

AUSTRALIAN DIGITAL HEALTH AGENCY

Entity Resources and Planned Performance

Australian Digital Health Agency

Health Portfolio Entity

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government is committed to the delivery of a national shared digital health record system to deliver safer, more efficient and effective quality health care.

In the 2015-16 Budget, \$485 million was announced for the redevelopment and operation of the national digital healthcare system in Australia and delivery of the *My Health Record* program. A significant part of the program is the establishment of the Australian Digital Health Agency (Digital Health Agency) for the ongoing development and operation of the national digital healthcare systems. The Digital Health Agency will become operational from 1 July 2016.

The Digital Health Agency is the national body which will have responsibility for the strategic management and governance responsibilities for the national digital health strategy and the design, delivery and operations of the national digital healthcare system. The Digital Health Agency will provide the leadership, coordination and delivery of a collaborative and innovative approach to utilising technology to support and enhance a clinically safe and connected national health system to improve health service delivery and health outcomes for the Australian community.

The Digital Health Agency will perform the following functions:

- coordinate and provide input into the ongoing development of the National Digital Health Strategy;
- implement those aspects of the National Digital Health Strategy that are agreed or directed by the Council of Australian Governments (COAG) Health Council;
- develop, implement, manage, operate, continuously innovate and iteratively improve specifications, standards, systems and services in relation to digital health, consistent with the National Digital Health Work Program;
- develop, implement and operate comprehensive and effective clinical governance, using a whole of system approach, to ensure clinical safety in the delivery of the National Digital Health Work Program;
- develop, monitor and manage specifications and standards to maximise effective operation between public and private sector digital healthcare systems;
- develop and implement compliance approaches in relation to the adoption of agreed specifications and standards relating to digital health; and
- liaise and cooperate with overseas and international bodies on matters relating to digital health.

The Digital Health Agency is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. The functions of the Digital Health Agency are set out in the *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016*.

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' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.



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

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	-	-
Funds from Government		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	-	110,303
Other services ²		
Equity injection	-	10,589
Total annual appropriations	-	120,892
Amounts received from related entities³		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	-	120,892
Funds from other sources		
Interest	-	1,200
Sale of goods and services	-	-
Other	-	34,400
Total funds from other sources	-	35,600
Total net resourcing for Digital Health Agency	-	156,492
	2015-16	2016-17
Average staffing level (number)	-	51

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Appropriation Bill (No. 2) 2016-17.

³ Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

This section is not applicable to the Digital Health Agency.

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 plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

Outcome 1: To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians

Linked Programs

Commonwealth entity and linked programs	Contributions to Outcome 1 made by linked programs
Department of Health Program 1.2: Health Innovation and Technology	The Department of Health has policy responsibility for improving health outcomes for Australians through digital healthcare systems. This includes conducting trials of participation arrangements and an opt-out system to inform future strategies for increasing uptake and meaningful use of digital healthcare systems.
Department of Human Services Program 1.2: Services to the Community – Health	The Department of Human Services contributes to the achievement of this Outcome by supporting the operation of the <i>My Health Record</i> .

Budgeted Expenses for the Digital Health Agency

This table shows how much the entity intends to spend (on an accrual basis) on achieving the Outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted Expenses for the Digital Health Agency

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Digital Health					
Revenue from Government					
Ordinary annual services	-	110,303	114,124	4,159	-
Amounts from related entities	-	-	-	-	-
Revenues from independent sources	-	35,600	35,600	-	-
Expenses not requiring appropriation in the Budget year ¹	-	41,183	-	-	-
Operating deficit (surplus)	-	(18,730)	-	-	-
Total for Program 1.1	-	168,356	149,724	4,159	-
Total expenses for Outcome 1	-	168,356	149,724	4,159	-
	2015-16	2016-17			
Average staffing level (number)	-	51			

¹ Expenses not requiring appropriation in the Budget year are made up of net assets received free of charge.

Table 2.1.2: Performance Criteria for the Digital Health Agency

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians	
Program	1.1: Digital Health In collaboration with consumers, health care providers and the health industry, ¹ the Digital Health Agency will deliver an effective national digital health capability that will achieve significant improvements in the quality and delivery of health care, and increased efficiency of the Australian health system.	
Purpose	To improve health outcomes for Australians through the delivery of digital healthcare systems. ²	
Delivery	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Building foundations for better health outcomes through improved governance, and management and delivery of national digital health services B. Promoting and facilitating user communication, engagement and collaboration through open innovation C. Operating an effective and secure digital healthcare system	
Program objective		
A. Building foundations for better health outcomes through improved governance, and management and delivery of national digital health services		
The Digital Health Agency will provide coordination and delivery of national digital health services and infrastructure, and consolidated and improved governance arrangements for digital health at a national level. The Digital Health Agency will also be responsible for the ongoing evolution of the National Digital Health Strategy and provide input to, and deliver on, the National Digital Health Work Program as agreed and/or directed by the Council of Australian Governments (COAG) Health Council. The Digital Health Agency's work program for 2016-17 and 2017-18 is scheduled for submission to the COAG Health Council in October 2016, for consideration.		
Qualitative performance criteria	2016-17 Reference point or target	
Development of, and delivery on, the National Digital Health Strategy.	Development of, and delivery on, the COAG Health Council agreed National Digital Health Work Program for 2016-17 and 2017-18.	



¹ Health industry includes entities such as peak health organisations, health software vendors, and consumer health organisations (including insurers).

² This purpose text will be reflected in the 2016-17 Digital Health Agency Corporate Plan.

Program objective	
B. Promoting and facilitating user communication, engagement and collaboration through open innovation	
<p>In 2016-17, the Digital Health Agency will lead the development, delivery and adoption of national digital health services and actively engage with consumers, health industry and health care providers to refine digital health delivery priorities.</p> <p>The Digital Health Agency will champion emerging technologies and foster open innovation, to enable increased interoperability and useability of digital healthcare systems with the aim of increasing active participation, useability and satisfaction of both consumers and health care providers. This will be achieved through:</p> <ul style="list-style-type: none"> • developing, implementing, managing, operating, continuously innovating and iteratively improving specifications, standards, systems and services in relation to digital health, consistent with the National Digital Health Strategy and Work Program; • using contemporary digital service development processes and engaging user experience testing in all product development; • developing a deep understanding of how the system is being used, in order to continuously improve; and • education and training for consumers and health care providers. 	
Qualitative performance criteria	2016-17 Reference point or target
Active communication, consultation, engagement and collaboration with consumers, health care providers and the health industry in relation to digital health.	Undertake an independently administered targeted survey of consumers, health care providers and the health industry by 30 June 2017 to provide baseline data for future comparison.
Acceptance and use of the national digital healthcare system by consumers, health care providers and health industry.	Undertake an independently administered targeted survey of consumers, health care providers and the health industry by 30 June 2017 to provide baseline data for future comparison.
Delivery of communication and education campaigns for consumers and health care providers about the national digital healthcare system to increase uptake and use, including information about security and privacy.	Educational program data used to establish a baseline to measure an increase in use of national digital healthcare systems.

Program objective					
C. Operating an effective and secure digital healthcare system					
<p>The Digital Health Agency will design, deliver, facilitate and operate national digital health services, which will underpin:</p> <ul style="list-style-type: none"> • continuity of care through sharing of clinical information; • improved patient safety; • preventive health measures and health maintenance; • reduced adverse events; and • reduced clinical errors. <p>The Digital Health Agency is committed to the ongoing support of digital healthcare systems and is responsible for:</p> <ul style="list-style-type: none"> • ensuring the digital healthcare systems and processes continue to protect consumers' personal privacy and maintain confidentiality and security of consumer and health care provider records; and • storing and providing health information securely, in accordance with Australian Government cyber security requirements. 					
Qualitative performance criteria		2016-17 Reference point or target			
Operation of a secure national digital healthcare system.		The national digital healthcare system complies with Australian Government cyber security policies, practices and legislation, with intelligence about cyber threats used to continually refine security approaches.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target ³	2019-20 Target
Availability of the national digital healthcare system. ⁴	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	N/A	N/A
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

³ The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2018.

⁴ Previously reported under the Department's eHealth program.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the Digital Health Agency.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

The Digital Health Agency will become operational from 1 July 2016. Relevant financial statement balances have transferred from the National E-Health Transition Authority and the Department of Health. The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2018.

Departmental Resources

Comprehensive Income Statement

Resourcing includes funding for the delivery of the Digital Health Agency's program, as well as the associated agency management costs. The Digital Health Agency is funded jointly by the Australian, State and Territory Governments.

Balance Sheet

Assets and liabilities are anticipated to remain relatively stable across the forward years.

3.2 Budgeted Financial Statements Tables

Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	-	39,082	40,414	-	-
Supplier expenses	-	119,142	98,945	4,159	-
Depreciation and amortisation	-	10,132	10,365	-	-
Total expenses	-	168,356	149,724	4,159	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	-	-	-	-	-
Interest	-	1,200	1,200	-	-
Other revenue	-	34,400	34,400	-	-
Total own-source revenue	-	35,600	35,600	-	-
Gains					
Other	-	41,183	-	-	-
Total gains	-	41,183	-	-	-
Total own-source income	-	76,783	35,600	-	-
Net cost of (contribution by) services	-	91,573	114,124	4,159	-
Revenue from Government	-	110,303	114,124	4,159	-
Surplus (deficit)	-	18,730	-	-	-
Surplus (deficit) attributable to the Australian Government	-	18,730	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	18,730	-	-	-

Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	27,531	26,987	26,987	26,987
Trade and other receivables	-	78	78	78	78
Total financial assets	-	27,609	27,065	27,065	27,065
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	940	1,647	1,647	1,647
Intangibles	-	50,361	50,361	50,361	50,361
Other	-	379	395	395	395
Total non-financial assets	-	51,680	52,403	52,403	52,403
Total assets	-	79,289	79,468	79,468	79,468
LIABILITIES					
Payables					
Suppliers	-	5,874	5,874	5,874	5,874
Other payables	-	-	-	-	-
Total payables	-	5,874	5,874	5,874	5,874
Interest bearing liabilities					
Leases	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	-	4,324	4,503	4,503	4,503
Other provisions	-	-	-	-	-
Total provisions	-	4,324	4,503	4,503	4,503
Total liabilities	-	10,198	10,377	10,377	10,377
Net assets	-	69,091	69,091	69,091	69,091
EQUITY					
Contributed equity	-	50,361	50,361	50,361	50,361
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	18,730	18,730	18,730	18,730
Total equity	-	69,091	69,091	69,091	69,091

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	-	-	-	-
Surplus (deficit) for the period	18,730	-	-	18,730
Restructure			39,772	39,772
Appropriation (equity injection)	-	-	10,589	10,589
Estimated closing balance as at 30 June 2017	18,730	-	50,361	69,091



Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	-	-	-	-	-
Appropriations	-	110,303	114,124	-	-
Interest	-	1,285	1,200	4,159	-
Net GST received	-	11,000	9,500	-	-
Other cash received	-	84,390	34,400	-	-
Total cash received	-	206,978	159,224	4,159	-
Cash used					
Employees	-	38,976	40,235	-	-
Suppliers	-	118,399	98,961	4,159	-
Net GST paid	-	11,000	9,500	-	-
Other cash paid	-	-	-	-	-
Total cash used	-	168,375	148,696	4,159	-
Net cash from (or used by) operating activities	-	38,603	10,528	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	21,661	11,072	-	-
Total cash used	-	21,661	11,072	-	-
Net cash from (or used by) investing activities	-	(21,661)	(11,072)	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	10,589	-	-	-
Total cash received	-	10,589	-	-	-
Net cash from (or used by) financing activities	-	10,589	-	-	-
Net increase (or decrease) in cash held	-	27,531	(544)	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-	27,531	26,987	26,987
Cash and cash equivalents at the end of the reporting period	-	27,531	26,987	26,987	26,987

Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	10,589	-	-	-
Total capital appropriations	-	10,589	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	10,589	-	-	-
Total items	-	10,589	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	10,589	-	-	-
Funded internally from departmental resources	-	11,072	11,072	-	-
Total acquisitions of non-financial assets	-	21,661	11,072	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	21,661	11,072	-	-
Total cash used to acquire assets	-	21,661	11,072	-	-

¹ Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.



Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	-	-	-
Accumulated depreciation amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	1,000	9,589	10,589
By purchase - internal resources	-	-	11,072	11,072
Total additions	-	1,000	20,661	21,661
Other movements				
Depreciation/amortisation expense	-	(60)	(10,072)	(10,132)
Restructure - gross book value			116,361	116,361
Restructure - accumulated depreciation		-	(76,589)	(76,589)
Total other movements	-	(60)	29,700	29,640
As at 30 June 2017				
Gross book value	-	1,000	137,022	138,022
Accumulated depreciation amortisation and impairment	-	(60)	(86,661)	(86,721)
Closing net book balance	-	940	50,361	51,301