



## Our Purpose



Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation



**In 2015-16, we undertook activities which contributed to achieving Our Purpose, including under Outcome 4**

## Outcome 4 Acute Care



Improved access to, and efficiency of, public hospitals, acute and subacute services, including through payments to state and territory governments

### Analysis of performance – **Outcome 4** Acute Care

In 2015-16, the Government continued to improve access to, and the efficiency of, public hospitals through the provision of \$17.2 billion of funding to State and Territory Governments.

On 1 April 2016, the Council of Australian Governments' (COAG) agreed a Heads of Agreement for public hospital funding from 1 July 2017 to 30 June 2020 ahead of consideration of longer term arrangements.

The Department supported the Government through the provision of timely and effective policy advice on public hospital funding matters. The Department also supported the implementation of state-wide elective surgery reform activities in Tasmania.

These activities have contributed to the Department's achievement of objectives under Outcome 4 and Our Purpose.

## Key community benefits for **Outcome 4** in 2015-16



### **Supported the delivery of efficient public hospital services**

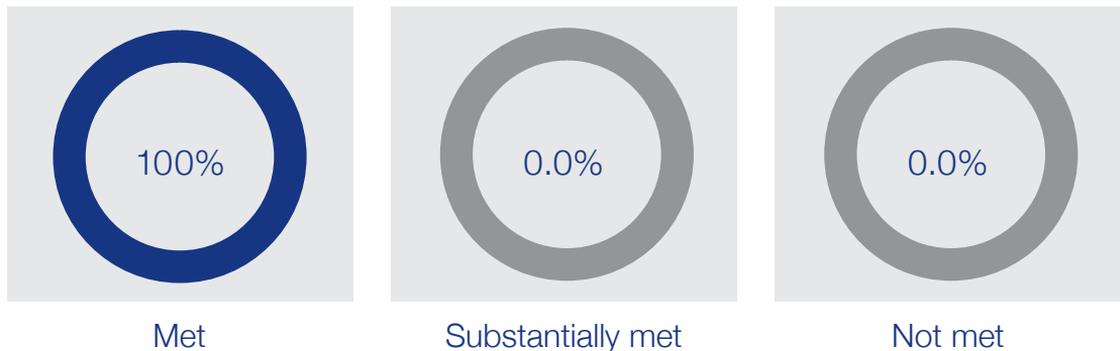
The Government provided funding of \$17.2 billion to the States and Territories to improve public hospital service delivery for the benefit of all Australians.



### **Improved health services in Tasmania**

State-wide elective surgery reform has meant that Tasmania has delivered additional surgeries to patients who have been waiting for longer than the clinically recommended time.

## Summary of performance criteria results for **Outcome 4**



## Looking ahead

- The Australian Government will increase its funding contribution to public hospital services from \$17.2 billion in 2015-16 to \$17.9 billion in 2016-17. The funding will support the efficient pricing, delivery and accountability of public hospital services.

## Programs and program objectives contributing to **Outcome 4**

### Program 4.1: Public Hospitals and Information

- Support States to deliver efficient public hospital services
- Mersey Community Hospital
- Improve health services in Tasmania

## Analysis of performance – Program 4.1: Public Hospitals and Information

The Department has met all its performance targets under Program 4.1: Public Hospitals and Information, and continues to work with State and Territory Governments, and relevant national agencies to support the efficient pricing, delivery and accountability of public hospital services.

On 1 April 2016, the COAG agreed a Heads of Agreement for public hospital funding from 1 July 2017 to 30 June 2020 ahead of consideration of longer term arrangements. Commonwealth funding to States and Territories for this period includes an estimated additional \$2.9 billion in funding for public hospital services.

In addition, implementation of state-wide elective surgery activities have supported Tasmania to provide cost-effective surgery to patients who have been waiting for longer than clinically recommended times. The Department also continues to provide evidence-based policy advice to the Minister to better inform policy decisions to support States and Territories to deliver efficient public hospital services.

### Support States to deliver efficient public hospital services

#### Provide accurate advice to the Minister on public hospital funding policy.

Source: 2015-16 Health Portfolio Budget Statements, p. 90

2015-16 Target	2015-16 Result
Relevant advice produced in a timely manner.	Relevant advice to the Minister on public hospital funding matters was provided within agreed timeframes, consistent with Government agreed processes.  <b>Result: Met</b> 

The Minister was provided with the information and advice required to better inform policy decisions to improve the Australian community's wellbeing.

### Mersey Community Hospital

#### Ensure that residents of north-west Tasmania have ongoing access to hospital services.

Source: 2015-16 Health Portfolio Budget Statements, p. 90

2015-16 Target	2015-16 Result
Agreement reached with the Tasmanian Government on the arrangements for the Mersey Community Hospital.	On 28 August 2015, a new two year Heads of Agreement was reached between the Australian Government and the Tasmanian Government for the continued management and operation of the Mersey Community Hospital from 1 September 2015 until 30 June 2017.  <b>Result: Met</b> 

Funding supports continuation of a mix of general hospital and 24-hour emergency services to the local community, as well as specialising in elective surgery and subacute care. The two year period also allows both Governments sufficient time to work together to develop an appropriate long term arrangement for the hospital.

## Improve health services in Tasmania

### Implementation of state-wide elective surgery reform activities.

Source: 2015-16 Health Portfolio Budget Statements, p. 90

2015-16 Target	2015-16 Result
Reform activities, including tendering for elective surgery, commenced.	All reform activities have commenced, with tendering for elective surgery completed. <b>Result: Met</b> ✓

Elective surgery tendering was completed with the panel of private providers announced by the Tasmanian Government on 1 October 2015. Elective surgery procedures have commenced under this process.

## Outcome 4 – Budgeted expenses and resources

	Budget Estimate <sup>1</sup> 2015-16 \$'000 (A)	Actual 2015-16 \$'000 (B)	Variation \$'000 (B) - (A)
<b>Program 4.1: Public Hospitals and Information<sup>2</sup></b>			
<i>Administered expenses</i>			
Ordinary annual services (Appropriation Act No. 1)	92,639	89,854	(2,785)
Non cash expenses - depreciation <sup>3</sup>	963	963	-
<i>Departmental expenses</i>			
Departmental appropriation <sup>4</sup>	29,615	29,251	(364)
Expenses not requiring appropriation in the current year <sup>5</sup>	4,028	5,976	1,948
<b>Total for Program 4.1</b>	<b>127,245</b>	<b>126,044</b>	<b>(1,201)</b>
<b>Outcome 4 Totals by appropriation type</b>			
<i>Administered expenses</i>			
Ordinary annual services (Appropriation Act No. 1)	92,639	89,854	(2,785)
Non cash expenses - depreciation <sup>3</sup>	963	963	-
<i>Departmental expenses</i>			
Departmental appropriation <sup>4</sup>	29,615	29,251	(364)
Expenses not requiring appropriation in the current year <sup>5</sup>	4,028	5,976	1,948
<b>Total expenses for Outcome 4</b>	<b>127,245</b>	<b>126,044</b>	<b>(1,201)</b>
<b>Average staffing level (number)</b>	<b>47</b>	<b>45</b>	<b>(2)</b>

<sup>1</sup> Budgeted appropriation taken from the 2016-17 Health Portfolio Budget Statements and re-aligned to the 2015-16 outcome structure.

<sup>2</sup> This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework.

<sup>3</sup> 'Non cash expenses relate to the depreciation of buildings.

<sup>4</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Act No. 1)' and 'Revenue from independent sources (s74)'.  
<sup>5</sup> 'Expenses not requiring appropriation in the budget year' is made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.