executive Board for a three-year period, commencing in May 2018. • Support Australia’s membership of the United Nations (UN) Human Rights Council. • Contribute to the monitoring and implementation of health-related targets of the UN Sustainable Development Goals through the Voluntary National Review. 		
Performance criteria		
<p>A. Engaging internationally on health issues</p>		
<p>Australia’s active engagement in international fora and relationships with key countries enables Australia’s health system to integrate evidence-based international standards and remain at the forefront of international best practice.</p>		
2017-18 Estimated result	2018-19 Target	2019-20 (& beyond) Target
<p>The Department engaged in several international fora, including the:</p> <ul style="list-style-type: none"> – 68th session of the World Health Organization Regional Committee for the Western Pacific; – 70th World Health Assembly; – Organisation for Economic Co-operation and Development Health Committee; and – Asia-Pacific Economic Cooperation Senior Officials Meetings. <p>The Department shared Australian best practice at these international engagement activities.</p>	<p>Australia will engage at the World Health Organization; the Organisation for Economic Co-operation and Development Health Committee; the G20 Health Working Group meetings; and the Asia-Pacific Economic Cooperation Health Working Group; and contribute to the development and adoption of international best practice and improved governance, and focus on identifying and responding to global health security threats.</p>	<p>As per 2018-19.</p>
<p>Material changes to Program 1.5 resulting from the following measures:</p> <p>There are no material changes to Program 1.5 resulting from measures.</p>		