

ENTITY RESOURCES AND PLANNED PERFORMANCE

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DEPARTMENT OF HEALTH

Entity Resources and Planned Performance

DEPARTMENT OF HEALTH

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DEPARTMENT OF HEALTH

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

By world standards, Australia's health system provides high quality healthcare that is both accessible and affordable. To ensure this level of care is sustained into the future, the Government is committed to continuing the significant work needed to reform the health and aged care system, as it faces the challenges and pressures of the 21st century, including an ageing population, increased chronic disease, the cost of new technologies, and rising consumer expectations.

The 2016-17 Budget brings together necessary reforms, to better integrate the delivery of health services, while reducing inequality and improving patient outcomes. It funds measures to advance health and aged care reform, including ensuring that consumers have more choice, control and better value for money in accessing the services they need. It includes measures to secure hospital funding, introduce a new national approach to public sector dental care, and deliver on the Government's 'Healthier Medicare' package by funding a new way of delivering care for the increasing number of Australians with chronic and complex conditions, through the Health Care Homes initiative. The Budget foreshadows further reforms to private health insurance arrangements, which will reduce pressure on increases in premiums for consumers – an important first step in reform in this area.

The Government is committed to bringing the health system into the digital age, through open sourcing the Government's Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) data, for consumers to choose whom they give it to; and through realising the enormous potential of *My Health Record* as a shared source of information about an individual's health. As well, the Budget improves access to medicines and medical devices by providing additional market approval pathways, and provides ongoing support to public health initiatives.

Sport is an integral part of Australia's social and economic well-being as well as contributing to Australian's health and well-being. The Government will continue to support initiatives that ensure this ongoing role.

Encouraging innovation and digital health

Digital innovation will make it easier for people to interact with the health system. In line with the nation's wider innovation agenda, the Government will invest in a range of digital health innovations, alongside ongoing enhancements to *My Health Record*.

The Government will increase competitiveness and innovation in the Australian medicines and medical devices market. Life-saving medicines and medical devices will come onto the Australian market faster, through removing or streamlining unnecessary or inefficient processes identified through the Review of Medicines

and Medical Devices Regulation. This will save around \$75 million per annum, and will reduce red tape and regulation on the pharmaceutical and medical device industries. Further demonstrating the Government's commitment to reforming the health system through the uptake of digital health, an additional \$29.9 million is set aside in the Budget to deliver a single National Cancer Screening Register, linking to *My Health Record* and other systems.

More and better coordinated services for people with mental illness

The Government is committed to supporting Australians with, or at risk of, mental illness and improving service integration in order to develop a more effective mental health system. In 2016-17, the Government will commence implementing its reform agenda, with an immediate focus on establishing and rolling out the expanded Primary Health Network (PHN) role, child and youth integration, the digital mental health gateway and the new community-based approach to suicide prevention.

The Government will also fund the development of a new online perinatal depression support tool and smart phone application, to help women who are affected by, or at risk of, perinatal depression.

Securing hospitals funding

The Government will invest an additional \$2.9 billion over three years through a collaborative agreement with States and Territories. In return, States and Territories will be required to improve health outcomes and ease demand for hospital services through better coordinated care, particularly for patients with complex and chronic disease, and incorporate quality and safety into hospital pricing and funding. Funding will be activity-based, with the Independent Hospital Pricing Authority setting the efficient price for each procedure carried out by the hospital. The Government will continue to work with States and Territories towards a more sustainable hospitals funding model beyond 2020.

Supporting sport

The Government will continue to prepare for the 2018 Gold Coast Commonwealth Games, and will spend \$1.5 million to deliver an effective pre-Games anti-doping program that complies with the World Anti-Doping Code to ensure a clean Games.

In 2016-17, the Government will continue to support the development and implementation of strategies and policies to increase participation in sport and physical activity from community to elite level, reduce injury risks and improve health outcomes for people involved in sport, through the provision of information to the community and sport sector.

This year the Government launched the landmark Girls Make Your Move campaign to encourage more girls and young women to be physically active. This campaign has resonated strongly with the community, with more than 2.5 million hits on social media to date.

Building a Healthier Medicare

The Government is introducing a new way to care for people with chronic and complex conditions, while continuing to strengthen and protect Medicare.

The approach, a key recommendation of the Primary Health Care Advisory Group, will enable these patients to enrol with a participating GP or medical practice, known as their Health Care Home. This will be the 'home base' for their condition to be managed through a tailored care plan to be implemented by an integrated team of health care providers.

To support Health Care Homes, funding arrangements will change, with participating practices paid a bundled quarterly payment related to a patient's chronic and complex health condition, instead of a fee for each face-to-face service a GP provides.

Following the first recommendations from the MBS Review Taskforce, the Government will remove 24 obsolete services and procedures of little or no benefit to the patient. For example, gastric hypothermia to treat gastrointestinal haemorrhage, introduced in the 1970s, has since been superseded by other techniques. Under this clinician-led review, doctors themselves are making the case for change, working with consumer representatives and health economists.

In addition, the Government will list two new items on the MBS to cover the testing of diabetic retinopathy with a non-mydratic retinal camera, which offers a quick, minimally-invasive way of taking images of the patient's eye. This will particularly help Aboriginal and Torres Strait Islander people who are at risk of the chronic sight-threatening disease.

The Government will also introduce an item for magnetic resonance imaging (MRI) of the breast for patients presenting with occult breast cancer where conventional imaging and examination fails to show the source of the tumour, and an item for a MRI-guided biopsy of the breast for patients with suspected breast cancer where the lesion is only identifiable by MRI.

Listing cost-effective, innovative, clinically effective medicines on the Pharmaceutical Benefits Scheme

The Pharmaceutical Benefits Scheme (PBS) is the primary means through which the Government ensures Australians have timely and affordable access to medicines. In 2016-17, approximately 300 million PBS prescriptions are expected to be dispensed.

From 1 March 2016, the Government invested more than \$1 billion to ensure all adult Australians with chronic hepatitis C are able to access a range of breakthrough medicines on the PBS – a change that could see the disease all but eradicated as a public health threat in Australia within a generation.

The Government will also provide \$63.8 million in new and amended PBS listings, including for treatment of conditions such breast cancer and melanoma.

Private health insurance

In response to significant consultations with the sector and community, the Government will establish a Private Health Sector Committee to implement reforms to reduce pressure on premium rises, and improve transparency and understanding of health insurance for consumers. The Government will also establish a new Prostheses List Advisory Committee to further develop and advise on the implementation of the recommendations of the Industry Working Group on Private Health Insurance Prostheses Reform.

A national approach to dental care

The Government will invest \$1.7 billion over four years, to better target dental programs, by introducing a new Child and Adult Public Dental Scheme. This new approach will introduce national efficient pricing in dental services, along similar lines as activity-based hospitals funding. This will ensure we target those with the greatest dental need – adult concession card holders, as well as children. It will also provide greater long term funding certainty for States and Territories, as well as an increase from an estimated \$200 million in 2015-16 to \$416 million in 2016-17 in Commonwealth funding for well targeted public dental programs run by the States and Territories.

Continuing investment in aged care

Overall, aged care funding continues to grow. The Government will improve the current aged care funding model by redesigning certain aspects of the Aged Care Funding Instrument (ACFI) to stabilise higher than expected growth. This aims to bring the ACFI back into the budgeted growth trend so that funding grows at a responsible and sustainable rate. This follows the Government's announcement at the *2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)* that the ACFI would continue to be monitored and further changes made if needed. The Government will work with the sector to examine options to separate ACFI assessment from service provision to provide greater certainty of funding.

Rural and remote providers will be supported by an extra \$102.3 million over five years. The Viability Supplement will be better targeted by applying a classification system for remote communities, already used for the new GP location incentives. To ensure no-one is disadvantaged as a result of the shift to the new model, grandfathering arrangements will apply.

The Government has allocated \$136.6 million over four years to support My Aged Care operations to meet rapidly growing demand and provide timely support to older people and their carers.

1.2 Entity Resource Statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by Outcome (Government strategic policy objectives) and by Administered (on behalf of the Government or the public) and Departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome X' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Health Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	109,489	129,332
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	594,955	625,722
s74 retained revenue receipts ²	22,009	22,332
Departmental capital budget ³	7,621	6,488
Other services ⁴		
Equity injection	32,290	18,349
Total departmental annual appropriations	656,875	672,891
Special Accounts^{5,6}		
Opening balance	79,147	82,505
Appropriation receipts ⁷	16,146	14,783
Non-appropriation receipts	152,502	154,393
Total special account	247,795	251,681
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations ⁸	(16,146)	(14,783)
Total departmental resourcing for Health	998,013	1,039,121

Table 1.1: Department of Health Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
ADMINISTERED		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1: Health System Policy, Design and Innovation	207,962	81,951
Outcome 2: Health Access and Support Services	3,842,223	4,000,883
Outcome 3: Sport and Recreation	21,948	15,975
Outcome 4: Individual Health Benefits	1,272,552	1,355,933
Outcome 5: Regulation, Safety and Protection	133,647	182,201
Outcome 6: Ageing and Aged Care	1,431,630	2,828,585
Payments to corporate entities ⁹	346,502	405,074
Other services ⁴		
Administered assets and liabilities	156,741	150,537
Total administered annual appropriations	7,413,205	9,021,139
Special appropriations limited by criteria/entitlement		
<i>National Health Act 1953 - blood fractionation, products and blood related products to to National Blood Authority</i>	645,262	711,578
<i>Public Governance, Performance and Accountability Act 2013 s77 - repayments</i>	2,000	2,000
<i>Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund</i>	33,197	51,770
<i>Health Insurance Act 1973 - medical benefits</i>	21,080,530	21,850,644
<i>National Health Act 1953 - pharmaceutical benefits</i>	9,735,781	10,109,505
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	5,953,427	6,249,233
<i>Medical Indemnity Act 2002</i>	88,700	93,400
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	3,904	2,949
<i>Dental Benefits Act 2008</i>	313,741	415,616
<i>National Health Act 1953 - aids and appliances</i>	336,427	292,219
<i>National Health Act 1953 - essential vaccines</i>	240,150	279,548
<i>Aged Care Act 1997 - home care packages</i>	1,103,461	1,725,382

Table 1.1: Department of Health Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Special appropriations limited by criteria/entitlement (continued)		
<i>National Health Act 1953</i>		
- continence aids payments	35,815	86,661
<i>Aged Care Act 1997</i>		
- residential care	7,643,190	10,774,303
<i>Aged Care Act 1997</i>		
- flexible care	329,144	423,863
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	718	-
Total administered special appropriations	47,545,447	53,068,671
Special Accounts^{5,6}		
Opening balance	10,523	10,508
Appropriation receipts ⁷	5,858	5,913
Non-appropriation receipts	70,886	71,064
Total Special Accounts	87,267	87,485
Total administered resourcing	55,045,919	62,177,295
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations ⁸	(352,360)	(410,987)
Total administered resourcing for Health	54,693,559	61,766,308
Total resourcing for Health	55,691,572	62,805,429
	2015-16	2016-17
Average staffing level (number)	4,000	4,483

All figures are GST exclusive.

Prepared on resourcing (i.e. appropriation available) basis.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

⁵ For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

⁶ Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health.

⁷ Amounts credited to the special account(s) from entity Department of Health's annual and special appropriations.

⁸ Appropriation receipts from Health annual and special appropriations included above.

⁹ 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.

1.3 Budget Measures

Budget measures in Part 1 relating to the Department of Health are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Health 2016-17 Budget Measures

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Outcome 1: Health System Policy, Design and Innovation						
Hepatitis C Settlement Fund - continuation						
Department of the Treasury						
Administered expenses	1.1	-	154	157	159	161
Total expenses		-	154	157	159	161
Operational Costs for Cardiac and Breast Device Registries						
Department of Health						
Administered expenses	1.1	-	2,183	-	-	-
Departmental revenue		-	8	8	8	9
Total		-	2,191	8	8	9
Organ and Tissue Donation Review - implementation of recommendations¹						
Department of Health						
Administered expenses	1.1	-	-	-	-	-
Australian Organ and Tissue Donation and Transplantation Authority						
Administered expenses		-	-	-	-	-
Total expenses		-	-	-	-	-
Rural General Practice Grants Program						
Department of Health						
Administered expenses	1.3	(2,572)	(5,229)	7,801	-	-
Total expenses		(2,572)	(5,229)	7,801	-	-
Outcome 2: Health Access and Support Services						
Health Star Rating System - continuation						
Department of Health						
Administered expenses	2.4	-	1,813	1,892	1,619	-
Total expenses		-	1,813	1,892	1,619	-
Healthier Medicare - trial of health care homes						
Department of Health						
Administered expenses	2.5	93	5,367	40,447	63,029	-
	4.1	-	-	(41,008)	(52,325)	-
Departmental expenses		42	489	119	121	-
Department of Human Services						
Departmental expenses		280	3,471	732	405	-
Total expenses		415	9,327	290	11,230	-

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Medicare Benefits Schedule - support for rural and remote registrars						
Department of Health						
Administered expenses	2.3	-	(1,416)	(2,159)	(2,196)	(2,233)
	4.1	-	1,416	2,159	2,196	2,233
Total expenses		-	-	-	-	-
National Cancer Screening Register						
Department of Health						
Administered expenses	2.4	-	-	8,382	9,611	11,875
Total expenses		-	-	8,382	9,611	11,875
National Coronial Information System - continuation						
Department of Health						
Administered expenses	2.4	(400)	(400)	(400)	(400)	(400)
Department of the Treasury						
Administered expenses		400	400	400	400	400
Total expenses		-	-	-	-	-
National Partnership Agreement on Rheumatic Fever Strategy - extension						
Department of Health						
Administered expenses	2.2	-	(395)	-	-	-
Department of the Treasury						
Administered expenses		-	395	-	-	-
Total expenses		-	-	-	-	-
Perinatal Depression Online Support¹						
Department of Health						
Administered expenses	2.1	-	-	-	-	-
Total expenses		-	-	-	-	-
Public Hospitals - new funding arrangements						
Department of the Treasury						
Administered expenses	2.7	-	-	477,517	932,360	1,441,421
National Health Funding Body						
Departmental expenses		-	-	(258)	4,376	4,376
Total expenses		-	-	477,259	936,736	1,445,797
Quality Improvement in General Practice - simplification of the Practice Incentives Program						
Department of Health						
Administered expenses	2.6	(283)	(7,582)	(29,411)	3,703	4,346
Department of Human Services						
Departmental expenses		66	6,973	407	284	277
Total expenses		(217)	(609)	(29,004)	3,987	4,623
Taking More Action to Prevent Fetal Alcohol Spectrum Disorders						
Department of Health						
Administered expenses	2.4	-	2,612	2,613	2,581	2,666
Total expenses		-	2,612	2,613	2,581	2,666

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Tobacco Plain Packaging Litigation					
Department of Health					
Administered expenses	2.4	-	nfp	-	-
Total expenses		-	nfp	-	-
Outcome 4: Individual Health Benefits					
Child and Adult Public Dental Scheme					
Department of Health					
Administered expenses	4.6	-	(46,125)	(35,904)	(18,016)
Departmental expenses		-	(30)	(28)	(34)
Department of Human Services					
Departmental expenses		4,137	(14,442)	(14,552)	(14,753)
Departmental capital			(46)	(46)	(46)
Total		4,137	(60,643)	(50,530)	(32,748)
Extend the Alternative Arrangement Transfer to the Pharmaceutical Benefits Scheme					
Department of Health					
Administered expenses	4.3	(18)	-	-	-
Total expenses		(18)	-	-	-
Healthier Medicare - enhanced Medicare compliance program					
Department of Health					
Administered expenses	4.1	-	-	(8,762)	(10,515)
	4.3	-	-	(4,215)	(5,900)
	4.7	-	12,000	12,000	12,000
Administered revenue	4.1	-	(12,977)	(15,572)	(18,167)
Total		-	(977)	(16,549)	(21,739)
Healthier Medicare - removing obsolete services from the Medicare Benefits Schedule					
Department of Health					
Administered expenses	4.1	-	(1,047)	(1,159)	(1,291)
Department of Human Services					
Departmental expenses		-	(7)	(8)	(9)
Department of Veterans' Affairs					
Administered expenses		-	(41)	(41)	(43)
Total expenses		-	(1,095)	(1,208)	(1,343)
Healthier Medicare - trial of health care homes					
Department of Health					
Administered expenses	2.5	93	5,367	40,447	63,029
	4.1	-	-	(41,008)	(52,325)
Departmental expenses		42	489	119	121
Department of Human Services					
Departmental expenses		280	3,471	732	405
Total expenses		415	9,327	290	11,230

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Life Saving Drugs Program - new and amended listings						
Department of Health						
Administered expenses	4.3	510	2,307	2,732	3,083	3,713
Total expenses		510	2,307	2,732	3,083	3,713
Medicare Benefits Schedule - listing of photography with non-mydriatric retinal cameras						
Department of Health						
Administered expenses	4.1	-	2,899	7,524	10,769	11,802
Department of Human Services						
Departmental expenses		-	41	110	152	164
Department of Veterans' Affairs						
Administered expenses		-	29	73	97	103
Total expenses		-	2,969	7,707	11,018	12,069
Medicare Benefits Schedule - Magnetic Resonance Imaging of the breast						
Department of Health						
Administered expenses	4.1	-	538	798	819	833
Department of Human Services						
Departmental expenses		-	1	2	2	2
Department of Veterans' Affairs						
Administered expenses		-	1	1	1	1
Total expenses		-	540	801	822	836
Medicare Benefits Schedule - new and amended listings						
Department of Health						
Administered expenses	4.1	-	(8,169)	(12,293)	(12,971)	(14,145)
Department of Human Services						
Departmental expenses		-	(26)	(43)	(45)	(48)
Department of Veterans' Affairs						
Administered expenses		-	(717)	(1,020)	(983)	(943)
Total expenses		-	(8,912)	(13,356)	(13,999)	(15,136)
Medicare Benefits Schedule - pause indexation						
Department of Health						
Administered expenses	4.1	-	-	-	(292,159)	(605,623)
Department of Human Services						
Departmental expenses		-	-	-	-	28
Department of Veterans' Affairs						
Administered expenses		-	-	-	(9,328)	(18,231)
Total expenses		-	-	-	(301,487)	(623,826)

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Medicare Benefits Schedule - support for rural and remote registrars						
Department of Health						
Administered expenses	2.3	-	(1,416)	(2,159)	(2,196)	(2,233)
	4.1	-	1,416	2,159	2,196	2,233
Total expenses		-	-	-	-	-
Medicare Benefits Schedule and Pharmaceutical Benefits Scheme Data - efficiencies						
Department of Health						
Administered revenue	4.1	-	(15)	(15)	(15)	(15)
	4.3	-	(39)	(39)	(39)	(39)
Department of Human Services						
Departmental revenue		44	-	-	-	-
Total		44	(54)	(54)	(54)	(54)
Pausing Indexation of the Medicare Levy Surcharge and Private Health Insurance Rebate Thresholds - extension						
Department of Health						
Administered expenses	4.4	-	-	-	-	-
Total expenses		-	-	-	-	-
Pharmaceutical Benefits Scheme - continued funding for legal action						
Department of Health						
Administered expenses	4.3	nfp	nfp	nfp	nfp	nfp
Total expenses		nfp	nfp	nfp	nfp	nfp
Pharmaceutical Benefits Scheme - new and amended listings						
Department of Health						
Administered expenses	4.1	(144)	(624)	(676)	(758)	(839)
	4.3	2,699	4,623	9,482	13,632	17,045
Administered revenue	4.3	nfp	nfp	nfp	nfp	nfp
Department of Human Services						
Departmental expenses		314	151	52	16	18
Department of Veterans' Affairs						
Administered expenses		22	1	48	76	88
Total		2,891	4,151	8,906	12,966	16,312
Pharmaceutical Benefits Scheme - price amendments						
Department of Health						
Administered expenses	4.3	321	1,321	1,380	1,439	1,500
Department of Veterans' Affairs						
Administered expenses		13	52	52	54	56
Total expenses		334	1,373	1,432	1,493	1,556
Pharmaceutical Benefits Scheme - supply of medicines following damage to pharmacy premises						
Department of Health						
Administered expenses	4.3	-	243	223	227	231
Total expenses		-	243	223	227	231

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Private Health Insurance and Prostheses Committees						
Department of Health						
Administered expenses	4.4	-	1,400	700	100	-
Total expenses		-	1,400	700	100	-
Stoma Appliance Scheme - new and amended listings						
Department of Health						
Administered expenses	4.8	-	23	32	43	55
Total expenses		-	23	32	43	55
Outcome 5: Regulation, Safety and Protection						
Improving the Regulation of Therapeutic Goods in Australia						
Department of Health						
Departmental expenses	5.1	-	7,177	5,329	3,697	3,665
Departmental capital		-	6,223	2,976	277	-
Departmental revenue		-	126	(1,725)	(3,697)	(3,665)
Total		-	13,526	6,580	277	-
Mosquito Control and Cross Border Liaison in the Torres Strait Protected Zone - continuation						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-
National Partnership Agreement - Management of Torres Strait-Papua New Guinea Cross-Border Health Issues - extension						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-
National Partnership Agreement on Specified Projects - Addressing Blood Borne Viruses and Sexually Transmissible Infections						
Department of Health						
Administered expenses	5.2	-	(1,120)	(1,120)	(1,120)	(1,120)
Department of the Treasury						
Administered expenses		-	1,120	1,120	1,120	1,120
Total expenses		-	-	-	-	-
National Immunisation Program - new and amended listings						
Department of Health						
Administered expenses	5.3	-	-	-	-	-
Total expenses		-	-	-	-	-
OzFoodNet Program - continuation						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Protecting Australians from Antimicrobial Resistance						
Department of Health						
Administered expenses	5.2	-	2,797	2,187	2,187	2,187
Total expenses		-	2,797	2,187	2,187	2,187
Regulation of Medicinal Cannabis - charging arrangements¹						
Department of Health						
Departmental expenses	5.1	-	-	-	-	-
Total expenses		-	-	-	-	-
Vaccine Preventable Diseases Surveillance Program						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-
Outcome 6: Ageing and Aged Care						
Aged Care Provider Funding - further revision of the Aged Care Funding Instrument						
Department of Health						
Administered expenses	6.3	-	(114,303)	(220,445)	(322,913)	(441,559)
	6.4	-	7,752	14,626	15,035	16,406
Department of Human Services						
Departmental expenses		163	1,099	102	95	87
Department of Veterans' Affairs						
Administered expenses		-	(13,539)	(23,842)	(31,703)	(38,762)
Total expenses		163	(118,991)	(229,559)	(339,486)	(463,828)
Aged Care Provider Funding - improving the targeting of the viability supplement for regional aged care facilities						
Department of Health						
Administered expenses	6.2	-	3,094	6,112	6,221	6,648
	6.3	-	9,487	20,016	21,204	22,678
Department of Human Services						
Departmental expenses		9	1,752	180	180	181
Department of Veterans' Affairs						
Administered expenses		-	700	1,338	1,283	1,239
Total expenses		9	15,033	27,646	28,888	30,746
Home and Community Care Services in Western Australia - continuation						
Department of the Treasury						
Administered expenses	6.2	-	-	-	-	-
Total expenses		-	-	-	-	-
My Aged Care - consumer access						
Department of Health						
Administered expenses	6.1	-	29,624	30,869	35,535	40,548
Total expenses		-	29,624	30,869	35,535	40,548

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Cross Outcome Measures					
Health Flexible Funds - pausing indexation and achieving efficiencies					
Department of Health					
Administered expenses	1.1	-	(183)	(258)	(355)
	1.4	-	(227)	(341)	(470)
	2.3	-	(24,013)	(41,390)	(65,780)
	2.4	-	(2,594)	(4,442)	(6,436)
	2.5	-	(1,405)	(2,288)	(3,151)
	2.6	-	-	(6,304)	(12,822)
	4.3	-	(1,308)	(1,268)	(1,268)
	5.2	-	(2,187)	(1,552)	(2,137)
Total expenses		-	(31,917)	(57,843)	(92,419)
Whole of Government Measures					
Public Sector Savings - shared and common services program²					
Department of Health		-	-	-	-
Australian Aged Care Quality Agency		(9)	(17)	(17)	(43)
Australian Organ and Tissue Donation and Transplantation Authority		(9)	(18)	(18)	(44)
Australian Radiation Protection and Nuclear Safety Agency		(34)	(68)	(68)	(170)
Australian Sports Anti-Doping Authority		(19)	(39)	(39)	(97)
Cancer Australia		(20)	(40)	(40)	(99)
National Blood Authority		(9)	(18)	(18)	(44)
National Health and Medical Research Council		(43)	(86)	(86)	(216)
National Health Funding Body		(6)	(13)	(13)	(32)
National Mental Health Commission		(4)	(8)	(8)	(21)
Professional Services Review		(15)	(30)	(30)	(76)
Total expenses		(168)	(337)	(337)	(843)
Other Portfolio Measures³					
A Streamlined Pathway to Permanent Residence for New Zealand Citizens					
<i>Department of Immigration and Border Protection</i>					
Department of Health					
Administered expenses	4.3	-	163	402	554
Total expenses		-	163	402	554

Table 1.2: Department of Health 2016-17 Budget Measures (continued)

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
International Trade Agreements - government procurement reforms					
<i>Department of Foreign Affairs and Trade</i>					
<i>Department of Health</i>					
Departmental capital	-	300	-	-	-
<i>Australian Radiation Protection and Nuclear Safety Agency</i>					
Departmental capital	-	150	-	-	-
<i>National Mental Health Commission</i>					
Departmental capital	-	150	-	-	-
Total	-	600	-	-	-
Mental Health Treatment for Current and Former Members of the Australian Defence Force - improved access					
<i>Department of Veterans' Affairs</i>					
<i>Department of Health</i>					
Administered expenses	4.1	(878)	(888)	(907)	(923)
	4.3	(285)	(881)	(1,534)	(2,161)
Total expenses	-	(1,163)	(1,769)	(2,441)	(3,084)
National Disability Insurance Scheme Savings Fund					
<i>Department of Social Services</i>					
<i>Department of Health</i>					
Administered expenses	2.1	(19)	(26)	(28)	(46,980)
	4.3	(6)	(16)	(24)	(31)
	6.2	(7,564)	(13,828)	(11,417)	(12,575)
	6.3	4,912	16,123	14,012	-
Administered revenue	6.2	12,687	10,732	229,809	435,076
	6.3	(428,883)	(16,138)	(13,647)	-
Total		(416,196)	(3,153)	218,705	375,490
Simplifying Student Payments					
<i>Department of Social Services</i>					
<i>Department of Health</i>					
Administered expenses	4.1	-	-	44	97
	4.3	-	-	215	450
Total expenses	-	-	-	259	547

¹ The cost of this measure will be met from within existing resources.

² This measure was announced in the 2015-16 *Mid-Year Economic and Fiscal Outlook*.

³ The Department of Health is not the lead entity for these measures. Only Department of Health impacts are shown in this table.

1.4 Changes in Entity Outcomes and Programs

Figure 1.4.1: Comparison of 2015-16 and 2016-17 Outcome Structures

<u>2015-16</u>	<u>2016-17</u>
<p>Outcome 1: Population Health A reduction in the incidence of preventable mortality and morbidity, including through national public health initiatives, promotion of healthy lifestyles, and approaches covering disease prevention, health screening and immunisation.</p>	<p>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.</p>
<p>Outcome 2: Access to Pharmaceutical Services Access to cost-effective medicines, including through the Pharmaceutical Benefits Scheme and related subsidies, and assistance for medication management through industry partnerships.</p>	<p>Outcome 2: Health Access and Support Services Support for sustainable funding for public hospital services and improved access to high quality, comprehensive and coordinated preventive, primary and mental health care for all Australians, with a focus on those with complex health care needs and those living in regional, rural and remote areas, including through access to a skilled health workforce.</p>
<p>Outcome 3: Access to Medical and Dental Services Access to cost-effective medical, dental, allied health and hearing services, including through implementing targeted medical assistance strategies, and providing Medicare subsidies for clinically relevant services and hearing devices to eligible people.</p>	<p>Outcome 3: Sport and Recreation Improved opportunities for community participation in sport and recreation, excellence in high-performance athletes, and protecting the integrity of sport through investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues.</p>
<p>Outcome 4: Acute Care Improved access to, and efficiency of, public hospitals, acute and subacute care services, including through payments to state and territory governments.</p>	<p>Outcome 4: Individual Health Benefits Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance.</p>
<p>Outcome 5: Primary Health Care Access to comprehensive primary and mental health care services, and health care services for Aboriginal and Torres Strait Islander peoples and rural and remote populations, including through first point of call services for the prevention, diagnosis and treatment of ill-health and ongoing services for managing chronic disease.</p>	<p>Outcome 5: Regulation, Safety and Protection Protection of the health and safety of the Australian community and preparedness to respond to national health emergencies and risks, including through immunisation, initiatives, and regulation of therapeutic goods, chemicals, gene technology, and blood and organ products.</p>
<p>Outcome 6: Private Health Improved choice in health services by supporting affordable quality private health care, including through private health insurance rebates and a regulatory framework.</p>	

Figure 1.4.1: Comparison of 2015-16 and 2016-17 Outcome Structures (continued)

<u>2015-16</u>	<u>2016-17</u>
<p>Outcome 7: Health Infrastructure, Regulation, Safety and Quality Improved capacity, quality and safety of Australia’s health care system to meet current and future health needs including through investment in health infrastructure, regulation, international health policy engagement, research into health care, and support for blood and organ donation services.</p> <p>Outcome 8: Health Workforce Capacity Improved capacity, quality and mix of the health workforce to meet the requirements of health services, including through training, registration, accreditation and distribution strategies.</p> <p>Outcome 9: Biosecurity and Emergency Response Preparedness to respond to national health emergencies and risks, including through surveillance, regulation, prevention, detection and leadership in national health coordination.</p> <p>Outcome 10: Sport and Recreation Improved opportunities for community participation in sport and recreation, and excellence in high-performance athletes, through initiatives to help protect the integrity of sport, investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues.</p> <p>Outcome 11: Ageing and Aged Care Improved wellbeing for older Australians through targeted support, access to quality care and related information services.</p>	<p>Outcome 6: Ageing and Aged Care Improved wellbeing for older Australians through targeted support, access to quality care and related information services.</p>

(In accordance with the Administrative Arrangement Order issued on 30 September 2015, ageing and aged care functions transferred to the Department of Health from the Department of Social Services.)

Figure 1.4.2: Mapping 2015-16 and 2016-17 Outcome and Program Structure

2015-16 ¹	2016-17 ²
<p>Outcome 1: Population Health (1, 2, 5) <i>Programs:</i></p> <p>1.1 Public Health, Chronic Disease and Palliative Care (1.1, 1.4, 2.4, 2.5, 5.2) 1.2 Drug Strategy (1.4, 2.4) 1.3 Immunisation (5.3)</p>	<p>Outcome 1: Health System Policy, Design and Innovation (1, 7) <i>Programs:</i></p> <p>1.1 Health Policy Research and Analysis (1.1, 7.2, 7.4, 7.6) 1.2 Health Innovation and Technology (7.1) 1.3 Health Infrastructure (7.5) 1.4 Health Peak and Advisory Bodies (1.1, 1.2, 7.2, 7.7) 1.5 International Policy (7.3)</p>
<p>Outcome 2: Access to Pharmaceutical Services (4) <i>Programs:</i></p> <p>2.1 Community Pharmacy and Pharmaceutical Awareness (4.3) 2.2 Pharmaceuticals and Pharmaceutical Services (4.3) 2.3 Targeted Assistance – Pharmaceuticals (4.3) 2.4 Targeted Assistance – Aids and Appliances (4.8)</p>	<p>Outcome 2: Health Access and Support Services (1, 4, 5, 7, 8) <i>Programs:</i></p> <p>2.1 Mental Health (5.4) 2.2 Aboriginal and Torres Strait Islander Health (5.3) 2.3 Health Workforce (5.5, 8.1, 8.2) 2.4 Preventive Health and Chronic Disease Support (1.1, 1.2, 7.2, 7.4, 7.7) 2.5 Primary Health Care Quality and Coordination (1.1, 5.1) 2.6 Primary Care Practice Incentives (5.2) 2.7 Hospital Services (4.1, 7.4)</p>
<p>Outcome 3: Access to Medical and Dental Services (4) <i>Programs:</i></p> <p>3.1 Medicare Services (4.1, 4.7) 3.2 Targeted Assistance – Medical (4.1) 3.3 Pathology and Diagnostic Imaging Services and Radiation Oncology (4.1) 3.4 Medical Indemnity (4.5) 3.5 Hearing Services (4.2) 3.6 Dental Services (4.6)</p>	<p>Outcome 3: Sport and Recreation (10) <i>Program:</i></p> <p>3.1 Sport and Recreation (10.1)</p>

Figure 1.4.2: Mapping 2015-16 and 2016-17 Outcome and Program Structure (continued)

2015-16 ¹	2016-17 ²
<p>Outcome 4: Acute Care (2) <i>Program:</i> 4.1 Public Hospitals and Information (2.7)</p>	<p>Outcome 4: Individual Health Benefits (2, 3, 6, 7) <i>Programs:</i> 4.1 Medical Benefits (3.1, 3.2, 3.3) 4.2 Hearing Services (3.5) 4.3 Pharmaceutical Benefits (2.1, 2.2, 2.3, 7.4) 4.4 Private Health Insurance (6.1) 4.5 Medical Indemnity (3.4) 4.6 Dental Services (3.6) 4.7 Health Benefit Compliance³ (3.1) 4.8 Targeted Assistance – Aids and Appliances (2.4)</p>
<p>Outcome 5: Primary Health Care (2) <i>Programs:</i> 5.1 Primary Care Financing, Quality and Access (2.5) 5.2 Primary Care Practice Incentives (2.6) 5.3 Aboriginal and Torres Strait Islander Health (2.2) 5.4 Mental Health (2.1) 5.5 Rural Health Services (2.3)</p>	<p>Outcome 5: Regulation, Safety and Protection (1, 7, 9) <i>Programs:</i> 5.1 Protect the Health and Safety of the Community Through Regulation (7.7) 5.2 Health Protection and Emergency Response (1.1, 7.4, 9.1) 5.3 Immunisation (1.3)</p>
<p>Outcome 6: Private Health (4) <i>Program:</i> 6.1 Private Health Insurance (4.4)</p>	<p>Outcome 6: Ageing and Aged Care⁴ (11) <i>Programs:</i> 6.1 Access and Information (11.1, 11.5) 6.2 Home Support and Care (11.2, 11.3, 11.6) 6.3 Residential and Flexible Care (11.4, 11.5) 6.4 Aged Care Quality (11.2, 11.4, 11.5, 11.6)</p>
<p>Outcome 7: Health Infrastructure, Regulation, Safety and Quality (1, 2, 4, 5) <i>Programs:</i> 7.1 eHealth (1.2) 7.2 Health Information (1.1, 1.4, 2.4) 7.3 International Policy Engagement (1.5) 7.4 Research Capacity and Quality (1.1, 2.4, 2.7, 4.3, 5.2) 7.5 Health Infrastructure (1.3) 7.6 Blood and Organ Donation (1.1) 7.7 Regulatory Policy (1.4, 2.4, 5.1)</p>	

Figure 1.4.2: Mapping 2015-16 and 2016-17 Outcome and Program Structure (continued)

2015-16¹
<p>Outcome 8: Health Workforce Capacity (2) <i>Programs:</i> 8.1 Workforce and Rural Distribution (2.3) 8.2 Workforce Development and Innovation (2.3)</p>
<p>Outcome 9: Biosecurity and Emergency Response (5) <i>Program:</i> 9.1 Health Emergency Planning and Response (5.2)</p>
<p>Outcome 10: Sport and Recreation (3) <i>Program:</i> 10.1 Sport and Recreation (3.1)</p>
<p>Outcome 11: Ageing and Aged Care⁴ (6) <i>Programs:</i> 11.1 Access and Information (6.1) 11.2 Home Support (6.2, 6.4) 11.3 Home Care (6.2) 11.4 Residential and Flexible Care (6.3, 6.4) 11.5 Workforce and Quality (6.1, 6.3, 6.4) 11.6 Ageing and Service Improvement (6.2, 6.4)</p>

¹ Bracketed numbers indicate where Outcome and Program(s) have **moved to** in 2016-17 structure.

² Bracketed numbers indicate where Outcome and Program(s) have **moved from** 2015-16 structure.

³ In accordance with the Administrative Arrangement Order issued on 30 September 2015, responsibility for health benefit compliance transferred to the Department of Health from the Department of Human Services.

⁴ In accordance with the Administrative Arrangement Order issued on 30 September 2015, ageing and aged care functions transferred to the Department of Health from the Department of Social Services.

Section 2: Outcomes and Planned Performance

Government Outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government entities achieve the intended results of their Outcome statements. Entities are required to identify the programs which contribute to Government Outcomes over the Budget and forward years.

Each Outcome is described below together with its related programs. The following provides detailed information on expenses for each Outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

