About the Department

Executive 16
Department Overview 20
Structure Chart 22
Ministerial Responsibilities 25
Department-Specific Outcomes 26
Portfolio Entity-Specific Outcomes 28
Executive

From left to right

**Back row:**
- Professor Chris Baggoley AO
- Adjunct Professor John Skerritt
- Paul Madden

**Middle row:**
- Elizabeth (Liz) Cosson AM CSC
- Andrew Stuart
- Dr Wendy Southern PSM

**Front row:**
- Secretary, Martin Bowles PSM
- Mark Cormack
Professor Chris Baggoley AO
Chief Medical Officer

Professor Chris Baggoley AO is Chief Medical Officer for the Australian Government and is the principal medical adviser to the Minister and the Department of Health. Chris also has responsibility for the Department’s Health Protection Group, and represents Australia on the World Health Organization’s International Agency for Cancer Research.

Prior to his appointment as Chief Medical Officer in 2011, Chris was the Chief Executive of the Australian Commission on Safety and Quality in Health Care. He is a former Chief Medical Officer and Executive Director with the South Australian Department of Health. His clinical career has been in emergency medicine.

In addition to his medical degrees, Chris holds a degree in Social Administration from Flinders University, an Honours degree in Veterinary Science from the University of Melbourne, and has been awarded the Order of the International Federation for Emergency Medicine. Chris was made an Officer of the Order of Australia (AO) in 2013.

Martin Bowles PSM
Secretary

Martin Bowles PSM was appointed as Secretary of the Department of Health on 13 October 2014.

As lead policy adviser to Government, Martin is responsible for ensuring the Department achieves the Australian Government’s priorities for health. Martin is also responsible for the overall management and operation of the Department.

Previously, Martin was Secretary of the Department of Immigration and Border Protection, overseeing the management of migration, humanitarian, citizenship and visa policy and programmes. Martin has also held Deputy Secretary positions in the Department of Climate Change and Energy Efficiency and the Department of Defence, and senior executive positions in the education and health portfolios in the Queensland and New South Wales public sector.

Martin has a Bachelor of Business, a Graduate Certificate of Public Sector Management, and is a Fellow of the Australian Society of Certified Practising Accountants.
Elizabeth (Liz) Cosson AM CSC  
Chief Operating Officer  
Deputy Secretary, COO Group

Liz Cosson AM CSC joined the Department in 2014 to lead the work in responding to and implementing the Australian Public Service Commission’s Department of Health Capability Review Report. Since this time, Liz has assumed the role of Chief Operating Officer. This important and critical work provides the opportunity to take the Department forward and build our capacity for the future.

Liz came to the Department from the Department of Immigration and Border Protection, where she had responsibility for implementing the findings of the Immigration Capability Review. Prior to this, Liz spent 31 years in the Australian Army before joining the APS to work with the Department of Veteran’s Affairs.

In 2007, Liz was the first female to attain the rank of Major General in the Australian Army. She was awarded a Conspicuous Service Cross in 2001, and in 2011 was appointed a Member in the Military Division of the Order of Australia for her contributions to Army, and for delivering profound organisational reform. In 2014, Liz was awarded the ACT Award for Excellence in Women’s Leadership.

Mark Cormack  
Deputy Secretary  
Strategic Policy and Innovation Group

Mark Cormack joined the Department in February 2015. Mark is responsible for strategic national health policy, as well as major programmes including primary health, mental health, research and acute care. Mark is Co-Chair of the Strategic Policy Committee (with Liz Cosson).

Prior to joining the Department, Mark held the position of Deputy Secretary in the Department of Immigration and Border Protection, and was the Department’s senior executive responsible for implementation of Operation Sovereign Borders. Mark has also held the role of Chief Executive Officer of Health Workforce Australia and Chief Executive, ACT Health.

Mark has worked in and for the public healthcare sector for over 30 years in various capacities as a health professional, senior manager, policy maker, planner, agency head and industry advocate, and has held a number of senior roles in the public healthcare system.

Andrew Stuart  
Deputy Secretary, Health Benefits Group

Andrew Stuart is responsible for Medical Benefits including Medicare financing and listing, medical specialist services, primary care and pathology, private health insurance and the Office of Hearing Services.

Andrew also has responsibility for Pharmaceutical Benefits and community pharmacy including policy, evaluation and access. Andrew is Chair of the Department’s Finance and Resource Committee.

Previously, Andrew was Deputy Secretary leading the Department’s internal change management programme, including its corporate functions, grants management reform and deregulation.
Adjunct Professor John Skerritt  
Deputy Secretary, Regulatory Services Group  
National Manager, Therapeutic Goods Administration

Adjunct Professor John Skerritt joined the Therapeutic Goods Administration in May 2012. As National Manager, John is responsible for the regulation of therapeutic goods including prescription, over the counter and complementary medicines, medical devices, blood and blood products. The position changed to Deputy Secretary, Regulatory Services on 1 July 2015, with wider oversight of chemical and gene technology regulation.

John is formerly a Deputy Secretary in the Victorian Government, and has extensive experience in medical, agricultural and environmental policy, regulation, research management, technology application and commercialisation. He is the former Deputy CEO of the Australian Centre for International Agricultural Research, and a Ministerial appointee on the Gene Technology Technical Advisory Committee.

John is an Adjunct Full Professor of the Universities of Queensland and Canberra, has a PhD in Pharmacology from the University of Sydney, and is a graduate of the Senior Executive Programs of London Business School and of IMD, Switzerland. He was elected a Fellow of the Academy of Technological Sciences and Engineering and a Fellow of the Institute of Public Administration of Australia (Victoria).

Dr Wendy Southern PSM  
Deputy Secretary  
National Programme Delivery Group

Dr Wendy Southern PSM joined the Department of Health in February 2015. Wendy is responsible for national delivery of population health (including sport), Indigenous health, and health workforce programmes and initiatives. Wendy is Chair of the People, Values and Capability Committee.

Wendy joined the Department following her role as Deputy Secretary in the Department of Immigration and Border Protection, leading the development and delivery of policy advice and programme management across the Department.

Wendy has also previously worked for the Department of the Prime Minister and Cabinet and the Department of Immigration and Multicultural Affairs. Before joining the Australian Public Service, Wendy worked in various research, teaching and consultancy positions at the Australian National University, Monash University and the University of the South Pacific.

Paul Madden  
Deputy Secretary, Special Adviser, Strategic Health Systems and Information Management

Paul Madden is the Deputy Secretary and Special Adviser, Strategic Health Systems and Information Management. His role includes supporting the Government in leading the national rollout of eHealth initiatives including foundation technologies and related services across Australia, including the continued and improved operation of the My Health Record. This also includes the setting and operation of governance policies and processes.

Paul is a member of the Departmental Executive Committee, the chair of the National EHealth Working Group and the Personally Controlled eHealth Records Operations Management Committee, and chair of the Department of Health Data Governance Council.
The Department has begun an ambitious change process during the 2014-15 financial year, guided by recommendations from two major organisational reviews, the Health Capability Review and the Functional and Efficiency Review, as well as a range of subject specific reviews.

The Health Capability Programme was established to guide the development of capability in key areas which will enable the Department to better position itself as the pre-eminent advisor to Government on health and sporting issues, and chief steward of the health system.

Through a consolidated change programme, we will enhance our ability to address future challenges and realise our vision of ‘better health and wellbeing for all Australians, now and for future generations’.

Capability and efficiency reviews

In October 2014, the Australian Public Service Commission completed a Capability Review of the Department, which focused on leadership, strategy and delivery capabilities. The Review highlighted the Department’s strengths, particularly the commitment of our people to helping improve Australian health outcomes. It outlined improvement opportunities in five key areas:

- Positive leadership and culture;
- Improved strategic capability;
- Effective governance and delivery frameworks;
- Relative risk management; and
- Active stakeholder engagement.

A Functional and Efficiency Review, undertaken as part of the ‘Efficiency through Contestability’ Programme, reported to the Department in March 2015 and was then announced as part of the 2015-16 Budget. The Review examined the efficiency and effectiveness of the Department’s operations, programmes and administration. It considered our structure, delivery mechanisms and current capabilities in terms of how well we are positioned to deliver our current outcomes and the Government’s future priorities.

The Review’s recommendations centred on the Department’s critical responsibility to provide leadership to the health system as a whole, identifying four key action areas:

- Building capability;
- Engaging with stakeholders;
- Focusing on core business; and
- Strengthening culture.

The Review also made specific structural recommendations to improve the Department’s organisational alignment, delivery models and performance.

Through our action to address the recommendations of these reviews, the Department has established an organisational change agenda with a mission to embed a culture of high performance. 2014-15 has been a year of engagement, planning and consolidation as we have given all staff opportunities to participate in an open and transparent internal engagement process, and sought views from key external stakeholders to ensure our efforts take account of health system context.

We have examined our strategic priorities and organisational culture. What we will do to achieve our organisational vision and the way will conduct ourselves in doing so are articulated in:

- The Health Capability Blueprint, which outlines our proposed actions to guide the improvement of our organisational capability in accordance with the key themes identified by the Capability Review;
- The Strategic Intent 2015-19, which defines our vision, purpose and strategic priorities; and
- The Behaviours in Action, which distils the ICARE values into a set of expected
behaviours for staff in the Department to commit to and expect from one another.

The Strategic Intent 2015-19 and Behaviours in Action underpinned the development of the Department’s new Corporate Plan 2015-16, which was published in August 2015. The Plan outlines the path we will take to enhance our capability and achieve our strategic priorities:

- Better health outcomes and reduced inequality;
- Affordable, accessible, efficient, and high quality health care; and
- Better sport outcomes.

The Corporate Plan 2015-16 has been prepared in accordance with the requirements of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and replaces the previous 2014-2017 Corporate Plan.

Organisational alignment

In order to better position the Department to meet our future challenges and drive health system performance, we have put a new organisational structure in place from 1 July 2015. The organisational chart on page 22, represents the structure at the end of 2014-15. A copy of the Department’s current structure chart is available at: www.health.gov.au/internet/main/publishing.nsf/Content/health-struct.htm

This annual report is for the 2014-15 financial year, based on the Department of Health’s structure as at 30 June 2015, and reports on the Department’s activities during 2014-15.

Portfolio structure

The Health Portfolio consists of:

- Department of Health (refer to structure chart on page 22).
- 16 Portfolio entities (refer to portfolio entities on page 28)
- 3 statutory office holders:
  - National Health Funding Pool Administrator
  - Gene Technology Regulator
  - Director, National Industrial Chemicals Notification and Assessment Scheme.

Portfolio entity changes

Through its Smaller Government Agenda, the Government has committed to reducing the size of the public sector, and ensuring that Government services are as efficient and well-targeted as possible.

In 2014-15, the Government transferred essential functions from the Australian National Preventive Health Agency, Health Workforce Australia and General Practice Education and Training Ltd to the Department. The Private Health Insurance Ombudsman’s responsibilities were transferred to the Office of the Commonwealth Ombudsman. The functions of the Private Health Insurance Administration Council were transferred to the Australian Prudential Regulation Authority and the Department.
The Department’s current structure chart is available at: www.health.gov.au/internet/main/publishing.nsf/Content/health-struct.htm
<table>
<thead>
<tr>
<th>Strategic Policy &amp; Innovation</th>
<th>Therapeutic Goods Administration</th>
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<tbody>
<tr>
<td><strong>Deputy Secretary</strong></td>
<td><strong>Adj Prof John Skerritt</strong></td>
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<td><strong>Mark Cormack</strong></td>
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<thead>
<tr>
<th>Groups</th>
<th>Division or equivalent</th>
<th>Branch</th>
<th>Adviser</th>
<th>Statutory Office Holders</th>
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</table>

### Strategic Policy & Innovation

- **Primary & Mental Health Care**
  - **Principal Adviser**
  - **Health Adviser - Geneva**
  - **Principal Adviser**
- **GP & Allied Health**
  - **International Strategies**
  - **Principal Medical Adviser**
- **Primary Health Networks**
  - **Policy Strategies**
  - **Hospital Performance, Governance & Infrastructure**
- **Primary Care Policy & Evaluation**
  - **Strategic Policy Unit**
  - **Hospital Services, Policy & Planning**
- **Mental Health Policy**
  - **Financing & Analysis**
  - **Safety, Quality & Research**
- **Mental Health Services**
  - **Blood, Organ & Dental**

### Therapeutic Goods Administration

- **Market Authorisation**
  - **Medicines Authorisation**
  - **Complementary Medicines Authorisation**
- **Monitoring & Compliance**
  - **Manufacturing Quality**
  - **Laboratories**
- **Regulatory Support**
  - **Regulatory Business Services**
  - **Regulatory Knowledge & Technology Services**
- **Hospital Services, Policy & Planning**
  - **Post Market Surveillance**
  - **Regulatory Engagement, Education & Planning**
- **Blood, Organ & Dental**
  - **Scientific Evaluation & Special Product Access**
  - **Regulatory Legal Services**
- **Statutory Office Holders**
  - **Regulatory Business Improvement**
Structure
Chart
as at 30 June 2015 continued

<table>
<thead>
<tr>
<th>Secretary</th>
<th>Martin Bowles PSM</th>
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<tr>
<td>Chief Operating Officer</td>
<td>Liz Cosson AM CSC</td>
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<tr>
<th>People, Capability &amp; Communication</th>
<th>Information Technology</th>
<th>Best Practice Regulation &amp; Deregulation</th>
<th>Office of the Gene Technology Regulator</th>
<th>Portfolio Investment</th>
<th>Grant Services</th>
<th>Legal</th>
<th>Integration Taskforce</th>
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<tbody>
<tr>
<td>Communication</td>
<td></td>
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<tr>
<td>People</td>
<td>IT Support &amp; Service Delivery</td>
<td>Deregulation</td>
<td>Regulatory Practice &amp; Compliance</td>
<td>Finance</td>
<td>Grant Process &amp; Policy</td>
<td>Legal Services</td>
<td>Integration Taskforce</td>
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<tr>
<td>Ministerial, Parliamentary, Executive Support &amp; Governance</td>
<td>ICT Sourcing</td>
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<tr>
<td>Capability &amp; Change</td>
<td>Strategy &amp; Management</td>
<td>Information Knowledge Management</td>
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<thead>
<tr>
<th>Regional Offices</th>
<th>Statutory Office Holders</th>
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<tbody>
<tr>
<td>New South Wales &amp; ACT Office</td>
<td>NicNAS</td>
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<td>Victorian Office</td>
<td>OGTR</td>
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<td>South Australian Office</td>
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<td>Tasmanian Office</td>
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<td>Queensland Office</td>
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<td>Western Australian Office</td>
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<td>Northern Territory Office</td>
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</table>
Ministerial Responsibilities
as at 30 June 2015

The Hon Sussan Ley MP
Minister for Health and Minister for Sport

As senior Minister and member of Cabinet, Minister Ley holds overall responsibility for the portfolio and its entities and programmes with specific responsibility for:

- Medicare benefits
- pharmaceutical benefits
- pharmacy
- hospitals policy and implementation of funding reforms
- private health insurance
- health workforce capacity
- medical indemnity insurance
- primary health care and preventative health
- eHealth
- health and medical research including human cloning and stem cell research
- mental health policy
- national health priorities
- biosecurity and bioterrorism
- immunisation
- blood borne viruses and sexually transmitted infections including HIV/AIDS
- diagnostic and technology
- sport and recreation
- deregulation

Senator the Hon Fiona Nash
Assistant Minister for Health

As the Assistant Minister for Health, Senator the Hon Fiona Nash, has responsibility for:

- rural and regional health services
- multipurpose services
- indigenous health services
- palliative care
- tobacco
- illicit drugs including National Drug Strategy
- alcohol
- food policy
- hearing services
- blood and organ donation
- gene technology regulation
- Therapeutic Goods Administration
- Office of Chemical Safety
- Office of the Gene Technology Regulator
- National Industrial Chemicals Notification and Assessment Scheme
- Oversight of the following Portfolio entities:
  - Australian Radiation Protection and Nuclear Safety Agency
  - Food Standards Australia New Zealand
  - National Blood Authority
  - Australian Organ and Tissue Donation and Transplantation Authority
Department-Specific Outcomes

Outcomes are the Government’s intended results, benefits or consequences for the Australian community. The Government requires entities, such as the Department, to use Outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an Outcomes basis.

Listed below are the Outcomes relevant to the Department and the programmes managed under each Outcome.

Outcome 1
Population Health
1.1: Public Health, Chronic Disease and Palliative Care
1.2: Drug Strategy
1.3: Immunisation

Outcome 2
Access to Pharmaceutical Services
2.1: Community Pharmacy and Pharmaceutical Awareness
2.2: Pharmaceuticals and Pharmaceutical Services
2.3: Targeted Assistance – Pharmaceuticals
2.4: Targeted Assistance – Aids and Appliances

Outcome 3
Access to Medical and Dental Services
3.1: Medicare Services
3.2: Targeted Assistance – Medical
3.3: Pathology and Diagnostic Imaging Services and Radiation Oncology
3.4: Medical Indemnity
3.5: Hearing Services
3.6: Dental Services

Outcome 4
Acute Care
4.1: Public Hospitals and Information

Outcome 5
Primary Health Care
5.1: Primary Care Financing, Quality and Access
5.2: Primary Care Practice Incentives
5.3: Aboriginal and Torres Strait Islander Health
5.4: Mental Health
5.5: Rural Health Services
Outcome 6
Private Health
6.1: Private Health Insurance

Outcome 7
Health Infrastructure, Regulation, Safety and Quality
7.1: eHealth
7.2: Health Information
7.3: International Policy Engagement
7.4: Research Capacity and Quality
7.5: Health Infrastructure
7.6: Blood and Organ Donation
7.7: Regulatory Policy

Outcome 8
Health Workforce Capacity
8.1: Workforce and Rural Distribution
8.2: Workforce Development and Innovation

Outcome 9
Biosecurity and Emergency Response
9.1: Health Emergency Planning and Response

Outcome 10
Sport and Recreation
10.1: Sport and Recreation
## Portfolio Entity-Specific Outcomes

Listed below is the Outcome(s) belonging to each Health Portfolio entity in 2014-15. Entities’ performance against these Outcomes is reported in their respective annual report.

<table>
<thead>
<tr>
<th>Portfolio Entity</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>Australian Commission on Safety and Quality in Health Care</td>
<td>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.</td>
</tr>
<tr>
<td>Australian Institute of Health and Welfare</td>
<td>A robust evidence-base for the health, housing and community sectors, including through developing and disseminating comparable health and welfare information and statistics.</td>
</tr>
<tr>
<td>Australian Organ and Tissue Donation and Transplantation Authority</td>
<td>Improved access to organ and tissue transplants, including through a nationally coordinated and consistent approach and system.</td>
</tr>
<tr>
<td>Australian Radiation Protection and Nuclear Safety Agency</td>
<td>Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation.</td>
</tr>
<tr>
<td>Australian Sports Anti-Doping Authority</td>
<td>Protection of the health of athletes and the integrity of Australian sport, including through deterrence, detection and enforcement to eliminate doping.</td>
</tr>
</tbody>
</table>
| Australian Sports Commission | **Outcome 1** Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity.  
**Outcome 2** Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research. |
<p>| Australian Sports Foundation Limited | Improved Australian sporting infrastructure through assisting eligible organisations to raise funds for registered sporting projects. |
| Cancer Australia | Minimised impacts of cancer, including through national leadership in cancer control, with targeted research, cancer service development, education and consumer support. |
| Food Standards Australia New Zealand | A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices. |
| General Practice Education and Training Ltd | Improved quality and access to primary care across Australia, including through general practitioner vocational education and training for medical graduates. GPET was closed on 31 December 2014, with essential functions transferred to the Department. |</p>
<table>
<thead>
<tr>
<th>Portfolio Entity</th>
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<tbody>
<tr>
<td>Independent Hospital Pricing Authority</td>
<td>Promote improved efficiency in, and access to, public hospital services primarily through setting efficient national prices and levels of block funding for hospital activities.</td>
</tr>
<tr>
<td>National Blood Authority</td>
<td>Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements.</td>
</tr>
<tr>
<td>National Health Funding Body</td>
<td>Provide transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system, and support the obligations and responsibilities of the Administrator of the National Health Funding Pool.</td>
</tr>
<tr>
<td>National Health and Medical Research Council</td>
<td>Improved health and medical knowledge, including through funding research, translating research findings into evidence-based clinical practice, administering legislation governing research, issuing guidelines and advice for ethics in health and the promotion of public health.</td>
</tr>
<tr>
<td>National Health Performance Authority</td>
<td>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.</td>
</tr>
<tr>
<td>National Mental Health Commission</td>
<td>Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programmes, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers.</td>
</tr>
<tr>
<td>Private Health Insurance Administration Council</td>
<td>Prudential safety and competitiveness of the private health insurance industry in the interests of consumers, including through efficient industry regulation. The functions of PHIAC have been transferred to the Department and the Australian Prudential Regulation Authority.</td>
</tr>
<tr>
<td>Private Health Insurance Ombudsman</td>
<td>Public confidence in private health insurance, including through consumer and provider complaint and enquiry investigations, and performance monitoring and reporting. The responsibilities of PHIO have been transferred to the Office of the Commonwealth Ombudsman.</td>
</tr>
<tr>
<td>Professional Services Review</td>
<td>A reduction of the risks to patients and costs to the Australian Government of inappropriate clinical practice, including through investigating health services claimed under the Medicare and pharmaceutical benefits schemes.</td>
</tr>
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**PORTFOLIO ENTITY-SPECIFIC OUTCOMES**

**PART 1 ABOUT THE DEPARTMENT**