

PORTFOLIO OVERVIEW

HEALTH AND AGEING PORTFOLIO OVERVIEW

PORTFOLIO RESPONSIBILITIES

The Health and Ageing Portfolio works towards achieving a health care system that meets the health care and ageing needs of all Australians.

The Health and Ageing Portfolio comprises the following agencies:

- the **Department of Health and Ageing** (the Department), including the National Health and Medical Research Council¹ and the Therapeutic Goods Administration group of regulators – is responsible for achieving the Government's priorities (outcomes) for population health, pharmaceutical services, medical services, aged care and population ageing, primary care, rural health, hearing services, Indigenous health, private health, health system capacity and quality, mental health, health workforce capacity, acute care, health and medical research, and biosecurity and emergency response;
- the **Aged Care Standards and Accreditation Agency Ltd** – accredits, monitors and promotes high quality care through information, education and training, for Australian Government-funded aged care homes. The Agency is a wholly owned Australian Government company limited by guarantee and is funded through the Department's appropriations;
- the **Australian Institute of Health and Welfare** – informs community discussion and decision-making through national leadership and collaboration in developing and providing health and welfare statistics and information. The Institute receives direct appropriation from consolidated revenue;
- the **Australian Radiation Protection and Nuclear Safety Agency** – measures and advises on radiation, regulates the Australian Government's use of radiation sources and nuclear facilities, promotes uniformity in radiation protection policies and practices throughout Australia, and responds to radiological incidents. The Agency receives direct appropriation from consolidated revenue;
- **Cancer Australia** – provides national leadership in cancer care, guides improvements in prevention, provides support to consumers and health professionals and makes recommendations to the Australian Government about cancer policy and priorities. The Agency receives direct appropriation from consolidated revenue;
- **Food Standards Australia New Zealand** – protects and informs consumers through the development of effective food standards, in a way that helps stimulate and support growth and innovation in the food industry. The Agency receives direct appropriation from consolidated revenue;

¹ The National Health and Medical Research Council will be become an independent Portfolio Agency during 2006-07.

Portfolio Overview

- **General Practice Education and Training Ltd** – works to ensure general practice education and training meet the needs of communities, individuals and general practitioners across Australia. The agency is an Australian Government company limited by guarantee and is funded through the Department’s appropriations;
- the **National Blood Authority** – manages and coordinates the Australian blood supply and manages national contracts with suppliers of blood and blood products on behalf of all levels of government. The Authority receives direct appropriation from consolidated revenue, in addition to a special account administered by the Department and funding received from State and Territory governments;
- the **National Institute of Clinical Studies Ltd** – improves health care for all Australians by identifying and closing gaps between the best available evidence and current clinical practice. The Institute is a public company limited by guarantee and is funded through the Department’s appropriations;
- the **Private Health Insurance Administration Council** – regulates the financial performance of the private health industry, calculates the reinsurance pool, reviews pricing applications, registers health insurance organisations, and provides information relating to membership in private health insurance and the benefits paid by the industry. The Council receives direct appropriation from consolidated revenue;
- the **Private Health Insurance Ombudsman** – provides an independent service for dealing with complaints about private health insurance, and through this activity, identifies underlying problems in the practices of private health funds or health providers relevant to the administration of private health insurance. The Ombudsman receives direct appropriation from consolidated revenue; and
- the **Professional Services Review** – examines suspected cases of inappropriate practice to determine whether health practitioners have inappropriately rendered or initiated services which attract a Medicare benefit, or inappropriately prescribed under the Pharmaceutical Benefits Scheme. The agency receives direct appropriation from consolidated revenue.

The Portfolio’s services are delivered through the 23 Outcomes set by the Australian Government for the 2006-07 Budget cycle (refer to Figure 1 Portfolio Structure and Outcomes for a full listing).

The Government has revised the Portfolio’s Outcome Structure to clearly demonstrate its priorities for health and ageing. This includes new outcomes for mental health and health workforce, and separate outcomes for pharmaceutical services and medical services. The NHMRC remains in the Department’s outcome structure, pending legislation to establish the Council as a separate agency. An explanation of revisions to the Outcome Structure is at Table P2 Mapping of the 2005-06 and 2006-07 Outcome Structures.

Each portfolio agency has developed performance information to determine effectiveness in achieving agency-specific outcomes. Key strategic directions, performance targets and resource allocations for each agency are presented in the following Agency Budget Statements.

In addition, agencies work towards the following whole-of-portfolio targets in relation to the health status of Australians:

- continued improvement in life expectancy for both males and females over time;
- further reductions in infant mortality rates over time;
- additional improvements in disability adjusted life expectancy over time;
- improved life expectancy, health expectancy and infant mortality rates for Aboriginal and Torres Strait Islanders, so that they are comparable with the general population; and
- improved life expectancy, health expectancy and infant mortality rates for low income Australians, so that they are comparable with the general population.

The general health of the Australian community is an important background to consideration of the portfolio's effectiveness. The health status of Australians depends on a number of factors including the characteristics of the Australian economy and society, as well as the activities of governments in both health and other portfolios.

The Australian Institute of Health and Welfare produces biannual reports that measure performance against these targets, and other statistics and related information concerning Australia's health and welfare. These publications can be found at: <<http://www.aihw.gov.au/publications/index.cfm>>.

APPROPRIATIONS AND VARIATIONS AT THE PORTFOLIO LEVEL

There have been no changes to the portfolio as a result of Administrative Arrangement Orders.

Figure 1: Portfolio structure and outcomes²

The Hon Tony Abbott MP Minister for Health and Ageing	Senator the Hon Santo Santoro Minister for Ageing	The Hon Christopher Pyne MP Parliamentary Secretary to the Minister for Health and Ageing
<p>Department of Health and Ageing</p> <p>Jane Halton PSM Secretary</p> <p>Outcome 1. Population Health The incidence of preventable mortality, illness and injury in Australia is minimised.</p> <p>Outcome 2. Access to Pharmaceutical Services Australians have access to cost-effective medicines.</p> <p>Outcome 3. Access to Medical Services Australians have access to cost-effective medical services.</p> <p>Outcome 4. Aged Care and Population Ageing Older Australians enjoy independence, good health and wellbeing. High quality, cost-effective care is accessible to frail older people, and their carers are supported.</p> <p>Outcome 5. Primary Care Australians have access to high quality, well-integrated and cost-effective primary care.</p> <p>Outcome 6. Rural Health Improved health outcomes for Australians living in regional, rural and remote locations.</p> <p>Outcome 7. Hearing Services Australians have access through the Hearing Services program to hearing services and devices.</p> <p>Outcome 8. Indigenous Health Improved access by Aboriginal and Torres Strait Islander peoples to effective primary health care and substance use services and population health programs.</p> <p>Outcome 9. Private Health A viable private health industry to improve the choice of health services for Australians.</p> <p>Outcome 10. Health System Capacity and Quality The capacity and quality of the health care system meet the needs of Australians.</p> <p>Outcome 11. Mental Health Improved mental health care for all Australians.</p> <p>Outcome 12. Health Workforce Capacity Australians have access to an enhanced health workforce.</p> <p>Outcome 13. Acute Care Australians have access to public hospitals and related hospital care underpinned by appropriate medical indemnity arrangements.</p> <p>Outcome 14. Health and Medical Research Australia's health system benefits from high quality health and medical research conducted at the highest ethical standard, well-developed research capabilities and sound evidence-based advice that informs health policy and practice.</p> <p>Outcome 15. Biosecurity and Emergency Response Australia's health system has coordinated arrangements to respond effectively to national health emergencies, including infectious disease outbreaks, terrorism and natural disasters.</p>	<p>Portfolio Agencies</p> <p>Aged Care Standards and Accreditation Agency Ltd Mark Brandon Chief Executive Officer</p> <p>Australian Institute of Health and Welfare Dr Penelope Allbon Director Outcome 1. Better health and wellbeing for Australians through better health and welfare statistics and information.</p> <p>Australian Radiation Protection and Nuclear Safety Agency Dr John Loy Chief Executive Officer Outcome 1. The Australian people and the environment are protected from the harmful effects of radiation.</p> <p>Cancer Australia To be appointed Chief Executive Officer Outcome 1. National consistency in cancer prevention and care that is scientifically based.</p> <p>Food Standards Australia New Zealand Graham Peachey Chief Executive Officer Outcome 1. A safe food supply and well-informed consumers.</p> <p>General Practice Education and Training Ltd Peter Harrison Chief Executive Officer</p> <p>National Blood Authority Dr Alison Turner General Manager Outcome 1. Australia's blood supply is secure and well managed.</p> <p>National Institute of Clinical Studies Ltd Dr Heather Buchan Chief Executive Officer</p> <p>Private Health Insurance Administration Council Gayle Ginnane Chief Executive Officer Outcome 1. The prudential safety of registered private health insurance funds, the best interests of members of those funds, and a competitive level of private health insurance premiums, are efficiently regulated to support a viable industry.</p> <p>Private Health Insurance Ombudsman John Powlay Ombudsman Outcome 1. Consumers and providers have confidence in the administration of private health insurance.</p> <p>Professional Services Review Dr Anthony Webber Director Outcome 1. Australians are protected from meeting the cost and associated risks of inappropriate practices of health service providers.</p>	

² The portfolio agencies in shaded boxes are funded through the Department's appropriations; agencies in white boxes have direct appropriations from consolidated revenue.

Table P1: Appropriations and other revenue for agencies in the portfolio

	Appropriations				Receipts	Total
	\$'000 Bill No 1	\$'000 Bill No 2	\$'000 Special approp	\$'000 Total approp	\$'000	\$'000
Departmental						
Department of Health and Ageing	511,900	-	-	511,900	93,134	605,034
National Blood Authority	6,065	-	-	6,065	3,545	9,610
Food Standards Australia New Zealand	15,039	-	-	15,039	1,863	16,902
Australian Radiation Protection and Nuclear Safety Agency	13,097	-	-	13,097	8,218	21,315
Professional Services Review	7,493	-	-	7,493	450	7,943
Aged Care Standards Accreditation Agency	-	-	-	-	9,261	9,261
General Practice Education and Training	-	-	-	-	942	942
Private Health Insurance Administration Council	-	-	4,440	4,440	204	4,644
Private Health Insurance Ombudsman	1,359	-	-	1,359	20	1,379
Australian Institute of Health and Welfare	8,625	-	-	8,625	17,450	26,075
National Institute of Clinical Studies	-	-	-	-	928	928
Cancer Australia	5,909	-	-	5,909	-	5,909
Total Departmental	569,487	-	4,440	573,927	136,015	709,942
Administered						
Department of Health and Ageing	3,850,379	1,290,121	36,076,903	41,217,403	11,573	41,228,976
National Blood Authority	5,933	-	-	5,933	234,171	240,104
Private Health Insurance Administration Council	-	-	190,000	190,000	131	190,131
Cancer Australia	16,663	-	-	16,663	-	16,663
Total Administered	3,872,975	1,290,121	36,266,903	41,429,999	245,875	41,675,874
Total Portfolio	4,442,462	1,290,121	36,271,343	42,003,926	381,890	42,385,816

Equity Injections	13,147
Non Operating Administered Assets and Liabilities	48,009
Total Portfolio Appropriations	42,065,082

Figure 2: Departmental appropriation revenue for agencies in the portfolio

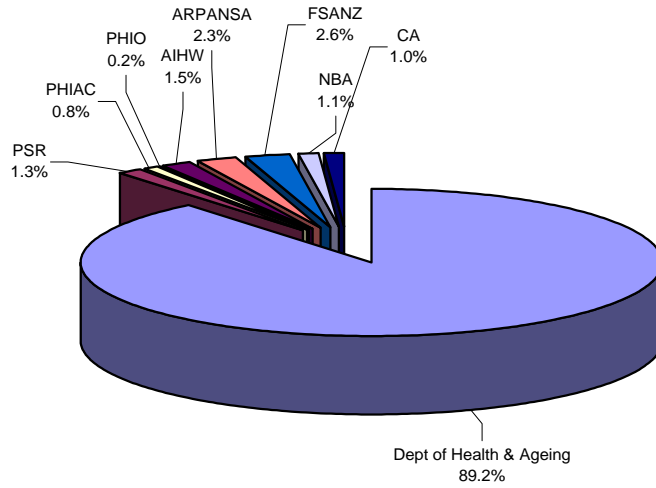


Figure 3: Administered appropriation revenue for agencies in the portfolio

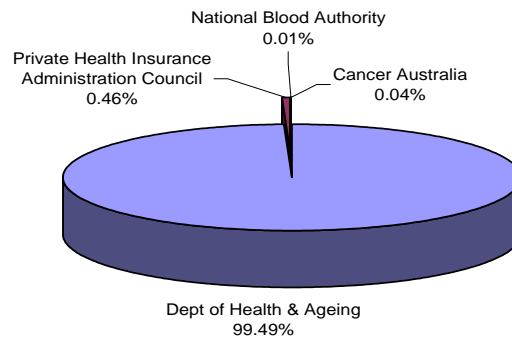


Table P2: Mapping of the 2006-07 and 2005-06 outcome structures

2006-07 Outcome Structure	2005-06 Outcome Structure
Department of Health and Ageing	
Outcome 1. Population Health	Outcome 1. Population Health
Outcome 2. Access to Pharmaceutical Services	Outcome 2. Medicines and Medical Services
Outcome 3. Access to Medical Services	Outcome 2. Medicines and Medical Services
	Outcome 10. Acute Care
Outcome 4. Aged Care and Population Ageing	Outcome 3. Aged Care and Population Ageing
Outcome 5. Primary Care	Outcome 4. Primary Care
Outcome 6. Rural Health	Outcome 5. Rural Health
Outcome 7. Hearing Services	Outcome 6. Hearing Services
Outcome 8. Indigenous Health	Outcome 7. Indigenous Health
Outcome 9. Private Health	Outcome 8. Private Health
Outcome 10. Health System Capacity and Quality	Outcome 9. Health System Capacity and Quality
Outcome 11. Mental Health	Outcome 9. Health System Capacity and Quality
Outcome 12. Health Workforce Capacity	Outcome 9. Health System Capacity and Quality
Outcome 13. Acute Care	Outcome 10. Acute Care
Outcome 14. Health and Medical Research	Outcome 11. Health and Medical Research
Outcome 15. Biosecurity and Emergency Response	Outcome 12. Biosecurity and Emergency Response
Australian Institute of Health and Welfare	Australian Institute of Health and Welfare
Outcome 1. Better health and wellbeing for Australians through better health and welfare statistics and information.	Outcome 1. Better health and wellbeing for Australians through better health and welfare statistics and information.
Australian Radiation Protection and Nuclear Safety Agency	Australian Radiation Protection and Nuclear Safety Agency
Outcome 1. The Australian people and the environment are protected from the harmful effects of radiation.	Outcome 1. The Australian people and the environment are protected from the harmful effects of radiation.
Cancer Australia	
Outcome 1. National consistency in cancer prevention and care that is scientifically based.	
Food Standards Australia New Zealand	Food Standards Australia New Zealand
Outcome 1. A safe food supply and well informed consumers.	Outcome 1. A safe food supply and well informed consumers.
National Blood Authority	National Blood Authority
Outcome 1. Australia's blood supply is secure and well managed.	Outcome 1. Australia's blood supply is secure and well managed.
Private Health Insurance Administration Council	Private Health Insurance Administration Council
Outcome 1. The prudential safety of registered private health insurance funds, the best interests of members of those funds, and a competitive level of private health insurance premiums, are efficiently regulated to support a viable industry.	Outcome 1. The prudential safety of registered private health insurance funds, the best interests of members of those funds, and a competitive level of private health insurance premiums, are efficiently regulated to support a viable industry.
Private Health Insurance Ombudsman	Private Health Insurance Ombudsman
Outcome 1. Consumers and providers have confidence in the administration of private health insurance.	Outcome 1. Consumers and providers have confidence in the administration of private health insurance.
Professional Services Review	Professional Services Review
Outcome 1. Australians are protected from meeting the cost and associated risks of inappropriate practices of health service providers.	Outcome 1. Australians are protected from meeting the cost and associated risks of inappropriate practices of health service providers.

Resourcing Reconciliation Between 2005-06 and 2006-07, by Previous Outcome Structure

To assist comparisons in the transition to the new Outcome Structure, the following table provides a reconciliation of resourcing in the 2005-06 and 2006-07 allocated to the previous outcome structure.

Departmental resourcing is notionally allocated to outcomes in the reconciliation below, and includes an allocation of overheads.

Table P3: Resourcing Reconciliation Between 2005-06 and 2006-07, by Previous Outcome Structure

Outcome (under 2005-06 outcome structure)	Appropriations	
	\$'000 2005-06	\$'000 2006-07
Outcome 1: Population Health		
Administered	544,045	584,533
Departmental	52,302	61,327
Outcome 2: Medicines and medical services		
Administered	17,255,219	18,444,436
Departmental	62,266	60,785
Outcome 3: Aged care and population ageing		
Administered	6,318,668	6,902,796
Departmental	141,677	142,838
Outcome 4: Primary care		
Administered	798,368	876,451
Departmental	36,196	42,976
Outcome 5: Rural health		
Administered	104,584	104,802
Departmental	9,989	9,935
Outcome 6: Hearing services		
Administered	257,499	290,607
Departmental	8,095	7,930
Outcome 7: Indigenous health		
Administered	339,862	377,971
Departmental	44,043	47,505
Outcome 8: Private health		
Administered	3,022,659	3,169,091
Departmental	10,662	13,559
Outcome 9: Health system capacity and quality		
Administered	570,249	378,220
Departmental	41,480	52,069
Outcome 10: Acute care		
Administered	8,934,488	9,409,492
Departmental	32,160	30,284
Outcome 11: Health and medical research		
Administered	448,964	643,476
Departmental	21,600	21,775
Outcome 12: Biosecurity and emergency response		
Administered	56,621	35,528
Departmental	19,753	20,918
Total Department of Health and Ageing - Administered	38,651,226	41,217,403
Total Department of Health and Ageing - Departmental	480,223	511,900
Total appropriation	39,131,449	41,729,303

**Australian Government Indigenous Expenditure (AGIE)
Health and Ageing portfolio**

Portfolio table 1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)
	Bill	Bill	Special	Total		
	No. 1	No. 2	Approp	Approp		
	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (D)		
Department of Health and Ageing						
Outcome 1 - Population Health						
Administered 2006-07	6,864	-	-	6,864	-	6,864
<i>Administered 2005-06</i>	<i>7,089</i>	-	-	<i>7,089</i>	-	<i>7,089</i>
Departmental 2006-07	1,376	-	-	1,376	-	1,376
<i>Departmental 2005-06</i>	<i>1,136</i>	-	-	<i>1,136</i>	-	<i>1,136</i>
Total Outcome 2006-07	8,240	-	-	8,240	-	8,240
<i>Total Outcome 2005-06</i>	<i>8,225</i>	-	-	<i>8,225</i>	-	<i>8,225</i>
Outcome 2 - Access to Pharmaceutical Services						
Administered 2006-07	-	-	28,074	28,074	-	28,074
<i>Administered 2005-06</i>	-	-	<i>24,842</i>	<i>24,842</i>	-	<i>24,842</i>
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	-	-	-	-	-	-
Total Outcome 2006-07	-	-	28,074	28,074	-	28,074
<i>Total Outcome 2005-06</i>	-	-	<i>24,842</i>	<i>24,842</i>	-	<i>24,842</i>
Outcome 3 - Access to Medical Services						
Administered 2006-07	-	-	23,445	23,445	-	23,445
<i>Administered 2005-06</i>	-	300	<i>21,254</i>	<i>21,554</i>	-	<i>21,554</i>
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	-	-	-	-	-	-
Total Outcome 2006-07	-	-	23,445	23,445	-	23,445
<i>Total Outcome 2005-06</i>	-	300	<i>21,254</i>	<i>21,554</i>	-	<i>21,554</i>
Outcome 4 - Aged Care and Population Ageing						
Administered 2006-07	16,913	-	-	16,913	-	16,913
<i>Administered 2005-06</i>	<i>16,442</i>	-	-	<i>16,442</i>	-	<i>16,442</i>
Departmental 2006-07	971	-	-	971	-	971
<i>Departmental 2005-06</i>	<i>949</i>	-	-	<i>949</i>	-	<i>949</i>
Total Outcome 2006-07	17,884	-	-	17,884	-	17,884
<i>Total Outcome 2005-06</i>	<i>17,391</i>	-	-	<i>17,391</i>	-	<i>17,391</i>
Outcome 5 - Primary Care						
Administered 2006-07	471	-	-	471	-	471
<i>Administered 2005-06</i>	<i>746</i>	-	-	<i>746</i>	-	<i>746</i>
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	-	-	-	-	-	-
Total Outcome 2006-07	471	-	-	471	-	471
<i>Total Outcome 2005-06</i>	<i>746</i>	-	-	<i>746</i>	-	<i>746</i>
Outcome 6 - Rural Health						
Administered 2006-07	8,070	-	-	8,070	-	8,070
<i>Administered 2005-06</i>	<i>5,782</i>	-	-	<i>5,782</i>	-	<i>5,782</i>
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	-	-	-	-	-	-
Total Outcome 2006-07	8,070	-	-	8,070	-	8,070
<i>Total Outcome 2005-06</i>	<i>5,782</i>	-	-	<i>5,782</i>	-	<i>5,782</i>

Portfolio table 1: Australian Government Indigenous Expenditure (cont)

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)
	Bill	Bill	Special	Total		
	No. 1	No. 2	Approp	Approp		
	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (D)		
Outcome 7 - Hearing Services						
Administered 2006-07	4,492	-	-	4,492	-	4,492
<i>Administered 2005-06</i>	3,879	-	-	3,879	-	3,879
Departmental 2006-07	117	-	-	117	-	117
<i>Departmental 2005-06</i>	230	-	-	230	-	230
Total Outcome 2006-07	4,609	-	-	4,609	-	4,609
<i>Total Outcome 2005-06</i>	4,109	-	-	4,109	-	4,109
Outcome 8 - Indigenous Health						
Administered 2006-07	377,972	-	-	377,972	-	377,972
<i>Administered 2005-06</i>	343,086	-	-	343,086	-	343,086
Departmental 2006-07	47,551	-	-	47,551	-	47,551
<i>Departmental 2005-06</i>	44,634	-	-	44,634	-	44,634
Total Outcome 2006-07	425,523	-	-	425,523	-	425,523
<i>Total Outcome 2005-06</i>	387,720	-	-	387,720	-	387,720
Outcome 10 - Health System Capacity and Quality						
Administered 2006-07	808	-	-	808	-	808
<i>Administered 2005-06</i>	1,008	-	-	1,008	-	1,008
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	-	-	-	-	-	-
Total Outcome 2006-07	808	-	-	808	-	808
<i>Total Outcome 2005-06</i>	1,008	-	-	1,008	-	1,008
Outcome 11 - Mental Health						
Administered 2006-07	1,320	-	-	1,320	-	1,320
<i>Administered 2005-06</i>	1,189	-	-	1,189	-	1,189
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	-	-	-	-	-	-
Total Outcome 2006-07	1,320	-	-	1,320	-	1,320
<i>Total Outcome 2005-06</i>	1,189	-	-	1,189	-	1,189
Outcome 14 - Health and Medical Research						
Administered 2006-07	17,064	-	-	17,064	-	17,064
<i>Administered 2005-06</i>	18,104	-	-	18,104	-	18,104
Departmental 2006-07	212	-	-	212	-	212
<i>Departmental 2005-06</i>	212	-	-	212	-	212
Total Outcome 2006-07	17,276	-	-	17,276	-	17,276
<i>Total Outcome 2005-06</i>	18,315	-	-	18,315	-	18,315
Outcome 15 - Biosecurity and Emergency Response						
Administered 2006-07	320	-	-	320	-	320
<i>Administered 2005-06</i>	385	-	-	385	-	385
Departmental 2006-07	-	-	-	-	-	-
<i>Departmental 2005-06</i>	231	-	-	231	-	231
Total Outcome 2006-07	320	-	-	320	-	320
<i>Total Outcome 2005-06</i>	616	-	-	616	-	616
Total AGIE 2006-07	484,522	-	51,519	536,041	-	536,041
<i>Total AGIE 2005-06</i>	445,102	300	46,096	491,498	-	491,498

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National Institute of Clinical Studies Ltd	393
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Private Health Insurance Ombudsman	447
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