Australian Government
Department of Health and Aged Care

Department of Health and Aged Care

Annual Report 2022–23

1

802,902
hearing services
vouchers
claimed

2

The MRFF disbursed **$650 million** to support medical research, including providing **52 new grants** with a First Nations health focus

3

All new medicines **listed on the PBS** within 6 months of in-principle agreement to listing arrangements in **2022–23**

4

At an average rate **of 40%** participation, the National Bowel Cancer Screening program is estimated to save up to **59,000 lives** between 2015 and 2040

5

Over
1.6 million people
supported through the
National Diabetes Support Scheme

6

23.5 million Australians
(inclusive of some overseas visitors) **accessed at least one** Medicare Benefits Scheme service

7

816,132
Commonwealth Home Support Programme
services accessed

8

5.6% increase
in children participating in **organised sport** or **physical activity** outside of school hours

Snapshot references are located on the back page of this Annual Report

Acknowledgement of Country

We, the Department of Health and Aged Care, proudly acknowledge the Traditional Owners and Custodians of Country throughout Australia, and pay respect to those who have preserved and cared for the lands on which we live, work, and benefit from each day.

We recognise the inherent strengths and knowledge Aboriginal and Torres Strait Islander peoples provide to the health and aged care system and thank them for their existing and ongoing contributions to the wider community. We extend this gratitude to all health and aged care workers who contribute to improving health and wellbeing outcomes with, and for, First Nations peoples and communities.

We also recognise and respect Aboriginal and Torres Strait Islander peoples' continuing connections and relationships to the lands, waters, culture, and community; and pay respect to all Elders past, present, and emerging.

Artist interpretation of the Department of Health and Aged Care, our reconciliation journey, and our 100th anniversary. Artwork is titled '100 Years of Health' by contemporary Kalkadoon artist Chern'ee Sutton.

Department of Health and Aged Care Annual Report 2022–23

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This Annual Report is available online at: www.health.gov.au/resources/publications/department-of-health-annual-report-2022-23

Further information about the Department of Health and Aged Care is also available online at: www.health.gov.au

Cover and Internal Design

Department of Health and Aged Care

Printing

CanPrint Communications

Letter of Transmittal

Australian Government

Department of Health and Aged Care

Secretary

The Hon Mark Butler MP
Minister for Health and Aged Care
Deputy Leader of the House

Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Annual Report of the Department of Health and Aged Care for the year ended 30 June 2023. This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013*, for presentation to the Parliament.

The report contains information specific to the department required under other applicable legislation, including the:

- *National Health Act 1953* (Appendix 3 – Processes Leading to the Pharmaceutical Benefits Advisory Committee Consideration – Annual Report for 2022–23)
- *Industrial Chemicals Act 2019* (Appendix 4 – Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2022–23)
- Public Governance, Performance and Accountability Rule 2014 (Appendix 5 – Australian National Preventive Health Agency Financial Statements)
- *National Sports Tribunal Act 2019* (Appendix 6 – Report on the operation of the National Sports Tribunal for 2022–23)
- *Human Services (Medicare) Act 1973* and *Tobacco Plain Packaging Act 2011* (Part 3.6 – External Scrutiny and Compliance).

The department's fraud control arrangements comply with section 10 of the Public Governance, Performance and Accountability Rule 2014 (for certification, refer Part 3.1: Corporate Governance of this Annual Report).

Yours sincerely

Blair Comley PSM

7 October 2023

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Contents

Secretary's Review

Blair Comley PSM

I am pleased to present the Department of Health and Aged Care's 2022–23 Annual Report, my first as departmental Secretary. The Annual Report provides a detailed description of the department's activities and achievements during 2022–23 as well as reporting against outcomes and planned performance targets identified in the 2022–23 Portfolio Budget Statements, 2022–23 Portfolio Additional Estimates Statements and 2022–23 Corporate Plan.

COVID-19 pandemic

2022–23 saw the development and implementation of a range of policies that supported Australia's transition to managing COVID-19 in a similar way to other respiratory viruses, that is, moving away from bespoke arrangements whilst minimising the severity levels of COVID-19 and the impact on Australia's most vulnerable peoples.

Work to support this transition during 2022–23 included:

- The COVID-19 vaccination program entered its next phase with the commencement of the booster program (the Program) in February 2023. As at 30 June 2023, over 3.4 million booster doses had been administered under the Program, of which over 2 million doses were administered to those over 65 years of age and to over 50% of estimated eligible aged care residents.
  - This complements the delivery of over 68 million COVID-19 vaccinations since the commencement of the COVID-19 vaccination program in February 2021, contributing to Australia's strong position in responding to the COVID-19 pandemic.

- As at 30 June 2023, there were over 4,390 general practices and 3,200 community pharmacies across Australia participating in the COVID-19 Vaccination Program.
- The dispensing of over 890,000 Pharmaceutical Benefits Scheme (PBS) prescriptions for Lagevrio (molnupiravir) and Paxlovid (nirmatrelvir & ritonavir), including over 67,000 prescriptions to residents of aged care facilities. In 2022–23, the total PBS government expenditure for Lagevrio and Paxlovid exceeded $1 billion, including $74 million for patients in residential aged care facilities. From 1 January 2023, general patients pay no more than $30 for most PBS listed medicines, or $7.30 for concession card holders.
- The procurement of more than 133 million units of personal protective equipment worth $98.8 million and more than 102 million rapid antigen tests worth $196.9 million to hold and distribute from the National Medical Stockpile.
- Continued research on COVID-19 was supported by the investment of $6.75 million for two new grants through the Medical Research Future Fund (MRFF) during 2022–23. Research topics included strategies and treatments for respiratory infections and viral emergencies, and assessing the effectiveness of vaccination policies to inform future pandemics.

On 1 September 2022, the House Standing Committee on Health, Aged Care and Sport (the Committee) commenced the Inquiry into Long COVID and Repeated COVID Infections (the Inquiry). The Committee published its final report on 24 April 2023 and the department is coordinating the Australian Government's response to the Inquiry. The department has also commenced development of a Post-Acute Sequelae of COVID-19 (PASC) Plan to provide a framework for the Health and Aged Care Portfolio's response to PASC, taking into consideration the findings detailed in the Committee's final report. The MRFF will provide $50 million to support government initiatives in improving outcomes for people experiencing PASC, through enabling the development and implementation of the MRFF PASC Research Plan, and supporting the delivery of the National PASC Plan.

2020–25 National Health Reform Agreement

The 2020–25 *Addendum to the National Health Reform Agreement* (NHRA) is an agreement between the Australian Government and all state and territory governments. It is committed to improving health outcomes for all Australians by providing better coordination and ensuring the future sustainability of Australia's health system.

Over 5 years, the NHRA will facilitate the payment of an estimated $154.4 billion by the Australian Government for public health and hospital services, including services delivered by emergency departments and some community health settings. This includes sums paid to states and territories under the National Partnership on COVID-19 Response and the National Partnership for Priority Groups COVID-19 Testing and Vaccination.

The NHRA provides opportunities to embed contemporary models of care into ongoing funding and system arrangements once proven effective. In 2022–23, the department engaged with states, territories and the Independent Health and Aged Care Pricing Authority (IHACPA) to progress work on innovative models of care, with an initial focus on virtual care and hospital avoidance programs for chronic conditions.

A Mid-term Review (Review) of the 2020–25 Addendum to the NHRA commenced in January 2023 and will be finalised by the end of December 2023. The Review is independent, led by Rosemary Huxtable AO PSM, and will consider the extent to which the objectives of the NHRA are being met, as well as whether the reforms undertaken by health funding, planning and governance arrangements are suitable and relevant to the purposes for which they were established.

Strengthening Medicare Taskforce

In July 2022, the Minister for Health and Aged Care established the Strengthening Medicare Taskforce, comprising health leaders from across the sector to provide advice on the highest priority investments in primary care. The department supported the Taskforce to undertake a series of deep dives into key areas of reform. The Taskforce report, released on 3 February 2023, recommended significant changes to primary care funding and delivery:

- increase access to equitable, affordable person-centred primary care services
- encourage multidisciplinary team-based care
- modernise primary care through better use of data and digital technology
- support change management and cultural change in the sector.

The government responded to the recommendations of the Taskforce through a $6.1 billion investment to strengthen Medicare in the 2023–24 Budget. This included:

- a tripling of the MBS bulk billing incentives to improve access to affordable general practice care
- support for longer general practice consultations
- MyMedicare - a new system of voluntary patient registration with general practice
- new incentives for quality general practice care for people in residential aged care homes and frequent hospital users
- additional support for multidisciplinary care and nurse practitioner-led care, and care in the after hours period including through Medicare Urgent Care Clinics
- major investments in digital health
- new initiatives to support health workforce availability, particularly in areas of shortage
- support for consumer engagement reform in design and implementation.

The department looks forward to implementing these Strengthening Medicare measures as vital next steps in primary care reform, consistent with the Primary Health Care 10 Year Plan.

New funding in the 2023–24 Budget for MyMedicare includes incentives to support people with complex chronic disease who frequently attend hospital, incentives to ensure all aged care residents receive quality primary care services from a regular GP and practice, and access to longer GP telehealth phone consultations for registered patients. The Strengthening Medicare investment in the 2023–24 Budget addresses declining bulk billing rates and doctor availability, supports the viability of general practices, and starts to rebuild primary care as the core of an effective, modern health care system for all Australians.

Strengthening First Nations Health

In 2022–23, the government provided $164.3 million towards new and enhanced healthcare infrastructure across Australia for First Nations populations. The infrastructure projects will deliver modern, high quality health clinics and facilities in areas of high health need, as well as carefully targeted smaller investments to build the capacity of First Nations health services in remote, rural and urban regions. The projects will strengthen the First Nations health sector to increase the capacity of clinics and health facilities to meet local health needs and priorities. The projects are on track and expected to be completed by 2025–26.

The Australian Government is investing $54.3 million over 5 years (from 2022–23 to 2026–27) for the First Nations Health Worker Traineeship Program. The National Aboriginal Community Controlled Health Organisation (NACCHO) has been engaged to deliver the program.

This program is aimed to support up to 500 First Nations trainees to undertake Certificate III or IV accredited training to enable them to work across various health settings and be able to deliver culturally appropriate care to First Nations peoples. The program will provide trainees with on-the-job experience and mentoring. Training will be delivered as close to home – On Country where possible – and trainees will be given robust wrap-around support to help with completing their qualifications and workplace training.

The program is delivering on key priorities under the National Agreement on Closing the Gap, and was designed and implemented in genuine partnership between the Australian Government, the NACCHO and the Aboriginal Community Controlled Health Organisation (ACCHO) sector.

The department is continuing to work with the NACCHO, ensuring key stakeholders (including First Nations peak bodies, ACCHO employers and training providers) are at the forefront of design and implementation.

In 2022–23, the government provided $22.5 million towards construction of the first Birthing on Country Centre of Excellence for First Nations women and babies at Waminda in Nowra, New South Wales. The Birth Centre will provide culturally safe care and wrap-around services for First Nations families across the perinatal period. Services such as these are key to achieving Closing the Gap Outcome 2 targets[1], by supporting First Nations babies to be born healthy and strong, and ensuring maternal health services meet the needs of First Nations babies, mothers and families. Construction of the Birth Centre will be completed in the 2025–26 financial year and will enable culturally safe, continuity of midwifery care for up to 150 First Nations families each year.

The Australian Government is investing $238.5 million to address inequities and improve outcomes for First Nations people over four years (from 2023-24 to 2026-27). Of this, $197.9 million is being provided to the NACCHO to support the ACCHO sector respond to and support cancer care needs on the ground. The remaining $38.6 million has been provided to Cancer Australia to support mainstream cancer care to be culturally safe and accessible for First Nations peoples and provide coordinated delivery of cancer specialist and primary healthcare. This measure directly supports Priority Reform Two and Three of the National Agreement on Closing the Gap.

Australian Centre for Disease Control

The Australian Government is delivering on an election commitment to establish an Australian Centre for Disease Control (CDC) to improve national leadership and coordination of public health emergencies. Following funding of $90.9 million provided in the 2023–24 Budget, an interim Australian CDC will commence in the Department of Health and Aged Care, with a stand-alone Australian CDC to be established subject to the passage of enabling legislation in late 2024.

Capability review

The Department of Health and Aged Care is one of the first agencies to participate in a program of independent capability reviews, managed by the Australian Public Service Commission (APSC).

Capability reviews are independent, forward-looking and assess an agency's ability to meet future objectives and challenges. They aim to facilitate discussions around an organisation's desired future state, highlight strengths and organisational capability gaps and identify opportunities to act. Capability reviews are conducted in partnership with agencies, complement existing initiatives within agencies, and provide an independent evidence base for further targeted change.

The Review commenced in February 2023, and was led by a Senior Review Team, comprising independent reviewers Andrew Tongue PSM and Larry Kamener, and senior APS reviewer Dave Hallinan (Deputy Secretary, Department of Infrastructure, Transport, Regional Development, Communications and the Arts).

The final report published in August 2023 found that the department is 'a leader internationally for health' and is performing well in several key areas including leadership and culture, collaboration and its people. It also acknowledged the broad and complex role of the department and the extraordinary efforts of the executive and staff throughout the COVID-19 pandemic.

An action plan[2] to help drive continued improvement within the department is being developed, structured around the following 3 themes:

- Theme 1: Lifting our Strategic Policy Capability.
- Theme 2: Deepening our engagement with the community and stakeholders.
- Theme 3: Unlocking our Executive Leader potential.

[1] Closing the Gap Outcome 2 - Aboriginal and Torres Strait Islander children are born healthy and strong; Target 2 - By 2031, increase the proportion of Aboriginal and Torres Strait Islander babies with a healthy birthweight to 91%.

[2] The department's action plan will be published on the website of the Australian Public Service Commission in October 2023, and will be available at: www.apsc.gov.au

Tobacco and Vaping

On 30 November 2022, we marked the 10 year anniversary of Australia's tobacco plain packaging laws. These laws were a significant and world-leading approach, and Australia has experienced a long term decline in smoking rates[3]. In 2022–23, the government committed to intensify action to discourage smoking and vaping, and encourage more Australians to quit.

Australia's National Tobacco Strategy 2023–2030[4] was published on 2 May 2023 and aims to improve the health of all Australians by reducing tobacco use and its associated health, social, environmental and economic costs, and the inequalities it causes. The Strategy includes targets to achieve a national daily smoking prevalence in Australia of less than 10% by 2025 and 5% or less by 2030, and reduce the daily smoking rate among First Nations people to 27% or less by 2030.

While recognising Australia's achievements in being the first country to introduce plain packaging laws, the Minister for Health and Aged Care announced (on 30 November 2022) the government would introduce comprehensive reforms to modernise Australia's tobacco legislation and consolidate 8 different pieces of tobacco legislation into a single Act. Looking forward, the government is also pursuing new tobacco control reforms, including:

- standardising the size of tobacco packets and products
- preventing the use of specified additives in tobacco products, including flavours and menthol
- standardising the design and look of filters
- limiting the use of appealing names on products that falsely imply they are less harmful, like 'organic' or 'light'.

Significant work commenced to update graphic health warnings on tobacco product packets to require health promotion inserts in packs and pouches. Work also commenced on new regulations to require tobacco companies to be open and transparent about their sales volumes, pricing and product ingredients, along with their advertising, promotion and sponsorship activities. Consultation on the new legislation and proposed regulations occurred during 2022–23, including through roundtables with key stakeholders and release of an exposure draft for public consultation.

In recognition of increasing rates of vaping within Australia (particularly among young people, and growing evidence regarding their public health harms) work commenced through the Therapeutic Goods Administration (in partnership with states and territories), to strengthen regulation of e-cigarettes and vaping products by introducing new controls on their importation, contents and packaging, while continuing to enable people to access these products where clinically appropriate.[5] As part of the reforms, the government is also working with states and territories to close down the sale of vapes in retail settings outside of pharmacies. A national E-cigarette Working Group comprising all Commonwealth, state and territory health departments has been established by Health Ministers to oversee the development and implementation of these reforms.

In addition to the significant legislative and regulatory reforms, as part of the 2023–24 Budget, the government committed to the development of public health information campaigns on the harms associated with smoking and vaping, additional funding for cessation support services, and an extension of the successful Tackling Indigenous Smoking program. Planning and stakeholder engagement for these initiatives have commenced to ensure they complement ongoing tobacco and e-cigarette reform activities, and will assist the government to achieve the targets set out in the National Tobacco Strategy.

On 2 May 2023, the government announced an investment of $263.8 million over 4 years to implement a National Lung Cancer Screening Program. This follows the positive recommendation from the Medical Services Advisory Committee and the feasibility assessment work undertaken by Cancer Australia. The department will design the program in partnership with the First Nations health sector and Cancer Australia, and is scheduled to commence screening in July 2025.

[3] Available at: www.health.gov.au/ministers/the-hon-mark-butler-mp/media/ten-years-of-world-leading-reforms-and-reigniting-the-fight-against-tobacco-addiction?language=en

[4] Available at: www.health.gov.au/our-work/national-tobacco-strategy

[5] Available at: www.health.gov.au/ministers/the-hon-mark-butler-mp/media/taking-action-on-smoking-and-vaping?language=en

Notable retirees

I would like to acknowledge the notable retirees from the department.

Professor John Skerritt retired from his position of Deputy Secretary Health Products Regulation Group on 18 April 2023. Professor Skerritt had been in this role since 2012.

During his tenure, Professor Skerritt led the implementation of the Medicines and Medical Devices Review, digital transformation, the regulation of medicinal cannabis, the rapid registration of COVID vaccines and treatments and played a leading role in the international harmonisation of regulation.

Professor Brendan Murphy AC joined the department in 2016 on a 5 year appointment as the Chief Medical Officer (CMO) and served as the Secretary of the department from July 2020, retiring on 6 July 2023.

While Professor Murphy's time as Secretary was highlighted by the Australian Government's COVID-19 pandemic response, he also oversaw reforms to aged care, mental health, primary care and health workforce. As the CMO, he chaired the Australian Health Protection Principal Committee (AHPPC) which is the key decision-making committee for health emergencies.

Professor Murphy was named the ACT's Australian of the Year in November 2020, and in June 2022 was appointed Companion of the Order of Australia in the Queen's Birthday Honours for "eminent service to medical administration and community health, particularly as Chief Medical Officer, and to nephrology, to research and innovation, and to professional organisations".

Clearly both Brendan and John have made significant contributions and we wish them well in their next stage of life.

Looking ahead

Finally, while I was not personally in the department in 2022–23, I would like to acknowledge the work of the staff of the department. We are not long out of COVID and on my arrival I could clearly see a committed group ready for the challenges ahead. Which is good as the department has a range of exciting initiatives to implement throughout 2023–24 following announcements made in the Budget. From establishing an Australian Centre for Disease Control; strengthening Medicare; commitment to building a skilled, diverse, well-distributed and sustainable nursing and midwifery workforce; introduction of lung cancer screening services; and restoring dignity to aged care, 2023–24 will be a busy year for the department. I look forward to presenting our 2023–24 results in the next Annual Report.

Chief Medical Officer's Report

Professor Paul Kelly

COVID-19 pandemic

On 13 November 2022, the department published the National COVID-19 Health Management Plan, which outlines the Australian Government's health supports to manage COVID-19. The priority areas for this 12 month Plan include:

- the continuation of the vaccine program as a key means of defence
- community awareness and engagement
- effective and fast testing
- a well-resourced National Medical Stockpile
- ensuring no one is left behind.

The National Community Protection Framework for a COVID Safe Australia (Framework) was established by the department, outlining public health strategies states and territories may put in place in response to COVID-19. During 2022–23, the department began the transition away from managing COVID-19 as an emergency response and implemented a range of strategies to respond to new variants of the virus.

The department continued to assess Australia's epidemiological situation to ensure our pandemic control settings and health measures remain fit for purpose, are based on the best evidence available, and are proportionate and equitable. These included monitoring the impact of co-circulating viruses and broader emergencies which may impact health system capacity.

A key focus for the department in 2022–23 has been to better understand the long term effects of the pandemic on population health, including Post-Acute Sequelae of COVID-19 (PASC), also known as Long COVID. PASC continues to be an emerging health issue both in Australia and internationally, and like other chronic conditions, diagnosis, treatment and management of PASC has been challenging. The department has provided funding to support further research and understanding of PASC. In April 2023, a further $50 million from the Medical Research Future Fund (MRFF) was funded for research into PASC. This is in addition to funding that was provided for research related to Long COVID, including more than $13 million from the MRFF, $1.6 million from the National Health and Medical Research Council, and $5 million to the Australian Partnership for Preparedness Research on Infectious Disease Emergencies.

On 1 September 2022, following a referral from the Minister for Health and Aged Care (the Hon Mark Butler MP), the House Standing Committee on Health, Aged Care and Sport commenced an Inquiry into Long COVID and Repeated COVID Infections. The Committee published its final report *Sick and Tired: Casting a Long Shadow* on 24 April 2023. A key focus for the department in 2023–24 will be leading the Australian Government's response to this Inquiry.

Australian Centre for Disease Control

The Australian Government is delivering on an election commitment to establish an Australian Centre for Disease Control (CDC) to improve national leadership and coordination of public health emergencies.

In November and December 2022, the department undertook consultations and targeted workshops across the country for stakeholders to contribute their views on the key priorities and direction of an Australian CDC. Additionally, departmental representatives engaged with international counterparts to understand what models and best practices could inform the development of an Australian CDC.

- $90.9 million was provided in the 2023–24 Budget to enable the continuation of scoping and preparatory work to establish the Australian CDC in an interim capacity from January 2024. The interim Australian CDC will commence in the Department of Health and Aged Care. A stand-alone Australian CDC will be established subject to the passage of enabling legislation in late 2024.
- An Australian CDC will provide national leadership, coordination and collaboration, and address gaps in our ability to prepare for and respond to health emergencies and other public health challenges. It will also work to prevent and control non-communicable and communicable diseases.
- The Australian CDC will be underpinned by a focus on One Health, which recognises the connection that exists between the health of people, animals and the environment, and enhancing health security for all Australians.

Climate change action

In 2023, the department commenced work on developing Australia's first National Health and Climate Strategy in response to the increasing impact climate change continues to have on the health and wellbeing of Australians. The Strategy, intended for release by the end of 2023, will establish a 3-year plan of action to better prepare the health and aged care sectors for the challenges presented by climate change.

Human immunodeficiency virus (HIV) Taskforce

On World AIDS Day (1 December) 2022, Minister Butler announced the Australian Government would establish a new taskforce to renew Australia's efforts to end the HIV epidemic and achieve the virtual elimination of HIV in Australia by 2030, aligning with international efforts.

The Taskforce is chaired by Minister Butler, with Deputy Chair Assistant Minister the Hon Ged Kearney MP, and is made up of representatives from academia, people living with HIV, health professionals, sex workers, the First Australians health sector, people from culturally and linguistically diverse communities, and key members of both government and the Coalition.

At the inaugural meeting on 3 May 2023, members heard from experts on HIV in Australia and decided on priorities for the Taskforce's work. The HIV Taskforce will:

- consider and advise on priority action and policies to prevent, diagnose, care and treat HIV
- review and endorse the ninth National HIV Strategy
- identify and consider emerging trends and issues including how to tackle the ongoing stigma around HIV, and areas to cooperate, coordinate, and engage with states and territories
- best-practice approaches to increase awareness, education, and treatment among priority groups.

The work of the Taskforce will continue for the remainder of the 2023 calendar year with further meetings, including a HIV Youth Roundtable hosted by Assistant Minister Kearney.

Immunisation

Protecting the Australian community against influenza remains an important public health measure. Over 8.4 million doses of influenza vaccines were administered nationally during the 2022–23 influenza season (as at 2 July 2023).[6]

The vaccination rates for MMR (measles-mumps-rubella), assessed at 2 years of age, have declined by roughly 1 percentage point over the last 12 months (from 93.89% in the four quarters to March 2022 to 92.99% in March 2023), missing the aspirational target of 95% vaccination coverage. Prior to the COVID-19 pandemic, MMR coverage among First Nations children had increased from 2019 before declining by roughly 3 percentage points in the past 2 years (from 94.15% in the four quarters to March 2021 to 90.81% in March 2023). This decline potentially exposes the Australian community to a resurgence of measles.

The National Immunisation Program (NIP) announced Shingrix® as a key listing in May 2023. From 1 November 2023, this vaccine will be available on the NIP for adults aged 70 years, First Nation Australian adults aged 50 years and above, and immunocompromised adults at high risk of complications from shingles.

The routine 2-dose HPV vaccine schedule, provided to young people aged 12 to 13 years in Australia under the NIP, became a single dose schedule using the same Gardasil®9 vaccine. The ongoing NIP-funded catch-up program for young people who missed their HPV vaccination was also extended from 19 years of age to those 'up to and including 25 years of age'. Young people (except those who are immunocompromised) who receive a single dose before 26 years of age no longer need a second dose to be fully vaccinated.

Dust disease

The department continues to work closely with the Department of Employment and Workplace Relations, Safe Work Australia, medical bodies, worker representative groups, and industry to progress the commitments made in the All of governments' response to the final report of the National Dust Disease Taskforce.

On 2 February 2023, Assistant Minister Kearney announced a grant to Lung Foundation Australia to improve awareness of the risks of silicosis. This included:

- better coordinated support for people with silicosis and their families
- supporting the development of a research forum to strengthen the dust disease evidence base
- establishing a National Rapid Response Protocol.

The department continues to engage with stakeholders to further address silicosis in Australia. This includes supporting Lung Foundation Australia in developing a draft National Silicosis Prevention Strategy and National Action Plan.

On 21 June 2023, the government introduced the National Occupational Respiratory Disease Registry Bill 2023 into Parliament. The Bill will establish a registry to capture and share information on respiratory diseases likely to have been occupationally caused or exacerbated. This information will help inform action to prevent further worker exposure and support research into occupational respiratory diseases. The establishment of the registry will provide a greater understanding of the nature and extent of occupational respiratory diseases in Australia and was one of the key recommendations of the National Dust Disease Taskforce.

Mpox

Mpox (monkeypox) is an infectious disease caused by the monkeypox virus, and can cause painful rashes, lesions, fever, and enlarged lymph nodes. Mpox is primarily spread through close contact including intimate and sexual activity, and has been of particular concern for gay, bisexual, and men who have sex with other men.

In July 2022, the World Health Organization (WHO) declared Mpox a Public Health Emergency of International Concern, and a few days later the Chief Medical Officer declared Mpox a Communicable Disease Incident of National Significance.

[6] Based on weekly influenza immunisation data reported on the Department of Health and Aged Care website. Available at: www.health.gov.au/resources/collections/influenza-flu-immunisation-data?language=en

In strong partnership with state and territory governments, peak bodies and health organisations, and the community, the department undertook a range of activities to support the response. Critically, these activities included:

- the formation of a National Mpox Taskforce to provide community leadership and policy advice, supported by the department
- establishing a vaccination program for at-risk populations
- targeted communication activities, including supporting:
  - a national campaign, Prick-Pause-Play, via Emen8, which featured messages around knowing the symptoms, risk factors, prevention strategies and the importance of getting the vaccine.

As of 7 August 2023, there have been 156 total Mpox cases in Australia and no deaths reported in Australia. Of the 12 cases notified in Australia as at 30 June 2023, 5 are believed to have been acquired in Australia, 5 overseas, one has an unknown place of acquisition, and one is still being followed up. All reported cases are adult males (ranging from 21 to 62 years), and the majority of infections have been acquired overseas (66%).

The success of the Australian response in containing and preventing the spread of Mpox can be attributed to the extensive collaboration between various levels of government, public and primary health, peak bodies and health organisations, and the community.

Japanese Encephalitis Virus

Japanese Encephalitis Virus is a mosquito-borne viral disease. In most cases, human infections are asymptomatic, but on rare occasions Japanese Encephalitis Virus can result in serious illness or death. While Japanese Encephalitis Virus is endemic in many regions of Asia, prior to 2021, clinical Japanese Encephalitis Virus had only rarely been detected in humans in Australia, with most cases having acquired their infection overseas.

On 4 March 2022, Japanese Encephalitis Virus outbreak was declared a Communicable Disease Incident of National Significance, following the detection of human cases of Japanese Encephalitis Virus across multiple states on mainland Australia. The department, in partnership with the Department of Agriculture, Fisheries and Forestry, coordinated a national response to the outbreak.

The coordinated national response focused on minimising the public health risk posed by Japanese Encephalitis Virus, by securing immediate access to vaccines to protect those at greatest risk of infection. This included administration of more than 125,000 doses of Japanese Encephalitis Virus vaccine, raising awareness with health professionals, informing the public about the importance of avoiding mosquito bites, and improving understanding of spread through enhanced mosquito surveillance and control.

In March 2022, the Australian Government committed $58.18 million for the immediate outbreak response to Japanese Encephalitis Virus, which included public health communication to raise awareness of Japanese Encephalitis Virus public health advice across 2021–22 and 2022–23. The government invested a further $0.63 million in 2022–23 for enhanced human surveillance and strategic mosquito management activities.

Part 1: About the Department

Part 1.1: **Health and Aged Care Portfolio**

The Health and Aged Care Portfolio includes entities and statutory office holders. These entities help us deliver the Australian Government's health policies and programs.

As at 30 June 2023, the following ministers were responsible for the Health and Aged Care Portfolio and its entities.

The Hon Mark Butler MP

Minister for Health and Aged Care

Deputy Leader of the House

The Hon Mark Butler MP holds overarching responsibility for the Health and Aged Care Portfolio. He is assisted by the Hon Anika Wells MP (Outcomes 3 and 4), the Hon Ged Kearney MP (Outcome 1), the Hon Emma McBride MP (Outcome 1), and Senator the Hon Malarndirri McCarthy (Outcome 1).

Departmental Outcomes:

Outcome 1: Health Policy, Access and Support

Outcome 2: Individual Health Benefits

Outcome 3: Ageing and Aged Care

Outcome 4: Sport and Recreation

Portfolio Entities/Statutory Office Holders:

Australian Commission on Safety and Quality in Health Care

Australian Digital Health Agency

Australian Institute of Health and Welfare

Cancer Australia

Independent Health and Aged Care Pricing Authority

National Health Funding Body

National Health and Medical Research Council

National Health Funding Pool Administrator

National Health and Medical Research Council Commissioner of Complaints

Professional Services Review

The Hon Anika Wells MP

Minister for Aged Care

Minister for Sport

The Hon Anika Wells MP has responsibility for the following:

Departmental Outcomes:

Outcome 3: Ageing and Aged Care

Outcome 4: Sport and Recreation

Portfolio Entities/Statutory Office Holders:

Aged Care Quality and Safety Commission

Aged Care Quality and Safety Commissioner

Australian Sports Commission

Australian Sports Foundation

Sport Integrity Australia

National Sports Tribunal

The Hon Ged Kearney MP

Assistant Minister for Health and Aged Care

The Hon Ged Kearney MP has responsibility for the following:

Departmental Outcomes:

Outcome 1: Health Policy, Access and Support

Portfolio Entities/ Statutory Office Holders:

Australian Industrial Chemicals Introduction Scheme

Australian Radiation Protection and Nuclear Safety Agency

Food Standards Australia New Zealand

Gene Technology Regulator

National Blood Authority

Organ and Tissue Authority (Australian Organ and Tissue Authority)

The Hon Emma McBride MP

Assistant Minister for Mental Health and Suicide Prevention

Assistant Minister for Rural and Regional Health

The Hon Emma McBride MP has responsibility for the following:

Departmental Programs:

Outcome 1, Program 1.2: Mental Health

Portfolio Entities/ Statutory Office Holders:

National Mental Health Commission

National Rural Health Commissioner

Senator the Hon Malarndirri McCarthy

Assistant Minister for Indigenous Australians

Assistant Minister for Indigenous Health

Senator the Hon Malarndirri McCarthy has responsibility for the following:

Departmental Programs:

Outcome 1, Program 1.3: Aboriginal and Torres Strait Islander Health

Part 1.2: **Portfolio Structure**

As at 30 June 2023, the Health and Aged Care Portfolio consisted of:

Department of State

Department of Health and Aged Care
Secretary:
Professor Brendan Murphy AC

Portfolio Entities

Aged Care Quality and Safety Commission
Commissioner:
Janet Anderson PSM

Australian Commission on Safety and Quality in Health Care
Chief Executive Officer:
Conjoint Professor Anne Duggan

Australian Digital Health Agency
Chief Executive Officer:
Amanda Cattermole PSM

Australian Institute of Health and Welfare
Chief Executive Officer:
Rob Heferen

Australian Radiation Protection and Nuclear Safety Agency
Chief Executive Officer:
Dr Gillian Hirth

Australian Sports Commission
Chief Executive Officer:
Kieren Perkins OAM

Australian Sports Foundation Limited
Chief Executive Officer:
Patrick Walker

Cancer Australia
Chief Executive Officer:
Professor Dorothy Keefe PSM MD

Food Standards Australia New Zealand
Chief Executive Officer:
Dr Sandra Cuthbert

Independent Health and Aged Care Pricing Authority
Chief Executive Officer:
Professor Michael Pervan

National Blood Authority
Chief Executive Officer:
John Cahill

National Health Funding Body
Chief Executive Officer:
Shannon White

National Health and Medical Research Council
Chief Executive Officer:
Professor Anne Kelso AO

National Mental Health Commission
Interim Chief Executive Officer:
Dr Ruth Vine

Organ and Tissue Authority (Australian Organ and Tissue Donation and Transplantation Authority)
Chief Executive Officer:
Lucinda Barry

Professional Services Review
A/g Director:
Professor Antonio Di Dio

Sport Integrity Australia
Chief Executive Officer:
David Sharpe APM OAM

Statutory Office Holders

Aged Care Quality and Safety Commissioner
Janet Anderson PSM

Australian Industrial Chemicals Introduction Scheme
Executive Director:
Graeme Barden

National Health and Medical Research Council Commissioner of Complaints
Chris Reid

Gene Technology Regulator
Dr Raj Bhula

National Health Funding Pool Administrator
Michael Lambert

National Rural Health Commissioner
Professor Ruth Stewart

National Sports Tribunal
Chief Executive Officer:
John Boultbee AM

Part 1.3: **Departmental Overview**

The Department of Health and Aged Care is a Department of State. In 2022–23, we operated under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Our History

The Commonwealth Department of Health was established on 7 March 1921, in part as a response to the devastating effects of the Spanish influenza pandemic of 1919, and through the vision of Dr John Howard Cumpston, the first head of the department.

At first, the department looked after quarantine, reporting infectious diseases, public health research laboratories, and occupational health. However, the *Pharmaceutical Benefits Act 1944* allowed the Australian Government to subsidise medications, leading to the creation of Medibank, Medicare, and the Pharmaceutical Benefits Scheme we still have today.

The department has continued to evolve, and has undergone a number of changes in name, function and structure through the years. However, the department's focus is still on improved health and wellbeing for all Australians, now and into the future.

Our Vision

Better health and wellbeing for all Australians, now and for future generations.

Our Purpose

With our partners, support the government to lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.

Our Values and Behaviours

The Australian Public Service (APS) Values[7] (also known as the ICARE principles) set out the standard of behaviour expected of APS employees, and are the foundation for everything we do. They are brought to life for our staff through the department's Behaviours in Action, which provide practical guidance to staff about what expected behaviours look like in the workplace. The ICARE principles are embedded into staff members' performance agreements, which are revisited during the year to ensure staff are familiar with the expected behaviours.

Our Commitment

We are committed to working in partnership with stakeholders to develop, implement, and oversee policies and programs that are coherent, connected, and evidence-based. We are committed to learning from, and sharing our experience and expertise with, partners in Australia and around the world, and improving health in the region and globally. We are committed to being a high performance organisation focused on improving workforce capability across the department, providing high quality advice and delivering key reforms and priorities. We are committed to an inclusive, collaborative workplace.

[7] The APS Values include the APS Employment Principles and the APS Code of Conduct contained in the *Public Service Act 1999*.

Part 1.4: **Department-Specific Outcomes**

Outcomes are the government's expected results, benefits or consequences for the Australian community. The government requires the department to use outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an outcome basis.

Listed below are the Outcomes relevant to the department, and the programs managed under each Outcome in 2022–23.

Outcome 1: Health Policy, Access and Support

1.1: Health Research, Coordination and Access
1.2: Mental Health
1.3: Aboriginal and Torres Strait Islander Health
1.4: Health Workforce
1.5: Preventive Health and Chronic Disease Support
1.6: Primary Health Care Quality and Coordination
1.7: Primary Care Practice Incentives and Medical Indemnity
1.8: Health Protection, Emergency Response and Regulation
1.9: Immunisation

Outcome 2: Individual Health Benefits

2.1: Medical Benefits
2.2: Hearing Services
2.3: Pharmaceutical Benefits
2.4: Private Health Insurance
2.5: Dental Services
2.6: Health Benefit Compliance
2.7: Assistance through Aids and Appliances[8]

Outcome 3: Ageing and Aged Care

3.1: Access and Information
3.2: Aged Care Services
3.3: Aged Care Quality

Outcome 4: Sport and Recreation

4.1: Sport and Recreation

[8] Please note Program 2.7 was incorrectly published on page 67 of the 2022–23 Corporate Plan as 'Assistance through Aids and Appliances and Medical Indemnity'. The correct Program name for Program 2.7 is 'Assistance through Aids and Appliances'.

Part 2:
Annual Performance Statements

Part 2.1: **2022–23 Annual Performance Statements**

I, as the accountable authority of the Department of Health and Aged Care, present the Department of Health and Aged Care's 2022–23 Annual Performance Statements as required under paragraphs 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and section 16F of the Public Governance, Performance and Accountability Rule 2014. In my opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity for the reporting period, and comply with subsection 39(2) of the PGPA Act, except for the effect of those matters described in the performance statements below.

The Australian National Audit Office (ANAO) is undertaking an audit of the 2022–23 performance statements that is yet to be finalised. I am aware the ANAO may form a view that the performance statements for certain measures do not meet the requirements of the PGPA Act 2013.

The department will continue to improve its performance reporting including through consideration of the ANAO's audit findings.

Blair Comley PSM

Secretary

7 October 2023

Introduction

As required under the PGPA Act, this report contains the Department of Health and Aged Care's Annual Performance Statements for 2022–23. The Annual Performance Statements detail results achieved against planned performance criteria set out in the *Health and Aged Care Portfolio Budget Statements October 2022–23 and Health and Aged Care Portfolio Additional Estimates Statements 2022–23*, and the department's *2022–23 Corporate Plan*.

Structure of the Annual Performance Statements

The Annual Performance Statements demonstrate the link between the department's activities throughout the year and the contribution to achieving the department's purpose.

The Annual Performance Statements are divided into chapters, with each chapter focusing on the objectives of an outcome and addressing the associated performance criteria. Each chapter contains:

- an analysis of the department's performance by program
- activity highlights that occurred during 2022–23
- results and discussion against each performance criteria.

Materiality, as a core principle, guides and justifies how/why the department's key activities have corresponding performance measures to assess each program and the process for selecting them.

The department's performance reporting materiality policy is based on the following criteria for determining 'material' key activities:

- Funding Levels
- Public and Stakeholder Interest
- Impact on Health, Aged Care and Sport.

For the purposes of the 2022–23 Annual Performance Statements, activities are presented as follows:

- key activities that are directly related to, or have an association with, performance measures
- additional activities that fall below the materiality threshold for having a published performance measure but were published in the Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations.

The department sought to undertake quality assurance for all performance measures. Where this was not able to be undertaken or completed, the relevant 'quality assurance' caveat has been included for the corresponding performance measure.

The 'Data Source' and 'Methodology' for each performance measure is also included under each performance measure.

Results Key

● **Met**

≥98% of the target for 2022–23 has been achieved.

◖ **Substantially met**

75–97.9% of the target for 2022–23 has been achieved.

○ **Not met**

<75% of the target for 2022–23 has been achieved.

— **Data not available**

Data is not yet available to report for the 2022–23 financial year.

N/A **N/A**

The use of N/A indicates that data was not published in the relevant year for that performance measure.

Note:

Where a planned performance target comprises a number of sub-targets, these are aggregated, and each sub-target is weighted equally in determining the overall result. Please note, for Programs measuring progression/an increase (1.2, 1.3, 1.5, 1.9 and 4.1) the above results key will be applied as either 'Met' or 'Not met'. Where there are multiple components being measured (i.e. a., b., c.) and some result as 'Met' as well as 'Not met', the 'Substantially met' component of the results key will be utilised to determine the overall result for the measure.

2022–23 departmental results overview

	Summary of results against performance criteria			
Outcome	**Results met**	**Results substantially met**	**Results not met**	**Data not available**
Outcome 1: Health Policy, Access and Support	8	2	5	3
Outcome 2: Individual Health Benefits	7	2	–	–
Outcome 3: Ageing and Aged Care	2	4	–	–
Outcome 4: Sport and Recreation	2	–	–	–
Total	**19**	**8**	**5**	**3**

In 2022–23, the department continued to achieve against our measures, with a total of 27 planned performance targets either met or substantially met in 2022–23. Further information on the contributing factors to the results is discussed under each performance measure throughout Part 2.

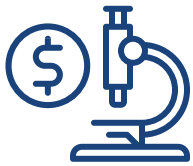
The department will continue to work towards achieving the planned performance set out each year in our Portfolio Budget Statements and Corporate Plan.

Outcome 1

Health Policy, Access and Support

Better equip Australia to meet current and future health needs of all Australians through the delivery of evidence-based health policies; improved access to comprehensive and coordinated health care; ensuring sustainable funding for health services, research and technologies; and protecting the health and safety of the Australian Community.

Highlights



Medical Research Future Fund (MRFF)

In 2022–23 the MRFF fully disbursed the total available budget of $650 million to support medical research under a range of initiatives that span across the research pipeline, as specified in the second 10-Year Investment Plan (the Plan).

Program 1.1

Medicare Urgent Care Clinics (Medicare UCCs)

The department worked with the states and territories, Primary Health Networks and the health sector on the design and implementation of Medicare UCCs that will ease pressure on hospitals and give Australian families more options to see a healthcare professional when they have an urgent, but not life-threatening, need for care. As at 30 June 2023, 11 clinics have opened.

Program 1.6

Gene Technology Regulatory Scheme (the Scheme)

The Scheme continued to ensure medical, agricultural, and other research involving genetically modified organisms (GMOs) was conducted in accordance with best practice, and in a manner that protects human health and safety, and the environment. 70 reports were received and assessed relating to possible non-compliances with GMO approvals during 2022–23.

Program 1.8

Programs contributing to Outcome 1

	Summary of results against performance criteria			
Program	**Results met**	**Results substantially met**	**Results not met**	**Data not available**
Program 1.1: Health Research, Coordination and Access	1	–	–	1
Program 1.2: Mental Health	–	–	3	–
Program 1.3: Aboriginal and Torres Strait Islander Health	–	–	2	–
Program 1.4: Health Workforce	–	1	–	–
Program 1.5: Preventive Health and Chronic Disease Support	–	–	–	2
Program 1.6: Primary Health Care Quality and Coordination	1	–	–	–
Program 1.7: Primary Care Practice Incentives and Medical Indemnity	2	–	–	–
Program 1.8: Health Protection, Emergency Response and Regulation	4	–	–	–
Program 1.9: Immunisation	–	1	–	–
Total	**8**	**2**	**5**	**3**

Program 1.1: Health Research, Coordination and Access

Program Objective

Collaborate with state and territory governments, the broader healthcare sector and engage internationally to improve access to high quality, comprehensive and coordinated heath care to support better health outcomes for all Australians through nationally consistent approaches, sustainable public hospital funding, digital health, supporting health infrastructure, international standards and best practice, and world class health and medical research.

The department continued to work towards meeting the performance targets related to this program.

The Medical Research Future Fund (MRFF) was established to provide long-term sustainable funding for health and medical research. Funding disbursed from the MRFF aims to improve the health and wellbeing of Australians across a range of priority areas, offering the potential to transform future health practice and policy. MRFF-funded research provides a range of benefits to patients by supporting transformative research across the translation and commercialisation pipeline, growing the research workforce, and supporting researchers and research organisations across the health system.

Over 5 years, the 2020–25 Addendum to the National Health Reform Agreement (2020–25 NHRA) will facilitate the payment of an estimated $154.4 billion in funding by the Australian Government for public health and hospital services (via National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations Framework).

As part of the 2020–25 NHRA, all Australian governments committed to reforms to integrate safety and quality into the pricing and funding of Australian public hospital services. These reforms aim to improve patient outcomes, deliver an incentive for best practice, decrease avoidable demand for public hospital services, and reduce instances of poor quality patient care. Further, the reforms also support improvements in data quality and to the information available to hospital administrators and clinicians. A reduction of avoidable readmissions is a key focus of the department's objectives in its administration of the 2020–25 NHRA, by both measuring quality and effectiveness and supporting the efficiency and sustainability of overall funding for public hospital services. The department has continued to work with the Independent Health and Aged Care Pricing Authority (IHACPA) and the Administrator of the National Health Funding Pool to implement consistently defined avoidable readmissions to improve the safety and quality of public hospital services.

Key Activities:

- Providing a sustainable source of funding for transformative health and medical research through sources including the Medical Research Future Fund (MRFF) and the Biomedical Translation Fund.
- Supporting research into potential COVID-19 treatments and vaccines.
- Providing our Ministers, the Australian Digital Health Agency, and other key stakeholders with timely and well-informed research, policy, and legislative advice that supports the Government's digital health agenda, including the My Health Record System.
- Providing support to states and territories for costs incurred as a result of the COVID-19 pandemic under the National Partnership on COVID-19 Response.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.54 and *Health and Aged Care Corporate Plan 2022–23*, p.31

Performance Measure:

Fund transformative health and medical research that improves lives, contributes to health system sustainability, and drives innovation.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.55 and *Health and Aged Care Corporate Plan 2022–23*, p.32

2022–23 Planned Performance	2022–23 Result	2021–22
• Disburse 100% of the available budget for the Medical Research Future Fund (MRFF) in 2022–23 to grants of financial assistance, consistent with the MRFF Act and the MRFF 10-Year Investment Plan. • Support 40 new clinical trials. • Provide funding for 15 new projects to develop and commercialise health technologies, treatments, drugs and devices. • Build the capacity of First Nations peoples to lead Indigenous health and medical research. • Build the capacity of the health and medical research sector. • Support collaboration across the health and medical research sector. • Enhance the capacity of the health and medical research sector by expanding the range of entities able to receive MRFF funding.	• Disbursed 100% of the available budget for the MRFF in 2022–23 to grants of financial assistance, consistent with the MRFF Act and the second MRFF 10-Year Investment Plan. • Supported 125 new clinical trials. • Provided funding for 71 new projects to develop and commercialise health technologies, treatments, drugs and devices. • Provided funding for 52 new grants with a First Nations health focus. • Awarded funding to 19 unique First Nations lead researchers (Chief Investigators A) across 22 grants. • Awarded funding to 166 unique First Nations research team members (Chief Investigators) across 63 grants. • Awarded funding to 2,871 unique research team members (Chief Investigators). • Provided funding for 247 grants with 3 or more participating institutions and 56 grants with 10 or more participating institutions. • Confirmed the eligibility of 67 new organisations to receive MRFF funding, consistent with the MRFF Act.	In 2021–22, a total of 38 grant opportunities opened under the MRFF 10 Year Investment Plan. Funding was fully disbursed for 16 of the 38 grant opportunities by 30 June 2022. Funding was awarded and announced for a total of 237 grants commencing in 2021–22, with a combined value of $612.2 million. This figure includes disbursements from grant opportunities that opened in 2020–21 and 2021–22. All grant awards and announcements are consistent with the *Medical Research Future Fund Act 2015.*
	Result: Met ●	

Data Source and Methodology:

Information on investments is updated monthly using data supplied by the National Health and Medical Research Council (NHMRC) and the Business Grants Hub in the Department of Industry, Science and Resources (DISR), who administer MRFF grants on behalf of our department. Datasets provided by NHMRC and DISR also include other quantitative and qualitative information on research projects funded by the MRFF that enables our department to determine the types of projects funded, and capacity building and collaboration activities occurring within the projects.

Data is maintained internally by our department. Information on the value of investments is published in our department's annual financial statements, which are audited by the Australian National Audit Office and are available within the department's annual reports, located on our website[9].

[9] Available at: www.health.gov.au/about-us/corporate-reporting/annual-reports

In 2022–23 the MRFF fully disbursed the total available budget of $650 million to support medical research under a range of initiatives that span the research pipeline, as specified in the second 10-Year Investment Plan (the Plan).[10] The results translate the performance of the MRFF into a series of measurable targets that collectively show how MRFF-funded research is performing across a number of different categories.

The MRFF fully disbursed its dedicated funding allocations for clinical trials, commercialisation and First Nations health research through the Plan's Clinical Trials Activity Initiative, Medical Research Commercialisation Initiative and Indigenous Health Research Fund. Combined with substantial additional investment in these areas from other initiatives under the Plan, the MRFF ultimately exceeded its targets for clinical trials, commercialisation and First Nations health research. In 2022–23 the MRFF also established early indicators of contributions made to health system sustainability by funding diverse researchers (including First Nations researchers) and research organisations. These early indicators will be used to monitor the ongoing performance of the MRFF in future years.

Further information on MRFF granting activities, including a full list of all grants awarded to date, can be found on the Department of Health and Aged Care's website[11].

Key Activities:

- Supporting effective collaboration with state and territory governments to improve health and wellbeing for all Australians.
- Leading collaboration with states and territories on long term, system wide health reform and administration of the Addendum to the National Health Reform Agreement 2020–25.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.54 and *Health and Aged Care Corporate Plan 2022–23*, p.31

Performance Measure:

The rate of avoidable readmissions to public hospitals reduces over time.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.56 and *Health and Aged Care Corporate Plan 2022–23*, p.33

2022–23 Planned Performance	2022–23 Result	2021–22
Reduced rate of avoidable readmissions compared to 2021–22 baseline.	Data not available[12]	More consistent definitions of avoidable readmissions were implemented as per clauses A169-A171 of the 2020–25 National Health Reform Agreement. For the first time, the National Efficient Price Determination included a mechanism for pricing services that are considered an avoidable readmission. The avoidable hospital readmissions baseline as calculated on the 2021–22 baseline is 0.78%.
	Result: Data not available —	

Quality assurance: The department has not been able to undertake independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

The necessary data is contained in the state and territory submissions of the Admitted Patient Care (APC) National Minimum Dataset to the Independent Health and Aged Care Pricing Authority (IHACPA). The data for this measure will become available in late 2023 to early 2024.

The APC is private data that belongs to states and territories, with the Commonwealth having limited rights of use as set out by the 2020–25 Addendum to the National Health Reform Agreement (2020–25 NHRA). IHACPA will produce additional analysis on top of this data, including headline summary of statistics such as the rate of avoidable hospital readmissions, which will be able to be made public.

IHACPA and the Administrator of the National Health Funding Pool, working with the Australian Commission on Safety and Quality in Health Care, will provide the analysis of state and territory public hospital data to report on the measure.

[10] Available at: www.health.gov.au/resources/collections/medical-research-future-fund-mrff-2nd-10-year-investment-plan-2022-23-to-2031-32
[11] Available at: www.health.gov.au/initiatives-and-programs/medical-research-future-fund
[12] Result is not yet available for 2022–23, due to data not being available until 6 to 9 months after the 2022–23 financial year. The result for 2022–23 will be reported in the 2023–24 Annual Report.

The National Efficient Price Determination, which determines the amount of funding the government provides to public hospitals under the 2020–2025 NHRA addendum, now includes a mechanism that provides a financial incentive for public hospitals to reduce the number of avoidable readmissions that were caused by substandard patient care.

The 2021–22 baseline rate (0.78%) of avoidable admitted acute hospital readmissions reflects the first year that public hospital services were priced and funded under the 2020–25 NHRA. This baseline provides a consistent measure for future targets, supporting a longer-term focus on continued improvement and move towards more longitudinal measures in the coming years.

Ongoing work will be completed in future years by the department, the Independent Health and Aged Care Pricing Authority (IHACPA) and the Australian Commission on Safety and Quality in Health Care to maintain and update the definition of avoidable readmissions. This measure has been chosen as a reduction in avoidable readmissions in hospitals reflects better health outcomes while supporting our focus on sustainable hospital funding. Given the recent volatility seen in the delivery of hospital services caused by COVID-19, opting for a single consistent baseline year that subsequent periods are measured against means the measure rolling forward will not be subject to potential year-on-year volatile swings.

Avoidable hospital readmissions are processed on the annual reconciled data by the IHACPA and the Administrator of the National Health Funding Pool. The Administrator's advice (and therefore data) is not available until 6 to 9 months after the end of the financial year, directly contributing to the result of "data not available". The department recognises this significant delay in reporting affects the utility of this annual performance measure and will consider alternatives in the future.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.1 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Working with states and territories to redesign clinical trial operating systems and to make it easier to conduct and participate in safe, high quality clinical trials.
- Implementing the National Clinical Quality Registry and Virtual Registry Strategy in collaboration with jurisdictions and key stakeholders.
- Providing streamlined, fit for purpose data governance to support safe data sharing in a rapidly evolving environment.
- Implementing a whole of department evaluation strategy, a whole of department Data Strategy, and an update to the department's Data Governance and Release Framework.
- Working with the National Blood Authority, Organ and Tissue Authority, and states and territories to ensure access to a safe, secure supply of essential blood and blood products, as well as life-saving organ, tissue, and haemopoietic progenitor cell transplants.
- Delivering health infrastructure projects and monitoring compliance as part of managing the Community Health and Hospitals Program and other infrastructure programs.
- Developing policies that embed emerging technologies into the Australian health system to effectively balance public benefit, cost, and risk. This includes the staged introduction of mitochondrial donation in Australia.
- Working in partnership with key countries and international organisations on international health issues and reforms to global health architecture.

Program 1.2: Mental Health

Program Objective

Improve the mental health and wellbeing of all Australians, including a focus on suicide prevention.

The department continued to work towards meeting the performance targets related to this program.

Australians continue to experience high levels of mental distress, exacerbated in some cases by external pressures such as the residual impacts of COVID-19, impacts of natural disasters and increasing cost of living pressures. While the overall prevalence of mental disorders remains relatively stable, mental health outcomes have not improved and have worsened for some cohorts.

During 2022–23, the department continued to prioritise the implementation of mental health and suicide prevention system reforms to improve access to, and equity of, services and supports that enhance the mental health and wellbeing of all Australians. Key focus areas for the department in 2022–23 included:

- Implementing the National Mental Health and Suicide Prevention Agreement (the National Agreement) and associated bilateral schedules. Key priority areas included:
  - progressing an analysis of unmet need for psychosocial supports outside the National Disability Insurance Scheme
  - working closely with the National Mental Health Commission to embed annual reporting mechanisms under the National Agreement
  - developing national guidelines for regional planning and commissioning
  - embedding the views of First Nations people and lived experience in implementation of the National Agreement.
- Continuing to expand and enhance the national headspace network, expand the Head to Health adult centre network, and commence establishment of Head to Health Kids Hubs in cooperation with states and territories.
- Implementing the government's election commitments focusing on new and strengthened child and youth mental health services, a commitment to a national network of perinatal mental health services and mental health supports in the workplace.
- Implementing key mental health workforce reforms to ensure all Australians benefit from a sustainable, skilled, and well-distributed mental health workforce that is able to meet the needs of consumers, carers, families, and communities, including:
  - finalisation of the National Mental Health Workforce Strategy
  - establishment of new mental health placements for nursing and allied health students
  - establishment of provisional psychology internships and supervisor training sessions.

During 2022–23, the department commenced development of the next phase of mental health system reform in response to the Medicare Better Access Initiative Evaluation Report finalised in December 2022. This includes implementing the initial mental health and suicide investment included in the 2023–24 Budget which lays the groundwork for future reforms that will deliver real, structural changes to the mental health system. Development of these reforms, in consultation with the sector and people with lived experience of mental illness, will continue in 2023–24 and will consider solutions to not only improve access to Medicare-subsidised services, but also to a range of services across the system, including digital services, low intensity services to more comprehensive, multidisciplinary services for people with complex needs.

Key Activity:

- Improving access to Medicare subsidised mental health care for patients, their families and carers, and aged care residents.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.57 and *Health and Aged Care Corporate Plan 2022–23*, p.35

Performance Measure:

PHN-Commissioned mental health services used per 100,000 population.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.58 and *Health and Aged Care Corporate Plan 2022–23*, p.36

2022–23 Planned Performance	2022–23 Result
Annual increase on 2021–22 numbers.	6,337 PHN-commissioned mental health services used per 100,000 population. There was a slight decrease since 2021–22 (6,552 services per 100,000 population). Note: Data extracted 17 July 2023. For the purposes of this report, data reported is 1 April 2021 - 31 March 2022 compared to 1 April 2022 - 31 March 2023.
	Result: Not met ○

Quality assurance: The department has not been able to complete independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

Data sources:

Numerator: Administrative data - The Primary Mental Health Care Minimum Data Set provides the basis for PHNs and the Department of Health and Aged Care to monitor and report on service delivery, and inform future improvements in the planning and funding of primary mental health care services funded by the Australian Government.

Denominator: The Estimated Resident Population (ERP) is calculated by the Australian Bureau of Statistics (ABS). ERP is the official measure of the population of states and territories of Australia according to a usual residence population concept.

Methodology: 100,000 × (Numerator ÷ Denominator).

Numerator: Number of service contacts within the period.[13]

Denominator: ABS Estimated Resident Population.[14]

The Australian Government funds Primary Health Networks (PHNs) to conduct regional planning and commissioning of mental health and suicide prevention services. Through regional planning and commissioning, PHNs determine the appropriate mix of services for their region, to ensure services are culturally appropriate and can be accessed by people who are most in need of support. PHNs commission a range of service types, from prevention and early intervention for people with mild and moderate mental health conditions, through to more intensive services to support people with severe mental illness.

This measure provides an indication of access to PHN commissioned services across Australia. Trends for this indicator are affected by a range of factors and should be interpreted with caution. For example, as the sociodemographic profile of a PHN region changes over time, the mental health and suicide prevention needs across the population will also change. Part of the role of PHNs is to respond to emerging needs in their communities, and as the mix of services being commissioned changes, this will be reflected in the activities and total volume of activity reported.

Broader trends indicate PHN mental health service use in 2022–23 is higher than pre-COVID-19, and that the slight decrease from 2021–22 is within expected annual fluctuations. Continuing throughout 2022–23, broader system factors influenced PHN service delivery volumes, including the impacts of the COVID-19 pandemic, natural disasters, and workforce availability and capability. This data may underestimate actual service activity as the department continues to work with PHNs and their commissioned service providers to refine the methodologies for the mental health performance indicators and to improve the completeness and quality of data submitted to the department. For these reasons, caution should also be taken when comparing 2022–23 data to 2021–22 data.

[13] Note: the wording of the methodology section has been updated for clarity. There have been no changes to the actual methodology or data source for this indicator.

[14] Ibid.

Key Activity:

- Improving access to Medicare subsidised mental health care for patients, their families and carers, and aged care residents.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.57 and *Health and Aged Care Corporate Plan 2022–23*, p.35

Performance Measure:

Medicare mental health services used per 100,000 population.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.58 and *Health and Aged Care Corporate Plan 2022–23*, p.37

2022–23 Planned Performance	2022–23 Result
Annual increase on 2021–22 numbers.	50,948 Medicare mental health services[15] used per 100,000 population. There was a slight decrease since 2021–22 (53,008 services per 100,000 population). Notes: 1. Data extracted 17 July 2023. 2. Date is determined by the date the service was processed, not the date the service was provided. **Result: Not met** ○

Data Source and Methodology:

Data sources:

Numerator: Administrative data. Number of Medical Benefits Schedule (MBS) services is generated using Medicare claims data in the Department of Health and Aged Care Enterprise Data Warehouse.

Denominator: The Estimated Resident Population (ERP) is calculated by the Australian Bureau of Statistics (ABS). ERP is the official measure of the population of states and territories of Australia according to a usual residence population concept.

Methodology: 100,000 × (Numerator ÷ Denominator).

Numerator = Number of MBS subsidised mental health services claims processed.

Denominator: ABS Estimated Resident Population.

Medicare mental health service utilisation has decreased slightly, with data indicating that activity levels are reducing from their peak during the COVID-19 pandemic. This is consistent with broader trends in Medicare service use.

The pandemic and associated public health measures had a significant impact on the mental health of the community with demand for services substantially increasing for Medicare and other community mental health services. While service levels appear to be normalising, they remain above pre-COVID-19 levels.

The government's commitment to strengthening Medicare will continue to have benefits across the mental health and suicide prevention system by increasing access and equity to care for all Australians. Continued investment in the mental health workforce, such as addressing acute bottlenecks in the psychology training pipeline and upskilling the broader health workforce on mental health, will also improve access to care.

[15] Please note this is the total number of Medicare mental health services utilised in 2022–23, not the total number of patients who received these services.

Key Activity:

- Enhancing the capacity of headspace youth services and improving access to community based mental health services for adults.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.57 and *Health and Aged Care Corporate Plan 2022–23*, p.35

Performance Measure:

Number of headspace services delivered per 100,000 population of 12–25 year olds.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.58 and *Health and Aged Care Corporate Plan 2022–23*, p.37

2022–23 Planned Performance	2022–23 Result
Annual increase on 2021–22 numbers.	8,256 headspace services used per 100,000 population of 12–24 year olds. There was a slight decrease since 2021–22 (8,507 services per 100,000 population of 12–24 year olds). Note: Data extracted 18 July 2023. Due to fixed age range reporting in the Primary Mental Health Care Minimum Data Set (PMHC MDS), activity for 12–24 year olds has been reported against this indicator. headspace National upload data each quarter, therefore extracting data before the end of each quarter may underestimate service activity. For the purposes of this report, data reported is 1 April 2021 – 31 March 2022 compared to 1 April 2022 – 31 March 2023. The PMHC MDS only contains headspace data from clients who consent to their data being shared with the Commonwealth, in 2021–22 85% of headspace service contacts were consented to be uploaded to the PMHC MDS, and 89% of services provided in 2022–23 were consented. **Result: Not met** ○

Quality assurance: The department has not been able to complete independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

Data sources:

Numerator: Administrative data. The Primary Mental Health Care Minimum Data Set (PMHC MDS) provides the basis for PHNs and the Department of Health and Aged Care to monitor and report on service delivery, and to inform future improvements in the planning and funding of primary mental health care services funded by the Australian Government.

Denominator: The Estimated Resident Population (ERP) is calculated by the Australian Bureau of Statistics. ERP is the official measure of the population of states and territories of Australia according to a usual residence population concept.

Methodology: 100,000 × (Numerator ÷ Denominator).

Numerator: Number of headspace occasions of service.

Denominator: ABS Estimated Resident Population (12–25 year olds).

headspace is the primary national platform for provision of services to young people aged 12–25 years who are experiencing, or at risk of, mild to moderate mental illness. The network of headspace services provides holistic care in four key areas - mental health, related physical and sexual health, alcohol and other drug support, and vocational services. Services are provided at no or low cost to young people.

The Bilateral Schedules under the National Mental Health and Suicide Prevention Agreement (the National Agreement) set out commitments which aim to improve access to multidisciplinary treatment and care for young people aged 12–25 years. This will be achieved through several youth mental health initiatives, including the establishment of new headspace services, enhancement of new and existing headspace services, and better integration of Commonwealth and state-funded services.

Whilst work is progressing under the National Agreement, there has been a slight decrease in headspace service activity per 100,000 population of 12–24 year olds since 2021–22 which can be explained in part by a range of broader system factors, including (but not limited to):

- widespread workforce attraction and retention issues
- normalisation of activity levels following volatility during the COVID-19 pandemic
- impacts of natural disasters
- increasing complexity of young people presenting for services
- young people's service modality preferences.

The enhancement of the headspace network is being phased from 2022–23 to 2028–29. Initial enhancement funding was not distributed until late in 2022–23 and due to the phasing of the funding, it is likely that the effects of this investment will not be evident in the data until later in the implementation phase.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.2 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Working with states and territories to implement the National Mental Health and Suicide Prevention Agreement and associated bilateral schedules.
- Establishing targeted regional initiatives for suicide prevention and implementing initiatives to address the impact of suicide and mental ill health on First Nations peoples.
- Improving the mental health and wellbeing of children and their families through strengthened support for new and expectant parents, early intervention, and multidisciplinary care.
- Providing aftercare services to support Australians discharged from hospital following a suicide attempt, and suicide postvention services to support those bereaved by suicide.
- Providing psychosocial support services for people with severe mental illness who are not supported by the National Disability Insurance Scheme.
- Providing additional support for Australians with eating disorders and their families.
- Providing support for culturally and linguistically diverse communities through the Program of Assistance for Survivors of Torture and Trauma and Mental Health Australia.
- Expanding and implementing the standardised clinical assessment and referral tool for a consistent and evidence-based approach.
- Establishing the Social and Emotional Wellbeing Partnership under Closing the Gap.

Program 1.3: Aboriginal and Torres Strait Islander Health

Program Objective

Drive improved health outcomes for Aboriginal and Torres Strait Islander people

The department continued to work towards meeting the performance targets related to this program.

The department continued to drive improved health outcomes for First Nations peoples throughout 2022–23. The National Agreement on Closing the Gap (National Agreement), the National Aboriginal and Torres Strait Islander Health Plan 2021–31 (Health Plan) and the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–31 (Workforce Plan), were successfully developed in line with Priority Reforms and in partnership with Aboriginal and Torres Strait Islander leaders. The National Agreement, Health Plan and Workforce Plan directly reflect the voices, needs and aspirations of First Nations peoples, and confirm the pathways forward.

The Health Plan and Workforce Plan are committed to a continued partnership in decision making, recognising that improved health outcomes will be achieved with First Nations peoples leading the decisions which impact their health and wellbeing.

Work towards increasing the proportion of First Nations babies born with a healthy birthweight continued in 2022–23, with the department increasing investment in First Nations specific maternal and infant health programs. A healthy birthweight is a building block for lifelong health. Babies born with a healthy birthweight have increased chances of immediate survival, and better health outcomes as children through to adulthood.

Key Activities:

- Working in partnership First Nations leaders to determine the accountability and implementation arrangements for the Aboriginal and Torres Strait Islander Health Plan 2021–2031, and the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–31.
- Supporting delivery of the Government's commitments under the National Agreement on Closing the Gap.
- Delivering approaches to reduce the burden of chronic disease among First Nations peoples, including rheumatic heart and renal disease.
- Supporting improvements in First Nations peoples' health outcomes through primary health care data collection and use.
- Supporting growing primary health care for First Nations peoples, particularly through Aboriginal Community Controlled Health Services.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.59 and *Health and Aged Care Corporate Plan 2022–23*, p.39

Performance Measure:

Finalise and commence implementation of the *National Aboriginal and Torres Strait Islander Health Plan 2021–2031* (Health Plan) and *the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–2031* (Workforce Plan).

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.60 and *Health and Aged Care Corporate Plan 2022–23*, p.40

2022–23 Planned Performance	2022–23 Result	2021–22
Develop accountability and implementation arrangements for the Health Plan and the Workforce Plan.	Discussions with our Aboriginal and Torres Strait Islander stakeholders did not occur in 2022 as planned. It was recognised that the existing partnership used to develop the Plans did not encompass all the expertise needed for developing governance and accountability arrangements. It was agreed a Governance Group would be established to guide development of the governance and accountability arrangements. Co-design of the Governance Group with First Nations partners has commenced with the first meeting occurring in May 2023.	In partnership with First Nations people, communities and organisations, the Health Plan[16] was published in December 2021, with the Workforce Plan[17] published in March 2022. The department continued to build on its commitment to genuine partnership, and is working with First Nations health sector representatives and other relevant stakeholders to develop implementation and accountability arrangements to support the Health Plan, and develop a monitoring and evaluation framework to support the Workforce Plan.
	Result: Not met ○	

Quality assurance: The department has not been able to undertake independent assurance of the existing governance arrangements between the department and third party providers, in relation to this performance measure.

Data Source and Methodology:

The Health Plan is published on the department's website.

The Workforce Plan is published on the department's website.

The first annual implementation progress assessment for the Workforce Plan will be published on the department's website by 30 June 2023.

The department continued to work towards meeting the performance targets related to this program. The 2022–23 Planned Performance represents incremental progress in implementing the 10-year Health and Workforce Plans, in collaboration with First Nations health sector.

Implementation of the Health and Workforce Plans is the responsibility of all governments and the First Nations health sector, not solely the Department of Health and Aged Care. Governance and accountability arrangements need to recognise the complex, multi-sectoral nature of both Plans and provide sufficient oversight and decision making to assure all partners. When fully established, the governance group will determine the accountability arrangements including the identification of outcome performance measures and data sources, and reporting and evaluation mechanisms.

[16] Available at: www.health.gov.au/resources/publications/national-aboriginal-and-torres-strait-islander-health-plan-2021-2031

[17] Available at: www.health.gov.au/resources/publications/national-aboriginal-and-torres-strait-islander-health-workforce-strategic-framework-and-implementation-plan-2021-2031

As noted on the following page, a new performance measure has been published in the 2023–24 Corporate Plan.

Key Activity:

- Prioritising investment in maternal, child, and family health to support First Nations children having the best start in life, including supporting the establishment of the dedicated Waminda Birthing on Country Centre of Excellence.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.59 and *Health and Aged Care Corporate Plan 2022–23*, p.39

Performance Measure:

Of First Nations babies who attend First Nations primary health care services, increase the number of those that have a healthy birthweight.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.60 and *Health and Aged Care Corporate Plan 2022–23*, p.40

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
89.6%	85.7%	86.3%	87%	87.4%	85.4%
	Result: Not met ○				

Quality assurance: The department has not been able to undertake independent assurance of the existing governance arrangements between the department and third party providers, in relation to this performance measure.

Data Source and Methodology:

The Australian Institute of Health and Welfare (AIHW) nKPI Maternal and Child Health Indicators. This indicator reflects the proportion of First Nations babies born within the previous 12 months who attended the organisation more than once and whose birthweight result was low, normal or high. The data is updated on a biannual basis. Information regarding this data, including scope and methodology, is available on the AIHW website.[18]

As data would not have been available for the purposes of reporting on the measure that was published in the 2022–23 October Portfolio Budget Statements and Corporate Plan, an alternative measure has been developed which will enable the department to report on the number of First Nations babies that have a healthy birthweight.

National data is not yet available for the 2022–23 financial year; all results included above reflect the December collection results of each respective financial year.

Target 2 of the National Agreement to Close the Gap, to reach 91% healthy birthweight by 2031, will not be achieved unless significant changes are made by all Australian governments to address the determinants of healthy birthweight. The most influential factors contributing to low birthweight amongst Aboriginal and Torres Strait Islander babies are:

- maternal smoking during pregnancy
- a mother being underweight pre-pregnancy, with a body mass index of less than 18.5
- lack of antenatal care in the first trimester (before 14 weeks)
- access to culturally-safe continuity of maternity care.

While addressing the underlying drivers of low birthweight is a combined effort across multiple portfolios and all Australian governments, the department has increased investment in First Nations maternal and infant health programs to help support babies to be born healthy and strong. Investment includes:

- $32.2 million over 4 years to grow the health workforce and redesign maternity services to reach more pregnant women.
- $12.8 million over 4 years to expand the Australian Nurse-Family Partnership Program to 2 additional sites, resulting in a total of 15 sites.

A new performance measure has been published in the 2023–24 Corporate Plan. The new performance measure, "Increase the percentage of annual Indigenous Australians' Health Programme (IAHP) funding directed to Aboriginal and Torres Strait Islander Community Controlled Organisations" directly relates to key activities to grow primary health care for First Nations peoples, particularly through Aboriginal Community Controlled Health Services, and supporting delivery of the Government's commitments under the National Agreement on Closing the Gap.

[18] Available at: www.aihw.gov.au/reports/indigenous-australians/indigenous-primary-health-care-results-osr-nkpi/contents/technical-notes

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.3 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Embedding structural reform across the department to implement the Priority Reforms of the National Agreement on Closing the Gap.
- Delivering health infrastructure projects that create modern, high quality health clinics in areas of need.
- Investing in activities that reduce smoking rates for First Nations peoples, and embedding improvements made to date.

Program 1.4: Health Workforce

Program Objective

Ensure Australia has the workforce necessary to improve the health and wellbeing of all Australians. Improve the quality, distribution, and planning of the Australian health workforce to better meet the needs of the community and deliver a sustainable, well distributed health workforce.

The department substantially met the performance target related to this program.

The department supports Australia's health and aged care system, to ensure a highly trained and quality workforce are available to deliver a wide range of essential services. Australia's health workforce remained flexible throughout 2022–23, consistently evolving to respond to the changing needs of the population, including those which resulted from the COVID-19 pandemic.

In 2022–23, the department focused heavily on key areas of reform to the health workforce to ensure the capacity and capability to service the Australian population is maintained. This included:

- taking forward National Cabinet and Health Ministers' priorities in health workforce
- implementing the National Medical Workforce Strategy
- development of the Nurse Practitioner Workforce Plan
- reducing red tape for overseas workers
- transitioning general practitioner training to the GP colleges.

The department is supporting the Government's priorities to reform the workforce, to ensure that all health practitioners are able to work closer to the top of their scope of practice, and to support better primary care access and services, provided by multidisciplinary teams.

Key Activities:

- Supporting distribution of the health workforce across Australia, including in regional, rural, and remote areas, through teaching programs.
- Improving distribution of the health workforce through improved incentives for doctors, nurses, and allied health professionals under programs such as the Workforce Incentive Program.
- Ensuring health workforce resources are targeted to specific needs, with ongoing enhancements of the health workforce planning tools.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.61 and *Health and Aged Care Corporate Plan 2022–23*, p.42

Performance Measure:

Effective investment in workforce programs will improve health workforce distribution in Australia.

a. Full time equivalent (FTE) Primary Care General Practitioners per 100,000 population.[19]

b. FTE non–general practice medical specialists per 100,000 population.[20]

c. FTE primary and community nurses per 100,000 population.[21]

d. FTE primary and community allied health practitioners per 100,000 population.[22]

e. Proportion of GP training undertaken in areas outside major cities.[23]

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.62 and *Health and Aged Care Corporate Plan 2022–23*, p.43

2022–23 Planned Performance		2022–23 Result		2021–22		2020–21		2019–20[24]		2018–19	
MM1	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**
a. 115.2	109.2	120.5	106.4	118.8	103.4	109.9	90.7	N/A	N/A	N/A	N/A
b. 192.3	96.6	193.2	88.6	4.8	8.4	7.4	16.4	N/A	N/A	N/A	N/A
c. 187.5	229.4	220.3	252.6	182.2	85.4	183.9	84.5	N/A	N/A	N/A	N/A
d. 437.2	412.1	456.0	388.7	184.1	226.2	150.0	204.7	N/A	N/A	N/A	N/A
e. N/A	>50%	N/A	53.6%	437.6	386.9	373.8	273.4	N/A	N/A	N/A	N/A
		Result: Substantially met									

Quality assurance: The department has not been able to undertake independent assurance of the internal data assurance processes supporting the results for this performance measure.

Data Source and Methodology:

a. Medical Benefits Scheme claims data.[25] This is administered and owned by the department, in partnership with Services Australia.

b. c. d. National Health Workforce Datasets (NHWD) and derived from an annual survey of all registered health practitioners.[26] The NHWD is provided to the department by the Australian Health Practitioner Regulation Agency. The department then becomes the data custodians of this dataset.

e. Australian General Practice Training (AGPT) Program data and Remote Vocational Training Scheme (RVTS). AGPT program data is captured daily from Regional Training Providers into the department's Registrar Information Data Exchange. RVTS program data is provided 6 monthly to the department through progress reports by RVTS Ltd, and is administered and owned by the department.

[19] Medicare Benefits Schedule claims data, CY2022 to CY2022 (based on date of service).

[20] NHWDS, 2021. Medical practitioners, as defined under the National Law. Includes registered medical practitioners employed in the profession in Australia (including those on leave greater than 3 months), whose primary specialty is any specialty other than GP.

[21] NHWDS, 2022. Nurses, as defined under the National Law. A nurses' job setting, and principal area of practice is used to determine if a primary and community nurse. Includes Registered Nurses, Enrolled Nurses and dual registrants (excludes 'midwives only') employed in the profession in Australia (excluding those on leave greater than 3 months), whose main job in nursing meets a 'primary care' specific criteria regarding the combinations of area of practice and settings.

[22] NHWDS, 2021. Allied Health Practitioners are defined as workers registered under one of the 11 professions under the National Law. The practitioner's job setting (and principal area of practice for psychologists) is used to determine if the practitioner is a primary and community allied health practitioner. Registered allied health practitioners who are employed in the profession in Australia (excluding those on leave greater than 3 months) whose principal work setting of their main job meets a 'primary and community' specific criteria. Professions include Aboriginal and/or Torres Strait Islander Health Practitioner, Chiropractor, Dental Practitioner, Occupational Therapist, Optometrist, Osteopath, Paramedicine Practitioner, Pharmacist, Physiotherapist, Podiatrist and Psychologist.

[23] Australian General Practice Training Program 2022 calendar year data (as at 27 January 2023) and Rural Vocational Training Scheme data (as at 31 December 2022 and assuming one headcount = one FTE.

[24] This was a new performance measure in 2020–21, therefore results are not available for financial years prior to 2020–21.

[25] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/Medicare+Statistics-1

[26] Available at: www.hwd.health.gov.au/resources/information/nhwds.html

While there has been recent workforce growth across all professions and all regions, distribution in rural and remote communities continues to be a challenge.

The data for measures are still impacted by COVID-19 as due to data availability measure b. and d. use the 2021 NHWDS, a. uses the 2022 calendar year MBS claims data and e. uses the 2022 calendar year. The results in MM2-7 for 3 measures[27] are below their 2022–23 planned performance, showing while there is an increase in FTE, we did not see a corresponding or greater increase in the results for the MM2-7 area to indicate improved distribution. There was good growth in the result for the FTE primary and community nurse per 100,000 population with a greater FTE than the target for both MM1 and MM2-7 and a greater FTE in MM2-7 then in MM1.

These results for all measures have increased from the 2021–22 reporting period.

The reforms in health workforce announced by the Government in the 2022–23 Budget will contribute to achieving future targets and improving the health workforce.

A review of scope of practice for health workers, and a review of distribution levers are underway, to assist in informing development of innovative delivery models and increase consumers access to health care.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.4 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Improving the quality of the Australian health workforce, including through implementation of the $146 million Rural Health Package through targeted support and incentives for medical practitioners working in general practice to achieve specialist recognition.
- Supporting the Health Workforce Taskforce, established by Health Ministers, who are developing and driving short, medium, and long term strategies to improve the attraction, recruitment, and migration of international health workers, and streamline registration processes once in country. The focus is on developing actions with joint, collaborative responsibility between jurisdictions.
- Leading work agreed to by federal, state and territory Health Ministers to take urgent action to address concerns regarding cosmetic surgery, especially the risks to consumers.
- Transitioning the Australian General Practice Training Program to a college-led training model in 2023.

[27] Measures a., b. and d.

Program 1.5: Preventive Health and Chronic Disease Support

Program Objective

Support all Australians, including underserved populations and marginalised groups, to live longer in full health and wellbeing through reducing the rates of harmful alcohol consumption, tobacco and illicit drug use; increasing healthy eating patterns and levels of physical activity; increasing cancer screening participation and the early detection and management of chronic conditions; and expanding newborn bloodspot screening.

The department continued to work towards meeting the performance targets related to this program.

The National Preventive Health Strategy 2021–2030 (NPHS) outlines Australia's long term approach to prevention over the next 10 years. The NPHS was designed to improve the health and wellbeing of Australians throughout all stages of life, with a key focus on reducing smoking prevalence, harmful alcohol consumption, and illicit drug use in the population.

The NPHS sets a number of targets relevant to this program. These include:

- Reduce smoking prevalence in the general population to 5% or less for adults, and to 27% or less for First Nations people, by 2030. While smoking rates have declined over the long term, there is still significant effort required to meet the 2030 targets.
- At least a 10% reduction in harmful alcohol consumption by Australians aged over 14 years by 2025, and at least a 15% reduction by 2030.
- Less than 10% of young people aged 14 to 17 years consuming alcohol by 2030.
- Decrease the prevalence of illicit drug use in those aged over 14 years by at least 15% by 2030.

Tobacco smoking remains the largest preventable cause of death and disease in Australia. Smoking contributes to an estimated 20,500 deaths each year in Australia (13.0% of all deaths), and was responsible for 8.6% of the total burden of disease in Australia in 2018. It is associated with an increased risk of health conditions including heart disease, diabetes, stroke, cancer, kidney disease, eye disease, and respiratory conditions such as asthma, emphysema, and bronchitis. The department continued to implement tobacco control activities in 2022–23, benefitting individual health and the community through preventing the uptake of smoking, supporting people to successfully quit smoking, and protecting people from second-hand smoke inhalation.

Vaping (the use of e-cigarettes) is also rapidly increasing in Australia, particularly among young people. Recent estimates show that current[28] use of e-cigarettes among teenagers aged 14 to 17 increased from 2.1% in 2020 to 11.8% in 2022. These estimates also show that current e-cigarette use among adults aged 18 to 24 increased from 5.6% to 21.4% during the same period.[29]

[28] 'Current' e-cigarette use is defined as use at least once in the past 30 days of being surveyed.

[29] Current vaping and smoking in the Australian population aged 14 years or older. Cancer Council Victoria, 2023. Available at: www.health.gov.au/resources/collections/current-vaping-and-smoking-in-the-australian-population-aged-14-years-or-older

The department's work toward reducing the prevalence and harms of illicit drug use will continue to benefit individuals, their families, and communities by minimising impacts on the related health, social, cultural, and economic harms arising from their use.

The department continued to promote the importance of undergoing screening for bowel, breast, and cervical cancers during 2022–23, with early detection a key factor in reducing morbidity and mortality rates. Through the National Bowel Cancer Screening Program's (NBCSP) alternative access to kits model, healthcare providers can now bulk order and issue kits directly to participants. The opportunity for providers to bulk order kits is expected to assist with uptake of the bowel cancer screening program, including by under and never-screeners.

Based on an average rate of 40% participation, the NBCSP is estimated to save 59,000 lives between 2015 and 2040. Increasing these participation rates to 60% could save over 83,800 lives over the same period. The BreastScreen Australia Program continued to deliver essential services throughout 2022–23. The effectiveness of this program continues to be demonstrated through the decrease in breast cancer mortality rates per 100,000 women (from 74 in 1991 to 43 in 2020).[30]

Australian research has predicted that if vaccination coverage, and cervical cancer screening participation levels are maintained, Australia will be likely to eliminate cervical cancer as a public health problem by 2035. This includes recent self-collection expansion which will be a key enabler for achieving equity of screening access and eliminating cervical cancer.

[30] AIHW (2022) BreastScreen Australia monitoring report 2022. Report released annually. The most recent mortality data for breast cancer is from 2020.

Key Activities:

- Working with Commonwealth entities, states and territories, and other relevant agencies to support a collaborative approach to policy frameworks, as well as prevention and reduction of harm to individuals, families, and communities from alcohol, tobacco, and other drugs through:
  - implementing activities that align with the objectives of the National Drug Strategy 2017–2026, including the National Alcohol Strategy 2019–2028, the National Ice Action Strategy, and finalising the next National Tobacco Strategy 2023–2030
  - delivering health promotion and education activities to support smoking and nicotine cessation and prevention
  - delivering health promotion and education activities to raise awareness of the Australian guidelines to reduce health risks from drinking alcohol, and the risks of drinking alcohol while pregnant and breastfeeding.
- Investing in quality alcohol and drug treatment services consistent with the National Quality and Treatment Frameworks.
- Supporting expansion of tobacco control program activities through investment in tobacco control research and evaluation, and international tobacco control.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.63 and *Health and Aged Care Corporate Plan 2022–23*, p.46

Performance Measure:

Improve overall health and wellbeing of Australians by achieving preventive health targets.

a. Percentage of adults who are daily smokers.

b. Percentage of population who drink alcohol in ways that put them at risk of alcohol related disease or injury.

c. Percentage of population who have used an illicit drug in the last 12 months.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.64 and *2022–23 Health and Aged Care Corporate Plan*, p.47

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
a. Progressive decrease	10.1%[31]	10.7%[32]	Data not available	Data not available	13.8%[33]
b. Progressive decrease	Data not available[34]	Data not available[35]	N/A	N/A	N/A
c. Progressive decrease	Data not available[36]	Data not available[37]	N/A	N/A	N/A
	Result: Data not available —				

Quality assurance: The department has not been able to undertake independent assurance of the quality assurance processes conducted by third party providers due to the data not yet being available for this performance measure.

Data Source and Methodology:

a. Baseline figure from the most recent data in the Australian Bureau of Statistics National Health Survey 2017–18[38].

b. Baseline figure from the most recent data in the *2019 National Drug Strategy Household Survey*[39], and analysis conducted by the Australian Institute of Health and Welfare (AIHW) in mapping data on alcohol consumption patterns against the updated National Health and Medical Research Council Australian Guidelines to Reduce Health Risks from Drinking Alcohol[40].

c. Baseline figure from the most recent national data in the *2019 National Drug Strategy Household Survey*[41].

[31] ABS Smoker Status, 2021–22. This dataset combines current smoker status information from the National Health Survey, Survey of Income and Housing, National Study of Mental Health and Wellbeing, and Survey of Disability, Ageing and Carers. These surveys collected a standard set of information which were pooled to produce the Smoker Status dataset. While similar in content, each pooled dataset has different data sources and collection methodologies for the financial year and comparisons over time should be made with caution. Further information is available at: www.abs.gov.au/articles/insights-australian-smokers-2021-22

[32] ABS Smoker Status Australia 2020–21 dataset. While this data can be used for a point in time analysis, comparisons with other datasets over time are not recommended due to changes in data collection methodology following the COVID-19 pandemic. Further information is available at: www.abs.gov.au/statistics/health/health-conditions-and-risks/smoking/latest-release

[33] Smoking, 2017–18 financial year. Available at: www.abs.gov.au/statistics/health/health-conditions-and-risks/smoking/2017-18

[34] The department uses data from the National Drug Strategy Household Survey to measure performance outcomes for this target. The data required to measure 2022–23 performance is under development and expected to be available in the first half of 2024. Results for this financial year will be published in the department's 2023–24 Annual Report once available.

[35] Data not available due to data collection only occurring every 3 years by AIHW, with the latest data available in 2019. Results for 2022 will be available in the first half of 2024, and will be published at: www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-household-survey. Results for this financial year will be published in the department's 2023–24 Annual Report.

[36] Ibid.

[37] Ibid.

[38] Available at: www.abs.gov.au/statistics/health/health-conditions-and-risks/national-health-survey-first-results/latest-release

[39] Available at: www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-household-survey/2019-ndshs

[40] Available at: www.aihw.gov.au/reports/alcohol/measuring-risky-drinking-aus-alcohol-guidelines/contents/measuring-risky-drinking

[41] Available at: www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-household-survey/2019-ndshs

The most recent smoking data from the Australian Bureau of Statistics was collected from July 2021 to June 2022 and published in December 2022. Accordingly, the findings from this dataset have been included in the 2022–23 result for this performance measure. Due to the survey methodology used during the COVID-19 pandemic, comparisons with previous smoking data should be made with caution.[42]

The Minister for Health and Aged Care released Australia's National Tobacco Strategy 2023–2030 in May 2023, which sets out a framework to reduce the prevalence of tobacco use and its associated health, social, environmental and economic costs and inequalities.

On 31 May 2023, the Government released an exposure draft of the Public Health (Tobacco and other Products) Legislation 2023 for public consultation. These reforms aim to consolidate 8 different tobacco related laws, regulations, instruments and court decisions into a single streamlined Act of Parliament. As part of the legislation, new measures are proposed to further regulate the marketing of tobacco products, and to update tobacco advertising regulations to capture e-cigarettes.

The data source used to measure these performance measures is the National Drug Strategy Household Survey (NDSHS). The NDSHS is undertaken every 3 years and collects self-reported information on tobacco, alcohol, and illicit drug use from persons aged 14 and over by using stratified, multistage random sampling. Further information on sampling can be found in the NDSHS 2019 Data Quality Statement.[43]

The next iteration of the NDSHS was initially due to be released in mid-late 2023. Fieldwork was delayed due to COVID-19 ramifications and was paused from December 2022 to March 2023 to ensure the seasonal effects on alcohol, tobacco and drug use did not impact findings.

The NDSHS is used for these Program measures as it provides reliable estimates on the proportion of the Australian population who exceed the Australian guidelines to reduce health risks from drinking alcohol and the proportion of the population who have reported using an illicit drug in the last 12 months.

At its peak in 2004, harmful alcohol consumption among people aged 14 and above was recorded at 39.2%. The most recent available data[44] has shown a continuation of this downward trend, from 35.0% in 2016 to 33.0% in 2019.

A national awareness campaign was released in 2022 titled 'Every Moment Matters' which continued to raise awareness on the risks of consuming alcohol during pregnancy, while planning for pregnancy, and breastfeeding. The campaign informs and supports women to make healthy choices regarding the risks and harms of alcohol throughout pregnancy, including fetal alcohol spectrum disorder.

Recent illicit drug use among people aged 14 and above has seen an upward trend from 2007 at 13.4%, to 15.6% in 2016 and 16.4% in 2019, largely driven by cannabis and cocaine use. However, downward trends have been seen in the use of other illicit drugs, such as methamphetamine (from 3.4% to 1.3% between 2001 and 2019) and non-medical use of pharmaceuticals (from 4.8% to 4.2% between 2016 and 2019). Ongoing monitoring of this measure is required to ensure the programs and activities delivered under the National Drug Strategy continue to be effective in reducing the associated risks and harms of illicit drug use.

The Annual Report must be provided to the responsible Minister by 15 October each year. Data is not available for parts (b) and (c) in time to meet this legislated deadline. Funding for parts (b) and (c) equates to $251,727,000 (1.78% of the total funding of $14,104,612,998 for Outcome 1).

[42] Further information available at: www.abs.gov.au/articles/insights-australian-smokers-2021-22
[43] Available at: meteor.aihw.gov.au/content/730155
[44] Available at: www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-household-survey/2019-ndshs

Key Activities:

- Improving early detection, treatment, and survival outcomes for people with cancer by continuing to:
  - actively invite Australians to participate in cancer screening programs, such as the National Bowel Cancer Screening Program and the National Cervical Screening Program
  - support states and territories to deliver the BreastScreen Australia program
  - operate the National Cancer Screening Register
  - improve participation across the 3 cancer screening programs over the next 5 years under the National Preventive Health Strategy 2021–2030
  - eliminate cervical cancer as a public health issue in Australia by 2035.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.63 and *Health and Aged Care Corporate Plan 2022–23*, p.46

Performance Measure:

Increase the level of cancer screening participation.

a. National Bowel Cancer Screening Program.

b. National Cervical Screening Program.

c. BreastScreen Australia Program.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.65 and *Health and Aged Care Corporate Plan 2022–23*, p.48

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
a. Progressive increase towards 53.0%	Data not available[45]	Data not available[46]	40.9%	43.8%	43.5%
b. Progressive increase towards 64.0%	Data not available[47]	68%[48]	62%[49]	56%	54.0%[50]
c. Progressive increase towards 65.0%	Data not available[51]	Data not available	Data not available	49.4%	55.0%
	Result: Data not available —				

Quality assurance: The department has not been able to undertake independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

All 3 screening programs provide data to the AIHW to produce annual program monitoring reports.

[45] Due to the time between an invitation being sent, test results and collection of data from the Register, participation rates for January 2022 to December 2023 are not yet available. These results are expected to be available in June 2025.

[46] Due to the time between an invitation being sent, test results and collection of data from the Register, participation rates for January 2021 to December 2022 are not yet available. These results are expected to be available in June 2024. The results will be available at: The results will be available at: Cancer screening Overview - Australian Institute of Health and Welfare (www.aihw.gov.au/reports-data/health-welfare-services/cancer-screening/overview).

[47] The National Cervical Screening Program was renewed on 1 December 2017, when it changed from 2 yearly pap testing to a 5 yearly human papillomavirus (HPV) test. Five years of program datasets are required in order to fully assess participation under the renewed program. Participation rates for the 5 year period 2020–2024 will not be available until 2025.

[48] Preliminary participation data for the 5-year cervical screening round is available for the first time since the program's roll-out in December 2017. These data are from January 2018 to December 2022. Prior to this, only interim data was available for estimates to be calculated (www.aihw.gov.au/reports/cancer-screening/national-cancer-screening-programs-participation/contents/national-cervical-screening-program/participation).

[49] 4 years interim participation data for 2018–2021 (www.aihw.gov.au/reports/cancer-screening/ncsp-monitoring-2022/summary).

[50] A single year estimate of participation of 2018 that includes only women aged 25–74 who had an HPV test under the renewed NCSP. This single-year estimate mirrors previously-observed trends of 2017–2018, participation in cervical screening by women aged 25–69 was 53% of the eligible population (this crude rate includes pre-renewal and post-renewal data, and includes women aged 25–69 who had any cervical screening test (Pap or HPV test) over the reporting period).

[51] Data not available due to the time between data collected by state and territory BreastScreen registers (which includes assurance processes for data quality) and the time it is provided to AIHW for calculating the national BreastScreen Australia participation rate (which includes data cleansing and assurance processes). Participation rates for January 2020–December 2021 are expected to be available in October 2023. The results will be available at: Cancer screening Overview - Australian Institute of Health and Welfare (www.aihw.gov.au/reports-data/health-welfare-services/cancer-screening/overview).

Based on data for the most recent full cycle reporting period of 1 January 2020 to 31 December 2021, an estimated 40.9% of eligible people participated in the National Bowel Cancer Screening Program (the Program). Factors contributing to the participation rate results include participants not updating their personal details with Medicare or the National Cancer Screening Register, personal decision-making relating to uptake of screening, and unawareness of risks posed by bowel cancer. Additionally, the most recently available participation rate (40.9%) was also influenced by the significant natural disasters occurring across Australia, specifically widespread bushfires and flooding.

The Australian Government continues to invest in activities to increase participation in the Program, including working in partnership with Cancer Council Australia and the Jodi Lee Foundation on campaigns that raise awareness of the importance of bowel cancer screening.

The Cervical Cancer Screening Program utilises 5 years of data to assess full cycle participation, with the earliest results to be available in 2025. While program data is not currently available, in the 4 year period between 2018 and 2021, around 4.2 million women and people with a cervix aged 25 to 74 had a HPV test as part of the program, which is estimated to be 62% of the target population.

Participation in BreastScreen Australia among the target population of woman aged 50–74 years is measured over 2 calendar years to align with the recommended screening interval of every 2 years. The most recent monitoring report from the Australian Institute of Health and Welfare on participation in the BreastScreen Australia Program found that in the 2 years of 2019–2020, around 1.8 million women participated, equivalent to 49.4% (age standardised rate) of eligible women aged between 50 and 74 years old.

BreastScreen services were briefly suspended in March 2020 due to the COVID-19 pandemic. This resulted in a reduced number of women able to be screened during 2019–2020. The department worked with BreastScreen Program Managers in each state and territory to implement a new funding agreement for 2022–23 to enable BreastScreen services to undertake additional screens for those who may have been impacted by suspensions.

The Annual Report must be provided to the responsible Minister by 15 October each year. Data is not available for performance measure 1.5b in time to meet this legislated deadline. Funding for this performance measure equates to $194,750,000 (1.38% of the total funding of $14,104,612,998 for Outcome 1).

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.5 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Developing, implementing, and monitoring:
  - national strategies for preventive health, obesity, breastfeeding, and injury prevention
  - national strategies for men's and women's health
  - existing national strategic action plans for chronic diseases and children's health.
- Addressing disparities in health care and health outcomes for priority population groups through effective services, policies, and programs, recognising the impact of the wider determinants of health.
- Delivering activities to prevent and minimise the impact of fetal alcohol spectrum disorder, including those under the National Fetal Alcohol Spectrum Disorder (FASD) Strategic Action Plan 2018–2028.
- Encouraging and enabling healthy lifestyles, physical activity, and good nutrition through initiatives such as the Healthy Food Partnership, Health Star Rating system, Australian Guide to Healthy Eating, Shaping a Healthy Australia – Healthy Habits Project, updates to the Physical Activity Guidelines for adults (18 to 64 years) and older Australians (65+ years), and the Healthy Heart Initiative.
- Implementing a thalidomide financial support package through the Australian Thalidomide Survivors Support Program.
- Working in partnership with states and territories, increasing the consistency and number of conditions in newborn bloodspot screening programs.
- Implementing investments in new infrastructure to enhance high quality cancer care, including a network of Comprehensive Cancer Centres, with new Centres in Adelaide, Perth, and Brisbane to be established in partnership with state governments.
- Supporting prevention, early detection, and management of chronic conditions for individuals and their families and carers.

Program 1.6: Primary Health Care Quality and Coordination

Program Objective

Strengthen primary health care by delivering funding to frontline primary health care services and improving the access, delivery, quality, and coordination of those services. This will help improve health outcomes for patients, particularly people with chronic and/or mental health conditions, and assist in reducing unnecessary hospital visits and admissions.

The department met the performance target related to this program.

The department continued to work in partnership with Primary Health Networks (PHNs) in 2022–23, improving the efficiency, effectiveness and coordination of primary health services at the local level. The department funds PHNs to commission health services to address identified needs of people in their regions as well as priority areas set by Government. PHNs work collaboratively with health professionals in their region to build health workforce capacity and ensure the delivery of high quality care, and with Local Hospital Networks to improve service integration.

PHN performance is regularly reviewed by the department against a set of indicators, including potentially preventable hospitalisations. Working toward a decline in rates of potentially preventable hospitalisations will assist in relieving the pressure on Australia's public hospitals.

During 2022–23, PHNs have rapidly commissioned emergency specific activities for the floods and pandemic; distributing personal protective equipment; increasing digital access and capabilities; gathering frontline service intelligence; and supporting the rollout of and reporting on COVID-19 vaccinations (particularly for residents and staff of residential aged care facilities). PHNs have been able to respond to community needs during emergencies by leveraging their deep understanding of local populations and services, ensuring access to primary care services and medicines is maintained.

The department worked closely with the states and territories, PHNs and the health sector on the design and implementation of Medicare Urgent Care Clinics (Medicare UCCs). A total of 58 Medicare UCCs will be established across Australia by the end of 2023. As at 30 June 2023, 11 clinics had opened. Medicare UCCs will ease pressure on hospitals and give Australian families more options to see a healthcare professional when they have an urgent, but not life-threatening, need for care.

The department also worked with PHNs to deliver the Strengthening Medicare GP Grants Program. PHNs facilitated grants of up to $50,000 to over 7,570 general practices and Aboriginal Community Controlled Health Organisations to assist in practice accreditation, upgrading information technology, and improving infection prevention and control arrangements.

Key Activities:

- Supporting measures that improve the coordination and integration of health services to manage health in the community, with a focus on complex and chronic conditions, and reduce potentially preventable hospital attendances and admissions.
- Improving the quality and coordination of primary health care.
- Supporting practices to provide better, safe and quality care, and see more patients through one off grants under the Strengthening Medicare GP Grants Program.
- Establishing the Strengthening Medicare Fund to deliver better access and care for patients through reforms to primary care, in line with recommendations from the Strengthening Medicare Taskforce.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.66 and *Health and Aged Care Corporate Plan 2022–23*, p.51

Performance Measure:

The number of Primary Health Network regions in which the rate of potentially preventable hospitalisations is declining, based on the latest available Australian Institute of Health and Welfare longitudinal data.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.67 and *Health and Aged Care Corporate Plan 2022–23*, p.52

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
26	30[52]	29[53]	N/A[54]	N/A	N/A
	Result: Met				

Data Source and Methodology:

This data is obtained from the Australian Institute of Health and Welfare (AIHW), who develop an indicator based on a 5 year trend line of best fit. Information is available on the AIHW website[55]. There is up to a 2 year lag collecting data from states and territories.

Based on the latest available longitudinal data from the Australian Institute of Health and Welfare (AIHW), reductions in potentially preventable hospitalisations were reported across 30 of the 31 PHN regions across Australia in 2020–21, with potentially preventable hospitalisations declining on average around 7% from 2019–20.

[52] Due to delays in receiving hospitals data from states and territories, there is currently a 2 year lag when receiving results. 2020–21 data, which is the latest available AIHW longitudinal data, has been used to report on the performance target related to this program for 2022–23.

[53] Due to delays in receiving hospitals data from states and territories, there is currently a 2 year lag when receiving results. 2019–20 data, which is the latest available AIHW longitudinal data, has been used to report on the performance target related to this program for 2021–22.

[54] This is a new performance measure for 2021–22, therefore results are not available for previous years.

[55] Available at: www.aihw.gov.au/reports/primary-health-care/disparities-in-potentially-preventable-hospitalisations-exploring-the-data/contents/exploring-the-potentially-preventable-hospitalisations-data

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.6 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Developing health policy for activities combatting family, domestic and sexual violence, and child abuse, including oversight of the family and domestic and sexual violence Primary Health Network pilot, and providing increased support to primary care providers to assist in early identification, intervention, and coordinated referral to support services.
- Supporting and implementing the work of the Strengthening Medicare Taskforce.
- Supporting PHNs to increase the efficiency, effectiveness, accessibility, and quality of primary health care services, particularly for people at risk of poorer health outcomes, and to improve care coordination and integration.
- Commencing implementation of 50 Urgent Care Clinics, which will make it easier for Australian families to see a healthcare professional when they have an urgent, but not life threatening, need for care.
- Supporting the delivery of health information, advice, and services through interactive communication technology to help people care for themselves and their families.
- Supporting the provision of high quality palliative care in Australia through workforce development, quality improvement and data development activities, and by supporting advanced care planning.
- Supporting measures to implement the Woman-centred care: Strategic directions for Australian maternity services, which provides national strategic directions to support Australia's high quality maternity care system and enables improvements in line with contemporary practice, evidence and international developments. Together with state and territory governments, this includes implementation of actions under the National Stillbirth Action and Implementation Plan.
- Improving the experience and outcomes of people with disability in the health system, including through implementation of the National Roadmap for Improving the Health of People with Intellectual Disability and support for the COVID-19 Disability Advisory Committee.

Program 1.7: Primary Care Practice Incentives and Medical Indemnity

Program Objective

Provide incentive payments to eligible general practices and general practitioners (GPs) through the Practice Incentives Program (PIP) to support continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients. Promote the ongoing stability, affordability, and availability of medical indemnity insurance to enable stable fees for patients and allow the medical workforce to focus on delivering high quality services. Provide policy support to the administration of the COVID-19 Vaccine Claims Scheme by Services Australia.

The department met the performance targets related to this program.

The department continued to work with Services Australia to administer the Practice Incentive Program (PIP). The department consulted with the PIP Advisory Group, comprising representatives of general practice peak bodies, Aboriginal Community Controlled Health Organisations and expert general practitioners to make continuous improvements to the program. The department worked with Services Australia to deliver adjustments to practice payments to acknowledge telehealth services delivered during the COVID-19 pandemic. The department worked with PHNs and the Australian Institute of Health and Welfare (AIHW) to support the continued sharing of quality improvement data, and conducted a Consultation Regulatory Impact Statement process on general practice data sharing and electronic clinical decision support arrangements.

The Government continued to ensure medical professionals had access to reliable and affordable medical indemnity insurance during 2022–23 by subsidising premiums, high cost claims and providing run-off cover to eligible doctors and midwives who retire from practice. Medical Indemnity insurance also benefits patients through ensuring they are appropriately covered in an event where harm has occurred as a result of the practices of a medical professional.

Key Activities:

- Providing incentive payments to eligible general practices and general practitioners. Incentives include the:
  - After Hours Incentive
  - Aged Care Access Incentive
  - eHealth Incentive
  - Rural Loading Incentive
  - Teaching Payment
  - Indigenous Health Incentive
  - Procedural General Practitioner Incentive
  - Quality Improvement Incentive.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.68 and *Health and Aged Care Corporate Plan 2022–23*, p.54

Performance Measure:

Maintain Australia's access to quality general practitioner care through the percentage of accredited general practices submitting Practice Incentives Program (PIP) Quality Improvement Incentive data to their Primary Health Network.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.68 and *Health and Aged Care Corporate Plan 2022–23*, p.55

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
≥92.0%	92.7%	91.8%	87.7%[56]	85.5%	85.3%
	Result: Met ●				

Quality assurance: The department has not been able to undertake independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

Data is obtained from Services Australia for the number of practices participating in the Practice Incentives Program (PIP), and Primary Health Networks reporting practice participation results. This data is maintained internally by the department. Data relating to accredited practices is obtained and maintained by the Australian Commission on Safety and Quality in Health Care.

PIP QI Incentive data is the basis for the quality improvement measures that aim to support general practices and primary health organisations to improve patient care, and plan for community health needs across Australia.

Practice participation in PIP QI has continued to increase since the incentive was introduced in August 2019. As a result, the department met the 2022–23 planned performance target.

A larger proportion of accredited general practices submitting PIP QI Incentive data to their Primary Health Network (PHN) signifies that more practices are actively engaging in continuous quality improvement activities to effectively manage their patients' health. By committing to submit nationally consistent and de-identified general practice data, these practices contribute to improving access to quality general practice care and enhancing overall health outcomes.

In the final quarter of 2022–23, there were 6,393 accredited general practices participating in the PIP. A total of 5,925 of these practices were eligible for a PIP QI payment as they submitted data to their PHN to facilitate quality improvement activities. These figures are effective as at 30 April 2023, as the PIP payment quarters do not align with the standard financial quarters.

[56] This was a new performance measure in 2020–21. Results from years prior to 2020–21 relate to the former measure '*Access to accredited general practitioner care maintained through percentage of general practitioner patient care services provided by Practice Incentives Program practices*'.

Key Activity:

- Overseeing the medical and midwife indemnity schemes to promote ongoing stability, affordability, and availability of medical indemnity insurance. Through these schemes, subsidise claims costs and ensure the cost of insurance premiums remains affordable.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.68 and *Health and Aged Care Corporate Plan 2022–23*, p.54

Performance Measure:

Percentage of medical professionals who can access medical indemnity insurance without the application of a risk surcharge or a refusal of cover.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.69 and *Health and Aged Care Corporate Plan 2022–23*, p.55

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
95.0%	99.53%[57]	99.64%[58]	N/A[59]	N/A	N/A
	Result: Met ●				

Quality assurance: The department has not been able to complete independent assurance of the quality checks associated with this performance measure.

Data Source and Methodology:

Medical indemnity insurers provide data to the department annually. Results are available on the department's website[60], where the number of refusals of cover and the application of risk surcharges for medical practitioners are also available.

The low number of refusals and risk surcharge applications applied to premiums, as demonstrated in the reports provided by insurers, indicates the changes to legislate universal cover obligations on insurers are successful in ensuring accessible and affordable professional indemnity cover.

95.0% is an appropriate target based on estimates that manage the balance between the likelihood of 100% of practitioners being compliant and not deemed a risk to an insurer, and the right of insurers to appropriately manage their risk. It is reasonable for an insurer to refuse cover where the risk is deemed to be too high.

The number of refusals to provide professional indemnity cover and the application of risk surcharges for medical practitioners are made public annually on the department's website.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.7 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Administering a contract with an eligible insurer for the provision of professional indemnity insurance to deliver the Midwife Professional Indemnity Scheme on behalf of the Government.
- Providing policy support for the administration of the COVID-19 Vaccine Claims Scheme by Services Australia (currently scheduled to cease on 17 April 2024).

[57] Insurers have two months after the end of the financial year to submit their data. Indicative results are available (as at September 2023) by using the data provided by the insurers and substituting the number of medical professionals identified in the 2021–22 ROCS Report who made ROCS support payments during the 2021–22 financial year. The final result will be calculated in November using data from the 2022–23 ROCS reports which will publish the number of medical professionals who have made ROCS support payments during the 2022–23 financial year.

[58] The results for 2021–22 have now been finalised and updated accordingly.

[59] This is a new performance measure for 2021–22, therefore results are not available for previous years.

[60] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/health-medicalindemnity-pubs.htm

Program 1.8: Health Protection, Emergency Response and Regulation

Program Objective

Protect the health of the Australian community through national leadership and capacity building to detect, prevent, and respond to threats to public health and safety, including those arising from communicable diseases, natural disasters, acts of terrorism, and other incidents that may lead to mass casualties. Protect human health and the environment through regulatory oversight of therapeutic goods, controlled drugs, genetically modified organisms (GMOs), and industrial chemicals.

The department met all the performance targets related to this program.

The department ensures the protection of Australia's health and environment through regulatory oversight of therapeutic goods, controlled drugs, genetically modified organisms (GMOs), and industrial chemicals.

In 2022–23, the Therapeutic Goods Administration (TGA) continued to ensure all therapeutic goods available on the Australian market were safe, of high quality, and effective for their intended use under the *Therapeutic Goods Act 1989*. During 2022–23, the TGA successfully evaluated a number of COVID-19 vaccines and treatments well within statutory timeframes, assisting in the public health response to the COVID-19 pandemic. The TGA's evaluations ensured Australians could trust results from their COVID-19 self-tests, point-of-care test kits and laboratory conducted tests. Completing assessments in line with legislative timeframes throughout 2022–23 enabled the availability of a greater range of new medicines and medical devices for Australians to access and utilise.

During 2022–23, the TGA transitioned from the COVID-19 emergency response back to business as usual operations. Delays of on-hand application processing times for non-COVID-19 products were reduced, whilst continuing to prioritise COVID-19 tests, personal protective equipment, vaccines, and treatments.

The Office of Drug Control (ODC) undertakes inspections on regulated entities across the medicinal cannabis industry and other narcotics to ensure that licence and permit holders cultivate, produce and manufacture cannabis in accordance with the *Narcotic Drugs Act 1967* (the Act) and regulations. The ODC works with industry members to regulate the quantity of cannabis and other narcotics within Australia, the appropriateness of individuals to hold or manage licences, security of sites, the safe disposal and destruction of cannabis to avoid diversion to the illicit market, and a number of other regulatory functions under the Act. These inspections provide confidence to the Australian public, law enforcement and the international community that the ODC is active and effective in regard to narcotic drugs regulation. The work also reassures the community that cultivation, production, and manufacturing is regulated in line with the Act and regulations, and assists with maintaining high quality products for both domestic patient and export requirements.

Throughout 2022–23, the Gene Technology Regulatory Scheme (the Scheme) continued to ensure medical, agricultural, and other research involving GMOs was conducted in accordance with best practice, and in a manner that protects human health and safety, and the environment. The Scheme facilitates and regulates the safe conduct of medical research, field trials of GMO crops, and completes high level scientific risk assessments. The Scheme also provides the community with ongoing access to safe GMOs and products produced from GMOs.

The *Industrial Chemicals Act 2019* establishes the Australian Industrial Chemicals Introduction Scheme (AICIS) as the regulatory scheme for the importation and manufacture (introduction) of industrial chemicals in Australia. Timely completion and publication of chemical risk assessments and evaluations facilitates the safe use of industrial chemicals by providing regulatory certainty for industry placing industrial chemicals on the Australian market, facilitating risk reduction through timely recommendations to Commonwealth, state, and territory risk managers, and making information on the safe use of chemicals available to all relevant stakeholders.

Key Activities:

- Regulating therapeutic goods, including COVID-19 vaccines and treatments, to ensure safety, efficacy, performance, and quality. Promote best practice, monitor compliance, and take appropriate action to address non-compliance.
- Improving access to therapeutic goods for consumers and streamlining regulatory processes for industry through, for example, the Therapeutic Goods Administration's Digital Transformation program.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.70 and *Health and Aged Care Corporate Plan 2022–23*, p.58

Performance Measure:

Percentage of therapeutic goods evaluations that meet statutory timeframes.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.71 and *Health and Aged Care Corporate Plan 2022–23*, p.60

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
100%	99.45%	99.78%	N/A[61]	N/A	N/A
	Result: Met ●				

Quality assurance: The department has not been able to undertake independent assurance of the quality checks associated with this performance measure.

Data Source and Methodology:

Records of medicines, medical devices, and biologicals applications. Data is analysed and maintained internally by the department. Evaluation activities are measured against statutory timeframes contained within the Therapeutic Goods Regulations 1990.[62]

The therapeutic goods evaluation process provides assurance to consumers and leads to community confidence that therapeutic goods approved for use in Australia have been assessed against stringent standards. The TGA met statutory timeframes for 99.45% of therapeutic goods evaluations in 2022–23. In achieving this result, the TGA continued to prioritise COVID-19 vaccine and treatment applications, collaborating with international regulators and sponsors to accept rolling data submissions during 2022–23 to expedite 19 COVID-19 applications. In this time, the TGA approved the following applications, all within statutory timeframes:

<u>COVID-19 vaccines:</u>

- 4 Type A – new COVID-19 vaccines:
  - two Moderna variant applications (SPIKEVAX BIVALENT ORIGINAL/OMICRON BA.1 for ages 18 years and older, and SPIKEVAX BIVALENT ORIGINAL/OMICRON BA.4-5 for ages 12 years and older)
  - two Pfizer variant applications (COMIRNATY ORIGINAL/OMICRON BA.1 for ages 18 years and older, and COMIRNATY ORIGINAL/OMICRON BA.4-5 for ages 12 years and older).
- 3 Type C – extension of indication for COVID-19 vaccines to include younger age groups:
  - one Moderna (SPIKEVAX) application for ages 6 months to <6 years
  - one Pfizer (COMIRNATY) application for ages 6 months to <5 years
  - one Novavax (NUVAXOVID) application for ages 12 to 17.
- 2 Type F – booster for COVID-19 vaccines:
  - one Pfizer (COMIRNATY) application for ages 5 to 11 years
  - one Moderna (SPIKEVAX) application for ages 12 to 17 years.
- 1 Type S – transition from provisional to full registration:
  - one Moderna (SPIKEVAX) application as primary series for ages 6 years and older and as booster for ages 12 years and older.

[61] This was a new performance measure in 2021–22, therefore results are not available for previous years.
[62] Available at: www.legislation.gov.au/Details/F2023C00577

COVID-19 treatments:

- broadening of indication for COVID-19 therapeutics:
  - one monoclonal antibody: tixagevimab + cilgavimab (EVUSHELD)
  - 1 Type F and 1 Type A applications were withdrawn by sponsor.

The TGA met all statutory timeframes for medical devices, while continuing to prioritise evaluations of COVID-related devices. The TGA also implemented medical device regulatory reforms, including implementing streamlined arrangements to facilitate the industry's transition to new medical device certification requirements in Europe, which affects the majority of medical devices supplied in Australia.

Key Activities:

- Regulating the medicinal cannabis industry by issuing licences and permits, supporting domestic patient and international export requirements, and liaising with law enforcement and state and territory regulatory authorities.
- Regulating and providing advice on the import, export, cultivation, production, and manufacture of controlled drugs to support Australia's obligations under the International Narcotic Drugs Conventions.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.70 and *Health and Aged Care Corporate Plan 2022–23*, p.58

Performance Measure:

Number of completed inspections of licence holders under the *Narcotic Drugs Act 1967*.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.72 and *Health and Aged Care Corporate Plan 2022–23*, p.60

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
25	30	25	N/A[63]	N/A	N/A
	Result: Met ●				

Data Source and Methodology:

Records of compliance and initial inspections undertaken. Data is analysed and maintained internally by the department.

In 2022–23, the ODC completed 30 inspections, comprising 27 onsite and 3 desktop. This was 5 above the planned performance figure and a result of establishing robust forward inspection plans on a quarterly basis. The main factor that contributed to the improved performance was a more structured planning process for annual inspections that is based on a targeted risk approach.

The ODC undertook a desktop campaign focused on compliance performance and its engagement with Medicinal Cannabis Licence holders. Licence holders responded positively to the campaign, and confirmed they were satisfied with the timeliness, content and relevance of information supplied.

The ODC proactively engaged throughout 2022–23 with industry partners and stakeholders to communicate all relevant compliance matters identified during the campaign.

This approach improved relationships with industry and allowed the ODC to identify effective treatments and ensure regulation obligations were met to maintain narcotic drug control. The campaign also assisted by informing the ODC on future focus areas relating to both inspections and campaigns.

The relaxation of COVID-19 travel restrictions enabled inspectors to re-engage face to face with licence holders which solidified ODC's ongoing commitment to build confidence and trust within the industry.

[63] This was a new performance measure in 2021–22, therefore results are not available for previous years.

Key Activities:

- Administering the National Gene Technology Scheme by assessing applications and issuing approvals, and by conducting routine inspections of certified facilities and licensed activities with GMOs.
- Supporting Australian and state and territory law enforcement by regulating the import of chemicals which could be diverted into illicit drug manufacture.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.70 and *Health and Aged Care Corporate Plan 2022–23*, p.58

Performance Measure:

a. Percentage of GMO licence decisions made within statutory timeframes.

b. Percentage of reported non-compliance with the conditions of GMO approvals assessed.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.72 and *Health and Aged Care Corporate Plan 2022–23*, p.61

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
a. 100% b. 100%	100% 100%	100% 100%	N/A[64] N/A	N/A N/A	N/A N/A
	Result: Met				

Data Source and Methodology:

Records of licence applications and inspections. Data is analysed and maintained internally by the department. Statutory reporting requirements are prescribed in Section 136(1A) of the *Gene Technology Act 2000*[65]. Practice reviews, audits, and inspections are reported in the OGTR's quarterly activity statements[66] and annual reports[67].

The Office of the Gene Technology Regulator (OGTR) has skilled technical staff conducting science-based risk assessments. Project management structures are in place for all licence applications, including timeframe and quality assurance reporting, and have public consultation procedures built into relevant decision making processes.

The following licences were issued during 2022–23:

- 1 agricultural – commercial plant licence
- 5 human therapeutics – clinical trial licences
- 1 human therapeutics – commercial licence
- 3 laboratory research – medical licences
- 1 laboratory research – non-medical licence
- 1 non-agricultural – commercial plant licence
- 2 manufacturing licences
- 1 therapeutic administration licence
- 1 veterinary therapeutics – commercial licence
- 1 veterinary therapeutics – trial licence
- 1 inadvertent dealings licence – disposal of genetically modified soybean.

Additionally, the OGTR received and assessed 70 reports during 2022–23, relating to possible non-compliances with GMO approvals (licences, notifiable low risk dealings and certifications).

Inspectors assessed all reports received. Assessments consider the circumstances of the report in accordance with the *Gene Technology Act 2000*, Gene Technology Regulations, Guidelines and the conditions relating to each authorisation. For any non-compliance identified, inspectors will consider the compliance history of the entities involved, whether the non-compliance has been rectified or can easily be rectified, and whether the non-compliance had the potential to result in harm to human health or the environment.

64 This was a new performance measure in 2021–22, therefore results are not available for previous years.
65 Available at: www.comlaw.gov.au/Current/C2004C04256
66 Available at: www.ogtr.gov.au/resources/collections/quarterly-activities-reports
67 To be available at: www.ogtr.gov.au/resources/collections/annual-reports-operations-gene-technology-regulator

The OGTR takes a cooperative compliance approach, with an emphasis on education, engagement and awareness raising. When assessing non-compliance, OGTR considers appropriate measures to address the non-compliance, and continues to work with the entity following a non-compliance to ensure they remain in compliance.

Key Activity:

- Completing industrial chemical risk assessments and evaluations within statutory timeframes under the Australian Industrial Chemicals Introduction Scheme, to provide timely information and recommendations about the safe use of industrial chemicals.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.70 and *Health and Aged Care Corporate Plan 2022–23*, p.58

Performance Measure:

Industrial chemical risk assessments and evaluations completed within statutory timeframes.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.72 and *Health and Aged Care Corporate Plan 2022–23*, p.62

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
≥95%	100%	96.8%	98.2%	99.5%	98.7%
	Result: Met				

Data Source and Methodology:

Records of completed assessment and evaluation reports. Data is analysed and maintained internally by the department. Industrial chemical assessment and evaluation statements are published on the AICIS website[68].

During 2022–23, the department completed a total of 58 assessments and evaluations covering 1,977 industrial chemicals (see Appendix 4). All assessments and evaluations were completed within statutory timeframes.

The department ensured assessment quality was maintained through internal peer review processes and seeking feedback from applicants, introducers and other stakeholders prior to finalising each report.

Publication of completed assessments and evaluations on the Australian Industrial Chemicals Introduction Scheme website[69] assists Commonwealth, state, and territory governments to implement risk management controls, and facilitates the safe use of chemicals by workers and the public.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.8 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Coordinating the surveillance of nationally notified diseases.
- Establishing an Australian Centre for Disease Control.
- Through the NIC, engaging with states and territories, and international partners, to refine coordination arrangements to ensure Australia maintains its capacity and capability to prepare for, and respond to, health emergencies.
- Leading the Government and national health sector response to health emergencies.
- Maintaining a strategic reserve of essential pharmaceuticals and personal protective equipment through the National Medical Stockpile.
- Delivering efficient, best practice therapeutic goods regulatory outcomes through regulatory science excellence, international collaboration, and reform in accordance with the Regulatory Science Strategy 2020–2025.
- Regulating nicotine liquid (vaping) products, including education and compliance activities.
- Limiting the use of animal test data, while maintaining human health and environment protections in accordance with the *Industrial Chemicals Act 2019*.

[68] Available at: www.industrialchemicals.gov.au/consumers-and-community/our-evaluations
[69] Ibid.

- Raising awareness of regulatory obligations and monitoring compliance among industrial chemical introducers.
- Implementing the National Strategies for Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) 2018–2022 and supporting a coordinated response to reducing the spread of BBV and STI.
- Continuing compliance with the World Health Organization's International Health Regulations (2005) core capacities.
- Ensuring Australia has a readily available supply of antivenoms, Q fever, and pandemic influenza vaccines.
- Providing a One Health response to detect, address, and respond to the threat of antimicrobial resistance.
- Delivering a national response for the prevention, early identification, control, and management of accelerated silicosis caused by engineered stone, and other dust diseases.
- Developing and implementing Australia's first National Health and Climate Strategy.
- Working with the Australian and state and territory governments to implement recommendations outlined in the Third Review of the National Gene Technology Scheme.
- Supporting a modern, flexible, and innovative National Gene Technology Scheme.

Program 1.9: Immunisation

Program Objective

Reduce the incidence of vaccine preventable diseases to protect individuals, and increase national immunisation coverage rates to protect the Australian community.

The department substantially met the performance target related to this program.

The department continued during 2022–23 to deliver programs under the National Partnership on Essential Vaccines (NPEV), in conjunction with states and territories. Vaccination is the most effective method for disease protection and assists in achieving herd immunity. Herd immunity occurs when a large proportion of a community are vaccinated against diseases to prevent it from spreading from person to person, which in turn offers indirect protection to unvaccinated people, children who are too young to be vaccinated, and people who cannot be vaccinated due to medical reasons.

First Nations people have higher rates of some vaccine-preventable diseases than non-Indigenous people and are an important population group for receiving vaccinations. In 2022–23, the department continued to work towards closing the gap in immunisation rates, through addressing barriers which have impact on uptake.

Key Activities:

- Developing, implementing, and evaluating strategies to improve immunisation coverage of vaccines covered by the NIP.
- Partnering with states, territories, and other important stakeholders to deliver vaccine initiatives.
- Ensuring secure vaccine supply and efficient use of vaccines for the NIP.
- Promoting the safety and effectiveness of the NIP Schedule, including the need to remain vigilant against vaccine preventable disease.
- Implementing immunisation activities/campaigns to encourage uptake and ensure eligible groups have access to evidence-based information to inform their decision making.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.73 and *Health and Aged Care Corporate Plan 2022–23,* p.64

Performance Measure:

Immunisation coverage rates:

a. For children at 5 years of age are increased and maintained at the protective rate of 95%.

b. For First Nations children 12–15 months of age are increased to close the gap and then maintained.

c. For adults at greater risk of vaccine preventable diseases due to age are increased.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.74 and *Health and Aged Care Corporate Plan 2022–23*, p.65

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
a. ≥95.00%	94.14%	94.54%	95.18%	94.77%	94.90%
b. ≥94.25%	90.83%	91.53%	93.36%	93.40%	92.40%
c. To be set in late 2022 following baseline being set based on 2021–22 data.	Data not available[70]	Data not available[71]	N/A[72]	N/A	N/A
	Result: Substantially met				

Quality assurance: The department has not been able to undertake independent assurance of the data processes and governance arrangements with third party providers, in relation to this performance measure.

Data Source and Methodology:

Immunisation data is reported to the AIR[73], and quarterly coverage reports produced by Services Australia. The National Centre for Immunisation Research and Surveillance (NCIRS) also produces independent coverage reports which validate the coverage rates reported by the department. These are available on the NCIRS website[74]. Comprehensive reporting on the performance of the COVID-19 vaccine rollout is published regularly.

[70] This was a new planned performance measure developed for use from 2021–22 onward. Performance measure c. was to be determined using a baseline figure based on data in the Australian Immunisation Register and utilising the Multi-Agency Data Integration Project. As of June 2023, it was identified that the data to measure target c. was not available. New performance measure c. to be determined.

[71] Ibid.

[72] This was a new performance measure in 2021–22, therefore results are not available for previous years.

[73] Available at: www.health.gov.au/topics/immunisation/immunisation-data/childhood-immunisation-coverage

[74] Available at: www.ncirs.org.au/our-work/vaccine-coverage

Australia's national aspirational vaccination coverage rate is set at 95.00% for children at 5 years of age, ensuring enough herd immunity would be provided to stop the spread of measles and other vaccine-preventable diseases. This target was exceeded in 2020–21, however, saw a decline in 2021–22, and this decline has continued in 2022–23.

The decrease reflects a growth in the number of barriers in the community, with the challenges associated with the COVID-19 pandemic having a large influence on this result.

Whilst the result did not reach the aspirational target of 95.00% in 2022–23, Australia's immunisation coverage rate for children at 5 years of age remains high.

Immunisation coverage rates of First Nations children at age 12 to 15 months decreased to 90.83% in 2022–23, down from 91.53% in 2021–22. This decrease can also be attributed to challenges associated with the COVID-19 pandemic.

The department is working with jurisdictions to optimise reporting to ensure easy identification of under immunised children to enable jurisdictions to effectively target their immunisation outreach and catchup programs.

As part of work to increase vaccination levels in the community, a targeted campaign to improve the uptake and timeliness of routine childhood immunisations among both the general population and First Nations children was implemented in 2022–23. The department will continue to assess the effectiveness of strategies aimed at increasing vaccination rates.

Following the establishment of the Australian Immunisation Register and Multi-Agency Data Integration Project, as of June 2023 it was identified that baseline data for target c. will not be available, therefore this measure is expected to be retired in 2023–24.

The Annual Report must be provided to the responsible Minister by 15 October each year. Data is not available for part (c) to meet this legislated deadline. Funding for part (c) equates to $473,521,000 (3.36% of the total funding of $14,104,612,998 for Outcome 1).

The following additional activities fell below the materiality threshold for having a published performance measure in Program 1.9 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Developing the next National Partnership on Essential Vaccines.
- Ensuring compliance with mandatory reporting of vaccinations to the AIR.
- Continuing to deliver the national COVID-19 vaccine response while working with stakeholders to transition the COVID-19 vaccination program to a sustainable operating model.
- Implementing governance and access requirements for the AIR.

Outcome 2

Individual Health Benefits

Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in health care services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance.

Highlights

Support for Australians through Medicare

23.5 million Australians (inclusive of some overseas visitors) accessed at least one Medicare Benefits Schedule service in 2022–23.

Program 2.1

New medicines on the Pharmaceutical Benefits Scheme (PBS)

All new medicines listed on the PBS within 6 months of in-principle agreement to listing arrangements in 2022–23.

Program 2.3

Life Saving Drugs Program (LSDP) applications

All patient applications for the LSDP were processed within 30 calendar days in 2022–23, benefitting 404 patients nationwide to receive their life saving medications as quickly as possible.

Program 2.3

National Diabetes Services Scheme (NDSS) registrations

As at 30 June 2023, 1,636,520 people with type 1, type 2, gestational diabetes and 'other' diabetes were registered with the NDSS. This included 185,424 women registered on the gestational diabetes mellitus reminder system.

Program 2.7

Programs contributing to Outcome 2

	Summary of results against performance criteria			
Program	**Results met**	**Results substantially met**	**Results not met**	**Data not available**
Program 2.1: Medical Benefits	2	–	–	–
Program 2.2: Hearing Services	–	1	–	–
Program 2.3: Pharmaceutical Benefits	2	–	–	–
Program 2.4: Private Health Insurance	1	–	–	–
Program 2.5: Dental Services	–	1	–	–
Program 2.6: Health Benefit Compliance	1	–	–	–
Program 2.7: Assistance through Aids and Appliances	1	–	–	–
Total	**7**	**2**	**–**	**–**

Program 2.1: Medical Benefits

Program Objective

Deliver a modern, sustainable Medicare program that supports all Australians to access high quality and cost-effective professional services. Work with consumers, health professionals, private health insurers, and states and territories to continue strengthening Medicare.

The department met all the performance targets related to this program.

Medicare is Australia's universal health insurance scheme. It guarantees all Australians (and some overseas visitors) access to a wide range of health and hospital services at low or no cost.

The Medicare Benefits Scheme (MBS) is the principal way the majority of Australians access health care in Australia. Through the MBS, the Government either fully or partially subsidises the cost of a wide range of health services.

The MBS's role is an essential component of Medicare in providing modern, safe and value for money health care to all Australians, now and into the future.

The department implemented recommendations made by the MBS Review Taskforce to continue to improve the quality and accessibility of Medicare services for all Australians, and ensure MBS items support best practice healthcare, and value for both the individual patient and the Australian community.

Changes implemented in 2022–23 to the MBS included:

- adjusting otolaryngology, head and neck surgery item descriptors, so they reflect complete medical services and contemporary clinical practice to provide greater clarity and usability
- restructuring thoracic surgery items into anatomical areas of increasing procedure complexity and introducing new items to better support high quality and sustainable services
- changing paediatric surgery by introducing 2 new items for circumcision revision and amend 4 items for the repair of hernias and cloacal exstrophy (a rare birth defect)
- supporting family and carer participation in a patients' mental health treatment where it is beneficial to the patient.

The department also supported the Government to develop significant changes to the MBS to support bulk billing and encourage multidisciplinary primary care services. These changes were announced in the 2023–24 Budget and will be implemented in 2023 and 2024.

Key Activities:

- Supporting patient access to telehealth services, including by restoring a fee loading to video telehealth psychiatry consultations to regional and rural patients.
- Supporting access to COVID-19 pathology testing through MBS items and targeted programs.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.81 and *Health and Aged Care Corporate Plan 2022–23,* p.69

Performance Measure:

Percentage of Australians accessing Medicare Benefits Schedule (MBS) services.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.82 and *Health and Aged Care Corporate Plan 2022–23*, p.70

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
>90%	90.3%	94.2%	N/A[75]	N/A	N/A
	Result: Met				

Quality assurance: The department has not been able to undertake independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

Medicare statistics recorded on a rolling 12 month time series. This is published on the department's website[76].

[75] This was a new performance measure in 2021–22, therefore results are not available for previous years.

[76] Available at: www.health.gov.au/internet/main/publishing.nsf/Content/Medicare%20Statistics-1

The MBS continued to provide Australians with access to affordable and clinically relevant medical services through Medicare, with 23.5 million Australians (inclusive of some overseas visitors) accessing at least one MBS service in 2022–23.

A number of factors contributed to the result in 2022–23, including:

- The broader health system supported most Australians to access necessary services listed on the MBS when they were required.
- The proportion of services that were bulk billed with no cost to patients fell from 82.2% in 2021–22 to 76.6% in 2022–23.

Key Activity:

- Implementing recommendations of the Medicare Benefits Schedule (MBS) Review to ensure MBS items are aligned with contemporary clinical evidence and best practice.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.81 and *Health and Aged Care Corporate Plan 2022–23,* p.69

Performance Measure:

Percentage of Government agreed Medicare Benefits Schedule (MBS) Taskforce recommendations that have been implemented.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.82 and *Health and Aged Care Corporate Plan 2022–23*, p.70

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
80%	86%	76%	N/A[77]	N/A	N/A
	Result: Met				

Quality assurance: The department has not been able to undertake an independent assurance of the implementation processes associated with this performance measure.

Data Source and Methodology:

The MBS Review Taskforce ran from 2015 to 2020, delivering over 60 reports to the Government, including a Final Report in December 2020.

Ongoing implementation and progress against this measure is subject to a progressively increasing number of Taskforce recommendations considered by government and implementation timing and priorities for agreed recommendations.

1,396 recommendations were made, of which 970 have been accepted by the Government. Copies of these reports are available on the department's website[78]. Implementation of the agreed recommendations is tracked by the department and data is maintained internally.

As at 30 June 2023, the Government has accepted 970 of the 1,396 MBS Taskforce recommendations.

The department has implemented 834 of these recommendations and referred 34 to the Medical Services Advisory Committee for review. A further 101 recommendations are scheduled for implementation between July 2023 and November 2024.

Implementation timelines were extended in July 2021, to provide stakeholders a minimum of 3 months' notice on upcoming changes, to ensure stakeholders had sufficient time and capacity to incorporate MBS changes into their business practices.

Ongoing implementation and progress against this measure is subject to government approval and consideration of implementation timing and priorities.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 2.1 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Supporting patient access to radiation oncology services by providing targeted financial contributions to the capital cost of radiation oncology linear accelerators.
- Assessing applications for, and providing targeted financial assistance to, Australians who require life saving medical treatment not available in Australia, and patients who incur ill health or injury as a result of a specific act of international terrorism.
- Continuing the continuous MBS Review mechanism to ensure the MBS reflects contemporary and evidence-based care.

[77] This was a new performance measure in 2021–22, therefore results are not available for previous years.
[78] Available at: www.health.gov.au/resources/collections/mbs-review-final-taskforce-reports-findings-and-recommendations

Program 2.2: Hearing Services

Program Objective

Provide hearing services, including devices, to eligible people to help manage their hearing loss and improve engagement with the community. Continue support for hearing research, with a focus on ways to reduce the impact of hearing loss and the incidence and consequence of avoidable hearing loss.

The department substantially met the performance target related to this program.

The Hearing Services Program provides subsidised high quality hearing services and devices to eligible Australians[79] with hearing loss. The program aims to help manage hearing loss and improve engagement within the community.

The demand for fitting and rehabilitation services increased in 2022–23, in comparison to 2021–22 (which was impacted by reduced service levels due to the COVID-19 pandemic). Maintenance services experienced a decrease and device replacement/spare aids remained stable. The Hearing Services Program remained flexible and successfully responded to the changes in demand throughout 2022–23.

Key Activities:

- Supporting access to high quality hearing services through the delivery of the voucher component of the Hearing Services Program (HSP).
- Administering the Community Service Obligations component of the HSP and providing specialist services to children and other eligible groups through Hearing Australia.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.83 and *Health and Aged Care Corporate Plan 2022–23*, p.71

Performance Measure:

a. Number of active vouchered clients who receive hearing services.

b. Number of active Community Service Obligations (CSO) clients who receive hearing services.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.83 and *Health and Aged Care Corporate Plan 2022–23*, p.72

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21[80]	2019–20	2018–19
a. 843,000 b. 77,000	a. 802,902[81] b. 69,959	811,991 72,245	Total (a + b): 885,461	Total (a + b): 821,731	Total (a + b): 796,000
	Result: Substantially met				

Quality assurance: The department has not been able to complete independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

Voucher scheme data is provided through the department's Hearing Services Online claims portal and also held by the department's Enterprise Data Warehouse. Monthly and annual statistics are published on the HSP website[82] under 'About the Program: Program Statistics'.

CSO data is provided by Hearing Australia and maintained by the department. It is also reported in Hearing Australia's Annual and Quarterly Reports[83].

The above planned performance are forecasts modelled from the historical trends.

Note: The final result is subject to change, noting that providers have up to 12 months to claim for services.

Measurement of active clients demonstrates access and utilisation of the program and assists with monitoring and planning for risks of market change.

[79] Available at: www.health.gov.au/our-work/hearing-services-program/accessing/eligibility

[80] This performance measure was updated in the *Health Portfolio Budget Statements 2021–22* to separate vouchered and CSO client numbers. Results for financial years prior to 2021–22 include a combined number of vouchered and CSO clients.

[81] Approximately 3% additional services will be claimed over the forward 12 month period.

[82] Available at: www.health.gov.au/our-work/hearing-services-program/about#program-statistics

[83] Available at: www.hearing.com.au/about-hearing-australia/corporate-publications/

The Planned Performance is an estimate, based on historical program data trends. Actual performance is dependent on the number of eligible people who choose to access hearing support services through a program provider during the reporting period.

Program providers have up to 12 months from 30 June 2023 to submit a claim for Voucher scheme services provided in the reporting period. The 2022–23 result is based on the number of claims made in the reporting period as of 3 July 2023. Updated results will be published in the 2023–24 Annual Report.

In 2022–23, there was a decrease in the number of assessments required and an increased number of client reviews completed. This outcome is consistent with the impact of extending the voucher validity period in July 2021 from 3 years to 5 years. While this did not impact the number of eligible clients, it continues to impact the type and number of services available to clients during 2022–23.

For CSO in 2022–23 there was an increase in fittings, with 6% more air conduction hearing aids, 19% more bone conduction hearing aids and 149 more cochlear implant speech processors fitted compared with the previous year. This was mainly due to fittings being lower the last couple of years as a result of COVID-19. The associated increase in expenditure for devices necessitated a reduction in overall clients seen within the reporting period.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 2.2 but were published in the 2022–23 October Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Supporting hearing research and development projects through the National Acoustic Laboratories.
- Implementing program improvements such as the new Hearing Services Online portal and Hearing website.
- Supporting the establishment of 3 The Shepherd Centre hearing facilities, and upscaling of the HearHub digital platform.
- Supporting a voluntary hearing screenings pilot for school age students.

Program 2.3: Pharmaceutical Benefits

Program Objective

Provide all eligible Australians with reliable, timely, and affordable access to high quality, cost-effective, innovative, clinically effective medicines, and sustainable pharmaceutical services, by subsidising the cost of medicines through the Pharmaceutical Benefits Scheme (PBS) and the Life Saving Drugs Program (LSDP).

The department met the performance targets related to this program.

During 2022–23, the department continued listing new medicines on the PBS that have been recommended by the independent, expert Pharmaceutical Benefits Advisory Committee (PBAC). The PBS provides access to necessary medicines at an affordable price, with the aim to improve health outcomes for Australians living with a wide range of medical conditions.

The LSDP provides fully subsidised access to 18 medicines for 11 ultra-rare diseases. The department ensured patient applications for the LSDP were processed within 30 calendar days in 2022–23. In 2022–23, the LSDP benefitted a total of 404 patients (including 45 new patients) nationwide through delivering life saving medicines as quickly as possible.

Key Activities:

- Facilitating equitable access to essential PBS medicines for all Australians, including people living in remote and First Nations communities.
- Contributing to a sustainable PBS by supporting the Pharmaceutical Benefits Advisory Committee to assess each medicine's safety, clinical effectiveness, and cost-effectiveness compared with other comparable treatments.
- Supporting and monitoring pharmaceutical wholesalers participating in the Community Service Obligation Funding Pool to ensure all eligible Australians have timely access to PBS medicines, including delivering subsidised PBS units to community pharmacies within agreed timeframes.
- Monitoring the number and location of PBS suppliers to ensure suppliers are being approved in appropriate locations.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.84 and *Health and Aged Care Corporate Plan 2022–23,* p.74

Performance Measure:

Percentage of new medicines recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) that are listed on the Pharmaceutical Benefits Scheme (PBS) within 6 months of in-principle agreement to listing arrangements.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.85 and *Health and Aged Care Corporate Plan 2022–23*, p.75

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
≥80%	100%	100%	100%	100%	100%
	Result: Met ●				

Quality assurance: The department has not been able to undertake independent assurance of the internal quality checks associated with this performance measure.

Data Source and Methodology:

Data is analysed for each new medicine listed on the PBS within a financial year. Data is maintained internally by the department. The date of listing is based on the first appearance of that new medicine in the National Health (Listing of Pharmaceutical Benefits) Instrument 2012 (PB 71 of 2012). The date when the in-principle pricing outcome letter is sent to the sponsor is publicly available on the Medicine Status Website[84] as the date government processes commence.

More information on the PBAC is available on the department's website[85].

[84] Available at: www.pbs.gov.au/medicinestatus/home.html
[85] Available at: www.pbs.gov.au/info/industry/listing/elements/pbac-meetings

The department continued negotiations with medicine sponsors and listing activities for new medicines on the PBS throughout 2022–23, with 100% of new medicines listed on the PBS within 6 months of in-principle agreement to listing arrangements. Agreements were reached with sponsors on price, budget impacts and conditions of supply, prior to listings being finalised by the government. Discussions regarding the finalisation of price, budget impact and conditions of supply following a PBAC recommendation are often complex and may, in limited circumstances, require further PBAC consideration.

Key Activity:

- Providing access to new and existing medicines for patients with life threatening conditions, assessing patient applications, administering medicine orders within agreed timeframes, and supporting the LSDP Expert Panel to assess new medicines for LSDP listings and review existing LSDP medicines.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.84 and *Health and Aged Care Corporate Plan 2022–23,* p.74

Performance Measure:

Processing time of applications for access to the Life Saving Drugs Program (LSDP) following receipt of a complete application.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.85 and *Health and Aged Care Corporate Plan 2022–23*, p.76

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
90% within 8 calendar days.	93.3% within 8 calendar days.	85.72% within 8 calendar days.	80.00% within 8 calendar days.	N/A[86]	N/A
100% within 30 calendar days.	100% within 30 calendar days.	100% within 30 calendar days.	100% within 30 calendar days.	100% within 30 calendar days.	N/A
100% of urgent applications within 48 hours.	100% of urgent applications within 48 hours.	No urgent applications were received in 2021–22.	100% of urgent applications within 48 hours.	N/A[87]	N/A
	Result: Met ●				

Data Source and Methodology:

Applications are received from the treating physician. Confirmation of Medicare numbers are received from Services Australia within 72 hours on receipt of a complete application. Data is maintained internally by the department.

In 2022–23, a total of 45 new patient applications were received for the LSDP.

93.3% of all applications were processed within 8 calendar days.

Application processing can exceed 8 days if the application is complex and requires consultation with a Medical Officer. 100% of applications were processed within 30 calendar days, with the average processing time for a new application being 3.8 days.

There was one urgent application received in 2022–23, which was successfully processed within 48 hours.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 2.3 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Delivering improvements to the PBS through reductions to the PBS Safety Net thresholds and general patient co-payment, and therefore making medicines more affordable and accessible for Australians.
- Ensuring patients have access to medicines and professional pharmacy services that support the safe and quality use of medicines through the Seventh Community Pharmacy Agreement.
- Ensuring continuity of medicines supply through the Minimum Stockholding Requirements, designed to help protect Australian patients, pharmacists, and prescribers from the impact of global medicines shortages.
- Supporting the Health Technology Assessments (HTA) Policy and Methods Review to ensure HTA approaches keep pace with advances in health technology and minimise barriers to access.
- Undertaking post-market health technology assessment and ongoing reviews of PBS listed medicines to ensure they are clinically safe and cost-effective for patients.

[86] This was a new performance measure in 2020–21, therefore results are not available for previous years.
[87] This was a new performance measure in 2020–21, therefore results are not available for previous years.

Program 2.4: Private Health Insurance

Program Objective

Promote affordable, quality private health insurance (PHI) and greater choice for consumers.

The department met the performance target related to this program.

In 2022–23, the department continued assessing insurer premium change applications through the annual premium round process. This process aims to improve the affordability of private health insurance and assists consumers in making informed decisions regarding the type of cover that will provide access to a range of health services that best meet their individual needs and circumstances.

At 30 June 2023, approximately 14 million Australians are covered by private health insurance.

Key Activities:

- Supporting a viable, sustainable and cost-effective PHI sector, including through the PHI rebate.
- Working with private health insurers, private hospitals, and private healthcare providers to ensure choice to consumers across a range of cost-effective PHI products and healthcare services.
- Encouraging Australians to take up PHI by ensuring access to quality and up to date information relating to PHI.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.86 and *Health and Aged Care Corporate Plan 2022–23,* p.77

Performance Measure:

Percentage of applications to the Minister from private health insurers to change premiums charged under a complying health insurance product that are assessed within approved timeframes.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.86 and *Health and Aged Care Corporate Plan 2022–23*, p.78

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
100%	100%	100%	N/A[88]	N/A	N/A
	Result: Met ●				

Data Source and Methodology:

Applications from private health insurers are submitted in an approved form through a secure portal managed by the Australian Prudential Regulation Authority. The application form and timeframes are developed in consultation with private health insurers and the Government, and are published on the department's website[89].

Timely assessment of insurer premium change applications enables essential information to be communicated to existing policyholders, as well as those considering purchasing private health insurance to assist in informing their purchasing decisions. This includes providing an opportunity to compare offers available across a range of private health insurers.

A number of factors contributed to meeting this performance measure in 2022–23, including:

- early planning of the premium application process
- identification of necessary resources and capabilities
- close consultation with private health insurers, the Australian Prudential Regulation Authority, and the Minister for Health and Aged Care.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 2.4 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Supporting implementation of PHI reforms to improve the affordability and value of PHI for consumers and contribute to the long term sustainability of the sector.
- Providing a website and education initiative to improve information availability and transparency of medical specialist out-of-pocket costs.
- Modernising and improving the Prostheses List to reduce the cost of medical devices for privately insured consumers, and to streamline access to new medical devices.

[88] This was a new performance measure in 2021–22, therefore results are not available for previous years.

[89] Available at: www.health.gov.au/topics/private-health-insurance/operating-rules-for-private-health-insurers-and-providers/apply-to-increase-private-health-insurance-premiums

Program 2.5: Dental Services

Program Objective

Improve access to adult public dental services through a Federation Funding Agreement with state and territory governments, and support eligible children to access essential dental health services through the Child Dental Benefits Schedule (CDBS).

The department substantially met the performance target related to this program.

Federation Funding Agreement on Public Dental Services for Adults (FFA)

The Commonwealth supported delivery of adult public dental services through the FFA[90]. This funding is provided to states and territories, who have primary responsibility for public dental services, to increase the number of services that are delivered to disadvantaged population groups. Each state and territory is required to deliver services above a baseline level to be eligible for full funding for the financial year.

Child Dental Benefits Schedule (CDBS)

The department continued to administer the CDBS in accordance with the *Dental Benefits Act 2008* and Dental Benefits Rules 2014. The CDBS is a means tested program that allows eligible children to access up to $1,052 in benefits for basic dental services, over a two-calendar year period.[91]

The CDBS aims to improve access to dental services for eligible children by covering part or all the cost of basic dental services. This helps address declining child oral health and improves the oral health of the population. Poor oral health early in life is the strongest predictor of oral disease in adulthood.

In 2022–23, the department provided secretariat support to the independent committee undertaking the Fifth Review of the *Dental Benefits Act 2008* ('the independent review committee'). Terms of Reference[92] for this review included an assessment of the practical operation of the Act, and opportunities to improve the operation and administration of the CDBS.

Performance Measure for CDBS

The CDBS utilisation rate is used to measure and monitor access to this program at a national level. Data on utilisation rates for particular groups helps identify ways of improving access for children most in need and at greatest risk of poor oral health outcomes.

[90] This program is administered by Department of Treasury as part of the Federal Financial Relations Framework, under Program 1.9: National Partnership Payments to the States.

[91] Eligibility for the CDBS is automatically assessed by Services Australia and is valid for that calendar year. The benefit cap is applied over a relevant 2 year period: for 2022 to 2023 the benefit cap was $1,026, and for 2023 to 2024 the benefit cap was $1,052.

[92] The Terms of Reference for the Fifth Review of the *Dental Benefits Act 2008* is available at: www.health.gov.au/our-work/child-dental-benefits-schedule

Key Activity:

- Working with Services Australia to support access to dental health services for eligible children through the CDBS.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.87 and *Health and Aged Care Corporate Plan 2022–23,* p.79

Performance Measure:

The percentage of eligible children accessing essential dental health services through the Child Dental Benefits Schedule (CDBS).

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.87 and *Health and Aged Care Corporate Plan 2022–23*, p.80

2022–23 Planned Performance	2022–23 Result	2021–22	2021[93]	2020	2019
41.8%	38.8%[94]	35.40%	42.10%	33.80%	39.40%
	Result: Substantially met				

Data Source and Methodology:

The target data is calculated by the percentage of children accessing the CDBS against the total number of eligible children. The department receives this data from Services Australia. It is then maintained internally by the department.

In 2022–23, around 2.5 million Australian children were notified of their eligibility with just under one million eligible children receiving services under the CDBS. Over 95% of these services were bulk billed.

The CDBS is a demand driven, calendar year program that allows for claims to be submitted after the date of service. Some patients who have received services in 2022–23 but have not had a claim processed, may not be included in the above result. The department continued to work with Services Australia, and supported the independent review committee, to consider ways to improve uptake of the scheme.

The following additional activity fell below the materiality threshold for having a published performance measure in Program 2.5 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Undertaking the Fifth Review of the *Dental Benefits Act 2008*.

[93] This measure was previously reported on a calendar year basis, as published in previous Annual Reports. From 2021–22, this measure is reported on a financial year basis.

[94] Data is based on date of service being in 2022–23, and is correct as of 30 June 2023.

Program 2.6: Health Benefit Compliance

Program Objective

Support the integrity of health benefit claims through prevention, early identification, and treatment of incorrect claiming, inappropriate practice, and fraud.

The department met the performance target related to this program.

The department continued to support the integrity of Australia's health payment systems throughout 2022–23, undertaking a number of compliance activities focused on early intervention and prevention. The activities assist health providers to ensure the services that they deliver are consistent with legislative requirements and that they receive correct payments and, through support and education initiatives, meet their obligations and responsibilities. This continues to ensure the ongoing needs of patients are met and maintains appropriate Commonwealth funding expenditure on Medicare and Pharmaceutical Benefits programs.

The health provider compliance program ensures Medicare, the Pharmaceutical Benefits Scheme (PBS) and Child Dental Benefits Schedule (CDBS) are serving the needs of all Australian patients, now and into the future.

Key Activity:

- Strengthening compliance through data analytics, behavioural economics, education for providers, debt recovery, and compliance actions, including targeted campaigns, audit, practitioner reviews, and criminal investigations.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.88 and *Health and Aged Care Corporate Plan 2022–23,* p.81

Performance Measure:

Percentage of completed audits, practitioner reviews and investigations that are found non-compliant.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.88 and *Health and Aged Care Corporate Plan 2022–23*, p.82

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
>80%	>90%	>95%	93%[95]	>90%	>90%
	Result: Met				

Data Source and Methodology:

A case is considered non-compliant where it is:

- referred to the Commonwealth Director of Public Prosecutions
- referred to the Director of the Professional Services Review
- referred to the Delegate of the Chief Executive Medicare within Professional Review Section
- completed as an audit case and non-compliant services are confirmed.

Cases are included where the date of referral/completion of a case falls within the reporting period.

The non-compliance measurement is calculated by dividing the number of cases determined as non-compliant by the total number of completed cases (compliant and non-compliant).

Data is maintained internally by the department.

[95] The exact figure was only published for this financial year.

This measure ensures that the integrity of funding directed towards the Medicare Benefits Schedule, PBS and CDBS is maintained through monitoring possible non-compliant servicing behaviour and intervening where potential incorrect claiming, inappropriate practice or fraud has been detected. Additionally, this measure aims to ensure that audit, practitioner reviews and investigations are targeted effectively, and compliance treatments are instigated appropriately.

During 2022–23, the department delivered a quality health provider compliance program through:

- validation of potential compliance risks and concerns through internal consideration of policy and data matters, as well as in consultation with departmental professional advisers and subject matter experts
- consultation with professional bodies and stakeholder groups on compliance strategies, which assisted health providers to meet their compliance obligations when claiming benefits, ensuring the integrity of health provider claiming
- continuing to strengthen and update data analytics to identify irregular claiming patterns and non-compliance
- employing behavioural, insights-driven approaches to treat non-compliance and support appropriate practice
- strengthening debt recovery processes
- continuing to strengthen compliance approaches through investment in data analytics treatment options, provider education, and debt recovery capabilities.

The following additional activity fell below the materiality threshold for having a published performance measure in Program 2.6 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Continuing to consult closely with professional bodies and stakeholder groups on compliance strategies to assist health providers in meeting their compliance obligations.

Program 2.7: Assistance through Aids and Appliances

Program Objective

Improve health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.

The department met the performance target related to this program.

The department continued to provide eligible Australians with access to the National Diabetes Services Scheme (NDSS) throughout 2022–23. The NDSS provides support for people with diabetes, to assist with understanding and management and also provides timely, reliable and affordable access to NDSS services and products.

The NDSS delivers syringes and needles, blood glucose test strips, urine ketone test strips, insulin pump consumables and continuous glucose monitoring (CGM) products to help people manage their diabetes. It also provides educational and information services to assist in the best use of products for self-management.

The NDSS is a demand driven program that undergoes a cycle of continuous review and evaluation to ensure it remains clinically relevant and meets the ongoing needs of registrants. Expert clinical advice and input is provided through peak diabetes organisations, with participation established through working groups and expert advisory panels.

On 1 July 2022, the department implemented an election commitment to expand access to subsidised CGM products under the NDSS to all people with type 1 diabetes. This expansion resulted in an additional 71,000 people gaining eligibility to benefit from access to subsidised CGM products.

Key Activity:

- Managing the National Diabetes Services Scheme to ensure the provision of timely, reliable, and affordable access to products and services to help people living with diabetes effectively manage their condition.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.89 and *Health and Aged Care Corporate Plan 2022–23*, p.84

Performance Measure:

Average Net Promotor Score for National Diabetes Services focus group participants.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.89 and *Health and Aged Care Corporate Plan 2022–23*, p.85

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
>70	74	Data not available[96]	89%	91%	91%
	Result: Met ●				

Data Source and Methodology:

Diabetes Australia has engaged the University of Technology Sydney as the independent evaluator of the NDSS for the period 2021–22 to 2023–24 to undertake the National Registrant Evaluation Survey, as well as complete reviews of NDSS programs and services. All people with diabetes registered with the NDSS with a valid email address or mobile phone number, who have agreed to be contacted for research purposes, will be invited to participate in the online National Registrant Evaluation Survey each year. Alternative options will be provided for those people unable to access the email link. The outcomes of both will inform this measure.

[96] During 2021–22 the NDSS evaluation arrangements were significantly expanded to capture more data about the operation of the scheme, including the NDSS programs and services accessed by registrants. The measure was updated in the 2022–23 October Portfolio Budget Statements to align with the new methodology.

It is important to measure NDSS registrant's satisfaction with the products and services they receive through the Scheme. The results of the NDSS survey will enable the department to take action to address areas where improvement may be required, to ensure it continues to meet the needs of people living with diabetes.

As at 30 June 2023, the NDSS supported 1,636,520 people with type 1, type 2, gestational diabetes and 'other' diabetes. This included 185,424 women registered on the gestational diabetes mellitus reminder system.

The NDSS registrant survey was sent to 696,677 registrants via email and SMS, who had previously agreed to be contacted for research purposes conducted by Diabetes Australia and the University of Technology Sydney. For 2022–23, 36,092 surveys were completed.

While this evaluation process no longer captures a single user satisfaction score as a percentage and is not directly comparable to results from prior years, the evaluation of the NDSS programs which determine the Net Promoter Score, in addition to the outcomes of the National Registrant Evaluation Survey, will provide a more holistic outcome by tracking a longitudinal view of the impact of the NDSS over time. The analysis of the NDSS registrant survey response data is ongoing and involves linkages with existing registrant data and response to individual program evaluations.

NDSS registrant satisfaction with programs and services up to 30 June 2023 is rated as an Average Net Promoter Score of 74 indicating that NDSS registrants are satisfied with NDSS programs and services accessed and are likely to recommend the NDSS to other people with diabetes. Based on the advice of researchers, and the international benchmark for health care, scores above 58 are considered 'excellent', demonstrating that the NDSS continues to deliver positive outcomes, as well as valued programs and services, to people living with diabetes who are registered with the NDSS.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 2.7 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Implementing the election commitment to expand access to continuous glucose monitoring products to all people with type 1 diabetes from 1 July 2022.
- Managing the Insulin Pump Program to support access to fully subsidised insulin pumps for eligible low income families who have children (under 21 years of age) with type 1 diabetes.
- Supporting access to clinically appropriate dressings to improve quality of life for people with epidermolysis bullosa.
- Assisting people with stomas by ensuring access to stoma related products.
- Providing access to fully subsidised bowel management medicines for people with paraplegia and quadriplegia, who are members of participating paraplegic and quadriplegic associations.

Outcome 3

Ageing and Aged Care

Improved wellbeing for senior Australians through targeted support, access to appropriate, high quality care, and related information services.

Highlights

My Aged Care assessments

In 2022–23, 206,901 comprehensive assessments and 297,631 home support assessments were provided to older Australians to determine their eligibility for aged care services.

Program 3.1

Home Care Packages (HCPs)

HCPs increased throughout 2022–23, allowing more older Australians to access to a range of services to support their care needs and ensure they are able to remain living independently in their own homes.

Program 3.2

Star Ratings for residential aged care

Star Ratings were first published in December 2022 on the My Aged Care website. Star Ratings make it easier for older people and their representatives to compare the quality and safety of residential aged care homes, supporting informed choice and transparency. Star Ratings provide nationally consistent measures for residential aged care providers to monitor, compare and improve the care they deliver.

Program 3.3

Programs contributing to Outcome 3

	Summary of results against performance criteria			
Program	**Results met**	**Results substantially met**	**Results not met**	**Data not available**
Program 3.1: Access and Information	–	2	–	–
Program 3.2: Aged Care Services	1	2	–	–
Program 3.3: Aged Care Quality	1	–	–	–
Total	**2**	**4**	**–**	**–**

Program 3.1: Access and Information

Program Objective

Provide older Australians, their families, representatives, and carers with reliable and trusted information about aged care services and how to access them through My Aged Care. Provide improved and more consistent client outcomes, timely and high quality assessments of clients' needs and goals, appropriate referrals, and equitable access to aged care services.

The department substantially met the performance targets related to this program.

The department continued to support older Australians during 2022–23 through the delivery of high priority My Aged Care assessments within set timeframes, ensuring those in need of support received timely access to appropriate services.

The Commonwealth funds 2 assessment programs and workforces that provided assessment services in 2022–23:

- assessment organisations to deliver assessments through Regional Assessment Services (RAS)
- states and territories to deliver comprehensive assessments through Aged Care Assessment Teams (ACAT).

Regional Assessment Services (RAS) completed home support aged care assessments in the community setting to determine eligibility for entry level aged care support through the Commonwealth Home Support Programme (CHSP) services.

Aged Care Assessment Teams (ACAT) completed comprehensive aged care assessments in both community and hospital settings and determine eligibility for a variety of subsidised aged care services under the *Aged Care Act 1997,* including Home Care Packages, residential aged care, residential respite care, flexible care in the form of short term restorative care and transitional care. ACATs can also recommend CHSP services.

Completing high priority hospital and community assessments within required timeframes ensures that older Australians have the necessary care approvals to support timely and safe discharge from hospital, while those who are in most need of aged care supports are receiving timely assessments and approvals for services under the CHSP and the *Aged Care Act 1997*.

The department continued throughout 2022–23 to ensure older Australians, their families and carers receive information about, and access to, aged care services from the My Aged Care Contact Centre and website, and additionally through in person support at dedicated Services Australia service centres. Significant enhancements were deployed on the My Aged Care website in 2022–23 to further improve user experience. Reviews continued to be undertaken to identify opportunities to further enhance the experiences of callers to the Contact Centre.

Key Activity:

- Supporting delivery of aged care assessments through the Aged Care Assessment Team (ACAT) and Regional Assessment Service (RAS) programs.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.95 and *Health and Aged Care Corporate Plan 2022–23*, p.90

Performance Measure:

Maintain efficiency of My Aged Care assessments as demonstrated by the percentage of:

a. High priority comprehensive assessments completed within 10 calendar days of referral acceptance for community setting.

b. High priority comprehensive assessments completed within 5 calendar days of referral acceptance for hospital setting.

c. High priority home support assessments completed within 10 calendar days of referral acceptance (community setting only).

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.96 and *Health and Aged Care Corporate Plan 2022–23*, p.91

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
a. >90.0%	77.6%	95.5%	99.5%	92.5%	88.5%
b. >90.0%	95.5%	97.0%	99.2%	98.8%	95.0%
c. >90.0%	93.7%	97.1%	97.2%	97.0%	93.3%
	Result: Substantially met				

Data Source and Methodology:

Data is logged by assessors into the My Aged Care system. Data is analysed and maintained internally by the department.

My Aged Care assessments assist the department in determining the eligibility of older Australians for subsidised aged care services. Completion of these assessments ensures older Australians have timely access to essential care services that will assist in maintaining quality of life.

In 2022–23, a total of 206,901 comprehensive assessments were conducted. Of these, 151,291 were conducted in the community setting, and 55,610 were conducted in the hospital setting.

In 2022–23, 297,631 home support assessments were conducted in community settings, with 93.7% of high priority home support assessments completed within 10 calendar days of referral acceptance.

Assessment organisations and jurisdictions continued to meet high priority KPIs, except for in the comprehensive community setting (a.).

Nationally, RAS generally have more than one assessment organisation per region which assists in the distribution of workload and demand for high priority home support assessments in a community setting. These arrangements allow RAS to meet their high priority KPIs.

High priority hospital setting only applies to ACAT. ACATs have close connection with hospitals to manage and prioritise aged care assessment request. However, in hospital settings many clients are classified as medium priority to ensure the person is medically stable before the assessment. The volume of high priority clients in hospital is therefore lower. Interestingly, approximately 84% of these high priority hospital assessments were completed within 48 hours of referral acceptance, well above the requirement.

A major factor which contributed to the failure to meet the KPI for high priority comprehensive assessments in the community relates to significant assessment service disruption caused by the increased volume of urgent assessment requests allocated to this category due to the NSW flood disaster during the reporting period.

During 2022–23, the department worked with states, territories and RAS organisations to ensure the continuity of essential services throughout considerable workforce retention complications, COVID-19 disruptions and other natural disaster events such as flooding. Jurisdictions and assessment organisations implemented flexible approaches to ensure continuity in delivery in response to disruptions experienced. This included the use of telephone and telehealth services to conduct assessments as required. This close work will continue through 2023–24.

Key Activity:

- Providing consistent, accessible, inclusive, reliable, and useful information and resources with easily identifiable entry points, namely the My Aged Care website, contact centre, and in-person support via Services Australia service centres.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.95 and *Health and Aged Care Corporate Plan 2022–23*, p.90

Performance Measure:

The percentage of surveyed users[97] who are satisfied[98] with the service provided by the:

a. My Aged Care Contact Centre.

b. My Aged Care website.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.97 and *Health and Aged Care Corporate Plan 2022–23*, p.92

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
a. ≥95%	93.6%[99]	≥94.0%	95.3%	93.0%[101]	89.0%
b. ≥65%	48.4%[100]	≥48.5%	52.0%	47.3%	55.0%
	Result: Substantially met				

Quality assurance: The department has contractual arrangements in place with third parties to provide assurance of the data validation rules and data quality assessments. However, the department has not been able to undertake independent assurance of these arrangements in relation to this performance measure.

Data Source and Methodology:

Customer satisfaction survey and callers to the contact centre.

'Users' refers to callers to the My Aged Care contact centre and visitors to the My Aged Care website.

'Satisfied' callers to the My Aged Care contact centre are those who give the contact centre a score of 6 to 10 on a scale of zero to 10 in response to the customer satisfaction survey. 'Satisfied' visitors to the website consist of an aggregate score from multiple questions which measure key indicators of website satisfaction.

Satisfaction with the My Aged Care Contact Centre remained stable during 2022–23. The minor decrease in satisfaction in comparison to 2021–22 can be attributed to an increase in call wait times, due to Contact Centre service pressures. Service pressures included increased demand, longer call handling times driven by increased call complexity, workforce and system stability issues. The department worked closely with Healthdirect Australia, our contact centre delivery partner, on a remediation plan to address the pressures and there has been a significant reduction in call wait times from June 2023. The remediation plan continued to be revised as actions were evaluated and iterated. Actions included:

- development of skills-based call routing to best match calls with agent capability
- review of onboarding activities for remote working agents to ensure newer agents are adequately supported
- a review of employment terms intended to increase competitiveness with the goal of increased staff retention
- continual review of opportunities to improve efficiency and performance and increase agent satisfaction.

The department demonstrated commitment to developing further targeted initiatives to improve consumer satisfaction and experience with the My Aged Care Contact Centre in 2022–23, through deployment of an SMS tool which provides pre-call and missed call notifications, and the ability to follow up calls with referral codes.

Satisfaction with the My Aged Care website remained below the target of 65.0% for 2022–23. Satisfaction was tracking below the previous 2021–22 result for most of the financial year, however the rating increased in the last 3 months of 2022–23. This resulted in the 2022–23 overall performance aligning with 2021–22 satisfaction levels.

[97] 'Users' refers to callers to the My Aged Care Contact Centre and visitors to the My Aged Care website.

[98] 'Satisfied' callers to the My Aged Care Contact Centre are those who give the contact centre a score of 6 to 10 on a scale of zero to 10 in response to the customer satisfaction survey. 'Satisfied' visitors to the website consist of an aggregate score from multiple questions which measure key indicators of website satisfaction.

[99] In 2022–23, there were 1,383,451 calls made to the Contact Centre's Consumer Line and Industry Line. Of those calls, 10,964 (0.79%) took part in the Customer Satisfaction Survey.

[100] In 2022–23, there were 5,795,946 visits to the My Aged Care website. Of those visits, 19,683 (0.34%) took part in the Customer Satisfaction Survey.

[101] In December 2019, changes were made to the survey and methodology to better capture user satisfaction specific to My Aged Care Contact Centre services. Due to these changes, results prior to 2019–20 are not comparable with 2019–20 and beyond results.

Often feedback from the survey indicated that users are considering their satisfaction with the aged care system more broadly, rather than just the website.

The department continued to closely monitor consumer feedback through the survey to inform improvements to the My Aged Care website. In 2022–23, a number of enhancements were implemented based on feedback and user testing, aimed at improving user experience. These included:

- enhancements to the 'Apply for an assessment online' tool to assist users to nominate authorised representatives and access support through Carer Gateway and Dementia Australia
- improvements to navigation and quality of aged care information through updates made to the 'Non-Compliance checker', News and Updates design and the 'For Service Provider' landing page
- improvements to the 'Find a Provider' tool to allow users to better find and compare residential aged care providers through the publication of the Star Ratings system, reinstating service availability and the verification of specialised service information
- publication of a range of Easy Read versions of booklets and brochures to improve accessibility of information about aged care assessment and services.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 3.1 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- My Aged Care will continue supporting older Australians, their families, representatives and carers to understand, access and navigate the aged care system. This includes providing:
  - explanation on the different types of aged care services available
  - the ability to apply for an assessment of needs to identify eligibility for aged care services
  - referrals and support to find and compare service providers
  - information to understand and estimate potential costs for aged care services
  - Star Ratings for all residential aged care services, to support choice.
- Continuing the rollout of the face-to-face channel for My Aged Care in dedicated Services Australia service centres, and delivering extended aged care system navigator trials until the care finder program commences in 2023.
- Introducing the care finder program to assist the most vulnerable older Australians with intensive support to navigate the aged care system and access the care and services to best meet their needs in early 2023.
- Delivering and expanding upon individual advocacy support through the National Aged Care Advocacy Program.
- Increasing the availability of volunteer visits to socially isolated and lonely older Australians through an expanded Community Visitors Scheme, with the transition to a more sustainable and effective Aged Care Volunteer Visitor Scheme model from 2023–24.
- Collaborating with the Department of Social Services and the National Disability Insurance Agency to implement the Younger People in Residential Aged Care (YPIRAC) Strategy 2022–2025 through the Joint Agency Taskforce.
- Extending the YPIRAC System Coordinator Program from January 2023 to 2025, which will support younger people in residential aged care and their families in accessing age-appropriate accommodation and support.
- Providing rural and regional aged care providers with access to a highly skilled surge workforce through expansion of the Rural Locum Assistance Program.

Program 3.2: Aged Care Services

Program Objective

Provide choice through a range of flexible options to support older Australians who need assistance. This includes supporting people to remain living at home and connected to their communities for longer, through to residential care for those who are no longer able to continue living in their own home.

The department substantially met the performance targets related to this program.

Throughout 2022–23, the department continued to build upon services provided in the 2021–22 financial year to further support older Australians to remain living in their own homes and connected to their communities for longer, through both the Commonwealth Home Support Programme (CHSP) and allocation of Home Care Packages (HCPs).

The CHSP provides entry level support to older Australians who require assistance to continue living independently. Services available include transport, meals, domestic assistance, personal care, nursing, allied health and respite services.

Commitment to supporting older Australians in the delivery of CHSP services was demonstrated through implementing standardised unit price ranges for service types and indicative client contributions for services.

Additional funding was made available throughout 2022–23, to enable CHSP providers to effectively respond to increases in service demand, innovation, as well as in emergency circumstances.

HCPs provide older Australians with more complex needs access to clinical care, personal care and support services which assists with undertaking day to day activities whilst living at home. Increased allocations of HCPs not only benefit the people who receive them, but also their family members, friends, and carers as their care obligations are complimented by the care delivered through the HCP Program.

The department supported older Australians who were unable to continue living at home during 2022–23 by providing timely access to a diverse range of quality care options when and where they were needed, including respite and both short and long term residential aged care. Residential aged care services provide older people in Australia with 24/7 accommodation and personal care, as well as access to nursing and general health care services.

Key Activity:

- Providing access to a range of short term services focused on supporting client independence and wellness to enable older Australians to keep living in their own homes.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.98 and *Health and Aged Care Corporate Plan 2022–23*, p.94

Performance Measure:

Number of clients that accessed Commonwealth Home Support Programme services.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.99 and *Health and Aged Care Corporate Plan 2022–23*, p.95

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
>840,000	816,132	818,228	825,383	839,373	840,984
	Result: Substantially met				

Quality assurance: The department has not yet been able to undertake an independent assurance of the data validation rules, data quality assessments and governance processes including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

CHSP performance data is entered externally by funded providers into a reporting system managed by the Department of Social Services. This is reported to the department and held internally.

The CHSP provides services nationally to clients with an assessed level of need, with a focus on delivering activities that support their independence, wellness and reablement.

In 2022–23, around 1,334 CHSP providers delivered a range of entry level support services to over 816,000 older Australians, enabling them to continue living in their own homes and communities for longer. The increasing costs in delivering services as well as availability of workforce impacted the numbers of clients receiving services throughout 2022–23. However, the target of more than 840,000 was substantially met (97%). Services throughout 2022–23 continued to be impacted by the ongoing effects of the COVID-19 pandemic and the overall increase in the number of allocated Home Care Packages.

An additional $24 million in funding was provided within 2022–23 which complemented the increase in the Home Care Packages to enable CHSP providers to assist with the increase in service demand and respond to the inflationary impacts of COVID-19. CHSP providers were also provided with an additional $2.22 million in funding, for transition supports to assist with the move to payment in arrears and nationally consistent unit prices in 2022–23.

The department reviewed the progress of wellness and reablement practices for CHSP clients in 2022–23. The review found that an average of 82% of service providers across all service types (except for sector support and development) reported the application of a wellness and reablement approach resulted in clients regaining and/or noticing an improvement in their physical or cognitive abilities.

Key Activity:

- Delivering the Home Care Packages Program (HCP Program) and conducting assurance reviews of up to 500 providers, and relevant fraud minimisation activities to support the HCP Program and any future program.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.98 and *Health and Aged Care Corporate Plan 2022–23*, p.94

Performance Measure:

Number of allocated Home Care Packages.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.99 and *Health and Aged Care Corporate Plan 2022–23*, p.95

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
275,600	277,612	236,928	195,699	155,625	125,119
	Result: Met ●				

Data Source and Methodology:

The number of allocated HCPs is the sum of the number of people receiving a HCP and the number of people who have been offered a HCP but have not yet accepted.[102]

Data on HCP indicators is published quarterly by the Australian Institute of Health and Welfare (AIHW) and shows data on the forecast number of allocated HCPs.

Significant investment in additional HCPs has been made in recent years which has resulted in increased number of allocated HCPs. Since the Royal Commission into Aged Care and Safety was established in October 2018, an additional 149,105 HCPs have been funded at a cost of $10.3 billion. This includes the 80,000 HCPs at a cost of $6.5 billion announced in the 2021–22 Budget released over 2021–22 and 2022–23.

The increased number of allocated HCPs means more older Australians have access to a range of services to support their care needs and ability to live independently in their own homes. HCP wait times decreased across all 4 HCP levels throughout 2022–23, with those assessed as a high priority assigned their approved level HCP within one month.

From 1 January 2023, the department capped care and package management prices based on the level of package a care recipient receives. This is part of the Australian Government's commitment to reducing excessive administration and management costs in home care by approved home care providers. The department have set these prices at a maximum of 20% for care management and 15% for package management. This will increase with the basic subsidy each year[103].

[102] Persons offered a HCP can have up to 84 days from the date of offer to take up their package.

[103] Available at: www.health.gov.au/topics/aged-care/providing-aged-care-services/funding-for-aged-care-service-providers/aged-care-subsidies-and-supplements

Key Activities:

- Delivering a range of residential aged care options and accommodation for older Australians who are unable to continue living independently in their own homes, either on a permanent or short term basis.
- Supporting people in residential aged care, and people with different care needs, via flexible care arrangements.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.98 and *Health and Aged Care Corporate Plan 2022–23*, p.94

Performance Measure:

Residential aged care places available as at 30 June.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23,* p.100 *and Health and Aged Care Corporate Plan 2022–23,* p.96

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
230,000	225,216[104]	223,656	219,105	217,145	213,397
	Result: Substantially met				

Quality assurance: The department has not been able to complete independent assurance of the data validation rules and data quality assessments including those conducted by third party providers, in relation to this performance measure.

Data Source and Methodology:

The department maintains a record of allocated aged care places. A stocktake of these places is undertaken annually, with results published on the Australian Institute of Heath and Welfare's web resource, GEN Aged Care Data.

The target numbers represent an estimate only of the total number of places providers will have brought to market (operationalised) each year based on historical trends. Current market forces, including lower rates of occupancy and increased costs of building, will likely slow the rate at which these target numbers can be realised.

The rate at which residential aged care places became operational in 2022–23 was below the department's expectations, in part due to the ongoing complications stemming from the COVID-19 pandemic, which has significantly impacted the construction sector causing builder shortages, supply chain disruptions and significant cost increases.

This has slowed building activity in the aged care sector and delayed new residential aged care places coming to market in 2022–23.

Additionally, low occupancy rates in residential aged care may be resulting in some providers deferring additional investment. The department has provided additional capital investment to providers undergoing construction who experienced increased costs, to ensure building activity continues.

This program is demand driven, and the shortfall for 2022–23 is not an indicator of access. Lower occupancy rates indicate there is generally a sufficient amount of residential aged care places available to meet the needs of older Australians who are unable to continue living independently in their own homes.

[104] Includes both mainstream and flexible residential care places in the Multi-Purpose Services Program, National Aboriginal and Torres Strait Islander Flexible Aged Care Program, and Aged Care Innovative Pool Program.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 3.2 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Extension to the CHSP, and transition to payment in arrears.
- Supporting development of innovative technologies to pilot stage to improve care for people living with dementia.
- Continuing to support access to restorative care interventions by improving wellbeing for older Australians through the Short-Term Restorative Care (STRC) Programme and Transition Care Programme.
- Delivering a more client centred Disability Support for Older Australians program for older Australians with disability.
- Providing flexible care options to meet the aged care needs of older Australians living in regional and remote communities through the Multi-Purpose Services Program.
- Supporting the Indigenous Australians Health Programme, including delivery of culturally appropriate aged care for First Nations peoples close to home, through the ongoing expansion of the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.
- Continuing rollout of the Specialist Dementia Care Program, including evaluation and assessment of how adequately the program meets demand for this type of service.
- Expanding the Regional Stewardship of the Aged Care outreach model to strengthen governance and support the implementation of aged care reforms in regional areas through the Health State and Territory Network.

Program 3.3: Aged Care Quality

Program Objective

Support the provision of safe and quality care for older Australians and their choice of care through regulatory activities and collaboration with the aged care sector and older Australians, as well as capacity building and awareness raising activities.

The department met the performance target related to this program.

In 2022–23, the department continued to support the provision of safe and quality aged care services for older Australians and provided timely behaviour support services through the Dementia Behaviour Management Advisory Service (DBMAS) and Severe Behaviour Response Teams (SBRT). Both DBMAS and SBRT are delivered by Dementia Support Australia (DSA).

Throughout 2022–23 the DBMAS and SBRT continued to successfully manage increases in requests from both service providers and carers who required assistance when caring for people experiencing Behavioural and Psychological Symptoms of Dementia (BPSD).

The DBMAS is a free support service for service providers and unpaid carers who care for people experiencing mild to moderate BPSD that impacts care. The DBMAS provides expertise, advice and short term case management to better equip staff and carers in identifying triggers for BPSD, and provides advice on non-pharmacological strategies to respond to behaviours.

Complementing DBMAS is the SBRT which offers advice, case management and behaviour support strategies for people experiencing more severe BPSD, including advice to assist with the transition from hospitals into residential aged care. The provision of effective dementia behaviour support services strengthens the capability of both the in home and residential aged care sector, enabling the delivery of safe and quality care to people living with dementia, their families and their carers.

Further supporting the provision of safe and quality care, the department completed a review of the Aged Care Quality Standards (Quality Standards) after a comprehensive public consultation process. The review had a particular focus on governance, diversity, dementia, clinical care, food, and nutrition, and positive feedback was received on these strengthened topics. A pilot of the strengthened Quality Standards commenced in April 2023 and is due to be completed in mid 2023–24.

Star Ratings were first published in December 2022 on the My Aged Care website responding to recommendations 24 and 27 of the Royal Commission into Aged Care Quality and Safety. Star Ratings make it easier for older people and their representatives to compare the quality and safety of residential aged care homes, supporting informed choice and transparency. Star Ratings provide nationally consistent measures for residential aged care providers to monitor, compare and improve the care they deliver. These include information about the experience of resident's living in the home, staffing, regulatory actions and measures of care quality.

The expansion of quality indicators collected under the National Aged Care Mandatory Quality Indicator Program supports providers to now collect and report data on eleven critical areas of care (pressure injuries, physical restraint, unplanned weight loss, falls and major injury, medication management, activities of daily living, incontinence care, hospitalisations, workforce, consumer experience and quality of life). Providers can compare their performance to the national average and other services to understand where quality improvement activities should be focused.

In response to recommendation 94 of the Royal Commission, during 2022 the Residents' Experience Survey was reinstated during the 2022 calendar year (formerly Consumer Experience Interviews undertaken by the Aged Care Quality and Safety Commission). The surveys are conducted annually in-person by a third-party workforce and capture the experiences of a random sample of around 20 per cent of older people living in residential aged care. The outcomes of the survey are used to determine an aged care home's Residents' Experience sub-category Star Ratings, and findings are also provided in an aggregated form to each home to give advance notice of the outcomes to ensure that homes commence implementing continuous improvement activities in a timely manner.

These quality measures will improve transparency and choice for older people and their families. These measures will also support providers to understand their performance to drive the delivery of high quality care.

Key Activities:

- Providing funding and support through the Dementia Training Program, Dementia Behaviour Management Advisory Service, and Severe Behaviour Response Teams.
- Ensuring provision of quality aged care services, including equitable care for people from diverse backgrounds and support for people with dementia.
- Working with Australians with diverse characteristics and life experiences to develop aged care services that are culturally safe, including through the adoption of trauma informed care practices.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.101 and *Health and Aged Care Corporate Plan 2022–23*, p.98

Performance Measure:

Planned Performance of care givers providing feedback via a survey who report an improvement in confidence when managing Behavioural and Psychological Symptoms of Dementia, following an intervention from the Dementia Behaviour Management Advisory Service (DBMAS) or the Severe Behaviour Response Teams (SBRT).

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.102 and *Health and Aged Care Corporate Plan 2022–23*, p.99

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
≥90%	94%	94%	93%	92%	94%
	Result: Met				

Data Source and Methodology:

Data is obtained through a Quality Satisfaction Survey and managed by Dementia Support Australia (DSA). The survey is sent to all referrers for both DBMAS and SBRT who have a valid email address. The relevant response is to: *'Contact with DSA has increased my/our confidence regarding behaviour management.'*

DSA provides 6 monthly reports to the department.

High levels of satisfaction continue to be recorded for the DBMAS and the SBRT during 2022–23. The total number of referrals to Dementia Support Australia in 2022–23 were 21,742.

Referrals to DBMAS and SBRT in 2022–23 increased by 4% compared with the same period in 2021–22. A total of 94% of quality satisfaction survey respondents reported a significant increase in knowledge and skills regarding behaviour support, and 94% reported increased confidence to manage future behaviour issues.

Following use of the DBMAS, there was a 60% reduction in the severity of behaviours experienced by clients and a 64% reduction of distress experienced by staff and carers.

For SBRT, there was a 70% reduction in the severity of behaviours experienced by clients and a 76% reduction of distress experienced by staff and carers.

During 2022–23 DSA continued to report increasing levels of referrals across behaviour support programs due to increasing complexity and severity of clients with BPSD and the impacts of regulation that support quality and safety improvements in aged care. This challenge was met by DSA through a number of initiatives to manage increasing demand including the continued refinement of triage activities. A total of 90% of DBMAS clients received an assessment within 7 days. Telehealth for mild behaviour continues to be an effective strategy to respond to the increase in requests for support through DBMAS.

Despite continued increase in referrals, results indicate there are meaningful reductions in BPSD between client intake and case closure. Behaviour support capability building continues to occur for both carers and in aged care services that are supported by DSA.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 3.3 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- Implementing more equitable access to aged care for First Nations peoples and special needs group.
- Working with the Aged Care Quality and Safety Commission (ACQSC) to refine the risk-based targeting and information sharing capability within the ACQSC, including information about home care.
- Conducting an independent capability review of the ACQSC to assess its functions and operations against best practice regulation and identify opportunities for improvement.
- Improving the standard of food and nutrition for those in residential aged care, through reporting, strengthened standards, and sector support and engagement.
- Supporting implementation of the Aged Care Workforce Strategy Taskforce report A Matter of Care: Australia's Aged Care Workforce Strategy.
- Implementing the aged care nurses' bonus initiative and transition to practice programs.
- Implementing a registration scheme for personal care workers.
- Continuing to provide free independent business advisory services, including workforce advisory services, to residential aged care and home care providers.
- Providing grant funding to support residential aged care providers to deliver quality care and achieve a stronger and more viable residential aged care sector through the Structural Adjustment Program.
- Expanding the Financial Monitoring Program to identify and support providers to manage financial risk and refer them to support.
- Improving coordination and accessibility of post-diagnostic supports for people living with dementia and their carers, including through an expansion of the National Dementia Support Program and the development of support and referral pathway resources and guidance for health professionals and consumers.
- Developing accommodation design standards for residential aged care.
- Strengthening regulation through harmonisation across the care and support sector, including aged care, the NDIS and disability services, and veterans' care.
- Review of the Aged Care Quality Standards, with focus on governance, diversity, dementia, clinical care, food, and nutrition.
- Expanding the SIRS to in-home services.
- Expanding the National Aged Care Mandatory Quality Indicator Program (QI Program) to enhance reporting across a further 6 key areas of care, to support quality improvement and transparency.

Outcome 4

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.

Highlights

‘Green and gold decade’

In 2022, the department collaborated with Australian Government agencies to support the delivery of several sporting events that contributed to a broad range of community, economic, trade and tourism benefits.

Program 4.1

Participation in Children’s Sport

Children are getting back to regular participation in sport and physical activity following the COVID-19 pandemic. In 2022, children’s participation increased 5.6 percentage points from the 2021 calendar year.

Program 4.1

Preparation for FIFA Women’s World Cup 2023

The department worked closely with FIFA, Football Australia and Australian Government agencies to provide financial, operational and legacy support in the lead-up to the event.

Program 4.1

Programs contributing to Outcome 4

	Summary of results against performance criteria			
Program	**Results met**	**Results substantially met**	**Results not met**	**Data not available**
Program 4.1: Sport and Recreation	2	–	–	–
Total	**2**	**–**	**–**	**–**

Program 4.1: Sport and Recreation

Program Objective

Increase participation in sport and physical activity by all Australians and foster excellence in Australia's high-performance athletes. Further Australia's national interests by supporting the Australian sport sector, showcasing Australia as a premier host of major international sporting events, and improving water and snow safety.

The department met all the performance targets related to this program.

The department continued to support participation in sport and physical activity during 2022–23 through a number of activities including the delivery of programs and initiatives, collaborating with Australian Government sport entities and development of sport policy.

The 'green and gold decade' of major sporting events hosted in Australia commenced in 2022 with the UCI[105] World Championships, followed by the FIBA[106] Women's Basketball World Cup, ICC[107] Men's T20 World Cup and Virtus Oceania Asia Games (Virtus). Hosting these events, along with the World Transplant Games and the largest women's sporting event in the world, the FIFA[108] Women's World Cup in 2023, and funding sporting participation legacy programs, drives participation in physical activity, which leads to benefits in physical and mental health, improved social connections, and supports Australians to lead healthy and active lives. Other benefits of hosting these events contributes to a broad range of community benefits, economic impact, trade and tourism, diplomacy, and social inclusion and cohesiveness.

Key action areas progressed in 2022–23 included:

- Sporting infrastructure projects through the Female Facilities and Water Safety Stream Program and the Community Development Grant Program
- Funding to organisations through the Water and Snow Safety Program
- Sponsorship of the 2022 Women in Sport Awards
- Funding and supporting the planning and delivery of major sporting events:
  - Cycling (in association with the UCI Road World Championships 2022)
  - Basketball (in association with the FIBA Women's Basketball World Cup 2022)
  - Cricket (in association with the ICC T20 Men's World Cup 2022)
  - Football (in association with the FIFA Women's World Cup 2023).
- Leveraging the 'green and gold decade' of major sporting events through a range of legacy initiatives, to deliver on key government priorities, including:
  - Expanding inclusion in sport (with the department funding the Virtus Oceania Asia Games 2022 and the World Transplant Games 2023)
  - Increasing participation and accessibility in sport
  - Promoting gender equality, disability inclusion, social cohesion, and healthy lifestyles
  - Inspiring the next generation of Australian athletes
  - Generating social, economic and sporting benefits at both a local and national level through tourism, trade and increased community connection.

[105] Union Cycliste Internationale.
[106] Fédération Internationale de Basketball Amateur (International Basketball Federation).
[107] International Cricket Council.
[108] Fédération Internationale de Football Association.

The department worked with the Australian Sports Commission throughout 2022–23 to continue to support Australia's high-performance system. Australia was represented by more than 430 athletes at the Birmingham 2022 Commonwealth Games. The team topped the medal table, winning an impressive 178 medals.

The department supported policy development with a focus on strategies to increase women's participation in the sports industry. A key engagement included the inaugural Women in Sport Workforce Roundtable on 1 September 2022 as well as preparations for the Meeting of Sport Ministers on 6 July 2023.

Key Activities:

- Implementing sport policies, programs, and initiatives, and promoting the benefits of an active lifestyle.
- Collaborating with the Australian Sports Commission on policy development and engagement with states and territories.
- Supporting water and snow safety organisations to reduce the incidence of fatal and non-fatal drownings and accidents, and promoting the importance of water and snow safety.
- Developing and implementing a strategic, whole of government legacy and communications approach for major sporting events.
- Engaging on international sport policy and partnering with the Department of Foreign Affairs and Trade on sports diplomacy initiatives.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.105 and *Health and Aged Care Corporate Plan 2022–23*, p.103

Performance Measure:

Engagement of Australians in weekly organised community sport and physical activity as measured through:

a. Percentage of Australian children aged zero to 14 years participating in organised sport or physical activity outside of school hours once per week.

b. Percentage of Australians aged 15 years and over participating in sport or physical activity once per week.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.106 and *Health and Aged Care Corporate Plan 2022–23*, p.104

2022 Planned Performance	2022 Result	2021	2020–21	2019–20	2018–19
a. Progressive increase towards 59%	49.7%	44.1%	N/A[109]	N/A	N/A
b. Progressive increase towards 83%	79.3%	80.3%	N/A[110]	N/A	N/A
	Result: Met ●				

Data Source and Methodology:

Data for a. and b. is derived from the Australian Sports Commission AusPlay survey results.[111] AusPlay collects national, state, and territory data on participation rates across organised sport and physical activity. To align with the release of AusPlay data, this performance measure is reported on a calendar year basis.

Children's participation in sport and physical activity was heavily impacted by the COVID-19 pandemic. The AusPlay Survey's national data confirms that children's participation levels are recovering gradually over time. In the 2022 calendar year, 49.7% of Australian children (aged 0 - 14) participated in organised sport or physical activity outside of school hours at least once per week. This represents a 5.6 percentage point increase from the 2021 calendar year (44.1%). The 5.6 percentage point increase in performance for part a. of the performance measure far exceeds the marginal decrease in performance for part b., resulting in an overall result of met.

The Sporting Schools program, run by the Australian Sports Commission remains a key initiative to drive increased participation and connect families with community sport opportunities. The program achieved a significant milestone in 2022, with more than 15 million school students having participated in a Sporting Schools program over the past 8 years.

[109] This was a new performance measure in 2021–22, therefore results are not available for previous years.
[110] This was a new performance measure in 2021–22, therefore results are not available for previous years.
[111] Available at: www.clearinghouseforsport.gov.au/research/ausplay/results

Adult levels of participation in sport or physical activity were maintained throughout the COVID-19 pandemic. This was attributed to a trend towards recreational activities such as walking, running, cycling, and bush walking.

In the 2022 calendar year, AusPlay Survey national data confirms 79.3% of Australian adults (aged 15+) participated in organised sport or physical activity at least once a week. This represents a 1 percentage point decrease from the 2021 calendar year (80.3%), which is not statistically significant.

2022–23 marked the beginning of the 'green and gold decade' of major sporting events in Australia. The timeline of major sporting events to be held in Australia provides a unique opportunity to create significant socioeconomic benefits. In providing support for major sporting events, the department worked with partners on a range of legacy programs to encourage Australians to participate in sport and physical activity and lead healthy and active lifestyles. Examples include:

- UCI Road World Championships 2022 – the department provided funding to support implementation of the AusBike program to increase cycling participation, particularly among children and the staging of an all-abilities ride for people with a disability as part of the program for the UCI Road World Championships.
- FIBA Women's Basketball World Cup 2022 – the department provided funding to increase basketball participation amongst Indigenous and culturally and linguistically diverse communities, to support women's basketball through the She Hoops program and to implement a National Multicultural Program for basketball.
- ICC Men's T20 World Cup 2022 – the department provided funding to support the implementation of a multicultural strategic framework, programs to increase participation in cricket for young people from diverse backgrounds and initiatives to support greater diversity in community coaching and officiating.
- FIFA Women's World Cup 2023 – the department provided further funding to support legacy initiatives including football programs targeted at women and girls, to support children from culturally and linguistically diverse communities and expanding an existing program to support newly arrived migrant children to participate in football.

Key Activities:

- Coordinating whole of government support for the bidding and hosting of major international sporting events hosted in Australia.
- Developing and implementing a strategic, whole of government legacy and communications approach for major sporting events.
- Supporting Brisbane as the host of the 2032 Olympic and Paralympic Games.
- Engaging on international sport policy and partnering with the Department of Foreign Affairs and Trade on sports diplomacy initiatives.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.105 and *Health and Aged Care Corporate Plan 2022–23*, p.103

Performance Measure:

Strategic coordination of Commonwealth responsibilities in relation to the following future bids and major sporting events in Australia.

Source: *Health and Aged Care Portfolio Budget Statements October 2022–23*, p.107 and *Health and Aged Care Corporate Plan 2022–23*, p.105

2022–23 Planned Performance	2022–23 Result	2021–22	2020–21	2019–20	2018–19
• ICC T20 Men's World Cup 2022 • UCI Road World Championships 2022 • Virtus Oceania Asia Games 2022 • FIBA Women's World Cup 2022 • World Transplant Games 2023 • FIFA Women's World Cup 2023 • Victoria 2026 Commonwealth Games • Netball World Cup 2027 • Rugby World Cup 2027 • Women's Rugby World Cup 2029 • ICC Men's T20 World Cup 2028 • Brisbane 2032 Olympic and Paralympic Games.	The department collaborated with Australian Government agencies and relevant stakeholders to implement strategic coordination of Commonwealth responsibilities. Event delivery support: • ICC T20 Men's World Cup 2022 • UCI Road World Championships 2022 • Virtus Oceania Asia Games 2022 • FIBA Women's World Cup 2022 • World Transplant Games 2023 Event planning: • FIFA Women's World Cup 2023 • Victoria 2026 Commonwealth Games • Rugby World Cup 2027 • Women's Rugby World Cup 2029 • ICC Men's T20 World Cup 2028 • Brisbane 2032 Olympic and Paralympic Games.	The department collaborated with Australian Government agencies and relevant stakeholders to implement strategic coordination of Commonwealth responsibilities in relation to the: • ICC T20 Men's World Cup 2022 • FIBA Women's World Cup 2022 • World Transplant Games 2023 • FIFA Women's World Cup 2023 • Rugby World Cup 2027 bid • 2032 Olympic and Paralympic Games candidature.	N/A[112]	N/A	N/A
	Result: Met ●				

Data Source and Methodology:

Policies and operational arrangements are developed and implemented to meet the government's commitments to support bids for, and delivery of, future major sporting events in Australia. Data is maintained internally by the department.

[112] This is a new performance measure for 2021–22, therefore results are not available for previous years.

On behalf of the Commonwealth, the department administered direct funding to support the successful delivery of the following events held in 2022–23:

- UCI Road World Championships 2022 ($4.95 million)
- FIBA Women's World Cup 2022 ($7.6 million)
- Virtus Oceania Asia Games 2022 ($1.95 million)
- ICC T20 Men's World Cup 2022 ($4.4 million)
- World Transplant Games 2023 ($1.0 million).

Funding, broader engagement and support provided by the department contributed to event delivery arrangements in 2022–23, and leveraged legacy initiatives to amplify a range of benefits of hosting these events in Australia, including improving physical and mental health, social connectivity, economic benefits, promoting Australia's national identity and promoting gender equality and disability inclusion.

Many records and achievements were attained in association with these events after the heights of the COVID-19 pandemic, further showcasing Australia as a leading destination for major events on the global stage. The FIBA Women's Basketball World Cup 2022 in Sydney recorded the highest attendance ever in the history of the competition. The Men's T20 World Cup 2022 had a combined global audience of over 1.2 billion people. The Virtus Oceania Asia Games 2022 was the first ever international multi-sport event for elite athletes in the Oceania Asia region with intellectual impairment. Over 1,500 athletes and spectators from 45 countries came together to celebrate organ and tissue donation at the World Transplant Games 2023.

The department worked closely with FIFA, Football Australia and Australian Government agencies to provide financial, operational and legacy support arrangements ahead of the FIFA Women's World Cup 2023. Areas of support provided include safety and security, immigration and visas, intellectual property rights protection, trade and tourism, work permits, labour laws, telecommunication, and information technology. More than $34 million has been committed for legacy projects in support of the FIFA Women's World Cup 2023 and Football Australia's Legacy '23 program.

The department collaborated with Australian Government agencies to support the establishment of the Organising Committee for the Brisbane 2032 Olympic and Paralympic Games (OCOG) and the process to nominate the President, the Independent Directors, and Prime Minister nominated Directors. The department also established and participated in governance committees to progress foundational planning activities with the Queensland Government, nominated games partners and Commonwealth agencies including the development of a Brisbane 2032 Legacy Strategy.

Following the announcement of Australia as the host for the Rugby World Cups in 2027 and 2029, preliminary planning arrangements commenced during 2022–23 in partnership with Rugby Australia, to support both the Rugby World Cup 2027 and Women's Rugby World Cup 2029 events. In 2022–23, the department was not engaged in planning activities for the Netball World Cup 2027.

The department facilitated early discussions across relevant Commonwealth agencies and the Victorian Government in relation to planning for the Victoria 2026 Commonwealth Games,[113] although was not a party to the host agreement.

The following additional activities fell below the materiality threshold for having a published performance measure in Program 4.1 but were published in the 2022–23 October Portfolio Budget Statements and Corporate Plan to ensure a fulsome account to Parliament of activities undertaken within appropriations:

- At a departmental level, providing corporate support to Sport Integrity Australia for sports integrity legislation and budget requirements.
- Providing a cost-effective, efficient, transparent and independent forum for resolving nationally focused sports disputes through the NST.

[113] On 18 July 2023, the Victorian Government made the decision to not proceed with hosting the 2026 Commonwealth Games. Source: www.premier.vic.gov.au/commonwealth-games-costs-too-high-over-6-billion

Part 3: Management and Accountability

Part 3.1:
Corporate Governance

The department's corporate governance plays an integral role in ensuring government priorities and program outcomes are delivered efficiently and effectively.

In 2022–23, the Executive Committee continued to provide strategic direction and leadership, focusing on streamlining processes, grant administration, conflict of interest and the facilitation of timely implementation of recommendations from external accountability entities such as the Australian National Audit Office (ANAO) and recommendations from internal audits. These have strengthened the department's control and assurance measures and established stronger dynamic governance arrangements.

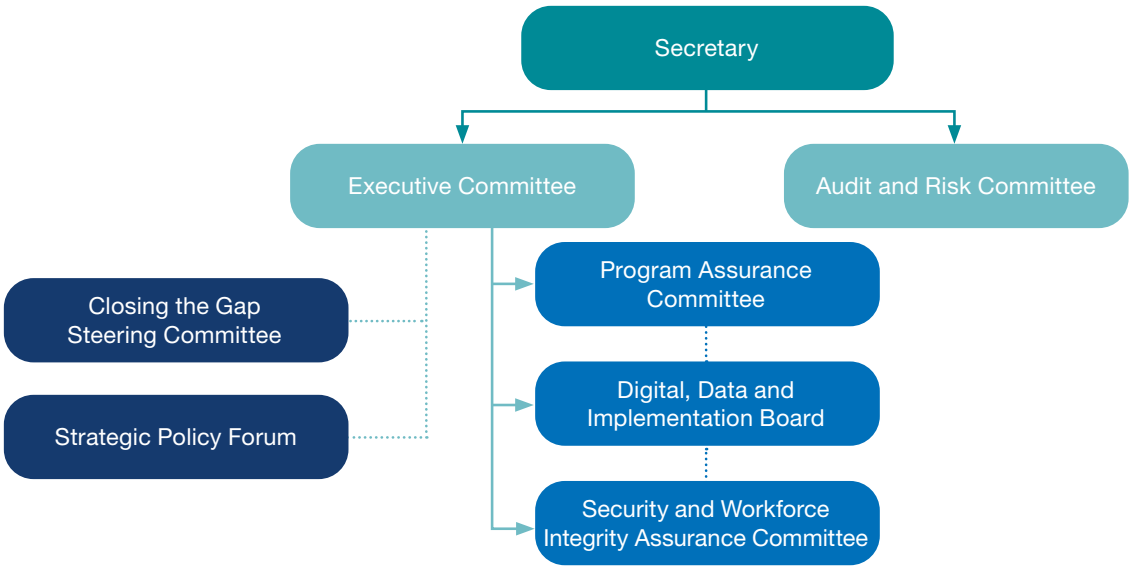
An overview of the department's corporate governance is provided below.

Senior governance committees

The senior governance committees provide advice and make recommendations to the Executive on:

- organisational performance
- delivery of administered programs
- implementation of the department's highest risk change projects
- strategic portfolio policy issues to improve performance of the health, aged care and sport systems.

Figure 3.1.1: Senior governance committee structure



National Agreement on **Closing the Gap**

The National Agreement on Closing the Gap is a commitment between all Australian Governments and Aboriginal and Torres Strait Islander peak organisations. It sets out 4 Priority Reforms that are changing the way governments work with First Nations people. These include:

- **Partnership and shared decision making:** First Nations people are empowered to share decision-making authority with governments.
- **Building the community-controlled sector:** A strong and sustainable community-controlled sector delivering high quality services to meet the needs of First Nations peoples across the country.
- **Transforming government organisations:** Governments, their organisations and their institutions are accountable for Closing the Gap and are culturally safe and responsive to the needs of First Nations peoples.
- **Sharing access to information and data at a regional level:** First Nations peoples have access to, and the capability to use, locally relevant data and information.

In 2022–23, the department established a Closing the Gap Steering Committee to champion and drive action to embed the Priority Reforms in the department's structures, processes and work. The Steering Committee is a formal departmental committee chaired by the Chief Operating Officer. Membership includes Deputy Secretaries and First Assistant Secretaries from across the department and the co-chairs of our National Aboriginal and Torres Strait Islander Staff Network.

The Steering Committee met 4 times in 2022–23, with an initial focus on agreeing Terms of Reference and developing a framework that sets out clear areas for action against each of the Priority Reforms.

National Agreement on **Closing the Gap**

Actions progressed during 2022–23 include:

- As part of our commitment to increase First Nations representation on our boards and committees, the department worked closely with the National Aboriginal Community Controlled Health Organisation (NACCHO) to identify nominees for potential membership on health technology assessment committees. In 2022–23, a First Nations representative was formally appointed to the Medical Services Advisory Committee (MSAC). The department will continue to work with NACCHO to identify nominees for potential membership on the Pharmaceutical Benefits Advisory Committee (PBAC). These appointments will ensure advice and recommendations provided to government by these committees embeds First Nations perspectives.
- The department conducted surveys of internal staff and external First Nations stakeholders, followed by a stakeholder workshop, to better understand how we can partner more effectively with our First Nations stakeholders. The information gathered through these engagements will be used to inform the development of a First Nations Partnership and Engagement Framework.
- In May 2023, we commenced work on a First Nations Capital Program. This Capital Program will review departmental small programs that aim to improve health outcomes for First Nations peoples and transition activities, where appropriate, to First Nations led organisations. This work is being guided by an external Advisory Group, co-chaired by the department and the community-controlled sector.
- The department strengthened guidance for the development of Budget proposals to ensure that areas across the department are considering and incorporating First Nations impacts.

We are committed to continuing to implement changes across the department in 2023–24 to further embed the Priority Reforms in our day-to-day work across the department and improve health and wellbeing outcomes for First Nations peoples.

Table 3.1.1: Senior governance committees

Committee	Role
Executive Committee	The Executive Committee provides strategic direction and leadership to ensure the achievement of outcomes as documented in the Portfolio Budget Statements and Corporate Plan. The Committee sets out to achieve these outcomes through: • effective decision making and governance • setting the strategic direction, for both policy and operations, and ensuring the achievement of high-quality outcomes, including via further engagement in strategic policy development • shaping organisational culture and developing capability • monitoring and addressing departmental performance and risks • providing strategic advice on recommendations put forward by the department's senior governance committees. Membership comprises the Secretary and all Deputy Secretaries.
Audit and Risk Committee	The Audit and Risk Committee provides independent advice and assurance to the Secretary on the appropriateness of the department's: • financial reporting • systems of internal control • performance reporting • systems of risk oversight and management. During 2022–23, the Committee comprised 5 independent members (refer to Audit and Risk Committee Membership for more information).
Program Assurance Committee	The Program Assurance Committee (PAC) drives excellence in program delivery across all departmental programs, which are mapped to the outcome and program structure reflected in the Portfolio Budget Statements and Corporate Plan. It considers both the ongoing delivery of programs and the implementation of new programs and measures. Membership comprises of senior executives from various business groups across the department.
Digital, Data and Implementation Board	The Digital, Data and Implementation Board provides oversight, advice and assurance to the Executive Committee on: • effective management and ongoing viability of the department's high risk change projects • strengthening and maturing project capability and independent project assurance • the digital, data and ICT work programs to ensure the department is leveraging existing technologies, patterns, and capabilities to effectively deliver on new and emerging priorities of government, while ensuring alignment with the digital transformation agenda. Membership comprises of senior executives selected for their current role in the department.

Committee	Role
Security and Workforce Integrity Assurance Committee	The Security and Workforce Integrity Assurance Committee provides assurance to the Secretary and Executive Committee that security and integrity related risks are being managed effectively. Membership comprises senior executives and executive level officers managing key functions relevant to security and workforce integrity.
Strategic Policy Forum	The Strategic Policy Forum provides an opportunity for senior staff at the department to collaborate on agency policies and critical initiatives. The forum brings together senior leaders to inform early design, policy implementation, and ongoing monitoring and evaluation of critical initiatives.
Closing the Gap Steering Committee	The Closing the Gap Steering Committee oversees and drives the implementation of the department's commitments under the National Agreement on Closing the Gap.

Audit and Risk Committee (ARC) membership

The ARC's functions are set out in its Charter.[114]

During 2022–23, the ARC was supported by the following sub-committees:

- The Financial Statements Sub-Committee (FSSC), chaired by Tim Youngberry.
- The Performance Reporting Sub-Committee (PRSC), chaired by Nick Baker.

In 2022–23, the ARC and its sub-committees each met 4 times. In addition, the ARC held one joint meeting with the FSSC and 2 joint meetings with the PRSC in 2022–23. Committee chair and member attendance and remuneration in relation to meetings held in 2022–23 for the ARC and its 2 sub-committees is provided below. The remuneration amounts reported below are GST inclusive unless explicitly stated otherwise.

Chair/ Member	ARC	FSSC	PRSC	Joint ARC/ FSSC	Joint ARC/ PRSC	Remuneration
Jenny Morison	3	0	0	1	2	$60,000
Tim Youngberry	4	4	0	1	2	$48,875
Andrew Stuart	3	0	4	1	2	$20,397*
Nick Baker	4	0	4	1	2	$35,000*
Wendy Southern	4	4	0	1	0	$23,860

* GST Exempt

ARC membership during 2022–23

Jenny Morison AM

ARC Chair (1 July 2022 – 31 March 2023)

Ms Morison is a Fellow of the Chartered Accountants of Australia and New Zealand, with over 38 years of broad experience in accounting and commerce, including audit, taxation, management consulting, corporate advisory, and consulting to government. Ms Morison has held numerous board positions and has extensive experience as an external member and chair of audit committees for Commonwealth entities. In recognition of her significant contributions, Ms Morison was appointed a Member (AM) of the Order of Australia in January 2022. Ms Morison has a Bachelor of Economics and is a Fellow of the Institute of Managers and Leaders.

Tim Youngberry

ARC Chair (from 1 April 2023)
ARC Member (1 July 2022 – 31 March 2023)
Chair of the Financial Statements Sub-Committee (from 1 July 2022 – 30 June 2023)

Mr Youngberry is an international consultant specialising in public financial management. Mr Youngberry has worked with the Commonwealth and state governments in Australia as well as having private sector experience, and is a subject matter expert on public finance with the International Monetary Fund, the Organisation for Economic Co-operation and Development, and international aid organisations. Mr Youngberry has served as the Chief Finance Officer at the Defence Materiel Organisation and the Department of Social Services. Mr Youngberry currently also chairs the National Aboriginal Community Controlled Health Organisation's Audit and Assurance Committee and is a member of the Department of Employment and Workplace Relations' ARC.

[114] Available at: www.health.gov.au/audit-risk-committee-charter

Andrew Stuart
ARC Deputy Chair
Deputy Chair of the Performance Reporting Sub-Committee

Mr Stuart was a former Deputy Secretary of the Department of Health responsible for the management of the Medicare program, private health insurance, and the Pharmaceutical Benefits Scheme. Mr Stuart was also the department's Chief Operating Officer, responsible for its internal reform and efficiency program, and the establishment of a portfolio shared services centre covering 20 portfolio entities. Mr Stuart holds a Master of Social Science and Statistics from the Australian National University.

Nick Baker
ARC Member
Chair of the Performance Reporting Sub-Committee

Mr Baker has specific expertise in public sector financial management reform, policy/program design, information technology, security and control. Mr Baker's career has encompassed a broad range of areas including public sector accounting, financial management, information technology, and general management consulting. Prior to his retirement, Mr Baker was a Senior Partner at KPMG Australia (1995–2015). Mr Baker has previously held a number of board chair positions in not-for-profit organisations as well as audit committee experience in the public sector. Mr Baker was also the chair of the Department of Social Services' Audit and Risk Committee during 2022–23.

Mr Baker is a Fellow of the Certified Practicing Accountants (CPA) Australia and a Member of the Australian Computer Society. Mr Baker holds dual tertiary level qualifications in Professional Accounting and Computing, and a Certificate IV in Commonwealth Fraud Control (Investigations).

Dr Wendy Southern
ARC Member
Deputy Chair of the Financial Statements Sub-Committee

Dr Southern held the roles of Deputy Director-General of the Australian Security Intelligence Organisation and Deputy Secretary at both the Department of Health and the then Department of Immigration and Border Protection. Dr Southern's responsibilities ranged across strategic policy, program management, organisational governance, transformation, and corporate management.

Dr Southern has current audit committee experience with the Department of Finance and the Australian Federal Police and is currently chair of the Audit and Risk Committee for the Parliamentary Budget Office. Dr Southern holds a PhD from the Australian National University.

Organisational planning

Our purpose

With our partners, support the Government to lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.

Corporate Plan[115]

The Corporate Plan is the primary strategic planning document for the department and is a core element of the department's performance framework.

It sets out our program objectives and key activities to enable us to achieve our purpose over the next 4 years. The Corporate Plan also provides information on our operating context, capability, corporate governance arrangements, our approach to managing risks, and how we work with our partners to achieve our purposes and outcomes. Additionally, it details how we will measure our performance in delivering a modern, sustainable health system for all Australians.

The Corporate Plan was prepared to meet requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the PGPA Rule 2014.

Performance Framework

The Commonwealth Performance Framework is established by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and requires entities to demonstrate how public resources have been applied to achieve their purposes. It outlines the obligations of accountable authorities to prepare corporate plans, with section 16E of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) prescribing the requirements for corporate plans and performance information published by entities.

During 2022–23, the department sought to improve the clarity, reliability, and objectivity of our performance reporting through the following activities:

- reviewed our performance framework to ensure key activities and corresponding performance measures were relevant, up-to-date and aligned with government priorities
- streamlined and aligned performance information across the Portfolio Budget Statements, Corporate Plan, and Annual Performance Statements
- analysed performance measures to balance the mix of quantitative and qualitative measures of outputs, efficiency and effectiveness
- sought independent external assurance of performance information to ensure an unbiased review of performance measures and the associated planned performance for adherence to the PGPA Rule.

Details of the department's performance against individual performance measures is listed under Part 2: Annual Performance Statements.

[115] Available at: www.health.gov.au/corporateplan

Business and risk planning

Integrated business and risk planning processes were undertaken and were closely aligned to internal budget allocation processes. The approach enabled visibility of higher areas of need, allowing business areas to use a risk-based approach to manage budget and resource allocations to deliver government priorities consistent with our vision.

Risk management

The department's Risk Management Policy and supporting Framework supports the Secretary to meet their duties under section 16 of the PGPA Act and complies with the Commonwealth Risk Management Policy. The Policy assists the department to make better business decisions, encourages appropriate engagement with risk, and positions us to be more agile to deal with current and emerging challenges. In 2022–23, the department worked on various initiatives to improve its maturity in risk management, including:

- revising the department's Risk Management Policy and supporting Framework to align with the revised Commonwealth Risk Management Policy
- updating the Risk Appetite Statement
- updating the Enterprise Risks to align to departmental priorities.

These initiatives ensured the department continued to effectively anticipate and manage its evolving risk landscape to successfully deliver government priorities and program outcomes. The department continued to strengthen its risk management maturity through the senior leadership team, integrating our budget, business, and risk planning processes, and providing risk oversight of programs and projects to ensure they were effectively managed and implemented government policy. The department maintained focus on shaping the risk capability of staff by empowering them to practice effective risk management as a core part of their role.

Fraud and corruption minimisation and control

The department is serious about preventing, detecting, and countering fraud and corruption. Public confidence and integrity in our people and the programs we are entrusted to deliver for Australians is vital to our operation. During 2022–23, the department established a new fraud control and investigation branch to lead and coordinate the department's fraud control program, which includes developing and implementing fraud and corruption prevention, detection and response strategies. The establishment of the branch is designed to support a strengthened and streamlined enterprise approach to fraud and corruption management, reducing the department's exposure to fraud and integrity related risks.

The branch also coordinated preparatory work in the department for the commencement of the National Anti-Corruption Commission (NACC) on 1 July 2023, including awareness raising activities and establishment of initial triaging, assessment and referral mechanisms for matters that may come within the scope of the NACC.

The department's Fraud Control Framework (the Framework) is compliant with the Commonwealth Fraud Control Framework 2017, including section 10 of the PGPA Rule 2014 (the Fraud Rule). The Fraud Rule outlines the minimum standards for accountable authorities of Commonwealth entities for managing the risk and incidence of fraud.

Fraud and corruption prevention and risk management

The department actively assesses and manages fraud and corruption risks, in addition to implementing fraud and corruption prevention strategies. In 2022–23, the department undertook various strategies to ensure compliance with the Framework, including:

- Reviewed enterprise fraud and corruption risks regularly to assess changes in the fraud environment and to ensure controls remained effective.
- Commenced implementation of the updated Fraud and Corruption Risk Framework for 2023–24, including development of an updated Fraud and Corruption Risk Assessment, Risk Register and Controls Library.
- Developed the Fraud and Corruption Control Plan (2023–25) to address current fraud and corruption risks.
- Hosted webinars with topics covering cybercrime, scams, serious and organised crime, fraud prevention, intelligence, and investigations, and including internal and external expert discussions during the 2022 International Fraud Awareness Week (FAW) in November 2022.
- Developed and implemented a new Fraud Control Toolkit as an online resource for department staff, containing information and guidance on countering fraud, and managing fraud risks.
- Updated the Fraud Essentials online training module.
- Actively engaged with the Commonwealth Fraud Prevention Centre and partner agencies on counter fraud expertise, information and intelligence sharing forums and summits.

Fraud and corruption detection and tip-offs

The department commenced work from 2022–23 to strengthen its health payment claiming data analytics capability to detect and identify 'real-time' Medicare payment fraud and has proactively worked with its partner agency Services Australia to intervene to prevent ongoing loss while criminal fraud investigations are being progressed.

The department has broadened its fraud detection capability by engaging with internal stakeholders and data owners to partner and strengthen detection and investigation controls while assisting to build its intelligence capability.

The department maintains fraud reporting mechanisms that allow departmental staff, officials, clients, and members of the public to report incidents of suspected fraud or corruption confidentially, including via fraud tip-off hotlines, submitting forms online or in writing either by post or email.

The department has a Public Interest Disclosure (PID) policy, as well as readily available procedures and training (including how to make a PID) on its Intranet. The department has also published information on its external website including information in regard to the PID Scheme, the department's PID Procedures and lists authorised officers, in addition to a downloadable form to assist in making a disclosure.

Tip-offs are one of the sources through which the department identifies and responds to fraud. The department receives tip-offs from the public, other government departments, and internally.

In 2022–23, the department received 1,084 tip-offs. Following assessment of these tip-offs, 37 were referred for investigation by teams in the department, to determine the suitability for criminal prosecution.

Fraud and corruption response

The department investigates internal and external fraud and corruption where there is reasonable suspicion of fraudulent or corrupt activity against the department and the programs it administers. Investigations are conducted in accordance with the Australian Government Investigations Standards. Mechanisms are also in place for referral of matters to appropriate law enforcement agencies, and from 1 July 2023 to the NACC where required.

When an investigation reveals sufficient evidence of a criminal offence, a Brief of Evidence is prepared and referred to the Commonwealth Director of Public Prosecutions (CDPP) for prosecution consideration. Alternatively, a matter may be referred internally for compliance or administrative action.

In 2022–23, the department referred 6 Briefs of Evidence to the CDPP. During the same period, 17 cases resulted in criminal prosecution. Fifteen were successful and 2 were discontinued by the CDPP.

As at 30 June 2023, 17 matters were before the courts, with an estimated detriment to the Commonwealth of $10.2 million.

Assurance and audit activities

In 2022–23, the department undertook assurance and audit activities to promote accountability, support effective corporate governance and to ensure operational controls are effective and efficient.

The department used a comprehensive risk-based approach to identify potential gaps and duplication in assurance activities. This information was used to inform the development of the forward work program of the senior governance committees and the development of the 2023–24 Internal Audit Work Program.

Internal audits completed during 2022–23 reviewed and provided assurance on rapid program delivery, procurement processes, effectiveness and efficiency of health strategies and reviews of programs for First Nations peoples. During 2022–23, the department completed 20 internal audits from the approved Internal Audit Work Program. A specific IT audit program was implemented following a gap analysis of the department's IT operations.

The department has a service offering to enable business areas to engage external providers to deliver assurance services. During 2022–23, 18 business areas have sought assistance with 11 of those approaches proceeding to a full assurance review.

Compliance reporting

Significant non-compliance issues with finance law

In 2022–23, the department reported 3 related instances of significant non-compliance with finance law to the Minister for Health and Aged Care and the Minister for Finance under paragraph 19(1)(e) of the PGPA Act and Resource Management Guide 214. All 3 instances related to the requirement that Grant Opportunity Guidelines must be in place before a grant is awarded. The grants were executed in 2019–20 and relate to the Community Health and Hospitals Program. Actions taken did not impact the allocation of grant funding however a higher standard of compliance with finance law should have been in place. The department has commissioned a comprehensive external review of its financial controls and assurance framework, and enhancements to the framework will be implemented targeting increased understanding of and compliance with finance law.

In 2022–23 it was identified programs established by the department (and payment agency Services Australia) made payments in breach of s83 of the Constitution. Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. Design and implementation of the programs or elements of programs, Medicare Easyclaim, Aged Care Subsidies and fees, verbal assignment of Medicare benefits and telehealth did not appropriately consider the risk of non-compliance with s83 of the Constitution. Payments made were received by recipients entitled to the funding however administrative requirements of the underlying legislation were not met. Australian Government Solicitor advice has confirmed the administrative errors by the department has led to breaches of s83 of the Constitution. The department accepts the implementation of programs in the manner undertaken has not met public expectations. The department will identify and develop legislative changes or amended program business processes to address the programs currently making payments in breach of s83 of the Constitution. The department will undertake a risk assessment of program in relation to compliance with legislative requirements to determine if other programs have been impacted.

In 2020–21 the department identified and commenced rectification activities to correct administrative errors in the Medical Rural Bonded Scholarship program. The administrative errors made by the department led to some payments at that time being made in breach of s83 of the Constitution. In 2022–23 the department waivered $51.8 million in debts as part of rectifying past administrative errors.

Department's framework

The department maintains a risk-based approach to compliance, with a combination of self-reporting and focused review. The ARC considers application and adjustments to this methodology, with instances of non-compliance reported to the ARC and to the Executive Committee. The department minimises non-compliance through effective controls, including training and publication of legislation and rules, delegation schedules and Accountable Authority Instructions, which are available to staff to inform decision making.

Certification of departmental fraud control arrangements

I, Blair Comley, certify that the department has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation, reporting and recording mechanisms that meet the specific needs of the department
- taken all reasonable measures to appropriately deal with fraud relating to the department.

Blair Comley PSM

20 September 2023

Part 3.2: **Executive**

As at 30 June 2023[116]

Professor Brendan Murphy AC

Secretary

Professor Brendan Murphy AC commenced as the Secretary of the Department of Health and Aged Care on 13 July 2020 and retired on 6 July 2023[117].

Prior to his appointment as Secretary, Professor Murphy was the Chief Medical Officer (CMO) for the Australian Government and prior to this, the Chief Executive Officer of Austin Health in Victoria. As at 30 June 2023, Professor Murphy was:

- a Professorial Associate with the title of Professor at the University of Melbourne
- an Adjunct Professor at Monash University and at the Australian National University
- a Fellow of the Australian Academy of Health and Medical Sciences
- a Fellow of the Royal Australian College of Physicians
- a Fellow of the Australian Institute of Company Directors.

Professor Murphy was formerly CMO and director of Nephrology at St Vincent's Health, and sat on the Boards of the Centenary Institute, Health Workforce Australia, the Florey Institute of Neuroscience and Mental Health, the Olivia Newton-John Cancer Research Institute and the Victorian Comprehensive Cancer Centre. Professor Murphy was also a former president of the Australian and New Zealand Society of Nephrology.

Professor Paul Kelly

Chief Medical Officer

Professor Paul Kelly is the Chief Medical Officer for the Australian Government. Prior to this appointment, he was the Acting Chief Medical Officer, leading the Government's health response to COVID-19. Prior to these appointments, he was the Principal Medical Advisor to the department's Health Products Regulation Group, Deputy Chief Medical Officer and the Chief Health Officer for the Australian Capital Territory.

Professor Kelly also holds direct responsibility for the Chief Medical Officer Group. Professor Kelly is a public health physician and epidemiologist with more than 30 years' research experience. Professor Kelly has worked around the world in health system development and infectious disease epidemiology.

Professor Kelly is the Chair of the Australian Health Protection Principal Committee (AHPPC) and Deputy Chair of the Science and Industry Technical Advisory Group (SITAG).

[116] To view the most up to date Executive biographies, visit: www.health.gov.au/about-us/who-we-are/leadership
[117] Blair Comley PSM was appointed Secretary of the Department of Health and Aged Care, effective 17 July 2023.

Charles Wann

Chief Operating Officer and Deputy Secretary, Corporate Operations

Charles Wann has been Chief Operating Officer (COO) since February 2020. Mr Wann joined the Department of Health and Aged Care in 2016, initially as Chief Budget Officer. In July 2017, he became First Assistant Secretary of the Financial Management Division. In April 2019, he moved to the Aged Care Reform and Compliance Division where he and his team implemented reforms to aged care quality and safety, workforce, and the transition of compliance functions to the Aged Care Quality and Safety Commission.

Before joining the department, Mr Wann worked in diverse roles for the then Department of Immigration and Border Protection and the Department of Home Affairs in policy, program management and client and corporate services in Australia and overseas. Mr Wann has led teams responsible for introducing risk-based approaches to visa compliance and status resolution, and providing health, income and employment support to asylum seekers living in the community.

Mr Wann holds a Bachelor of Arts (Hons) from the Australian National University, specialising in Classics.

Penny Shakespeare

Deputy Secretary for Health Resourcing

Penny Shakespeare is Deputy Secretary of the Health Resourcing Group. This includes the Technology Assessment and Access Division, Medicare Benefits and Digital Health Division, Health Workforce Division, Benefits Integrity Division, National COVID-19 Vaccine Program and Chief Nursing and Midwifery Officer.

Since joining the Department of Health and Aged Care in 2006, Ms Shakespeare has held a number of senior leadership positions, including First Assistant Secretary of the Technology Assessment and Access Division and Health Workforce Division.

Prior to joining the Department of Health and Aged Care, Ms Shakespeare was an industrial relations lawyer in the Department of Employment and Workplace Relations and worked in regulatory policy roles, including as head of the ACT Office of Industrial Relations.

Ms Shakespeare has a Bachelor of Laws, a Master's degree in International Law and is admitted as a Barrister and Solicitor.

Michael Lye

Deputy Secretary for Ageing and Aged Care

Michael Lye joined the Department of Health and Aged Care in December 2019 as Deputy Secretary responsible for Ageing and Aged Care and has led extensive reforms to the Commonwealth Aged Care Program. Mr Lye is also the Senior Indigenous Champion for the department.

Prior to joining the department, Mr Lye was a Deputy Secretary at the Department of Social Services, where his responsibilities included disability and carers policy and programs, the National Disability Strategy, the National Disability Insurance Scheme and Disability Employment Services. Prior to this, Mr Lye held the position of Chief Operating Officer at the Department of Social Services.

Mr Lye has a Bachelor of Arts, double majoring in psychology and law and industrial relations, and a Masters of Social Welfare Administration and Planning, both of which are from the University of Queensland.

Tania Rishniw

Deputy Secretary for Primary and Community Care

Tania Rishniw joined the Department of Health and Aged Care in 2015 after more than 15 years as a leader in the Australian Public Service, working in social, environmental, and economic policy.

Before being appointed as Deputy Secretary in May 2020, Ms Rishniw held senior positions in the Department of the Prime Minister and Cabinet, Department of Finance, Department of Education and Employment, and Department of Environment.

Ms Rishniw has delivered policy reforms at the federal level in areas of environmental and financial regulation, First Nations' employment and education, primary care and mental health, and service delivery. Ms Rishniw led the response to the Montara oil spill, has represented the Australian Government at the United Nations, and successfully negotiated with states and territories in areas pertaining to hospital funding, mental health and suicide prevention, primary care COVID-19 arrangements and wider health reform.

Ms Rishniw has a Bachelor of Laws (Hons) and a Bachelor of Arts in Psychology, as well as holding an Executive Master's Degree in Public Administration.

Blair Exell

Deputy Secretary for Health Strategy, First Nations and Sport

Blair Exell is the Deputy Secretary for Health Strategy, First Nations and Sport in the Department of Health and Aged Care.

Mr Exell has been a senior leader in foreign affairs, First Nations and development agendas in Australia and across the Asia Pacific region for almost 30 years.

Prior to his role in the Department of Health and Aged Care, Mr Exell held senior roles in the National Indigenous Australians Agency including as A/g CEO. This followed 25 years in the foreign affairs and international development arena working across the Asia-Pacific region. Mr Exell began his career in non-government organisations in Cambodia and Vietnam and later moved across to the Australian Public Service where Mr Exell has now held senior roles for the Australian Agency for International Development (AusAID), Department of Foreign Affairs and Trade (DFAT), Department of the Prime Minister And Cabinet (PM&C), National Indigenous Australians Agency (NIAA) and Department of Health and Aged Care.

Mr Exell was the inaugural Australian Ambassador for Regional Health Security (2017–2018) and served as Australia's Board member to the Global Alliance for Vaccines and Immunisation (2017–2018).

Professor Tony Lawler

Deputy Secretary for Health Products Regulation

Professor Tony Lawler is the Deputy Secretary of the Health Products Regulation Group, which works to safeguard and enhance the health of all Australians through effective, timely and risk-proportionate regulation of therapeutic goods, and the control of drug imports, exports and production.

Prior to joining the Department of Health and Aged Care in June 2023, Professor Lawler was the Chief Medical Officer and Deputy Secretary of Clinical Quality, Regulation and Accreditation with the Tasmanian Department of Health. This role included providing leadership to health professionals, system-wide clinical governance oversight, emergency preparedness and response, and the regulation of private health services.

Having studied medicine at the University of Tasmania, Professor Lawler has worked in the health system as a Specialist Emergency Physician, Specialist Medical Administrator, and senior health public servant for almost 30 years. During the COVID-19 pandemic, Professor Lawler was the Tasmanian Health Service Emergency Operations Commander.

Professor Lawler is a Board Member with the Australian Commission on Safety and Quality in Health Care. Professor Lawler previously held positions as a member of the Council of the National Health and Medical Research Council, President of the Australasian College for Emergency Medicine, and Deputy Head of the Tasmanian School of Medicine.

Professor Lawler is a Professor in Health Services with the University of Tasmania.

Adjunct Professor John Skerritt

Deputy Secretary for Health Products Regulation (retired 18 April 2023)

Adjunct Professor John Skerritt joined the Department of Health and Aged care in 2012 and retired on 18 April 2023. Adjunct Professor Skerritt was formerly a Deputy Secretary in the Victorian Government and Deputy Chief Executive Officer of a Commonwealth Statutory Authority, and had extensive experience in medical, agricultural and environmental policy, regulation, research management, technology application and commercialisation.

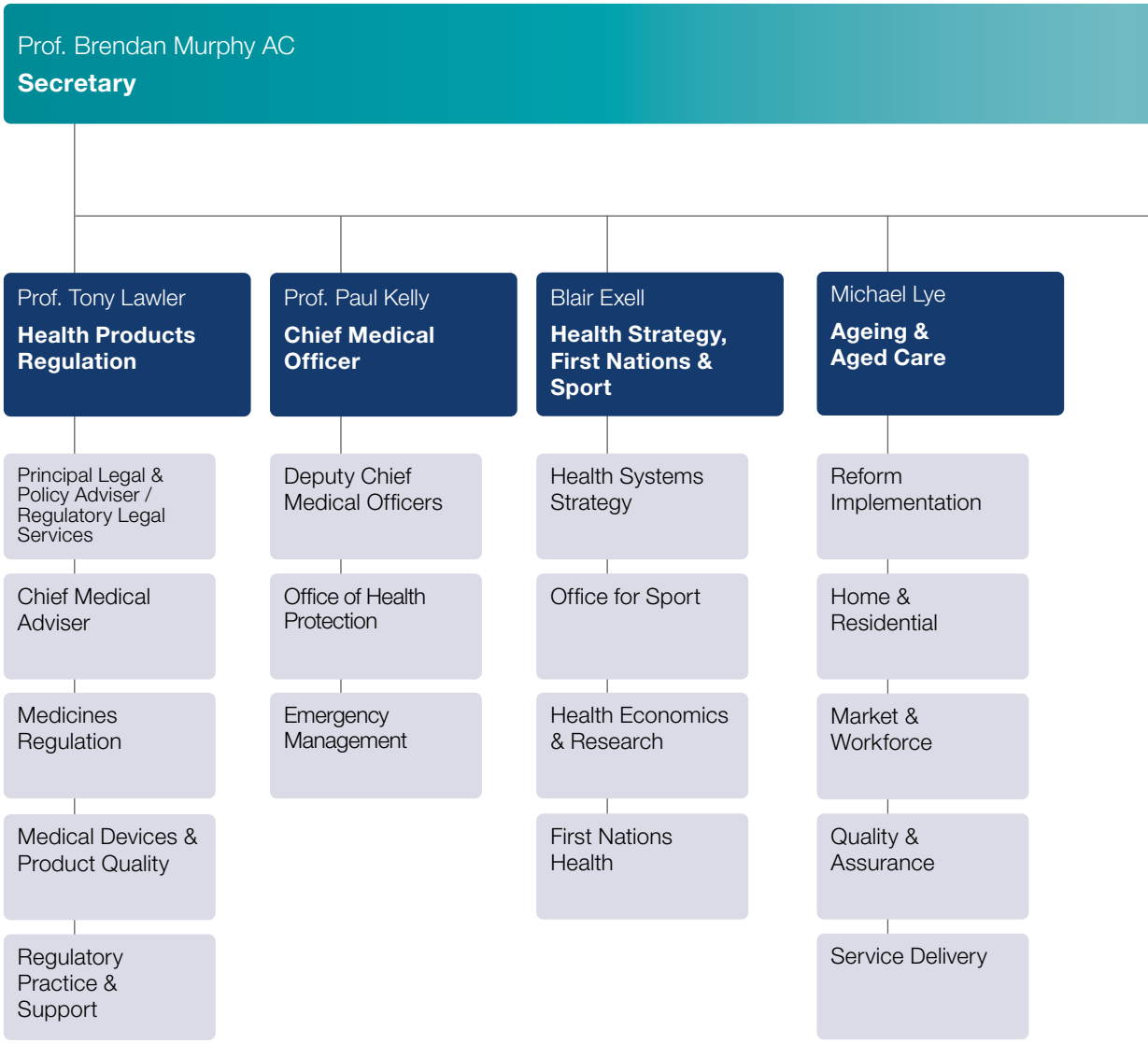
Adjunct Professor Skerritt served on the boards of many national and international organisations, and had more than 30 years' experience in negotiating and leading international technical and commercial collaborations. Adjunct Professor Skerritt holds a first class honours degree and university medal in Pharmacology and a PhD from the University of Sydney Medical School and is a graduate of senior executive programs at London Business School, Institute for Management Development Switzerland and the Australia and New Zealand School of Government.

At the time of his retirement from the Department of Health and Aged Care, Adjunct Professor Skerritt was the Vice-Chair of the International Coalition of Medicines Regulatory Authorities; Chair of the Scientific Advisory Council of the independent international Centre for Innovation in Regulatory Science; a member of the advisory board of the Melbourne Institute for Applied Economic and Social Research; an Adjunct Full Professor of the University of Sydney; a Fellow of the Academy of Technological Sciences and Engineering; and a Fellow of the Institute of Public Administration of Australia (Victoria).

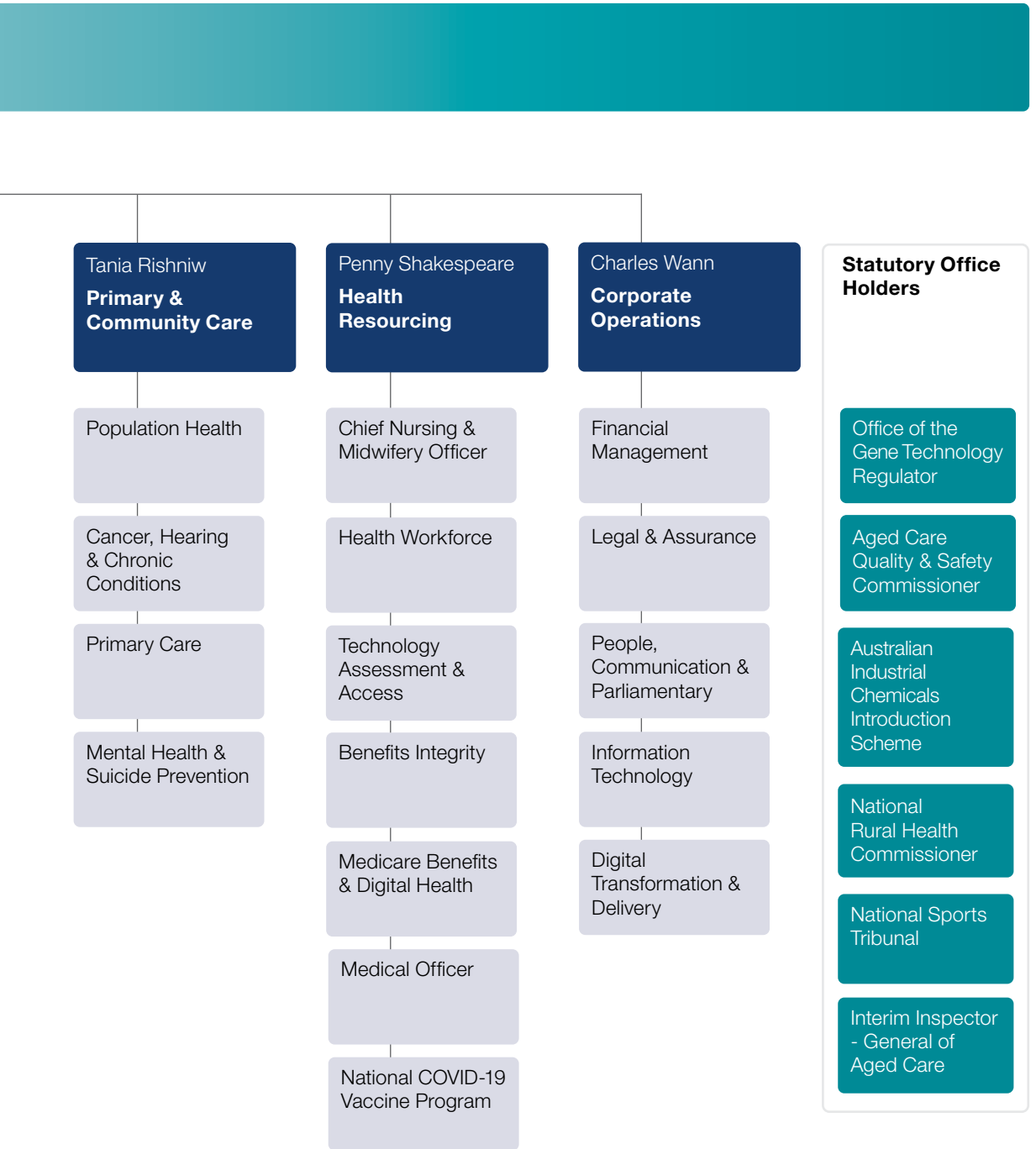
Part 3.3: **Structure Chart**

(as at 30 June 2023)[118]

Department of Health and Aged Care



[118] To view the most recent departmental structure chart, visit: www.health.gov.au/about-us/who-we-are/organisational-chart


Tania Rishniw
Primary & Community Care
Population Health
Cancer, Hearing & Chronic Conditions
Primary Care
Mental Health & Suicide Prevention
Penny Shakespeare
Health Resourcing
Chief Nursing & Midwifery Officer
Health Workforce
Technology Assessment & Access
Benefits Integrity
Medicare Benefits & Digital Health
Medical Officer
National COVID-19 Vaccine Program
Charles Wann
Corporate Operations
Financial Management
Legal & Assurance
People, Communication & Parliamentary
Information Technology
Digital Transformation & Delivery
Statutory Office Holders
Office of the Gene Technology Regulator
Aged Care Quality & Safety Commissioner
Australian Industrial Chemicals Introduction Scheme
National Rural Health Commissioner
National Sports Tribunal
Interim Inspector - General of Aged Care

Part 3.4: **People**

During 2022–23, the department's strong leadership and positive culture provided a solid foundation to successfully steer the organisation through another busy year. Our performance and culture are measured through internal surveys, the Australian Public Service (APS) State of the Service Employee Census and key measures and diversity benchmarks for the department and wider APS.

Workforce composition

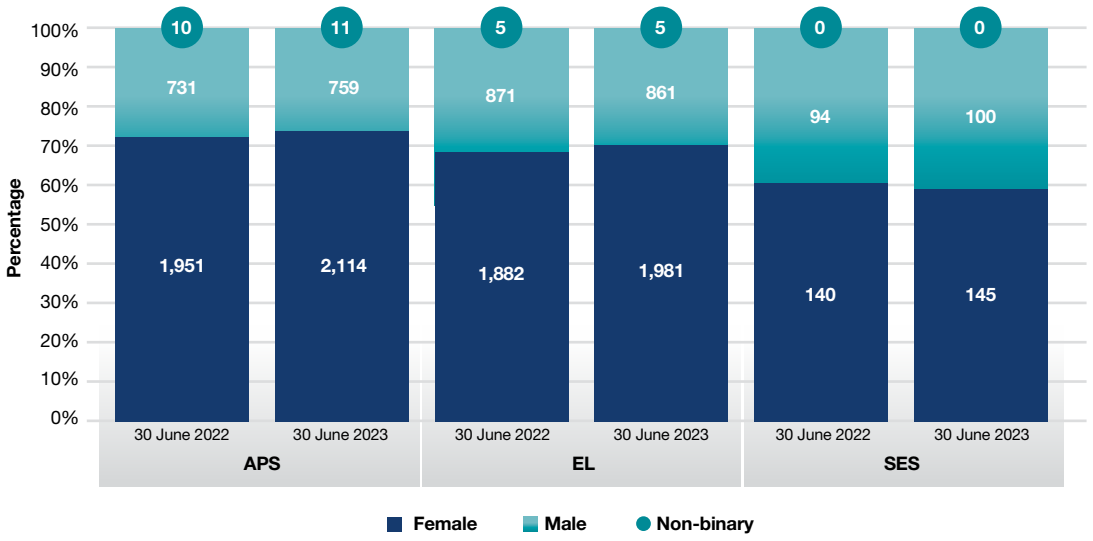
At 30 June 2023, the department had a workforce of 5,984 ongoing and non-ongoing APS staff (including staff on leave and secondment). This is an increase from 5,693 at 30 June 2022, which is largely due to COVID-19 support for aged care measures, primary care and preventative health initiatives, the conversion of contracted staff, investment in critical capability to support effective medicines, and additional medical device authorisation and regulation activities.

At 30 June 2023:

- 92% of staff were ongoing and 8% were non-ongoing
- 7.2% of staff were employed on a part-time basis
- 70.9% of staff identified as Women/Female – Figure 3.4.1 shows our gender profile by classification range compared to 2022
- 2.4% of staff identified as Aboriginal and/or Torres Strait Islander
- 3.8% of staff identified as having a disability.

The ongoing staff turnover rate in 2022–23, excluding voluntary redundancies and machinery of government moves, was 13.1%. This represented a decrease from 13.8% in 2021–22. Including voluntary redundancies, the ongoing staff turnover rate was 13.4%. A key driver of this has been APS movement between agencies, with 5.3% of exits due to transfers to another agency, an increase from 5.1% in 2021–22, and 1.3% due to promotion to another agency, an increase from 0.9% in 2021–22.

Figure 3.4.1: Comparison of gender profile at 30 June 2022 and 30 June 2023



Employment arrangements

The department's employment arrangements are consistent with the *Public Service Act 1999,* the *Fair Work Act 2009,* and the Public Sector Workplace Relations Policy 2023.

Enterprise Agreement and 24(1) Determination

The department's Enterprise Agreement 2019–2022[119] commenced operation on 26 March 2019 and nominally expired on 25 March 2022. Additional salary adjustments have been provided under a section 24(1) Determination for the last 3 years, with the last adjustment occurring on 26 March 2023. Despite reaching its nominal expiry date, the Enterprise Agreement continues to operate alongside the Determination and provides terms and conditions of employment to staff[120].

In late 2022, the Australian Public Service Commission (APSC) established a Workplace Relations Bargaining Taskforce which commenced APS-wide bargaining in early 2023.

Following APS-wide bargaining, the department will commence agency level bargaining consistent with the Public Sector Workplace Relations Policy 2023.

Executive remuneration and performance pay

During 2022–23, the department's remuneration for SES employees was consistent with equivalent public sector entities. Base salaries and inclusions complied with government policy and guidelines.

Remuneration for SES officers considers parameters set out in the Public Sector Workplace Relations Policy 2023 and the APS Executive Remuneration Management Policy. Comprehensive terms and conditions of employment for new departmental SES staff are set out in individual determinations made under section 24(1) of the *Public Service Act 1999*.

Individual SES salaries are negotiated on commencement. Thereafter, the Secretary determines SES remuneration after considering a variety of factors, including the employee's performance, contribution to the organisation's culture and capability, and salary comparisons across the APS. The department's Secretary and Deputy Secretaries last reviewed all SES salaries in October 2022.

Following advice from the Public Service Commissioner, the department's Executive approved a 3% increase to SES base salaries, which took effect from 12 October 2022. No departmental staff received performance pay in 2022–23.

Refer to Appendix 2: Workforce Statistics in this Annual Report for more information on the department's staffing numbers, workplace arrangements, remuneration, and salary structures.

[119] Available at: www.health.gov.au/resources/publications/enterprise-agreement-ea

[120] The Enterprise Agreement contains a flexibility term, enabling the department to make an Individual Flexibility Arrangement with a non-SES staff member. An Individual Flexibility Agreement varies specified terms and conditions provided under the Enterprise Agreement for an individual where necessary and appropriate.

Organisational performance

Measures of leadership and culture

The 2023 APS Employee Census (the Census) was conducted during May and June 2023[121].

Our 2023 results highlight strong staff engagement and organisational commitment (Figure 3.4.2), effective leadership (Figure 3.4.3 & 3.4.4), and an environment that promotes an inclusive workplace. The results show 86% of staff believe the department supports and actively promotes an inclusive workplace culture (7% more compared to the APS average) and 85% of staff believe they receive the respect they deserve from colleagues at work (3% more compared to the APS average).

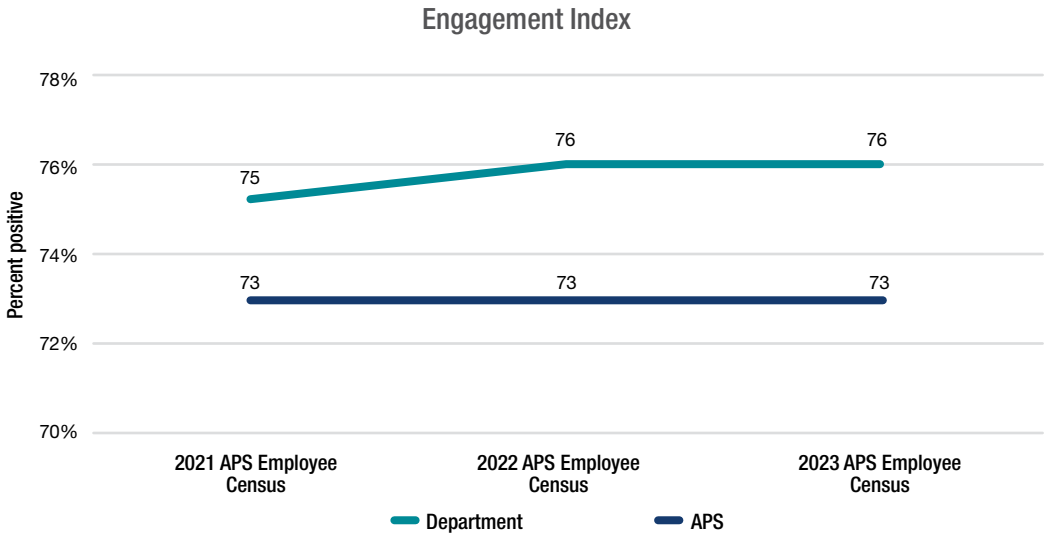
While the wellbeing index in the 2023 Census (71%) has reduced slightly since the previous year's results (2% less), results are 3% higher that the APS average. Sixty-four per cent of staff believe the department does a good job of promoting health and wellbeing, and both the department (68%) and individual supervisors (88%) care about the wellbeing of staff.

Staff sentiment around flexible working remains positive, with 90% of staff being confident a flexible work request would be given reasonable consideration. Staff perception of productivity continues to rate positively compared to the APS overall, with 82% of staff rating the departments success in meetings its goals and objectives over the last months as excellent or very good, compared to the APS average of 70%.

The perception of the department's SES leadership is significantly higher than the APS overall (Figure 3.4.4), while the Executive Level 2 (EL2) cohort continue to receive the highest leadership satisfaction scores (refer Figure 3.4.5).

Over the coming year, the department will continue to build on its strong leadership and positive culture. Key focus areas will be to continue improving tools, technology, and administrative processes to reduce barriers to productivity. Ongoing monitoring of our employee experience will support the department's continuing efforts to be an employer of choice.

Figure 3.4.2: Engagement Index



[121] 2023 APS Employee Census available at: www.apsc.gov.au/initiatives-and-programs/workforce-information/aps-employee-census-2023

Figure 3.4.3: Leadership – Immediate Supervisor Index

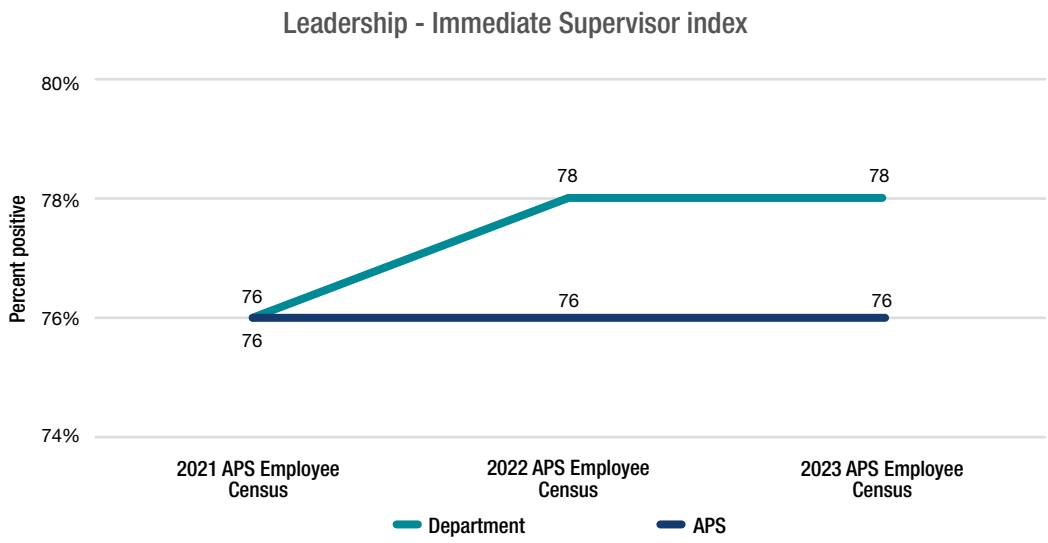


Figure 3.4.4: Leadership – SES Manager Index

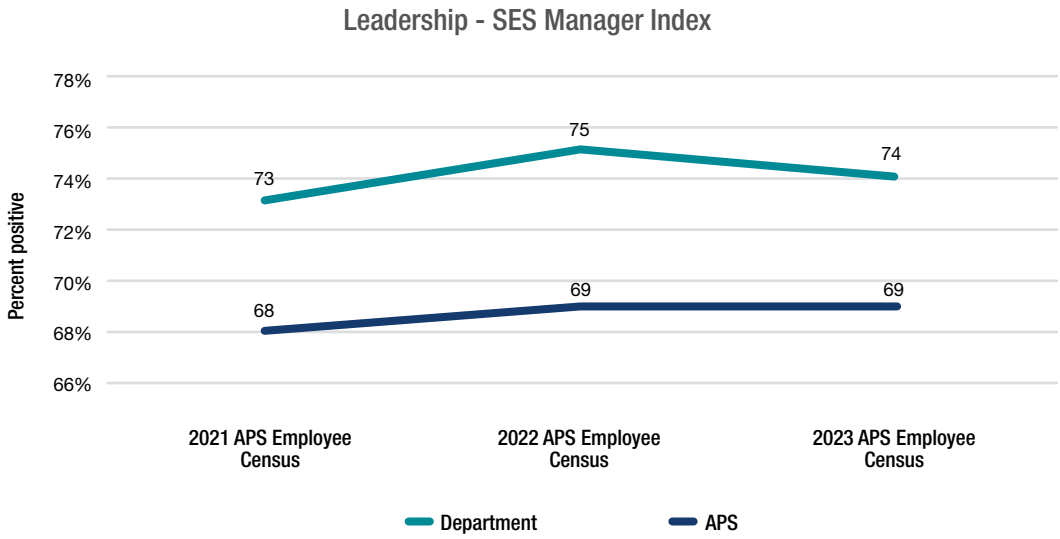
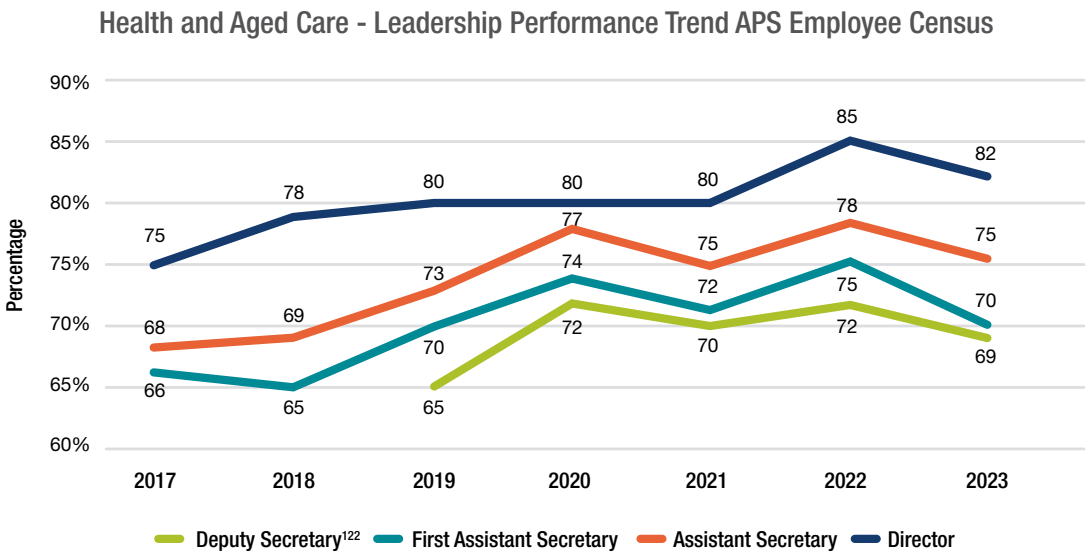


Figure 3.4.5: Health and Aged Care senior leadership perception, proportion of staff satisfied and very satisfied by leadership cohort



Workforce Capability

In 2022–23, the department developed an agency wide Workforce Strategy (the Strategy). The Strategy outlines how we will navigate changes in our environment and attract, retain, engage, and develop a highly capable workforce. Annual implementation plans under the Strategy prioritise the actions we will take to understand, grow, support, and mobilise the capability we need for a high performing, diverse, and agile workforce.

The Strategy organises implementation over 4 areas of action:

- Compete for Talent
- Grow our Own
- Support and Build Agility
- Leadership and Culture.

The priorities and focus areas outlined in the Strategy and its implementation plan align with our Corporate Operations Group Strategy, the APS Workforce Strategy 2025, the APS Values, and the cultural mindset outlined in our Behaviours in Action.

Having the right capabilities is critical to achieving our vision and delivering our objectives. To meet our current and future workforce challenges and ensure the effective management of risks, we focus on retaining, developing, and investing in the areas that are critical to our business success.

Understanding and continually assessing our critical roles, skills, knowledge and attributes ensures the department can meet our workforce goals. As part of the Strategy development, critical capabilities required for our operations and our ability to deliver in future operating contexts were identified.

[122] Each year the APS Census team allows each agency to nominate a number of "local" questions we would like to ask our staff at the end of the Core Census question set. The department did not include the Deputy Secretary level in our questions until the 2019 year (i.e. prior to 2019 we only asked our staff their satisfaction with the SESB2 (FAS), SESB1 (AS) and EL2 (Director) leadership levels.

Capabilities we are focused on investing, attracting, retaining, and developing include:

- Integrity
- Core public service skills (the 'APS craft')
- Management and leadership
- Policy development
- Project and program management
- Regulation and compliance
- Data and digital
- Strategy and planning
- Health science and research
- Communication and stakeholder engagement
- Risk management.

In 2022–23, as part of implementing the Strategy, the department commenced a review of its entry level pathways programs, updated the job family framework, developed a centralised capability framework and adjusted our learning and development offerings and approach to mobility to support these capabilities.

The department is committed to growing and developing the capability outlined in our Strategy, including addressing recommendations from the Department of Health and Aged Care Capability Review (the Capability Review) and uplifting the capability of the department in line with the APS Reform agenda.

Learning and development

In 2022–23, the department continued its contemporary learning design and implementation agenda, with a focus on best practice to meet the organisational needs of the department, its people, and whole-of-government agendas and objectives.

The department has developed and maintained a strong and meaningful partnership with the APS Academy, leveraging their courses, resources, expertise, governance and networks to grow the department's learning offering. The APS Learning and Development Strategy 2021–2026 and accompanying Action Plan inform the learning solutions provided to the department.

Staff in the department have learning and development initiatives available that are accessible, timely and tailored to their needs. The department offers various methods of learning to meet individual learning needs including online classrooms, quick reference guides, resources and videos.

The department has focused efforts to uplift capability in the following key areas:

- **Uplifting leadership capability** through executive coaching, seminars and development programs provided by organisations such as the APS Academy, Australian and New Zealand School of Government, universities and the Institute of Public Administration Australia. The department also participates in programs administered through other Commonwealth agencies. Of note in 2022–23 is the department's participation in partnership with the APS Academy, in the EL2 Leadership Program pilot which was delivered by the Australian Taxation Office in conjunction with the University of New South Wales.
- **Working in and managing hybrid teams** by continuing to support individuals, managers and teams to build their skills and confidence to work effectively in the department's hybrid environment. This is achieved through more effective use of technology, better collaboration, improved productivity and more supportive and balanced team cultures.
- **Building capability in human-centered design and Agile project methodology** for the department's graduates by designing and delivering a tailored, engaging and contemporary 'Learn-a-palooza'.
- **Offering 'bite-sized' learning solutions** to address the most essential learning objectives of the department and utilise the continuous learning methods identified in the APS Learning and Development Strategy. Examples of these solutions include the 'Write Bites' series which builds the writing skills of staff and the 'Project Baker's Dozen' solution which outlines key concepts and topics in single-page resources and guides.

- **Developing fundamental management skills** to foster high-performance, ensure effective use of resources, increase defensible decision making and ensure a safe and professional work environment.
- **Building awareness and capability in the department's corporate priorities** such as financial literacy, security awareness and procurement by collaborating with subject matter experts across the department to develop learning solutions.
- **Developing a contemporary mentoring program** using a mentoring platform to connect mentees and mentors. The platform assesses the individual's career objectives, experience and interests to find a compatible mentoring partner. The program allows participants to learn from others in the department and build and apply their leadership, coaching and soft skills.

Additionally, the department supports the continued professional development of:

- our medical officers by offering an annual professional development allowance and access to paid leave for activities to assist them in maintaining their professional qualifications
- our nursing officers by offering a fortnightly professional development allowance
- other employees with mandatory professional qualifications by offering financial support for professional development expenses through the department's Professional Employee Development Support Policy, which was implemented in March 2022.

The department's Studybank scheme provides eligible staff access to financial and/or leave support for approved courses of study. First Nations staff, staff from a non-English speaking background or staff with disability may be eligible for additional study leave entitlements. In 2022–23, the department commenced a review of the Studybank scheme. The review is exploring both the eligible development activities which can be supported through the scheme and the support provided to eligible staff (including leave and reimbursement amounts).

Flexible working arrangements

The department continues to provide staff with access to a variety of flexible working options, assisting them to balance their professional and personal commitments. The majority of the department's staff work in a hybrid model, combining office-based and remote work on a regular basis.

The department has also seen a significant shift in the geographic distribution of its staff, with an increasing proportion located outside of Canberra.

Building the capability of staff and managers and providing them with the tools they need to work efficiently, effectively, and collaboratively, regardless of physical location, has been a departmental priority. This has been achieved through a range of initiatives, including:

- continuous development and improvement of technical resources and infrastructure, including digital collaboration tools
- policies and supporting guidance material outlining responsibilities and requirements for staff and their managers regarding the operation of flexible work arrangements
- a remote work agreement template designed to guide staff/manager conversations about how to ensure employee engagement, team connection, collaboration and culture are maintained
- guidance for staff and managers on maintaining work health and safety when working remotely
- training for managers and staff to build capability in operating in flexible work environments, including hybrid and geographically dispersed teams.

At 30 June 2023, the department had 3,880 staff (65%) with formal remote work agreements in place to support an agreed hybrid work arrangement. The department plans to review its policies and guidance supporting flexible work arrangements in 2022–23 to ensure they continue to meet the needs of the department and staff.

The 2023 APS Employee Census showed that 79% of staff accessed remote working as a flexible work practice. A high number of staff (90%) also felt comfortable discussing their working arrangements with their supervisor.

Workforce inclusivity and diversity

The department acknowledges and respects the importance of workplace diversity and inclusion and how it enriches our workplace to help deliver better health and wellbeing outcomes for all Australians.

From 27 May to 3 June 2023, the department commemorated National Reconciliation Week with events and activities held across our state and territory offices. On 30 May 2023, a Flag Raising Ceremony was held in the Woden, ACT office to recognise the significance of National Sorry Day and National Reconciliation Week for all Australians and to show respect to First Nations people and cultures. Traditional Custodian Aunty Sonia Shea performed a Welcome to Country at the National Flag Raising Ceremony, followed by a Yarning Circle Experience in our 'Garagang' yarning circle space where we explored "What does Reconciliation look like to you?". The National Aboriginal and Torres Strait Islander Staff Network also held events for staff, including a thought provoking and informative National Reconciliation Week themed trivia session.

From 3 to 10 July 2022, the department celebrated the National Aborigines' and Islanders' Day Observance Committee (NAIDOC) Week with a range of activities, including our annual Secretary's NAIDOC Awards, the National Aboriginal and Torres Strait Islander Staff Network's Walk/Run event and the Annual Australian Public Service (APS) NAIDOC Touch Football Competition.

In addition to National Reconciliation Week and NAIDOC Week activities, all staff were encouraged to 'take brave action to advance reconciliation throughout the year'. The department regularly promoted reconciliation achievements and successes throughout the year. To raise awareness of World AIDS Day and Aboriginal and Torres Strait Islander HIV Awareness Week, the department hosted an event in December 2022 with guest speakers, Yorta Yorta woman Michelle Tobin from Positive Life and Patty Whatley of the Australian Federation of AIDS Organisations. This event was a joint initiative to acknowledge intersectionality and the disproportionate effects HIV has on segments of the LGBTIQA+ and First Nations communities.

Throughout the year, implementation of the Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI+) Action Plan 2020–2023 continued. Key focus areas included:

- In August 2022, Assistant Minister Kearney delivered a video message to all staff encouraging staff to participate in a virtual trivia event and wear purple to celebrate Wear it Purple Day.
- In November 2022, the department released our first Gender Affirmation Policy which supports our goal of creating an environment that empowers LGBTIQA+ people to bring their whole selves to work and values their contributions, regardless of sex, sexual orientation, or gender identity. The Policy is supported by the Gender Affirmation Guidelines.
- In April 2023, the department sponsored the AIDS Council of NSW's (ACON) Pride in Health + Wellbeing Awards. The event celebrated LGBTIQA+ inclusion initiatives and showcased the department's commitment to LGBTIQA+ health services and inclusive culture.
- The department continues to participate in the Australian Workplace Equality Index, which is the definitive national benchmark on LGBTIQA+ workplace inclusion in Australia, after achieving Silver Employer status for the first time in June 2022.
- The department maintains our memberships with Pride in Diversity and the Diversity Council of Australia.

The department bolstered training to promote inclusion by engaging Pride in Diversity, Australian Network on Disability, Employ for Ability and A Gender Agenda to deliver training sessions to staff across the department throughout 2022–23. These sessions focused on building awareness and manager capability in LGBTIQA+, neurodiversity and disability awareness and confidence. This additional training complements our participation in the Special Broadcasting Service (SBS) Inclusion Program, and in-house learning options to build cultural capability.

The department's diversity networks continued to thrive during 2022–23. They include the:

- Culturally and Linguistically Diverse Network
- Disability and Carers Network
- Gender Equality Network
- Health Pride (LGBTIQA+) Network
- National Aboriginal and Torres Strait Islander Network, including Friends of the National Aboriginal and Torres Strait Islander Network.

These networks provide representation, networking opportunities, information, and peer support to staff. The networks continue to mature their approaches to engaging and supporting staff, in particular increasing engagement with the department's state and territory offices and portfolio agencies. Each network continues to receive support from Diversity Champions.

Disability confidence and recognition of carers

The department strives to be an inclusive organisation that supports staff with disability and those with caring responsibilities.

The department implements initiatives which acknowledge Carers Week and the International Day of People with Disability. In 2022–23, activities included:

- sponsoring the Focus on Ability Film Festival and hosting screenings for staff
- hosting a 'Cupcakes for Carers' event in Carers Week
- encouraging staff to update and maintain their diversity details in our internal systems to inform inclusion initiatives and policies that best support our workforce.

Working with carer organisations

The department consults with carer organisations to develop support mechanisms and implement reforms. Consultation ensures programs and services continue to meet the requirements of the *Carer Recognition Act 2010* and consider the needs of carers, people with disability and vulnerable populations.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out, where practical, changes that will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families, and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published on the Disability Gateway.[123]

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin.[124]

[123] Available at: www.disabilitygateway.gov.au/ads
[124] Available at: www.apsc.gov.au

Our values and behaviours

Together the APS Values, Employment Principles, and Code of Conduct contained in the *Public Service Act 1999* set out the standard of behaviour expected of all APS employees. The APS Values (also known as the ICARE principles) are the foundation for everything we do and are brought to life for our staff through the department's Behaviours in Action, which provide practical guidance to staff about what the expected behaviours look like in the workplace. The ICARE principles are embedded into staff members' performance agreements, which are revisited during the year to ensure staff are familiar with the expected behaviours.

The department is committed to creating a positive working environment that values diversity and is safe and free from all forms of workplace bullying, harassment, and discrimination.

The department has developed a streamlined policy which clearly sets out the roles and responsibilities for managers and employees, supported by user friendly and practical tools for employees which advise how to address or report bullying, discrimination and harassment incidents, identify clear pathways for reporting and support and ensure a more transparent and victim-centred approach to complaints handling. The framework is consistent with the Respect@Work[125] recommendations and the recent changes to work health safety laws.

[125] Further information available at: www.respectatwork.gov.au

Consistent with the department's commitment to a positive and safe workplace, all alleged breaches of the APS Code of Conduct are treated seriously and managed in accordance with best practice. The department finalised 6 APS Code of Conduct investigations during 2022–23, resulting in 44 breaches of the APS Code of Conduct being determined. The majority of bullying, harassment and discrimination complaints received were resolved through local management action or preliminary assessments.

Results from the 2023 APS Employee Census (the Census) show that staff perception of our overall culture remains positive, with most staff (86%) reporting the department supports and actively promotes an inclusive workplace, they receive the respect they deserve from colleagues (85%) and that their Director demonstrates strong people management behaviour (82%).

Our 2023 Census results for staff that experienced harassment, bullying, and discrimination have not shifted from 2022; however the department has seen a steady decrease in staff reporting these behaviours since 2016.

Career and succession

Performance management and development

The department continues to focus on high-performance by building knowledge, confidence, and capability in our staff.

All staff participate in the department's Performance Development Scheme. Through the scheme, each staff member works with their manager to develop goals for the year, and how these will be measured for effective performance. Formal performance discussions and assessments between managers and staff occur at least twice a year, with regular informal discussions strongly encouraged to provide genuine feedback, direction, and support development. Staff and their managers discuss individual development objectives to ensure staff have the right capability to meet their agreed goals.

In 2022–23, the department continued to build on strategies to foster a high-performance environment and a focus on managing for outcomes. These strategies included:

- The development of training to build manager capability and confidence to engage with, and provide effective feedback to, staff about performance and a range of other employment matters.
- Workplace coaching for SES and EL cohorts in group and/or one-on-one forums to support managers to create an environment that optimises high-performance.
- Toolkits for human resources (HR) practitioners and line area managers, which include reference material, guidelines and practical tips to manage and lead effectively.
- A model to support a diagnostic approach to preparing and conducting meaningful conversations, aimed at building a high-performance environment where teams are able to deliver quality work, and individuals are supported to reach their full potential.

The department also recognises the need to effectively manage underperformance. Where there are identified performance concerns, managers and staff are supported to ensure expectations are clearly expressed, capability gaps are addressed, and regular actionable feedback is provided with the goal of closing identified performance gaps. Where performance is not restored, the department may initiate its formal underperformance process.

In relation to formal underperformance, the department has developed a revised policy framework, including user friendly guidance documents, designed to ensure clarity of objectives, roles and responsibilities, the process, timeframes and possible outcomes. The revised framework is designed to ensure an efficient and effective approach that enables supervisors to identify and manage underperformance in the context of our flexible and virtual working arrangement and gives employees a genuine opportunity to restore performance where possible. The department is proposing to launch the revised framework in late 2023.

Entry level programs

Entry level recruitment programs assist the department to engage a diverse group of employees with both general and specific capabilities. During 2022–23, the department participated in the:

- Australian Taxation Office's APS HR Graduate Program
- Digital Transformation Agency's Australian Government ICT Graduate Program
- Office of the Chief Scientist's Australian Science Policy Fellowships Program
- Department of Finance's Career Starter Program
- Services Australia's Indigenous Apprenticeship Program
- Department of Employment and Workplace Relations' Indigenous Australian Government Development Program
- Australian Taxation Office's APS HR School Leaver Program.

The department also undertook its:

- Graduate Program, which included an Affirmative Measures process for First Nations people and the opportunity to opt in to the RecruitAbility Scheme
- Indigenous Internship Program.

The department is conducting a review of its Entry Level Programs with the aim of designing an approach that maximises our return on investment and provides a good experience for participants.

Work Health and Safety (WHS)

The department provides early support to prevent and reduce the impact of both work related and non-work related injuries and illness. The aim is to return employees to work as quickly as possible in the context of their recovery. Throughout 2022–23 the department matured its approach to early intervention. This was achieved by:

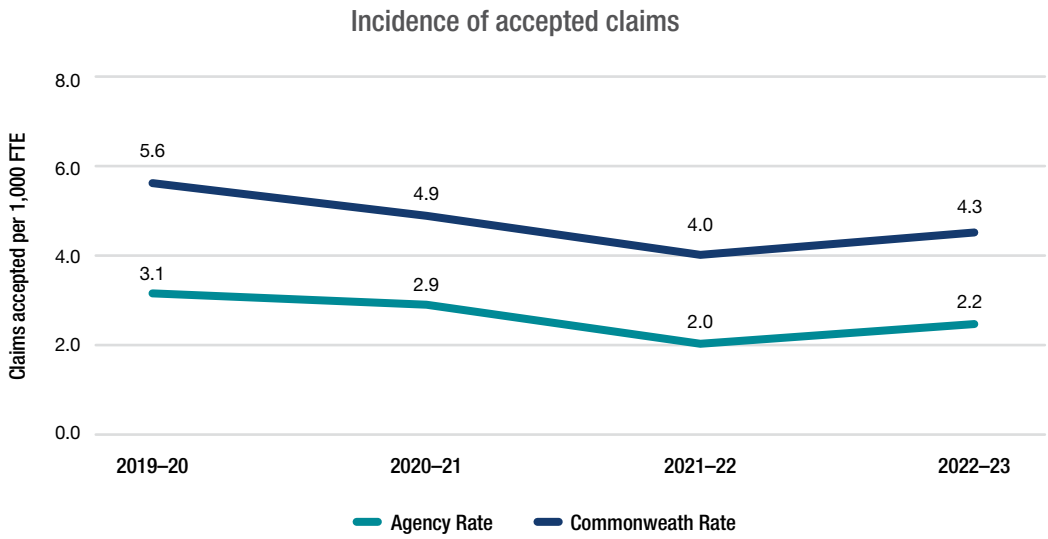
- updating our Early Intervention Policy
- continuing support from an in-house psychologist
- availability of debriefing sessions for Senior Executive Staff
- virtual workstation assessments to support staff working remotely
  - this program enables employees to work with an occupational therapist, to review the workstation and make recommendations for sensible and practical adjustments
- traditional workstations assessments for staff with more complex needs
- employee assistance program (EAP)
- case management through early intervention and referral to Rehabilitation Case Management for cases requiring long term support or engagement
- where appropriate, reimbursement for medical treatment
- annual workplace inspections conducted by Health and Safety Representatives (HSR's)
- risk registers completed to mitigate specific risks identified via annual inspections or hazards identified through Incident notifications by staff.

The department's revised compensation premium rate for the 2022–23 financial year was 0.81%, a significant decrease from the previous reporting period which was 0.91%. We continue to see risks related to body stressing attributed to keyboard and mouse work, followed by falls, trips and slips. Throughout 2022–23, staff were provided with equipment and access to an Occupational Therapist to ensure a safe workplace in both the office and at home. Further risks were managed through the provision of ergonomic tools and enhanced wellbeing supports. The department provided unlimited access to its EAP and an extensive catalogue of webinars in relation to personal and workplace issues. The department continues to enforce policies, procedures, and practices to appropriately protect workers from, and respond to, potential hazards.

The department's most common mechanism of injury for accepted health claims relates to mental stress across the 2019–20 to 2022–23 period. The department remains committed to providing support for employees to manage mental health within the workplace. The department launched its 'Healthy Minds at Work' Strategy in 2023 with an aim to promote self-care and commitment to providing a psychologically safe and mentally healthy workplace. The department delivered Mental Health First Aid training to staff, providing tools to managers and employees to identify early warning signs of mental stress and promote the supports available.

In 2022–23 Comcare has accepted a total of 9 claims which were attributed to psychological cause (4), disease (2) and injury (3). This was similar to the 2021–22 rate, and lower than previous years and the Commonwealth average.

Figure 3.4.6: Number of accepted compensation claims from 2019–20 to 2022–23



The department has transitioned its approach to managing the risk of COVID-19 to focus on staff staying home when sick and ensuring clean and clear workspaces. The department recorded 784 COVID-19 cases to June 2023. The department did not receive any compensation cases because of workplace transmission in 2022–23.

The department's EAP is available to staff of the department and portfolio entities, and their immediate families. The program provides personal coaching and counselling to support staff and their families with issues at work or home. It also provides services tailored to specific groups or needs, such as coaching and advice to managers, vocational counselling and career planning, financial counselling, and specialist help lines for Aboriginal and Torres Strait Islander employees, support for LGBTIQA+ issues, and for people affected by family and domestic violence.

The department continues to have higher use of its EAP compared to the rest of the APS. The average utilisation for the department sits at 17%, while the rest of the Commonwealth has an average of 8%. Personal reasons is the dominant reason provided for employees accessing the program.

During 2022–23, wellbeing webinars were made available to all employees and their family members. The webinars were recorded and available to staff for 30 days. A comprehensive range of topics including mental health awareness, growth mindset, sleep and our health, thriving under pressure, building resilience, maintaining motivation and compassion burnout were covered.

An annual influenza vaccination program was delivered across the country in 2022–23 through onsite clinics and a voucher system enabling free vaccination through nominated pharmacies. A total of 2,368 employees received an influenza vaccination onsite, while 739 employees and contractors downloaded a voucher to obtain free vaccination at a participating pharmacy.

The department also offers eyesight testing and eyewear reimbursement to eligible employees for screen-based work. In the 2022–23 financial year 92 staff received a reimbursement for eyewear. The department offers a corporate gym membership scheme under which staff can access discounted membership or attendance rates at nominated gyms in major cities.

Notifiable incidents

The department received 126 incident and hazard reports in 2022–23. This is an increase from the 2021–22 financial year, where 93 incident and hazard reports were received. The increase is attributed to staff being educated on the importance of incident reporting.

Of the 126 incident and hazard reports, Comcare was notified of 2 incidents. One was a suspected electric shock to an employee's finger from a bay divider with power inside. A report from an electrician determined there was no electrical fault and the shock came from static. The second was related to a chemical spill in a laboratory resulting in a staff member being admitted to hospital for observations for 24 hours. The spill occurred from a dropped bottle.

The WHS team provide formal education sessions quarterly to Health and Safety Representatives and First Aiders, in addition to staff education at Divisional and Branch meetings. The department is continuing to review and update the online Incident and Hazard reporting tool to remain contemporary and in line with WHS standards.

Part 3.5:
Financial and Property Management

Financial accountability responsibilities

The department's financial accountability responsibilities are set out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subordinate legislation, collectively known as finance law.

In support of the finance law, the department's Accountable Authority Instructions are issued in accordance with section 20A of the PGPA Act. The department also issued Finance Business Rules that clearly set out the rules and processes required for the financial administration of the department.

Finance law, the supporting instructions, and rules provide a framework to ensure efficient, effective, economical, and ethical use of public resources. The Executive Committee is responsible for monitoring and addressing performance and risks. Advice on financial matters, including administered, departmental, and capital expenditure is provided through monthly reports from the Chief Financial Officer. This process is supported by the Administered Program Board, an advisory forum that sits below the senior governance committee level and is chaired by the Chief Operating Officer, consisting of Senior Executive Service (SES) officers with direct responsibilities for the management of administered appropriations. Further, the department's Audit and Risk Committee provides independent advice to the Accountable Authority (the Secretary).

Finance law also mandates the production of audited financial statements prepared in accordance with the Australian Accounting Standards. The department's 2022–23 financial statements are provided in Part 4: Financial Statements.

Managing our assets

The department holds financial and non-financial assets. Financial assets include cash and receivables, which are subject to internal controls and reconciliations.

Non-financial assets are held for operational purposes and include computing software and hardware, building fit-out, Right-of-Use assets, furniture and fittings, and inventory. Decisions about whole-of-life asset management are undertaken in the context of the department's broader strategic planning to ensure investment in assets supports cost-effective achievement of the department's objectives.

Effective management of the department's capital budget and non-financial assets was achieved by:

- including whole-of-life consideration in proposals for capital expenditure
- whole of department prioritisation of capital projects and major purchases by the department's Executive Committee
- whole of department oversight, advice and assurance by the department's Digital, Data and Implementation Board of digital, data and information and communications technology work programs to ensure the department is leveraging existing technologies, patterns, and capabilities to effectively deliver on new and emerging priorities of government, while ensuring alignment with the digital transformation agenda
- undertaking regular stocktakes of physical assets and inventory
- annually reviewing assets for indications of impairment and changes in expected useful lives.

Procurement

Purchasing

The department's approach to procurement activity is driven by the core principles of the Commonwealth's financial management framework. The framework encourages competition, value for money, transparency and accountability, as well as the efficient, effective, ethical, and economical use of Commonwealth resources.

During 2022–23, the department continued purchasing goods and services to support the Government's health response to the COVID-19 pandemic, with an emphasis on the purchase of vaccines, consumables and services supporting the national COVID-19 vaccine rollout.

Initiatives to support small business

Small and Medium Enterprises (SMEs) make up the majority of all Australian businesses, contribute billions of dollars to the economy and provide employment for millions of Australians. In addition to the use of mandatory whole of Australian Government panels, the department supports small business participation in the Commonwealth Government procurement market. SME and Small Enterprise participation statistics are available on the Department of Finance's website.[126]

The department's measures to support SMEs included:

- Ongoing promotion and application of the Indigenous Procurement Policy, on which detailed information is included on the following page.
- Ensuring Small Business Engagement Principles were clearly communicated in simple language and in an accessible format, as outlined in the Government's Industry Innovation & Competitiveness Agenda.[127]
- Incorporating the supplier pay on-time policy, mandating 20 day payment terms for contracts under $1 million.
- Using the Commonwealth Contracting Suite (CCS) to reduce burden on businesses contracting with the Government.
- Providing internal guidance and advice to support the Indigenous Procurement Policy, Small Business Engagement Principles, and the CCS.
- Using whole-of-government arrangements to ensure the inclusion of new and emerging suppliers in key industries.
- Incorporating the Commonwealth Procurement Rules, Appendix A – exemption 17, allowing direct engagement of SMEs for procurements valued at up to $200,000 (including GST), provided value for money can be demonstrated.

The department recognises the importance of ensuring small businesses are paid on time. The results of the most recent Survey of Australian Government Payments to Small Business are available at: www.treasury.gov.au

In November 2021, the department's Invoice Management System was upgraded to receive eInvoices. The department is working closely with suppliers who are eInvoice enabled to transition to eInvoicing and improve payment times. In 2022–23 1,654 eInvoices were received from suppliers, compared to 106 in 2021–22. The department is continuing to encourage the use of eInvoices, and is working closely with the Australian Taxation Office to develop new strategies.

Indigenous Procurement Policy

Indigenous businesses are vital to creating jobs for, and employing more, First Nations people. The Indigenous Procurement Policy aims to support these businesses to grow and create opportunities for First Nations people.

The value-based target, designed to help Indigenous businesses win higher value contracts, increased from 1.50% in 2021–22 to 1.75% in 2022–23 of the department's average relevant procurement spend over the previous 3 years. The existing volume targets and policy objectives remained unchanged.

[126] Available at: www.finance.gov.au
[127] Available at: www.dewr.gov.au/download/2913/competitiveness-agenda/4035/document/pdf

In 2022–23, the department entered into 91 new contracts with Indigenous businesses, worth a combined $61.6 million. This represents a lower volume than the 215 contracts entered into in 2021–22. However, the department exceeded its value-based target of $17.1 million by $44.4 million.

The department continued to promote awareness of opportunities to procure goods and services from Indigenous businesses. The department's Reconciliation Action Plan 2021–23 seeks to continue to develop awareness and recognition of Indigenous suppliers and the benefits of their involvement in the department's procurements. Through promotion of success stories, reviewing and strengthening procurement practices, and committing to membership of Supply Nation (Australia's leading database of verified Indigenous businesses), the department's Reconciliation Action Plan 2021–23 is continuing to strengthen First Nations engagement and provide greater opportunities for Indigenous businesses.

Reportable consultancy contracts

The department engages consultants to provide specialist expertise and undertake independent research or assessments in relation to:

- investigating or diagnosing a defined issue or problem
- carrying out defined reviews or evaluations
- providing independent advice, information, or creative solutions to assist the department in decision making.

The department considers the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. Decisions to engage consultants are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and other internal policies.

During 2022–23, 325 new reportable consultancy contracts were entered into, involving total expenditure of $56.9 million. In addition, 166 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $27 million.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website[128].

Table 3.5.1: Organisations receiving a share of reportable consultancy contract expenditure in 2022–23

Organisations receiving a share of reportable consultancy contract expenditure in 2022–23	Australian Business Number (ABN)	Expenditure $ (Inc. GST)	Percentage of total spend
ERNST & YOUNG	75 288 172 749	8,757,749.84	11%
PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20 607 773 295	8,553,622.18	10.8%
KPMG	51 194 660 183	5,726,385.92	7.2%
Nous Group Pty. Ltd.	66 086 210 344	4,357,635.14	5.5%
Deloitte Touche Tohmatsu	74 490 121 060	4,199,651.53	5.3%

[128] Available at: www.tenders.gov.au

Reportable non-consultancy contracts

The department considers the scope, scale, and risk associated with any procurement activity in line with its internal policies and procedures. Decisions to engage a particular supplier are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and other internal policies.

During 2022–23, 1,769 new reportable non-consultancy contracts were entered into, involving total expenditure of $1.1 billion. In addition, 2,632 ongoing reportable non-consultancy contracts were active during the period, involving total expenditure of $1.4 billion.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.[129]

Table 3.5.2: Organisations receiving a share of reportable non-consultancy contract expenditure in 2022–23

Organisations receiving a share of reportable non-consultancy contract expenditure in 2022–23	Australian Business Number (ABN)	Expenditure $ (Inc. GST)	Percentage of total spend
Seqirus (Australia) Pty Ltd	66 120 398 067	219,885,303.42	8.6%
GlaxoSmithKline Australia Pty Ltd	47 100 162 481	113,126,064.31	4.4%
Pfizer Australia Pty Ltd	50 008 422 348	110,447,818.24	4.3%
Datacom Systems (AU) Pty Ltd	39 135 427 075	98,681,711.70	3.8%
Westlab Pty Ltd	71 606 662 113	74,538,919.62	2.9%

Exempt contracts and Australian National Audit Office (ANAO) access

Exempt contracts

In 2022–23, 81 contracts were exempt from reporting on AusTender on the basis that publishing contract details would disclose exempt matters under the *Freedom of Information Act 1982*. This represents an increase from 2021–22, where 76 contracts were exempt from reporting.

ANAO access clauses

The department's standard contract and Standing Offer templates include provisions to allow the ANAO access to a contractor's premises.

In 2022–23, there were no identified reportable contracts that excluded this provision.

Grants

As with many Commonwealth agencies, the department gives effect to government policy decisions through the provision of grant funding. In practice, the department is the single largest granting agency in the Commonwealth, with 20,258 grant activities undertaken in 2022–23.

Key grants programs funded in 2022–23 include:

- $2,938.58 million for the Commonwealth Home Support Programme
- $704.81 million for Mental Health and Suicide Prevention Operational and Flexible Support
- $600.08 million for Indigenous Comprehensive Primary Health Care.

[129] Available at: www.tenders.gov.au

The department's approach to grant administration follows the mandatory requirements for grants administration set out in the Commonwealth Grant Rules and Guidelines (CGRGs). The CGRGs are a legislative instrument, established by the Minister for Finance under section 105C of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), that detail the key legislative and policy requirements relating to grants as well as better practice principles for grants administration. The department, as a non-corporate Commonwealth entity, must administer grants in accordance with the CGRGs. The department has established, and continuously maintains, a comprehensive suite of policy and procedural guidance – The Grants Toolkit – to support policy and program areas across the department undertake grants administration activities in accordance with the CGRGs, which is complemented by a quarterly grants assurance program which tests compliance with the grants framework.

The department is committed to continuous improvement and has accepted and will implement changes to address all recommendations of the Australian National Audit Office report on the Administration of the Community Health and Hospitals Program. In response to the audit the department will review and strengthen our internal control framework, including controls that relate to grant administration.

Information on grants awarded by the department during the period 1 July 2022 to 30 June 2023 is available on the Australian Government's grant information system, GrantConnect.[130]

Advertising and market research

The department must report on payments over $14,500 made to advertising agencies, market research organisations, polling organisations, direct mail organisations, and media advertising organisations. This section details these payments, along with the names of advertising campaigns conducted by the department in 2022–23.

Advertising campaigns

During 2022–23, the department conducted the following advertising campaigns, which were certified by the Secretary in line with the Guidelines on Information and Advertising Campaigns[131] where required:

- COVID-19 vaccines campaign – Top up (2023 boosters)
- COVID-19 vaccines campaign – Top up (First Nations adaptation)
- COVID-19 vaccines campaign – COVID safe behaviours
- COVID-19 vaccines campaign – Oral treatments
- COVID-19 vaccines campaign – Kids will be kids
- COVID-19 vaccines campaign – Take on winter
- COVID-19 vaccines campaign – Wintertime is the best time (First Nations adaptation)
- COVID-19 vaccines campaign – Boost (First Nations adaptation)
- Japanese Encephalitis Virus campaign
- Influenza campaign
- Routine Childhood Immunisation campaign
- PBS General Co-Payment Reduction campaign
- Cosmetic Surgery Public Education campaign
- Health Star Rating campaign
- Hearing Health Awareness and Prevention campaign
- Head to Health Centres campaign
- Cervical Cancer Screening campaign.

[130] Available at: www.grants.gov.au
[131] Available at: www.finance.gov.au/government/advertising/australian-government-guidelines-information-and-advertising-campaigns-non-corporate-commonwealth-entities

Further information on these advertising campaigns is available at www.health.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website[132].

Table 3.5.3: Advertising, market research, direct mail and media advertising payments for 2022–23

Organisation	Service provided	Paid (Inc. GST)
Advertising agencies		
Ogilvy Australia	COVID-19 vaccines campaign creative services	$1,445,776
Carbon Media Pty Ltd	COVID-19 vaccines campaign creative services for First Nations audiences	$385,000
BMF Advertising	COVID-19 vaccines campaign creative services	$986,757
Cultural Perspectives Pty Ltd	COVID-19 vaccines campaign – advertising services for culturally and linguistically diverse communities	$108,464
Ogilvy Australia	Hearing Health Awareness and Prevention campaign creative services	$730,561
Ogilvy Australia	Cosmetic Surgery Public Education campaign creative services	$499,749
Ogilvy Australia	Health Star Rating Campaign creative services	$147,167
Cultural Perspectives	Health Star Rating Campaign creative services for culturally and linguistically diverse audiences	$49,945
Carbon Media Pty Ltd	Influenza Vaccination campaign creative services	$385,000
Ogilvy Australia	Routine Childhood Immunisation campaign creative services	$639,948
Cultural Perspectives	Routine Childhood Immunisation campaign creative services for culturally and linguistically diverse audiences	$43,560
Ogilvy Australia	Japanese Encephalitis Virus campaign creative services	$220,026
Cultural Perspectives	Japanese Encephalitis Virus campaign creative services for culturally and linguistically diverse audiences	$34,165
Carbon Media Pty Ltd	Japanese Encephalitis Virus campaign creative services for First Nations audiences	$55,000
Ogilvy Australia	PBS General Co-Payment Reduction campaign creative services	$446,464
Cultural Perspectives Pty Ltd	PBS General Co-Payment Reduction campaign creative services for culturally and linguistically diverse audiences	$19,879
Market research		
89 Degrees East Pty Ltd	Online survey of aged care workers	$210,540
Australian Injecting and Illicit Users League (AIVL)	Consumer Research	$92,567
Australian National University	Monitor mental health needs of First Nations people during voice to parliament referendum	$475,309
Bastion Insights Pty Ltd	Voluntary patient registration research	$192,240
Cultural Perspectives Pty Ltd T/A Cultural & Indigenous Research	User research for COVID-19 content strategy	$560,738

[132] Available at: www.finance.gov.au

Organisation	Service provided	Paid (Inc. GST)
Fifty-Five Five Pty. Ltd	Concept testing research for COVID-19 communications	$1,269,843
Fifty-Five Five Pty. Ltd	Sentiment Monitor Research for COVID-19	$866,448
Fifty-Five Five Pty. Ltd	Developmental and concept testing research for the Childhood Immunisation campaign	$326,700
Fifty-Five Five Pty. Ltd	Concept testing research for PBSs General Co-payment Reduction campaign	$258,214
Fifty-Five Five Pty. Ltd	Concept testing research for Cosmetic Surgery campaign	$171,600
Fifty-Five Five Pty. Ltd	Concept testing research for Hearing Awareness campaign	$85,800
Fifty-Five Five Pty. Ltd	Concept testing research for the Health Star Rating campaign	$72,050
Fifty-Five Five Pty. Ltd	Concept testing research for Influenza Vaccination campaign	$101,200
Fifty-Five Five Pty. Ltd	Developmental research for a Cervical Screening campaign	$154,000
Fifty-Five Five Pty. Ltd	Exploratory Research for Illicit Drugs	$137,019
Fifty-Five Five Pty Ltd	Developmental and concept testing research for Sexually Transmissible Infections communication	$93,504
Hall & Partners Pty Ltd	Evaluation research for Japanese Encephalitis Virus campaign	$93,341
Hall & Partners Pty Ltd	Evaluation research for Influenza campaign	$126,748
Hall & Partners Pty Ltd	Evaluation research for Childhood Immunisation campaign	$118,098
Hall & Partners Pty Ltd	Evaluation research for Cosmetic Surgery campaign	$62,617
Hall & Partners Pty Ltd	Evaluation research for PBS General Co-payment Reduction campaign	$73,405
Hall & Partners Pty Ltd	Evaluation research for Hearing Awareness campaign	$87,824
Hall & Partners Pty Ltd	Evaluation research for Health Star Rating campaign	$107,888
Hall & Partners Pty Ltd	Evaluation research for the COVID-19 Vaccines campaign	$398,638
Heartward Pty Ltd	Focus groups for new aged care regulatory model	$67,139
Kantar Public Australia Pty Ltd	Research for consumer contributions to aged care	$345,180
National Aboriginal Community Control Health Organisation (NACCHO)	Scoping work for the quality use of diagnostics, therapeutics and pathology program redesign	$99,000
Painted Dog Research Pty Ltd	Research services for COVID-19 measures	$713,358
PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	Evaluation research for Lifeline Australia's Aboriginal and Torres Strait Islander crisis support phone line	$550,000
Quantum Market Research (Aust) Pty	Community sentiment research COVID-19 vaccinations	$91,850
Snapcracker Research & Strategy Pty Ltd	Exploratory research for influenza immunisation	$27,368

Organisation	Service provided	Paid (Inc. GST)
Symego Pty Ltd T/A Qualie	Brand market testing research for Head to Health Kids	$34,881
Symego Pty Ltd T/A Qualie	Research for careers in mental health	$78,865
Symego Pty Ltd T/A Qualie	Research to evaluate general practitioner education kits	$36,791
The Australian Council For Educational Research Limited	Australian General Practice Training National Registrar Survey 2023	$106,369
The Cancer Council NSW	National research insights into electronic cigarette use among young people	$110,000
The Social Research Centre	Aged care provider workforce survey	$247,343
Whereto Research Based Consulting Pty Ltd	Aged care diverse audience research	$162,833
Whereto Research Based Consulting Pty Ltd	Evaluation of marketing material for the Cancer Council Bowel Cancer Screening Campaign.	$164,780
Whereto Research Based Consulting Pty Ltd	Exploratory research breastscreen	$200,761
Whereto Research Based Consulting Pty Ltd	Consumer research for aged care	$106,106
Direct mail organisations (includes organisations which handle the sorting and mailing out of information material to the public)		
National Mailing and Marketing	Influenza vaccination mail out services	$84,191
National Mail and Marketing	2023 influenza letter and resources	$69,580
National Mailing and Marketing	CVS brochures and personalised letter	$18,914
National Mailing and Marketing	Mailout to pharmacists	$15,889

Organisation	Service provided	Paid (Inc. GST)
Media advertising organisations (the master advertising agencies which place Government advertising in the media – this covers both campaign and non-campaign advertising)		
Mediabrands Australia Pty Ltd	Media buy for the COVID-19 Vaccine campaign	$36,835,489
Mediabrands Australia Pty Ltd	Media buy for Health Star Rating campaign	$2,163,702
Mediabrands Australia Pty Ltd	Media buy for the Hearing Health Awareness and Prevention campaign	$1,933,648
Mediabrands Australia Pty Ltd	Media buy for the Influenza Vaccination campaign	$995,576
Mediabrands Australia Pty Ltd	Media buy extension for the 2022 Influenza Vaccination campaign targeting children under 5	$331,811
Mediabrands Australia Pty Ltd	Media buy extension for the 2022 Influenza Vaccination campaign targeting pregnant women	$497,595
Mediabrands Australia Pty Ltd	Media buy for Routine Childhood Immunisation campaign	$2,153,974
Mediabrands Australia Pty Ltd	Media buy for the Japanese Encephalitis Virus campaign	$2,383,748
Mediabrands Australia Pty Ltd	Media buy for Head to Health campaign	$132,000
Mediabrands Australia Pty Ltd	Media buy for Head to Health phone line and centre non-campaign advertising	$507,646
Mediabrands Australia Pty Ltd	Media buy for Cosmetic Surgery Public Education campaign	$220,000
Mediabrands Australia Pty Ltd	Media buy for PBS General Co-Payment Reduction campaign	$4,040,640
Mediabrands Australia Pty Ltd	Media buy for Cervical Cancer Screening partnership campaign	$244,495
Mediabrands Australia Pty Ltd	Media buy for Cancer Screening Reminders campaign	$110,000
Mediabrands Australia Pty Ltd	Media buy for questions to ask before getting a medical implant	$45,000
Mediabrands Australia Pty Ltd	Media buy for beware of buying medicines and medical devices online	$35,000
Mediabrands Australia Pty Ltd	Media buy for mandatory statements on therapeutic goods	$50,000
Mediabrands Australia Pty Ltd	Media buy for travelling with medicines and medical devices	$45,000
Mediabrands Australia Pty Ltd	Media buy for Aged Care Star Ratings	$174,950
Mediabrands Australia Pty Ltd	Media buy for Aged Care Quality Standards consultation	$149,195

Property management and environmental impact

During 2022–23, the department continued to deliver the program of works under New Ways of Working (NWOW), to provide flexible and sustainable work environments that promote adaptability, collaboration, and performance. These works included relocation of the Health Products Regulation Group to 2 purpose-built new buildings: an office building, and a dedicated laboratory building, at the Fairbairn Business Park, ACT.

The department focused on the Commonwealth Government's Net Zero emissions policy for the APS, including working with the Department of Finance towards transparent emissions reporting in the second half of 2023.

The department also continued to undertake a range of activities to ensure sustained best practices for a COVIDSafe work environment in its tenancies. This included supporting remote working, increased hygiene support and an enhanced cleaning regime.

Ecologically sustainable development principles

The principles of ecologically sustainable development (ESD), outlined in section 3A of the *Environment Protection and Biodiversity Conservation Act 1999*, are that:

- decision making processes should effectively integrate both long term and short term economic, environmental, social, and equity considerations
- if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation
- the present generation should ensure the health, diversity, and productivity of the environment is maintained or enhanced for the benefit of future generations
- the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making
- improved valuation, pricing, and incentive mechanisms should be promoted.

Our contribution

In 2022–23, the department continued its commitment to ESD through a methodical approach to planning, implementing, and monitoring the department's environmental performance through programs and policies in accordance with current legislation, whole-of-government requirements, and environmental best practice. The department also administers legislation as outlined below that is relevant to, and meets the principles of, ESD.

Gene Technology Act 2000

Through the Gene Technology Regulator (the Regulator), the department protects the health and safety of people and the environment by identifying risks posed by gene technology, and manages those risks through regulating activities with genetically modified organisms (GMOs). These activities range from contained work in certified laboratories to the release of GMOs into the environment. The Regulator imposes licence conditions to protect the environment and uses extensive powers to monitor and enforce those conditions.

Industrial Chemicals Act 2019

The Australian Industrial Chemicals Introduction Scheme (AICIS) aids in the protection of the Australian people and the environment by assessing the risks from the introduction and use of industrial chemicals, and making recommendations to promote their safe use. AICIS operates within an agreed framework for chemical management consistent with the National Strategy for ESD, and is aligned with the United Nations Conference on Environment and Development Agenda 21 (Rio Declaration) chapter on the environmentally sound management of toxic chemicals.

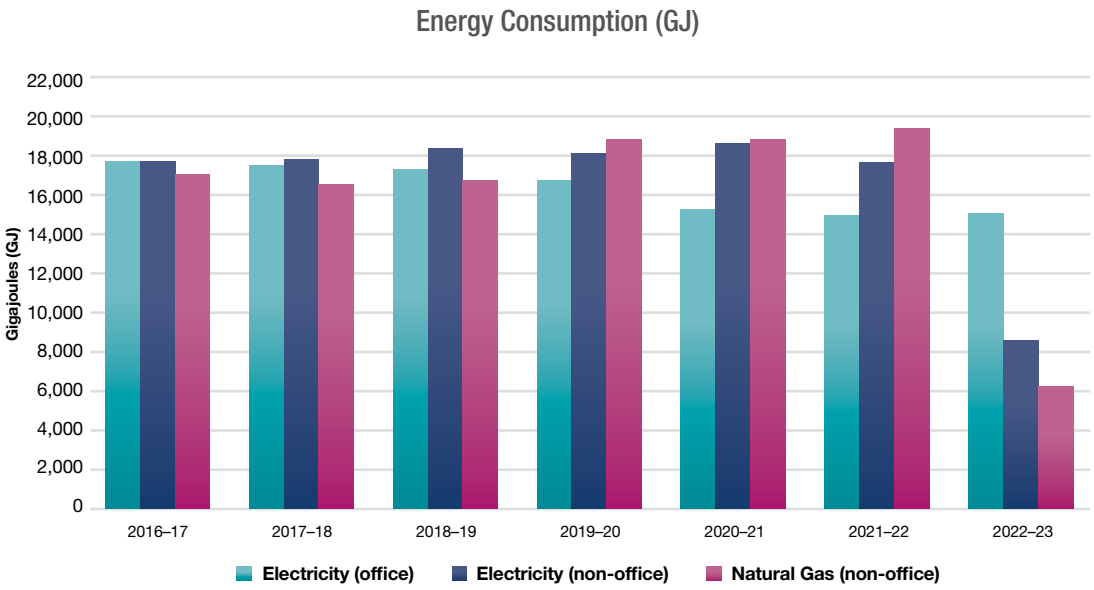
Environmental impact of our operations

The Energy Efficient in Government Operations (EEGO) Policy contains minimum energy performance standards for Australian Government office buildings as a strategy for achieving energy targets. This ensures entities progressively improve their performance through the procurement and ongoing management of energy efficient office buildings, and environmentally sound equipment and appliances. The department has achieved this in 2022–23 in the design and construction of new fit-outs and purpose built buildings. Moving forward, the APS Net Zero 2030 reporting requirements will supersede EEGO as the mandatory reporting tool.

The department, as part of its strategic accommodation planning, meets the requirements of the Green Lease Schedule. That is, for tenancies of greater than 2,000m^2 with a lease term greater than 2 years, accommodation meets the 'A' grade standard of the Building Owners and Managers Association International guidelines, and meet a minimum National Australian Built Environment Rating System rating of 4.5 stars.

Energy consumption

Figure 3.5.1: The department's electricity and natural gas consumption



*Please note that due to invoice unavailability, the utility consumption data for month of June 2023 (for all sites), May 2023 (for some sites) and approximately 3 months of data for sites on quarterly invoicing schedule had been estimated.

In reviewing the combined electricity and gas energy usage data for the financial year 2022–23, the department observed a notable 44% reduction in consumption across both office and non-office sites compared to the prior financial year. This translates to an average monthly consumption of approximately 2,400 gigajoules in 2022–23, signifying a reduction to nearly half of the previous year's monthly average.

While electricity energy consumption specific to the office sites saw a modest rise of 3% from 2021–22, this is attributed to the addition of 4 new sites during the 2022–23 financial year. This contrasts with a decrease in the overall portfolio's energy usage, which is largely influenced by a substantial drop in the non-office sites' consumption.

Electricity usage at non-office sites decreased significantly, by approximately 49% in the financial year 2022–23 compared to the previous financial year. This is attributed to the termination of the Symonston premises lease and the subsequent relocation to the new purpose-built buildings at 27 Scherger Drive (Office) and 1 Tindal Lane (Laboratories).

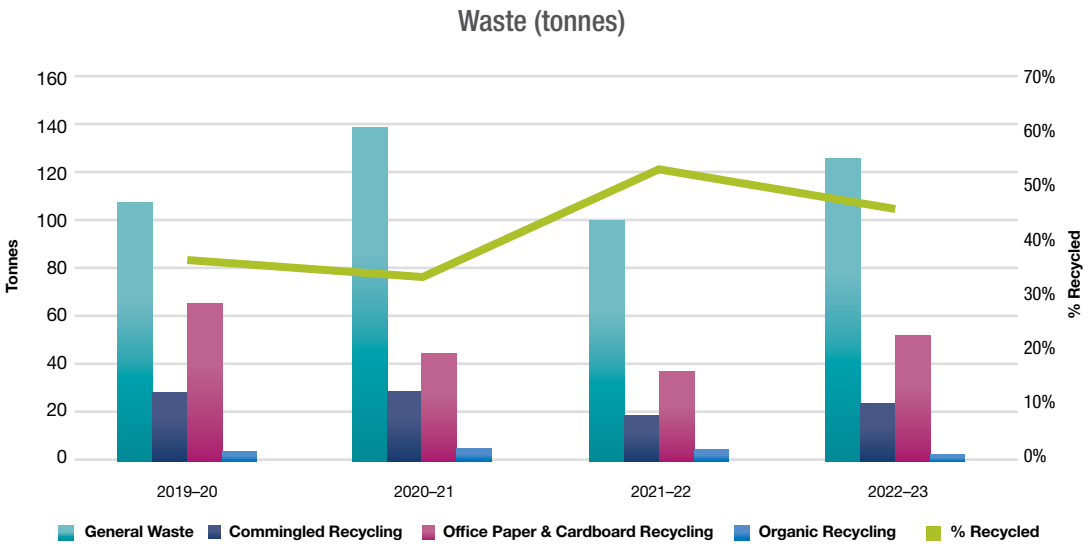
The office site, designed with an emphasis on energy efficiency and a 5-star National Australian Built Environment Rating System rating, utilised bespoke building orientation to optimise energy conservation and maximise natural light utilisation. These factors have contributed towards the reduction in electricity consumption. Simultaneously, gas consumption by non-office sites diminished by approximately 65% due to the transition to all-electric buildings, leading to the elimination of gas usage for the department's property portfolio.

The department consistently endeavours to reduce energy consumption in its leased tenancies by deploying advanced technology such as:

- eco-friendly fit-outs and environmentally certified fit out products
- lighting controls using time clocks, motion sensors and daylight sensors to minimise energy waste complemented by energy efficient lighting designed with LED lighting options under consideration
- double glazed thermally efficient glazing for high level natural light entry while minimising solar heat load
- environmentally sustainable and efficient air conditioning systems
- energy recovery or heat recovery ventilation systems
- air conditioning systems with superior Energy Efficiency Ratios for cooling and Coefficients of Performance for heating.

Waste management

Figure 3.5.2: Average yearly waste produced by the department



The department is committed to protecting the environment through the implementation of efficient and effective waste management programs.

In the financial year 2022–23, the department experienced an increase in general waste generation, with approximately 137 tonnes produced, representing a 37% increase compared to the previous financial year. Within the waste subtypes, commingled and office paper waste also showed notable increases, with volumes rising by 16% and 30% respectively.

The increase in waste generation during this period is largely due to decommissioning activities at the Symonston site, which, although it remained open until September 2022, was predominantly vacant. As the department transitioned to a more streamlined and efficient operational model, there was a concerted effort to declutter and dispose of accumulated redundant materials. This trend reflects a consistent approach across our New Ways of Working (NWOW) sites, symbolizing a shift towards more sustainable and efficient operations.

Moreover, alongside the induction of new sites into our portfolio, we undertook fit-out activities which also contributed to waste increments. The data reveals a slight downturn in recycling - our department now recycles about 46% of its waste. This includes a 26% drop in organic recycling, potentially attributable to an 11% decrease in site occupancy, which fell from 5,676 to 5,038 individuals over the year.

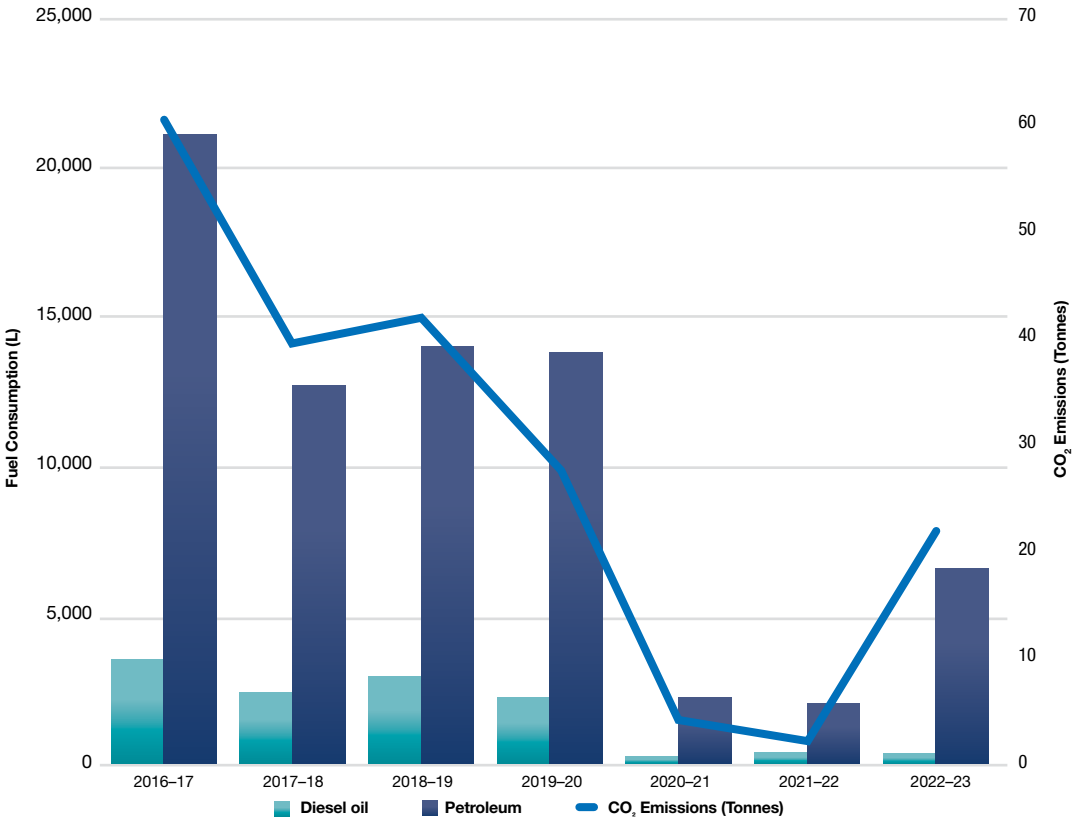
In most of the department's offices, waste management initiatives include segregated waste streams to improve management of general waste, commingled recycling, organic recycling, and paper and cardboard recycling. The department aims to increase the amount of waste recycled as a proportion of total waste.

Additional recycling efforts include the recycling of printer and toner cartridges, batteries, and mobile phones to ensure these items are diverted from landfill and used in sustainable programs.

The department's largest office building, the Sirius Building in Woden, ACT, also uses recycled grey water for flushing toilet cisterns. Along with the use of waterless urinals in the building, this significantly reduces reliance on mains water in the operation of the building.

Vehicle fleet management

Figure 3.5.3: Fleet fuel consumption and CO_2 emissions



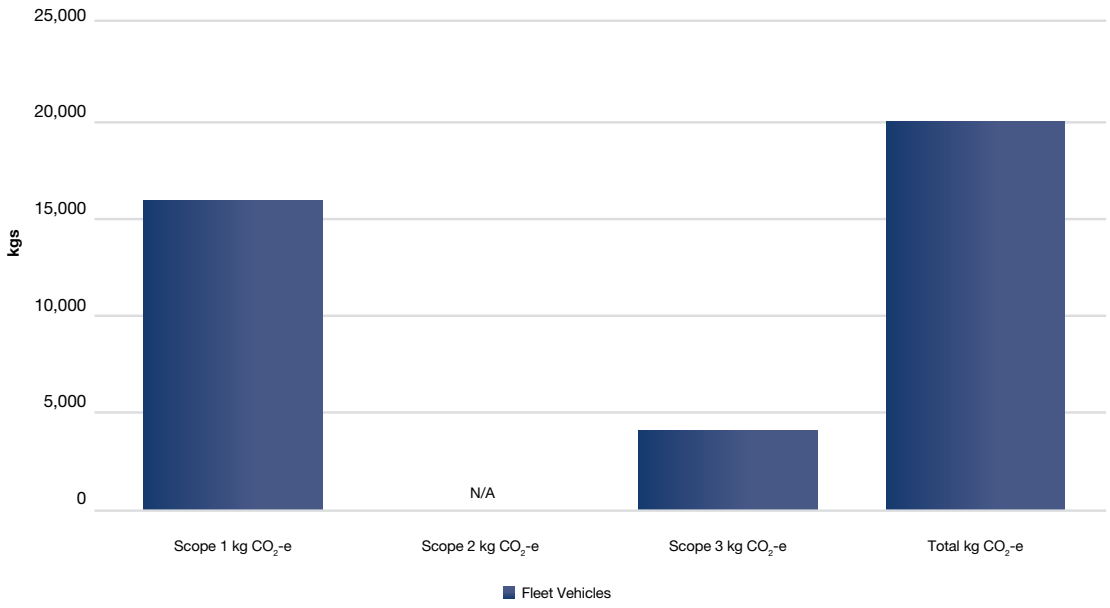
Note: we have converted CO_2 emissions to tonnes for the purpose of the graph.

During 2022–23, the Department of Finance implemented a new reporting tool and guidance to support the Commonwealth Government Net Zero 2030 initiative. The guidance includes more specific requirements for the reporting of CO_2 emissions, and the tool will be used to provide data in future annual reports.

This included vehicle usage for CO_2 emissions. The department operated 25 vehicles which travelled a total of 92,158 kms and expended a total of 20,020 kg of CO_2 emissions. This data was calculated from the total fuel usage of the vehicles for the financial year:

- Petroleum – 6,583.56 litres
- Diesel – 437.99 litres.

Figure 3.5.4: 2022–23 Net Zero Emission Annual Report Summary of CO_2



Jurisdictional lockdowns in response to the COVID-19 pandemic caused a reduction in the use of the department's vehicle fleet during 2020–21 and 2021–22. As a result, CO_2 emissions declined. In the 2022–23 reporting period, fleet vehicle utilisation increased, leading to a corresponding increase in CO_2 emissions.

The department will continue to review the vehicle fleet to ensure it is operating efficiently and consolidate the fleet where required.

Part 3.6:
External Scrutiny and Compliance

External Scrutiny

Parliamentary scrutiny

The department appears before parliamentary committees to answer questions about the administration of health, aged care, and sport programs and policies.

During 2022–23, the department provided evidence and/or submissions to 22 Parliamentary Inquiries and received a total of 2,163 Senate Estimates Questions on Notice.

Joint Committee of Public Accounts and Audit (JCPAA) reviews

During 2022–23, there were no JCPAA tabled reviews involving the department.

Senate Estimates hearings

During 2022–23, the Health and Aged Care Portfolio appeared before the Finance and Public Administration Committee for the Cross Portfolio Indigenous hearings, and the Community Affairs Committee on the following occasions:

Finance and Public Administration Committee

- Budget Estimates – 11 November 2022
- Supplementary Budget Estimates – 17 February 2023
- Spill over Supplementary Budget Estimates – 21 March 2023
- Budget Estimates – 24 May 2023.

Community Affairs Committee

- Budget Estimates – 10 November 2022
- Supplementary Budget Estimates – 16 February 2023
- Budget Estimates – 1 to 2 June 2023.

During 2022–23, the Health and Aged Care Portfolio responded to 9 Questions on Notice from the Finance and Public Administration Committee hearings and 2,154 Questions on Notice from the Community Affairs Committee hearings.

Parliamentary Committee inquiries

The department provided evidence and/or submissions to the following parliamentary committee inquiries over 2022–23:

Committee	Evidence/submission provided
The Senate Standing Committee on Community Affairs	Inquiry into the provisions of the Aged Care Amendment (Implementing Care Reform) Bill 2022
House of Representatives Standing Committee on Health, Aged Care and Sport	Expansion of Australia's Newborn Bloodspot Screening programs
House of Representatives Standing Committee on Health, Aged Care and Sport	Independent review of the hearing services program & cochlear implants
House of Representatives Standing Committee on Health, Aged Care and Sport	Inquiry into Long COVID and Repeated COVID Infections
Senate Standing Committee on Community Affairs References Committee	Inquiry into universal access to reproductive healthcare
Parliamentary Joint Committee on Law Enforcement	Inquiry into the challenges and opportunities for law enforcement in addressing Australia's illicit drug problem
Senate Standing Committee for the Scrutiny of Bills	Biosecurity Amendment (Strengthening Biosecurity) Bill 2022 and the *Biosecurity Act 2015*
Parliamentary Joint Select Committee on Northern Australia	Inquiry into Workforce Development
Senate Standing Committee on Community Affairs References Committee	Inquiry into concussions and repeated head trauma in contact sports
Senate Select Committee on Australia's Disaster Resilience	Inquiry into Australia's Disaster Resilience
Joint Committee of Public Accounts and Audit	Inquiry into Commonwealth Financial Statements 2021–22
House of Representatives Standing Committee on Social Policy and Legal Affairs	Inquiry into online gambling and its impacts on those experiencing gambling harm
Senate Standing Committees on Finance and Public Administration References Committee	Inquiry into management and assurance of integrity by consulting services (Consulting services)
Senate Standing Committee on Community Affairs Legislation Committee	Inquiry into the provisions of the Inspector-General of Aged Care Bill 2023 and the Inspector-General of Aged Care (Consequential and Transitional Provisions) Bill 2023
Select Committee into the Provision of and Access to Dental Services in Australia	Inquiry into the provision of and access to dental services in Australia
Senate Standing Community Affairs References Committee	Inquiry into the Assessment and support services for people with ADHD
Senate Rural and Rural Affairs and Transport References Committee	Inquiry into Australia's preparedness to host the Commonwealth, Olympic and Paralympic Games
Senate Standing Committee on Community Affairs Legislation Committee	Inquiry into the Medicinal Cannabis Bill 2023
Select Committee on the Cost of Living	Inquiry into the Cost of Living
House of Representatives Standing Committee on Health, Aged Care and Sport	Inquiry into Diabetes in Australia
Senate Community Affairs Legislation Committee	Inquiry into the Australian Organ and Tissue Donation and Transplantation Authority Amendment (Disclosure of Information) Bill 2023

Freedom of Information

In 2022–23, the department received 524 Freedom of Information requests.

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act, and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

The department's IPS Agency Plan (the Agency Plan), which outlines the mechanisms and procedures the department is required to undertake in managing and making information available, is available on the department's website.[133]

The Agency Plan includes a link to the department's Freedom of Information disclosure log, which is available on the department's website[134].

Australian National Audit Office (ANAO) audits

The department works closely with the ANAO to provide responses to proposed audit findings and recommendations prior to the Auditor-General presenting reports to Parliament.

During 2022–23, the ANAO tabled 3 performance audits involving the department. The department agreed to all recommendations from these audits, and implementation activities have commenced or are complete.

[133] Available at: www.health.gov.au/resources/publications/information-publication-scheme-ips-agency-plan

[134] Available at: www.health.gov.au/resources/foi-disclosure-log. The Therapeutic Goods Administration (TGA) publishes a separate disclosure log, available at: www.tga.gov.au/foi-disclosure-log

Audits specific to the department

Audit	Australia's COVID-19 Vaccine Rollout Published – 17 August 2022 Performance audit (Auditor-General Report No.3 of 2022–23)
Objective	**To assess the effectiveness of the planning and implementation of the COVID-19 vaccine rollout.**
Recommendations (Directed to the department)	**Recommendation 1:** The Department of Health and Aged Care establish processes, including during public health emergencies, to ensure it regularly obtains and reviews assurance over the data quality and IT controls in place in externally managed systems on a risk basis, including IT security, change management and batch processing. **Recommendation 2:** Before 31 December 2022, the Department of Health and Aged Care conduct a comprehensive review of the COVID-19 vaccine rollout which: a) invites contribution from all key government and non-government stakeholders b) examines all aspects of the COVID-19 vaccine rollout c) identifies what worked well and what did not d) makes recommendations to the Australian Government about opportunities for improvement in the event of a future vaccination rollout.
Audit	**Expansion of Telehealth Services** **Published – 19 January 2023** **Performance audit (Auditor-General Report No.10 of 2022–23)**
Objective	**To assess whether the Department of Health and Aged Care has effectively managed the expansion of telehealth services during and post the COVID-19 pandemic.**
Recommendations (Directed to the department)	**Recommendation 1:** The Department of Health and Aged Care strengthen its systems of control for the implementation of material changes to the Medicare Benefits Schedule, to embed elements of governance that are currently unaddressed including documentation of key implementation issues and decisions and planning for performance monitoring and evaluation. **Recommendation 2:** The department develop procedures that ensure proposed material changes to the Medicare Benefits Schedule are subject to a structured and documented risk assessment that covers implementation, integrity and other risks. **Recommendation 3:** As a component of a broader review into the COVID-19 pandemic response required under the Australian Health Sector Emergency Response Plan for Novel Coronavirus, the Department of Health and Aged Care considers the lessons learned for future pandemic preparedness from the inclusion of temporary telehealth items as one of several COVID-19 pandemic response measures. **Recommendation 4:** The Department of Health and Aged Care finalise its plans to evaluate permanent telehealth.

Audit	**Australia's COVID-19 Vaccine Rollout** **Published – 17 August 2022** **Performance audit (Auditor-General Report No.3 of 2022–23)**
Audit	**Administration of the Community Health and Hospitals Program** **Published – 5 June 2023** **Performance audit (Auditor-General Report No.31 of 2022–23)**
Objective	**To assess the effectiveness of the Department of Health and Aged Care's administration of the Community Health and Hospitals Program.**
Recommendations (Directed to the department)	**Recommendation 1:** The Department of Health and Aged Care improve the systems of control to identify, assess and report non-compliance with finance law. **Recommendation 2:** To support compliance with the Commonwealth Grants Rules and Guidelines (CGRGs), the Department of Health and Aged Care ensure grant assessments are consistent with requirements of established grant opportunity guidelines and the requirements of the CGRGs; that they are based on sufficient information and due diligence to support a value for money recommendation; and that assessments and the evidence base for them are appropriately documented. **Recommendation 3:** The Department of Health and Aged Care ensure that advice to government on grant funding approval is consistent with the requirements of the Commonwealth Grants Rules and Guidelines and the grant opportunity guidelines, and is comprehensive, evidence-based and accurate. **Recommendation 4:** The Department of Health and Aged Care establish a quality assurance process to confirm and where necessary correct the accuracy of reporting on GrantConnect.

Judicial decisions, decisions of administrative tribunals and decisions of the Information Commissioner

In 2022–23, there were no judicial decisions or decisions of administrative tribunals, or the Australian Information Commissioner, that have had, or may have, a significant effect on the operations of the department.

During 2022–23, the department was involved in:

- 2 matters in the High Court of Australia
- 6 matters in the Full Federal Court of Australia
- 27 matters in the Federal Court of Australia
- 1 matter in the Supreme Court of Queensland
- 1 matter in the Court of Appeal Queensland
- 1 matter in the Federal Circuit and Family Court of Australia
- 1 matter in the Magistrates Court of Western Australia
- 4 matters in the Magistrates Court of the Australian Capital Territory
- 28 matters in the Administrative Appeals Tribunal
- 93 reviews with the Office of the Australian Information Commissioner

- 1 successful criminal prosecution in relation to contraventions of the *Therapeutic Goods Act 1989* (this matter also involved contraventions of the *Criminal Code Act 1995 and the Drug Misuse and Trafficking Act 1985*).

Reports by the Commonwealth Ombudsman

The department continued to liaise with the Office of the Commonwealth Ombudsman (the Office) on complaints relating to aspects of the department's administrative activities.

During 2022–23, the department received 7 preliminary inquiries (section 7A of the *Ombudsman Act 1976*) and 7 investigations (section 8 of the *Ombudsman Act 1976*) from the Office. The Office notified the department of the finalisation of 20 preliminary inquiries and investigations in 2022–23 under section 12 of the *Ombudsman Act 1976*, none of which resulted in a finding of administrative deficiency.

Anyone with concerns about the department's actions or decision making is able to make a complaint with the Office to determine whether the department was wrong, unjust, discriminatory, or unfair. Further information on the role of the Office is available at: www.ombudsman.gov.au

Tobacco Plain Packaging

The department has responsibility to investigate and enforce the legislation on behalf of the Commonwealth, which requires that all tobacco products sold in Australia must be in plain packaging and labelled with health warnings.

The department, pursuant to section 108 of the *Tobacco Plain Packaging Act 2011* (the Act), reports that 271 potential contraventions of the Act were investigated in 2022–23, and 152 warning letters were issued.

A copy of this report has been provided to the Minister for Health and Aged Care.

The *Human Services (Medicare) Act 1973*

The *Human Services (Medicare) Act 1973* provides for the Chief Executive Medicare to authorise the exercise of powers requiring a person to give information or to produce a document that is in the person's custody or under the person's control, and the power to obtain a statutory report under Section 42 of the *Human Services (Medicare) Act 1973*. The table below outlines the number of times such powers were exercised in 2022–23.

	Section 42(1) paragraphs (a) to (h)	
(a)	the number of signed instruments made under section 8L	3
(b)	the number of notices in writing given under section 8P	47
(c)	the number of notices in writing given to individual patients under section 8P	0
(d)	the number of premises entered under section 8U	0
(e)	the number of occasions when powers were used under section 8V	0
(f)	the number of search warrants issued under section 8Y	0
(g)	the number of search warrants issued by telephone or other electronic means under section 8Z	0
(h)	the number of patients advised in writing under section 8ZN	0

Legal services expenditure

The table below outlines the department's legal services expenditure for 2022–23, in compliance with paragraph 11.1(ba) of the Legal Services Directions 2017.

Description	2022–23 cost $'000 (excluding GST)
Total external legal services expenditure	17,197
Total internal legal services expenditure	19,189

Part 4: Financial Statements

Chief Financial Officer's Report

Kris Arnold

Departmental operating result

In 2022–23 the department recorded a consolidated comprehensive loss of $33.0 million. When unfunded depreciation is removed, the department recorded a net cash operating surplus of $13.0 million.

During 2022–23, revenue from government increased by 4.6% to $1,066.6 million ($1,019.4 million in 2021–22). Revenue from other sources, including fees charged to industry by the Therapeutic Goods Administration (TGA) and the Australian Industrial Chemicals Introduction Scheme (AICIS), increased by less than one percent to $236.0 million ($234.5 million in 2021–22).

During 2022–23, departmental operating expenses increased by 4.7% to $1,350.1 million ($1,289.7 million in 2021–22). Employee expenses increased by $55.2 million to $734.5 million. This reflected ASL growth during the year as the department continued to invest in aged care and mental health reform, support the COVID-19 response, and convert contractors to APS staff in line with the October 2022–23 Budget decision to reduce reliance on consultancy. This was also reflected in the reduction in supplier expenses by $11.5 million to $471.1 million.

Departmental assets and liabilities

The department's total assets increased by $132.3 million to $1,343.8 million ($1,211.5 million in 2021–22). Trade and other receivables decreased by $13.1 million to $187.4 million ($200.5 million in 2021–22), with all receivable balances expected to be settled within 12 months of the reporting date. Computer software increased by $135.3 million to $398.0 million, primarily driven by the additions of new internally developed software.

The department's total liabilities also increased by $29.5 million to $958.3 million. This increase was primarily due to increases in lease liabilities and employee provisions.

Administered income

In 2022–23 total administered income was $53.3 billion, compared to $50.5 billion in the prior year. Major items include:

- special accounts revenue, which primarily comprises revenue appropriated via special account to facilitate payments in relation to the Medicare Guarantee Fund ($46.5 billion) and the Medical Research Future Fund ($0.6 billion)
- recoveries, including $4.7 billion recovered under cost sharing arrangements with pharmaceutical companies and $0.7 billion recovered from aged care activities.

Figure 1: Breakdown of administered expenditure

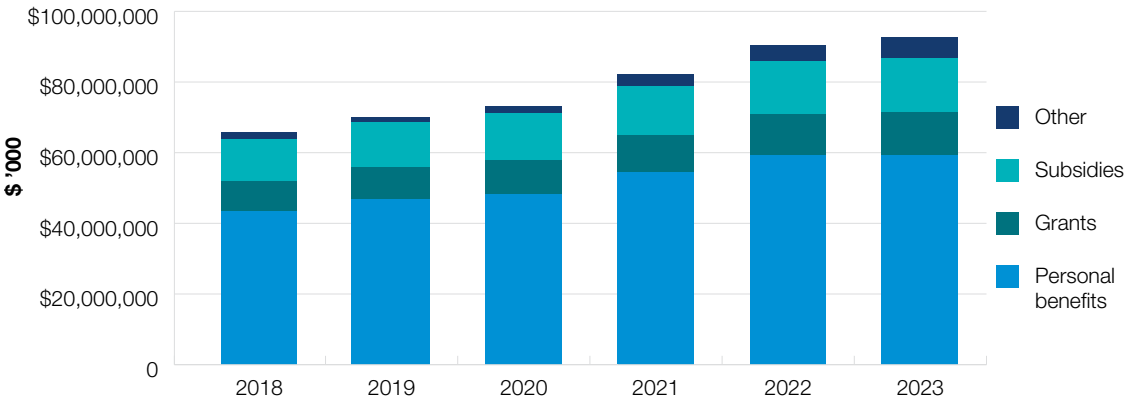
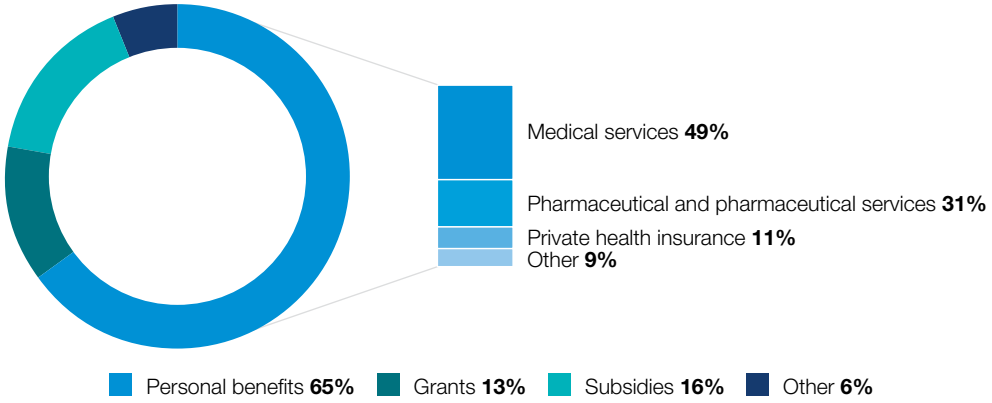


Figure 2: Administered expenditure by category



Administered expenses

During 2022–23, the department administered expenses on behalf of the Commonwealth of $93.1 billion, an increase of 1.6% compared to expenses in the prior year of $91.6 billion. Major items include:

- Personal benefits expense, which primarily related to the Medicare Benefits Scheme and the Pharmaceutical Benefits Scheme, private health insurance rebates, and home care packages for senior Australians, as well as incorporating the cost of COVID-19 vaccines administered ($59.2 billion)
- Subsidies expense, which primarily related to residential aged care places for senior Australians ($16.3 billion)
- Grants expense, which primarily related to the COVID-19 health response, including in primary care and aged care ($12.8 billion)
- Supplier expense, which primarily related to inventory consumption (deployments from the National Medical Stockpile) and use of additional contract service to assist with the COVID-19 response ($3.0 billion).

The department also recognised an additional $1.2 billion impairment to the balance of non-financial assets ($0.8 billion in 2021–22), which recognised the value of expired stock.

Key administered expenditure is illustrated in Figures 1 and 2.

Administered assets and liabilities

Total administered assets increased to $11.7 billion, from $8.4 billion in the prior year. This movement is primarily driven by an increase in cash holdings (increase to $5.8 billion from $3.4 billion in 2021–22), and an increase in inventory balance for the National Medical Stockpile and COVID-19 vaccines (increased to $3.1 billion from $2.6 billion in 2021–22).

Total administered liabilities remained steady at $4.4 billion, compared to $4.5 billion in 2021–22.

Part 4.1:
Financial Statements Process

The department is required to prepare annual financial statements to comply with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The statements must comply with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 and Australian Accounting Standards. Additional guidance is provided by the Department of Finance through Resource Management Guide No.125.

In preparing the 2022–23 financial statements, the department applied professional judgement to ensure that the financial statements fairly present the financial position, financial performance, and cash flows of the department.

The department has aligned the format of its financial statements in 2022–23 to the primary reporting information management aid (PRIMA) issued by the Department of Finance, however additional disclosures have been included where, in the opinion of the Chief Financial Officer, these disclosures add value for the reader.

The department's quality assurance framework applied to the financial statements includes independent advice from the Audit and Risk Committee to the Secretary on the preparation and review of the financial statements. This advice is underpinned by a comprehensive program of work supporting the preparation of the financial statements and is overseen by the Financial Statements Sub-Committee.

The financial statements are audited by the Australian National Audit Office.

Readers of the financial statements will be assisted by the colour coding incorporated in the statements, notes and narrative. Grey shaded items are items that the department administers on behalf of the Government, unshaded items are departmental in nature and accounting policy has a blue background.

Part 4.2: **2022–23 Financial Statements**

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Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

Opinion

In my opinion, the financial statements of the Department of Health and Aged Care (the Entity) for the year ended 30 June 2023:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Key audit matter	How the audit addressed the matter
Accuracy of personal benefits *Refer to Note 2.1B 'Personal benefits'* I considered the accuracy of personal benefits related to private health insurance, medical services, and pharmaceuticals and pharmaceutical services to be a key audit matter because these payments are: • calculated by multiple, complex information technology systems; and • based on the information provided by the recipients and may be significantly impacted by delays in recipients providing correct or updated information and/or the provision of incorrect information resulting in invalid payments. During the 2022–23 financial year, the Entity recognised personal benefits' expenses of $59.3 billion.	I applied the following audit procedures to address this key audit matter: • tested the design, implementation and operating effectiveness of key business processes, controls and information technology systems related to the accurate calculation and processing of payments; • assessed the design, implementation and operating effectiveness of internal controls related to the accreditation and registration of medical providers and pharmacies; • evaluated the quality assurance and compliance processes within the Entity that support the integrity of payments; and • assessed, for a sample of benefits, the eligibility of the payment recipients and checked the accuracy of calculations in accordance with the requirements in relevant legislation.
Key audit matter	**How the audit addressed the matter**
Accuracy of subsidies *Refer to Note 2.1C 'Subsidies – aged care'* The Entity reported $16.1 billion of subsidies in connection with aged care. I considered the accuracy of subsidies to be a key audit matter due to the transition to the new Aged Care funding reform from 1 October 2022. The transition was supported by the implementation of a new payment management system. There is an increased risk of error as the payments are based on complex regulatory requirements which are calculated by complex information technology systems. In respect of the payment system, I identified weaknesses in relation to the internal controls over the information technology environment. These internal control weaknesses increased the risk that subsidies were not accurately calculated on behalf of residential aged care providers.	I performed the following procedures to address this key audit matter: • performed testing of information technology general and application controls implemented by Services Australia to process subsidies in accordance with the *Aged Care Act 1997*; • tested the design, implementation and operating effectiveness of internal controls related to confirm payments are made in accordance with legislative requirements; • tested the accuracy of aged care subsidy payments to providers and confirmed the accuracy of calculations in accordance with the requirements in the relevant legislation; and • evaluated the quality assurance and compliance processes that support the integrity of payments.
Key audit matter	**How the audit addressed the matter**
Valuation of personal benefits' provisions *Refer to Note 5.4B 'Personal benefits' provisions'* I considered this area a key audit matter due to the significant actuarial assumptions and judgements involved in estimating the personal benefits' provisions. The significant judgements relate to the amount and	I applied the following audit procedures to address this key audit matter: • tested the accuracy and completeness of the claims data used to calculate the provision, including assessing the quality assurance processes used by the Entity to confirm the integrity of data used for estimating the

timing of future claims, estimating the period over which these provisions are expected to be settled by the Entity. These judgements rely on the completeness and accuracy of the underlying historical data used in the estimation process. As at 30 June 2023, the personal benefits' provisions were $1.1 billion.	provision; • evaluated the appropriateness of the methodology used to estimate the outstanding claims liabilities; • confirmed the appropriateness of the key assumptions by assessing the analysis performed by the Entity for consistency with historical payment data; • assessed the reasonableness of the results of the valuation including the explanations for the changes in the estimate; and • evaluated the appropriateness of the disclosure of the significant assumptions applied and of the uncertainties that impact the key assumptions.
Key audit matter **Valuation of inventories** *Refer to Note 5.2B 'Inventories Held for Distribution'* The Entity had a balance of $3.1 billion in inventories as at 30 June 2023 which reflects the National Medical Stockpile and COVID-19 vaccines & consumables. I considered the valuation of inventories to be a key audit matter due to: • judgement applied by management in determining the estimate of current cost estimate and service potential; and • prior year weaknesses identified in the internal controls for inventory management that increased the risk that the carrying value of inventory was not accurately recorded.	**How the audit addressed the matter** I applied the following audit procedures to address this key audit matter: • observed and re-performed a sample of the Entity's stocktaking activities at a selection of locations; • assessed whether the assumptions and judgement used by management to determine the impairment of the inventories was consistent with other available information including the current replacement cost; and • in response to prior year control weaknesses noted, examined the appropriateness of management's assurance processes for impairment of inventory.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Accountable Authority is also responsible for such internal control as the Accountable Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Authority is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Accountable Authority is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

Sally Bond

Executive Director

Delegate of the Auditor-General

Canberra

18 September 2023

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Health and Aged Care (the Department) will be able to pay its debts as and when they fall due.

Signed:

Blair Comley PSM
Secretary

Date: 18 September 2023

Signed:

Kris Arnold
Chief Financial Officer (Acting)

Date: 18 September 2023

Statement of Comprehensive Income
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**734,476**	679,263	614,665
Suppliers	1.1B	**471,080**	482,565	532,563
Depreciation and amortisation	3.2A	**94,988**	114,118	132,097
Grants paid to portfolio agencies		**20,056**	-	-
Finance costs	1.1C	**11,054**	6,576	5,518
Impairment loss on financial instruments		**1,904**	315	-
Write-down and impairment of other assets	1.1D	**16,496**	6,819	2,569
Other expenses	1.1E	**11**	14	2,500
Total expenses		**1,350,064**	1,289,670	1,289,912
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	**220,841**	213,574	229,630
Rental income	1.2B	**4,635**	5,299	-
Other revenue	1.2C	**10,532**	15,613	9,656
Total own-source revenue		**236,008**	234,486	239,286
Gains				
Other gains		**9,810**	-	920
Total gains		**9,810**	-	920
Total own-source income		**245,818**	234,486	240,206
Net cost of services		**(1,104,246)**	(1,055,184)	(1,049,706)
Revenue from government	1.2D	**1,066,637**	1,019,449	979,445
Deficit attributable to the Australian Government		**(37,609)**	(35,735)	(70,261)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		**4,624**	(1,567)	-
Total other comprehensive income		**4,624**	(1,567)	-
Total comprehensive loss attributable to the Australian Government		**(32,985)**	(37,302)	(70,261)

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Statement of Financial Position
as at 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	**118,485**	136,419	120,063
Trade and other receivables	3.1B	**187,353**	200,540	202,403
Other financial assets	3.1C	**6,892**	10,582	10,582
Total financial assets		**312,731**	347,541	333,048
Non-financial assets[1]				
Land and buildings	3.2A	**601,009**	571,180	694,879
Plant and equipment	3.2A	**4,967**	5,640	6,595
Computer software	3.2A	**397,960**	262,678	406,494
Other non-financial assets	3.2B	**27,145**	24,471	22,926
Total non-financial assets		**1,031,081**	863,969	1,130,894
Total assets		**1,343,811**	1,211,509	1,463,942
LIABILITIES				
Payables				
Suppliers	3.3A	**113,919**	116,120	81,990
Employees	3.3B	**23,779**	17,015	19,236
Other payables	3.3C	**218**	3,404	34,145
Total payables		**137,917**	136,539	135,371
Interest bearing liabilities				
Leases	3.4A	**598,888**	573,251	709,514
Total interest bearing liabilities		**598,888**	573,251	709,514
Provisions				
Employee provisions	4.1A	**207,142**	201,760	204,950
Other provisions	3.5A	**14,330**	17,260	17,260
Total provisions		**221,472**	219,020	222,210
Total liabilities		**958,277**	928,810	1,067,095
Net assets		**385,534**	282,700	396,847
EQUITY				
Contributed equity		**734,925**	590,772	775,180
Reserves		**32,042**	27,418	27,418
Accumulated deficit		**(381,434)**	(335,490)	(405,751)
Total equity		**385,534**	282,700	396,847

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

1. Right-of-use assets are included in the following line items: land and buildings and plant and equipment.

Statement of Changes in Equity
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		**590,772**	461,722	590,772
Adjusted opening balance		**590,772**	461,722	590,772
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		**180,271**	114,781	169,891
Departmental capital budget		**14,517**	14,269	14,517
Distributions to owners				
Return of capital		**(48,400)**	-	-
Total transactions with owners		**146,388**	129,050	184,408
Lapsing appropriations		**(2,235)**	-	-
Closing balance as at 30 June		**734,925**	590,772	775,180
ACCUMULATED DEFICIT				
Opening balance				
Balance carried forward from previous period		**(335,490)**	(299,752)	(335,490)
Adjustment for rounding		**-**	(3)	-
Adjusted opening balance		**(335,490)**	(299,755)	(335,490)
Comprehensive income				
Deficit for the period		**(37,609)**	(35,735)	(70,261)
Total comprehensive income		**(37,609)**	(35,735)	(70,261)
Transactions with owners				
Distributions to owners				
Return of appropriation - prior year		**(8,335)**	-	-
Total transactions with owners		**(8,335)**	-	-
Closing balance as at 30 June		**(381,434)**	(335,490)	(405,751)
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		**27,418**	28,985	27,418
Comprehensive income				
Other comprehensive income		**4,624**	(1,567)	-
Total comprehensive income		**4,624**	(1,567)	-
Closing balance as at 30 June		**32,042**	27,418	27,418

Statement of Changes in Equity
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		**282,700**	190,955	282,700
Adjustment for rounding		**-**	(3)	-
Adjusted opening balance		**282,700**	190,952	282,700
Comprehensive income				
Deficit for the period		**(37,609)**	(35,735)	(70,261)
Other comprehensive income		**4,624**	(1,567)	-
Total comprehensive income		**(32,985)**	(37,302)	(70,261)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		**180,271**	114,781	169,891
Departmental capital budget		**14,517**	14,269	14,517
Distributions to owners				
Return of capital		**(48,400)**	-	-
Return of appropriation - prior year		**(8,335)**	-	-
Total transactions with owners		**138,053**	129,050	184,408
Lapsing appropriations		**(2,235)**	-	-
Closing balance as at 30 June		**385,534**	282,700	396,847

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting Policy
Equity Injections
Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Cash Flow Statement
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**1,266,345**	1,148,964	1,115,486
Sale of goods and rendering of services		**217,439**	213,609	229,206
GST received		**66,822**	58,548	33,119
Sublease rental income		**5,282**	7,307	4,849
Total cash received		**1,555,888**	1,428,428	1,382,660
Cash used				
Employees		**722,366**	657,048	609,254
Suppliers		**476,267**	449,109	531,379
Grants paid to portfolio agencies		**20,056**	-	-
GST paid		**66,429**	59,157	33,119
Section 74 receipts transferred to the Official Public Account (OPA)		**212,963**	183,386	136,215
Interest payments on lease liabilities		**11,054**	6,576	5,518
Other		**-**	-	2,500
Total cash used		**1,509,135**	1,355,276	1,317,985
Net cash from operating activities		**46,753**	73,152	64,675
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment and intangibles		**191,315**	124,441	211,736
Total cash used		**191,315**	124,441	211,736
Net cash used by investing activities		**(191,315)**	(124,441)	(211,736)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Equity injection		**149,160**	85,920	171,323
Appropriations - Departmental capital budget		**19,294**	10,871	14,517
Total cash received		**168,454**	96,791	185,840
Cash used				
Principal payments of lease liabilities		**41,825**	48,625	55,135
Total cash used		**41,825**	48,625	55,135
Net cash from financing activities		**126,629**	48,167	130,705
Net increase/(decrease) in cash held		**(17,933)**	(3,123)	(16,356)
Cash and cash equivalents at the beginning of the reporting period		**136,418**	139,541	136,419
Cash and cash equivalents at the end of the reporting period	3.1A	**118,485**	136,418	120,063

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Administered Schedule of Comprehensive Income
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Grants	2.1A	**12,751,415**	11,939,186	14,078,798
Personal benefits	2.1B	**59,263,843**	59,421,424	67,185,300
Subsidies	2.1C	**16,246,880**	14,853,459	16,663,338
Suppliers	2.1D	**2,980,680**	3,957,095	2,663,233
Payments to corporate Commonwealth entities	2.1E	**601,516**	599,289	597,963
Impairment of financial instruments	2.1F	**55,265**	15,901	-
Impairment of non-financial assets	2.1G	**1,222,297**	817,727	169,538
Depreciation and amortisation	5.2A	**1,703**	1,703	1,711
Other expenses	2.1H	**7**	4,475	571,182
Total expenses		**93,123,605**	91,610,259	101,931,063
Income				
Revenue				
Non-taxation revenue				
Revenue from contracts with customers	2.2A	**31,486**	32,344	27,660
Special accounts revenue	2.2B	**47,382,364**	45,357,528	48,934,209
Recoveries	2.2C	**5,466,085**	4,789,938	6,006,758
Other revenue	2.2D	**442,848**	329,720	503,666
Total non-taxation revenue		**53,322,783**	50,509,530	55,472,293
Total revenue		**53,322,783**	50,509,530	55,472,293
Total income		**53,322,783**	50,509,530	55,472,293
Net cost of services		**(39,800,822)**	(41,100,729)	(46,458,770)
Deficit		**(39,800,822)**	(41,100,729)	(46,458,770)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in administered investment reserves		**15,540**	(23,845)	-
Total comprehensive loss		**(39,785,281)**	(41,124,574)	(46,458,770)

The above schedule should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Administered Schedule of Assets and Liabilities
as at 30 June 2023

	Notes	2023 $'000	2022 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	5.1A	**5,771,376**	3,404,758	3,404,760
Accrued recoveries revenue	5.1B	**775,854**	534,867	460,402
Trade and other receivables	5.1C	**891,814**	560,938	617,704
Investments in portfolio entities	5.1D	**536,750**	511,595	748,378
Other investments	5.1E	**184,659**	135,954	-
Total financial assets		**8,160,453**	5,148,112	5,231,244
Non-financial assets				
Plant and equipment	5.2A	**3,161**	4,864	3,153
Inventories	5.2B	**3,080,003**	2,569,241	2,662,369
Other non-financial assets	5.2C	**514,623**	708,081	-
Total non-financial assets		**3,597,787**	3,282,186	2,665,522
Total assets administered on behalf of Government		**11,758,240**	8,430,298	7,896,766
LIABILITIES				
Payables				
Suppliers	5.3A	**212,175**	656,687	657,012
Subsidies	5.3B	**97,824**	161,914	128,294
Personal benefits	5.3C	**1,822,374**	1,690,612	1,964,299
Grants	5.3D	**632,066**	211,233	211,233
Total payables		**2,764,438**	2,720,446	2,960,838
Provisions				
Subsidies	5.4A	**603,900**	575,200	575,200
Personal benefits	5.4B	**1,123,106**	1,237,784	1,362,338
Total provisions		**1,727,006**	1,812,984	1,937,538
Total liabilities administered on behalf of Government		**4,491,445**	4,533,430	4,898,376
Net assets		**7,266,795**	3,896,868	2,998,390

The above schedule should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Administered Reconciliation Schedule
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Opening assets less liabilities as at 1 July		**3,896,868**	2,234,850
Adjustments on recognition of special accounts		**-**	32,153
Adjusted opening assets less liabilities		**3,896,868**	2,267,003
Net cost of services			
Income		**53,322,783**	50,509,529
Expenses			
Payments to entities other than corporate Commonwealth entities		**(92,522,089)**	(91,010,971)
Payments to corporate Commonwealth entities		**(601,516)**	(599,289)
Other comprehensive income			
Revaluations transferred to/(from) reserves		**15,540**	(23,845)
Transfers (to)/from the Australian Government			
Appropriation transfers from Official Public Account (OPA)			
Administered assets and liabilities appropriations			
Payments to entities other than corporate Commonwealth entities		**438,113**	555,210
Payments to corporate Commonwealth entities		**28,740**	22,229
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		**16,660,119**	16,304,021
Payments to corporate Commonwealth entities		**601,516**	599,289
Special appropriations (limited)			
Refund of receipts (section 77 of the PGPA Act)		**1,953**	4,419
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		**30,431,729**	29,827,947
Net GST appropriations		**41,546**	3,069
Appropriation transfers to OPA			
Transfers to OPA		**(5,048,507)**	(4,561,744)
Closing assets less liabilities as at 30 June		**7,266,795**	3,896,868

The above schedule should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting Policy
Administered Cash Transfers to and from the Official Public Account
Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Administered Cash Flow Statement
for the period ended 30 June 2023

	Notes	2023 $'000	2022 $'000
OPERATING ACTIVITIES			
Cash received			
Recoveries		**5,233,124**	4,556,120
GST received		**1,226,391**	1,065,493
Special accounts receipts		**47,382,364**	45,357,528
Other		**303,093**	504,932
Total cash received		**54,144,971**	51,484,073
Cash used			
Grants		**13,468,163**	12,540,666
Subsidies		**16,328,129**	14,690,254
Personal benefits		**59,457,202**	56,822,834
Suppliers		**5,051,240**	8,085,077
Payments to corporate Commonwealth entities		**601,516**	599,289
Total cash used		**94,906,251**	92,738,120
Net cash used by operating activities		**(40,761,279)**	(41,254,047)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		**31,009**	56,840
Total cash received		**31,009**	56,840
Cash used			
Advances and loans made		**-**	10,575
Equity injections to corporate Commonwealth entities		**28,740**	22,229
Investments		**29,580**	30,054
Total cash used		**58,320**	62,858
Net cash used by investing activities		**(27,311)**	(6,018)
Net decrease in cash held		**(40,788,590)**	(41,260,065)
Cash and cash equivalents at the beginning of the reporting period		**3,404,758**	1,910,383
Cash from Official Public Account			
Appropriations		**47,695,317**	46,735,676
Capital appropriations		**466,853**	577,439
Administered GST appropriations		**1,224,028**	1,085,952
Total cash from Official Public Account		**49,386,198**	48,399,067
Cash to Official Public Account			
Return of GST appropriations to the Official Public Account		**1,182,482**	1,082,883
Other		**5,048,507**	4,561,744
Total cash to Official Public Account		**6,230,989**	5,644,627
Cash and cash equivalents at the end of the reporting period	5.1A	**5,771,376**	3,404,758

This schedule should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Overview

Objectives of the Department of Health and Aged Care

The Department is a not-for-profit Australian Government controlled entity with its principal place of business located at Furzer Street, Phillip ACT. The objective of the Department is to lead and shape Australia's health system and sporting outcomes through evidence based policy, well targeted programs and best practice regulation.

In financial year 2022-2023 the Department was structured to meet the following outcomes:

Outcome 1: Health Policy, Access and Support
Outcome 2: Individual Health Benefits
Outcome 3: Ageing and Aged Care
Outcome 4: Sport and Recreation

The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the Department's administration and programs.

The Department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department on behalf of the Government, of items controlled or incurred by the Government.

The Department is responsible for the following administered activities on behalf of the Government:

a) payment of subsidies for residential, aged care and community programs
b) payment of personal benefits for Medicare and pharmaceutical services as well as for affordability and choice of health care initiatives, and
c) payment of grants, with the majority of these made to not-for-profit organisations.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements and notes have been prepared in accordance with:
a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR), and
b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements and notes have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets held at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Items of a similar nature, together with disclosure of the relevant accounting policy, are grouped together in the notes to the financial statements.

The Department's financial statements include the financial records of the departmental special accounts, the Therapeutic Goods Administration (TGA), the Office of the Gene Technology Regulator (OGTR) and the Australian Industrial Chemicals Introduction Scheme (AICIS).

All transactions between the departmental ledgers have been eliminated from the departmental financial statements.

Comparative figures have been adjusted, where required, to conform to changes in presentation of the financial statements in the current year.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements
Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period:

Standard / Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements.
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (AASB 2021-2) and AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* (AASB 2021-6)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate. AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. These amending standards are not expected to have a material impact on the entity's financial statements for the current reporting period or future reporting periods.

No other accounting standard became first applicable to the current reporting period.

No other accounting standard has been adopted earlier than the application date as stated in the standard.

Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Breach of Section 83 of the Constitution

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law.

The Department has primary responsibility for administering legislation related to health care. In 2022-23 payments totalling approximately $76.2 billion were authorised against Special Appropriations, including special accounts, by the Department in accordance with a range of complex legislation. Most of the payments are administered by Services Australia on behalf of the Department. In the vast majority of cases Services Australia relies on information or estimates provided by customers and medical providers to calculate and pay entitlements. If an overpayment occurs a breach of section 83 could result despite future payments being adjusted to recover the overpayment. In addition, simple administrative errors can lead to breaches of section 83.

Due to the number of payments made, the reliance that must be placed on external control frameworks and the complexities of legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated. It is likely that any section 83 breaches that have occured would represent only a very small portion of payments, both in number and in value, and the Department is committed to implementing measures to ensure the risk of unintentional breaches of section 83 is as low as possible.

The Department has developed an approach for assessing the alignment of payment processes with legislation. During 2022-23 the Department:

a) included consideration of processes to minimise the risk of section 83 breaches as part of any review of legislation or administrative processes;
b) received assurance from Services Australia that action had been undertaken to detect and prevent any potential breaches of section 83;
c) obtained legal advice, as appropriate, to resolve questions of potential non-compliance; and
d) identified legislative/procedural changes to reduce the risk of non-compliance in the future.

Special Appropriations

The Department administers 12 pieces of legislation, as disclosed in Note 6.1C, with Special Appropriations involving statutory requirements for payments. Of this legislation, some payments may have either actual or potential breaches of section 83 of the Constitution and the Department will continue to review these.

Aged Care Act 1997

Aged care subsidies and fees - quarterly review process
During 2022-23, it was identified that the quarterly review process adopted by Services Australia to retrospectively validate recipients' maximum entitlement for aged care subsidies paid in arrears is inconsistent with the relevant provisions of the *Aged Care Act 1997*. Section 83 breaches arise in cases where monthly subsidy payments are made in excess of maximum entitlement due to changes in recipients' circumstances during the preceding quarter. At present, there are no quantified overpayments of aged care subsidy to approved providers. The Department is working with Services Australia to quantify the value of actual section 83 breaches incurred and consider mitigation strategies.

Special Accounts

Health Insurance Act 1973

Medicare Easyclaim program
Services Australia have advised that during 2022-23, 235 instances have been identified with a total value of $75,968.25 where the payment made was not authorised by virtue of the *Health Insurance Act 1973* for the Medicare Easyclaim program. Services Australia will work with their relevant business area to determine how to decrease these instances moving forward.

Telehealth assignment of benefits
During 2022-23, in light of the Australian National Audit Office (ANAO) report on the Expansion of Telehealth Services dated 19 January 2023, the Department commenced reform of the assignment of Medicare benefit process, including verbal assignment of Medicare benefit. At present, there are no quantified overpayments of Medicare benefit to health care providers for telehealth services. Medicare benefit is payable to the person who incurs the medical expense for the professional service, unless that person has assigned their entitlement (eg, to the healthcare provider). Consultation continues with stakeholders on reform of assignment of Medicare benefit processes and record-keeping requirements.

Services rendered or referred by midwives
During 2022-23, the Department became aware that some midwives did not meet statutory requirements to provide, or make referrals for, services eligible for Medicare benefit. This may mean that overpayments of Medicare benefit may have occurred. The Department is continuing to investigate this matter.

Payments relating to the Medical Benefits Schedule are funded from the Medicare Guarantee Fund Special Account.

Continued Focus

The Department will continue to review legislation and New Policy Proposals that create or modify payment eligibility to determine whether business rules and processes are in place to minimise the risk of breaches of section 83. In addition, special accounts payments may be considered for inclusion in the internal audit work program from time to time.

Events After the Reporting Period

New Administered Special Account

Biomedical Translation Fund special account was established by a PGPA Act determination effective 1 July 2023.

Financial Performance

This section analyses the financial performance of the Department for the year ended 2023.

1.1 Expenses

	2023 $'000	2022 $'000
1.1A: Employee benefits		
Wages and salaries	**523,868**	485,060
Superannuation		
Defined contribution plans	**65,706**	56,077
Defined benefit plans	**41,552**	40,507
Leave and other entitlements	**101,404**	95,370
Separation and redundancies	**1,946**	2,249
Total employee benefits	**734,476**	679,263

Accounting Policy
Accounting policies for employee related expenses is contained in the People and Relationships section.

1.1B: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**168,517**	188,982
IT services	**157,362**	141,726
Contracted services	**43,909**	73,438
Property	**29,837**	15,498
Travel	**8,254**	4,243
Training and other staff related expenses	**6,793**	9,345
Legal	**8,953**	15,436
Committees	**4,093**	4,288
Other	**34,905**	23,226
Total goods and services supplied or rendered	**462,624**	476,182
Goods supplied	**64,742**	38,724
Services rendered	**397,882**	437,458
Total goods and services supplied or rendered	**462,624**	476,182
Other suppliers		
Workers compensation expenses	**5,101**	5,573
Short-term leases	**2,713**	169
Low value leases	**470**	554
Variable lease payments	**173**	86
Total other suppliers	**8,456**	6,383
Total suppliers	**471,080**	482,565

The Department has 5 short-term lease commitments as at 30 June 2023 (2022: Nil).

The above lease disclosures should be read in conjunction with the accompanying notes 1.2B, 3.2A and 3.4A.

Accounting Policy

Short-term leases and leases of low value assets

The Department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low value assets (less than $10,000). The Department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2023	2022
	$'000	$'000
1.1C: Finance costs		
Interest on lease liabilities	**11,054**	6,576
Total finance costs	**11,054**	6,576

The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

Accounting Policy

All borrowing costs are treated as an expense in the period in which they are incurred.

1.1D: Write-down and impairment of other assets		
Impairment of property, plant and equipment and land and buildings	**820**	1,036
Impairment of intangible assets	**15,676**	5,782
Total write-down and impairment of other assets	**16,496**	6,819
1.1E: Other expenses		
Act of Grace payments	**11**	14
Total other expenses	**11**	14

1.2 Own-Source Revenue and Gains

	2023 $'000	2022 $'000
Own-Source Revenue		
1.2A: Revenue from contracts with customers		
Sale of goods	**2,082**	1,156
Rendering of services	**218,759**	212,418
Total revenue from contracts with customers	**220,841**	213,574
Disaggregation of revenue from contracts with customers		
Activity / service line:		
Annual charges / licence fees	**112,109**	102,808
Application fees	**31,409**	29,381
Evaluation / assessment fees	**48,230**	51,821
Service delivery	**29,093**	29,563
	220,841	213,574
Timing of transfer of goods and services:		
Over time	**170,831**	168,813
Point in time	**50,010**	44,761
	220,841	213,574

Accounting Policy

Revenue

Revenue from the sale of goods and rendering of services is recognised when control has been transferred to the customer.

In relation to AASB 15 *Revenue from Contracts with Customers,* the Department has considered each revenue stream to identify the existence of an enforceable contract that requires the completion of sufficiently specific performance obligations in exchange for relevant consideration. If so, revenue is recognised either over time or at a point in time as performance obligations are completed and the Department has an enforceable right to payment for the performance completed to date.

Revenue items that are akin to a Non-Intellectual Property (Non-IP) licence in that they provide the customer with the right to perform an activity that they otherwise would not be entitled to perform are accounted for in accordance with AASB 15. For those activities where the charge relates to a period of 12 months or less, the expedients as they apply to short-term licences have been applied.

Revenue items not meeting the requirements of AASB 15 have been considered under AASB 1058 *Income of Not-for-Profit Entities.* These transactions include those where the Department acquires or receives an asset (including cash) in exchange for consideration that is significantly less than fair value. Examples include cash grants and levies and fees received by the Department to further their objectives. Recognition occurs when the Department becomes entitled to the asset.

The principal activities from which the Department generates its revenue relate to:

a) The cost recovery activities of the Therapeutic Goods Administration (TGA). These cover the registration and listing of medicines and inclusion of medical devices, including in vitro diagnostic (IVD) devices, and biologicals onto the Australian Register of Therapeutic Goods (ARTG) and the ongoing maintenance and surveillance of them

b) Regulatory activities associated with the scientific assessment of new and existing industrial chemicals, monitoring and enforcement of statutory obligations under the *Industrial Chemicals Act 2019,* maintenance of the Australian Inventory of Chemical Substances, and implementing Australia's obligations under international arrangements relevant to industrial chemicals, and

c) The recovery of costs by the Department for the provision of corporate services provided to portfolio agencies.

The transaction price is the total amount of consideration to which the Department expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms (TGA: 28 days), are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

TGA special account annual charges

On 1 July 2015 the TGA introduced the Annual Charges Exemption (ACE) scheme to provide relief from annual charges until a product on the Australian Register of Therapeutic Goods (ARTG) commences generating turnover. Sponsors of an entry on the ARTG (excluding export only entries) which meet the legislated criteria for exemption during a particular finncial year will have until 22 July of the following year to apply for an exemption from the annual charges.

To be exempt from annual charges under the ACE scheme, an entry must meet the following criteria:
(i) the entry was new in the ARTG during the financial year, or
(ii) the entry was an existing ARTG entry on 1 July, the entry was qualified for ACE in the financial year, and a declaration of $0 turnover was made in relation to that financial year, and
(iii) the entry (whether a new or existing entry) did not commence generating turnover.

Sponsors who inadvertently fail to make a declaration of $0 turnover for an ACE entry during the declaration period 1 July to 22 July, may submit a late declaration between 23 July and 15 September of a financial year.

Under this scheme, some of the charges in respect of a financial year may not be known until the following year. While there is some resulting uncertainty in the revenue calculation for any given financial year, the uncertainty is reducing as the scheme progresses and annual data is accumulated. An estimate of the value of the exemptions is incorporated in each year's annual charges revenue.

	2023	2022
	$'000	$'000
1.2B: Rental income		
Subleasing right-of-use assets	**4,635**	5,299
Total rental income	**4,635**	5,299

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 3.2A and 3.4A.

1.2C: Other revenue		
Listing fees	**1,591**	4,320
Resources received free of charge		
Remuneration of auditors	**920**	920
Employee secondments	**-**	7,574
Recovery of costs	**992**	2,769
Other revenue	**7,028**	30
Total other revenue	**10,532**	15,613

Accounting Policy

Listing fees

Listing fees revenue relates to the recovery of costs associated with the administration of the Prostheses List (the List). The List is a list of surgically implanted prostheses, human tissue items, and other medical devices that helps ensure privately insured patients have access to safe and clinically effective medical devices.

Resources Received Free of Charge
Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

	2023	2022
	$'000	$'000
1.2D: Revenue from government		
Appropriations		
Departmental appropriations	**1,066,637**	1,019,449
Total revenue from government	**1,066,637**	1,019,449

Accounting Policy
Revenue from Government
Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue from government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Income and Expenses Administered on Behalf of Government

This section analyses the activities the Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered - Expenses

	2023 $'000	2022 $'000
2.1A: Grants		
Public sector		
Australian Government entities (related parties)	**1,033,330**	963,091
Private sector		
Profit and Not-for-profit organisations	**11,631,638**	10,524,060
Overseas	**86,447**	452,034
Total grants	**12,751,415**	11,939,186

Accounting Policy

The Department administers a number of grant schemes on behalf of the Government. Grant liabilities (and expenses) are recognised to the extent that:

(i) the services required to be performed by the grantee have been performed, or

(ii) the grant eligibility criteria have been satisfied, but payments due have not been made. Settlement is made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.

When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

2.1B: Personal benefits		
Direct		
Private health insurance	**6,744,106**	6,500,721
Other	**8,137**	-
Indirect		
Medical services	**27,868,371**	29,211,263
Pharmaceuticals and pharmaceutical services	**17,813,324**	18,130,166
Primary care practice incentives	**446,434**	493,028
Hearing services	**489,086**	461,658
Targeted assistance	**117,106**	111,581
Aged care	**5,721,209**	4,497,488
Other	**56,070**	15,519
Total personal benefits	**59,263,843**	59,421,424

Accounting Policy

Personal benefits are the current transfers for the benefit of individuals or households, directly or indirectly, that do not require any economic benefit to flow back to Government. The Department administers a number of personal benefits programs on behalf of Government that provide a range of health care entitlements to individuals. These include, but are not limited to:

a) pharmaceutical benefits (the primary means through which the Australian Government ensures Australians have timely access to pharmaceuticals, including COVID-19 vaccines)

b) medical benefits (provide high quality and clinically relevant medical and associated services through Medicare)

c) private health insurance rebate (help make private health insurance more affordable, provides greater choice and accessibility to private health care options, and reduces pressure on the public health system)

d) primary care practice incentives (support activities that encourage continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients)

e) targeted assistance (support the provision of relevant pharmaceuticals, aids and appliances)

f) hearing services (reduce the incidence and consequences of avoidable hearing loss in the community by providing access to high quality hearing services and devices), and

g) home support and care (provide coordinated home support and care packages tailored to meet individuals' specific care needs).

Personal benefits are assessed, determined and paid by Services Australia in accordance with provisions of the relevant legislation under delegation from the Department. All personal benefits liabilities are expected to be settled within 12 months of the balance date. In the majority of cases the above payments are initially based on the information provided by customers and providers. Both the Department and Services Australia have established review mechanisms to identify overpayments made under the various schemes. The recognition of receivables and recovery actions take place once the overpayments are identified.

	2023 $'000	2022 $'000
2.1C: Subsidies		
Subsidies in connection with		
Aged care	**16,099,239**	14,695,934
Medical indemnity	**143,729**	51,685
Other	**3,912**	105,840
Total subsidies	**16,246,880**	14,853,459

Accounting Policy
The Department administers a number of subsidy schemes on behalf of the Government. Subsidies expenses and corresponding liabilities are recognised to the extent that (i) the services required to be performed by the recipient have been performed; or (ii) the eligibility criteria have been satisfied, but payments due have not been made.

2.1D: Suppliers		
Goods and services supplied or rendered		
Consultants	**43,667**	30,328
Contract for services	**1,932,199**	2,541,902
Travel	**1,126**	2,149
Inventory consumed	**829,962**	1,237,491
Communications and publications	**31,919**	34,806
Committee related expenses	**3,859**	1,574
Other	**137,948**	108,845
Total goods and services supplied or rendered	**2,980,680**	3,957,095
Goods supplied	**1,003,396**	1,383,330
Services rendered	**1,977,284**	2,573,765
Total goods and services supplied or rendered	**2,980,680**	3,957,095
2.1E: Payments to corporate Commonwealth entities		
Australian Institute of Health and Welfare	**34,846**	34,917
Foods Standards Australia New Zealand	**17,675**	17,498
Sport Australia	**337,870**	323,529
Australian Digital Health Agency	**211,125**	223,345
Total payments to corporate Commonwealth entities	**601,516**	599,289

Accounting Policy
Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans to the relevant portfolio entity. The appropriation to the Department is disclosed in Note 6.1A.

	2023 $'000	2022 $'000
2.1F: Impairment of financial instruments		
Impairment of trade and other receivables[1]	**55,265**	15,901
Total impairment of financial instruments	**55,265**	15,901

1. The 2023 figure included $51.8m worth of debt waivers (2022: Nil).

2.1G: Impairment of non-financial assets		
Impairment due to the write-down of inventory	**-**	317,286
Impairment due to the write-off of inventory	**1,222,297**	457,270
Impairment due to the write-off of prepayments	**-**	43,171
Total impairment of non-financial assets	**1,222,297**	817,727
2.1H: Other expenses		
Other	**7**	4,475
Total other expenses	**7**	4,475

2.2 Administered - Income

	2023 $'000	2022 $'000
Revenue		
Non–Taxation Revenue		
2.2A: Revenue from contracts with customers		
Rendering of services	**31,486**	32,344
Total revenue from contracts with customers	**31,486**	32,344
Disaggregation of revenue from contracts with customers		
Activity / Service line		
Evaluation / assessment fees	**20,488**	19,910
Application fees	**9,608**	9,794
Listing fee / annual charge	**1,376**	2,444
Recovery of costs	**13**	196
	31,486	32,344
Timing of transfer of goods and services		
Over time	**27,348**	27,574
Point in time	**4,138**	4,770
	31,486	32,344
2.2B: Special accounts revenue		
Medicare Guarantee Fund (Health) special account	**46,467,038**	44,867,877
Medical Research Future Fund special account	**598,017**	455,000
Other special accounts	**317,309**	34,651
Total special account revenue	**47,382,364**	45,357,528
2.2C: Recoveries		
Medical and pharmaceutical benefits and health rebate schemes	**115,256**	43,082
Pharmaceutical Benefits Scheme (PBS) drug recoveries	**4,651,646**	3,745,905
Aged care recoveries, cross-billings and budget neutrality adjustments	**699,062**	1,000,472
Other	**121**	479
Total recoveries	**5,466,085**	4,789,938
2.2D: Other revenue		
Levies	**6,424**	6,545
Interest from loans	**8,604**	14,792
Recovery of unspent grant funding	**82,724**	43,603
Inventory received free of charge	**174,230**	92,446
Debts due to the Commonwealth	**78,990**	75,067
Other	**91,876**	97,266
Total other revenue	**442,848**	329,720

Accounting Policy

All administered revenues are revenues related to the course of ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Special accounts revenue is recognised when the Department gains control of the relevant amounts.

Financial Position

This section analyses the Department's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2023 $'000	2022 $'000
3.1A: Cash and cash equivalents		
Cash in special accounts	**117,273**	132,306
Cash on hand or on deposit	**1,212**	4,113
Total cash and cash equivalents	**118,485**	136,419

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand

b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value, and

c) cash in special accounts, which includes amounts that are banked in the Australian Government's Official Public Account or held in a bank account.

3.1B: Trade and other receivables		
Goods and services receivable		
Goods and services	**38,260**	30,138
GST receivable from the Australian Taxation Office	**6,150**	6,542
Other	**893**	837
Total goods and services receivable	**45,303**	37,517
Appropriations receivable		
Appropriations receivable	**125,047**	163,810
Total appropriations receivable	**125,047**	163,810
Other receivables		
Receivable from Government	**20,056**	674
Total other receivables	**20,056**	674
Total trade and other receivables (gross)	**190,406**	202,001
Less expected credit loss allowance	**(3,053)**	(1,462)
Total trade and other receivables (net)	**187,353**	200,540

All trade and other receivables are expected to be recovered within 12 months of the balance date.

Credit terms for goods and services were: the Department - within 30 days (2022: 30 days), the TGA - within 28 days (2022: 28 days).

Accounting Policy
Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Appropriations receivable are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangements. Appropriations receivable are recognised at their nominal amounts.

Trade and other receivable assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment allowance at an amount equal to lifetime Expected Credit Losses (ECL).

	2023	2022
	$'000	$'000
3.1C: Other financial assets		
Contract assets	**6,892**	10,582
Total other financial assets	**6,892**	10,582

The contract assets from contracts with customers are associated with the activities outlined in detail at Note 1.2A.

All other financial assets are expected to be recovered within 12 months of the balance date.

Refer to Note 3.3A for information relating to contract liabilities.

3.2 Non-Financial Assets

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2023

	Land and buildings $'000	Plant and equipment $'000	Computer Software[1] $'000	Total $'000
As at 1 July 2022				
Gross book value	**759,245**	**7,353**	**518,442**	**1,285,040**
Accumulated depreciation, amortisation and impairment	**(188,065)**	**(1,713)**	**(255,764)**	**(445,542)**
Total as at 1 July 2022	**571,180**	**5,640**	**262,678**	**839,498**
Additions:				
Purchase	**27,047**	**839**	**-**	**27,886**
Internally developed	**-**	**-**	**179,394**	**179,394**
Right-of-use assets	**69,243**	**-**	**-**	**69,243**
Impairments recognised in net cost of services[2]	**(184)**	**(1,093)**	**(15,676)**	**(16,953)**
Reversal of impairments recognised in net cost of services	**-**	**457**	**-**	**457**
Depreciation and amortisation	**(8,887)**	**(843)**	**(28,436)**	**(38,166)**
Depreciation of right-of-use assets	**(56,741)**	**(81)**	**-**	**(56,822)**
Other movements of right-of-use assets	**(651)**	**47**	**-**	**(604)**
Total as at 30 June 2023	**601,009**	**4,967**	**397,960**	**1,003,936**

	Land and buildings $'000	Plant and equipment $'000	Computer Software $'000	Total $'000
Total as at 30 June 2023 represented by				
Gross book value	**850,367**	**7,143**	**682,368**	**1,539,878**
Accumulated depreciation, amortisation and impairment	**(249,358)**	**(2,176)**	**(284,408)**	**(535,942)**
Total as at 30 June 2023	**601,009**	**4,967**	**397,960**	**1,003,936**
Carrying amount of right-of-use assets	**537,850**	**49**	**-**	**537,899**

[1.] The carrying amount of computer software included $397.090m of internally generated software and $0.870m of purchased software. Of the total computer software balance at 30 June 2023, $290.946m relates to work-in-progress assets not yet available for use (2022: $179.887m).

In 2023 the carrying amount of property, plant and equipment included $0.197m (2022: Nil) which relates to expenditure incurred in the course of construction.

$ 63.158m (2022: $45.179m) of total leasehold improvements refers to fitout assets which may not be disposed of without prior Ministerial approval.

$1.211m of land & building (fitout) is expected to be disposed of within the next 12 months.

Revaluations of non-financial assets
All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4. The last full revaluation was performed in 2021 by an independent valuer (Jones Lang LaSalle Public Sector Valuations Pty Ltd (JLL)). For the purpose of 2022-23 financial statements, desktop reviews were performed by JLL as at 28 February 2023 and 30 June 2023.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets
In 2023, the Department had no significant contractual commitments (2022: Nil) for the acquisition of property, plant, equipment and intangible assets.

Accounting Policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for information technology equipment purchases costing less than $500 (TGA: $2,000), leasehold improvements costing less than $50,000 (TGA: $10,000), and all other purchases costing less than $2,000, which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to prescribed conditions. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for restoration recognised.

Leased Right-of-Use (ROU) assets

Leased ROU assets are capitalised at the commencement of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by the Department as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 *Leases* , the Department has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any ROU asset that shows indicators of impairment and an impairment loss is recognised against any ROU asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in the Department's financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

An independent valuation of all property, plant and equipment (PP&E) was carried out by Jones Lang LaSalle (JLL) as at 31 March 2021 and desktop reviews to assess fair value were conducted as at 28 February 2023 and 30 June 2023. These reviews included qualitative and quantitative analysis which concluded that there has been no material movement in the value of assets held by the Department. In accordance with the Department's policy, the next full valuation will be undertaken during 2023-24.

When required, revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of Asset Revaluation Reserve except to the extent that it reversed a previous revaluation decrement of the same class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation
Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease, including any applicable lease options available.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are made in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:
a) buildings on freehold land: 20 to 25 years (2022: 20 to 25 years)
b) leasehold improvements: The lower of the lease term or the estimated useful life
c) plant and equipment: 3 to 20 years (2022: 3 to 20 years), and
d) right-of-use assets: 2 to 15 years (2022: 2 to 15 years).

Impairment
All assets were assessed for impairment as at 30 June 2023. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value is taken to be its depreciated replacement cost.

De-recognition
An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles
The Department's intangibles comprise internally developed software (for internal use) and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The Department recognises internally developed software costing more than $100,000 and purchased software costing more than $500 (TGA: $100,000).

Software is amortised on a straight-line basis over its anticipated useful life.

The useful lives of the Department's software assets are:
a) internally developed software: 2 to 10 years (2022: 2 to 10 years), and
b) purchased software: 2 to 7 years (2022: 2 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

	2023	2022
	$'000	$'000
3.2B: Other non-financial assets		
Prepayments	**26,260**	21,773
Investment in sublease	**885**	2,697
Total other non-financial assets	**27,145**	24,471
Other non-financial assets expected to be recovered		
No more than 12 months	**26,597**	22,687
More than 12 months	**548**	1,784
Total other non-financial assets	**27,145**	24,471

No indicators of impairment were found for other non-financial assets.

3.3 Payables

	2023 $'000	2022 $'000
3.3A: Suppliers		
Trade creditors and accruals	**83,033**	77,168
Contract liabilities	**30,886**	38,952
Total suppliers	**113,919**	116,120

All supplier payables are expected to be settled within 12 months of the balance date.

The payment terms for goods and services were 20 calendar days from the receipt of a correctly rendered invoice (2022: 30 days).

Contract liabilities are primarily associated with unearned income related to the activities outlined in detail at Note 1.2A. Timeframes for the satisfaction of performance obligations are primarily in line with the legislative requirements associated with the various revenue streams and can range from 15 up to 351 days.

Refer to Note 3.1C for information relating to contract assets.

3.3B: Employees		
Wages and salaries	**16,482**	14,104
Superannuation	**7,297**	2,911
Total employees	**23,779**	17,015

All employee payables are expected to be settled within 12 months of the balance date.

3.3C: Other payables		
Other	**218**	3,404
Total other payables	**218**	3,404

All other payables are expected to be settled within 12 months of the balance date.

3.4 Interest Bearing Liabilities

	2023 $'000	2022 $'000
3.4A: Leases		
Lease liabilities	**598,888**	573,251
Total leases	**598,888**	573,251

Total cash outflow for leases for 2023 was $52.9m (2022: $55.2m).

The Department has a geographically dispersed lease portfolio related to property leases which are typically long term and contain both extension options and regular increases in rent, usually on the anniversary of the commencement date, for either a fixed amount or based on a market review as required by the contract.

Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**55,269**	55,343
Between 1 to 5 years	**285,062**	253,256
More than 5 years	**332,324**	329,336
Total undiscounted leases	**672,655**	637,935
Discount	**(73,767)**	(64,684)
Total leases	**598,888**	573,251

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B and 3.2A.

Accounting Policy

For all new contracts entered into, the Department considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Department's incremental borrowing rate. The Department's incremental borrowing rate is the rate at which a similar borrowing cost could be obtained from an independent creditor under comparable terms and conditions.

The weighted-average rate applied in 2023 was 1.79% (2022: 1.29%).

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3.5 Other Provisions

3.5A: Other provisions

	Provision for restoration $'000	Total $'000
As at 1 July 2022	**17,260**	**17,260**
Additional provisions made	**12,025**	**12,025**
Amounts reversed	**(14,955)**	**(14,955)**
Total as at 30 June 2023	**14,330**	**14,330**

All provisions are expected to be settled more than 12 months from the balance date.

The Department currently has 7 (2022: 9) agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

Accounting Policy

Provision for Restoration Obligation

Where the Department has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

3.6 Therapeutic Goods Administration

The Therapeutic Goods Administration (TGA) contributes to Outcome 1: Health Policy, Access and Support. The TGA recovers the cost of all activities undertaken within the scope of the *Therapeutic Goods Act 1989* from industry through fees and charges.

Included below is financial information for the TGA special account. The balance of the special account represents a standing appropriation from which payments are made for the purposes of the special account. The TGA special account is reported in Note 6.2: Special accounts.

Therapeutic goods are regulated to ensure that medicinal products and medical devices in Australia meet standards of safety, quality and efficacy at least equal to that of comparable countries. These products and devices should be made available in a timely manner and the regulatory impact on business kept to a minimum. This is achieved through a risk management approach to pre-market evaluation and approval of therapeutic products intended for supply in Australia, licensing of manufacturers and post market surveillance.

The TGA receives payment for evaluation services in advance of service delivery, which can extend across financial years. The TGA estimates the stage of service completion and recognises the matching revenue. Revenue reported for 2022-23 includes an estimate for annual charges.

	2023	2022
	$'000	$'000
3.6A: Therapeutic Goods Administration		
TGA Comprehensive Income		
Expenses		
Employee benefits	**107,619**	96,075
Contractors and consultants	**31,569**	42,821
Corporate services	**43,996**	41,660
Other	**21,762**	16,192
Depreciation and amortisation	**5,402**	10,428
Write-down and impairment of assets	**6,150**	286
Total expenses	**216,497**	207,463
Revenues		
Sale of goods and rendering of services	**186,425**	182,335
Other revenues and gains	**10,882**	-
Total own-source revenue	**197,306**	182,335
Revenue from Government	**21,442**	16,185
Surplus/(deficit) on continuing operations	**2,252**	(8,943)
TGA Financial Position		
Assets		
Financial assets	**79,680**	104,687
Non-financial assets	**43,455**	34,801
Total assets	**123,135**	139,488
Liabilities		
Payables	**40,706**	49,801
Provisions	**29,920**	44,057
Total liabilities	**70,626**	93,857
Net assets	**52,509**	45,630
Equity		
Contributed equity	**2,029**	2,029
Asset revaluation reserve	**7,173**	2,545
Retained surplus	**43,307**	41,056
Total equity	**52,509**	45,630

People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

4.1 Employee Provisions

	2023 $'000	2022 $'000
4.1A: Employee provisions		
Leave	**207,142**	201,760
Total employee provisions	**207,142**	201,760

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits (as defined in AASB 119 *Employee Benefits)* due within 12 months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination. The liability for long service leave and annual leave expected to be settled outside of 12 months of the balance date has been determined by reference to the work of an actuary as at December 2021. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation and considers relevant changes in the employee profile and leave taking patterns.

Separation and redundancy

The Department recognises a payable for separation and redundancy where an employee has accepted an offer of a redundancy benefit and agreed a termination date. A provision for separation and redundancy is recorded when the Department has a detailed formal plan for the payment of redundancy benefits. The provision is based on the discounted anticipated costs for identified employees engaged in the redundancy program.

Superannuation

Under the *Superannuation Legislation Amendment (Choice of Funds) Act 2004,* employees of the Department are able to become a member of any complying superannuation fund. A complying superannuation fund is one that meets the requirements under the *Income Tax Assessment Act 1997* and the *Superannuation Industry (Supervision) Act 1993*.

The Department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap), or other compliant superannuation funds.

The CSS and PSS are defined benefits schemes for the Australian Government. The PSSap and other compliant superannuation funds are defined contribution schemes. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Department makes employer contributions to the employees' superannuation schemes at rates determined by the actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contributions plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the number of days between the last pay period in the financial year and 30 June.

4.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Department, directly or indirectly. The Department has determined the key management personnel to be the Secretary, the Chief Medical Officer (CMO) and all Deputy Secretaries and equivalents. Key management personnel also include officers who have acted as the Secretary, CMO or Deputy Secretary and equivalents, and have exercised significant authority in planning, directing and controlling the activities of the Department. Key management personnel remuneration is reported in the table below:

	2023	2022
	$'000	$'000
Short-term employee benefits	**3,818**	4,694
Post-employment benefits	**545**	767
Other long-term employee benefits	**220**	111
Total key management personnel remuneration expenses[1]	**4,583**	5,572

The total number of key management personnel that are included in the above table is 14 (2022: 16).

Remuneration information for executives and other highly paid officials is included in the annual report in part 3.4: People and Appendix 2: Workforce Statistics.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

4.3 Related Party Disclosures

Related party relationships
The Department is an Australian Government controlled entity. Related parties to the Department are key management personnel including the Portfolio Minister and Executive Government, and other Australian Government entities.

Transactions with related parties
Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate, Medicare bulk billing provider payments, pharmaceutical benefits or a zero real interest loan for aged care providers. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:
a) the payment of grants or loans
b) purchases of goods or services
c) asset purchases, sales transfers or leases
d) debts forgiven, and
e) guarantees.

Giving consideration to relationships with related entities and transactions entered into during the reporting period by the Department, it has been determined that there are no related party transactions to be separately disclosed.

Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result which the Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

5.1 Administered - Financial Assets

	2023 $'000	2022 $'000
5.1A: Cash and cash equivalents		
Cash in special accounts	**5,732,627**	3,340,255
Cash on hand or on deposit	**38,750**	64,503
Total cash and cash equivalents	**5,771,376**	3,404,758
5.1B: Accrued recoveries revenue		
Personal benefits		
Pharmaceutical benefits	**559,292**	319,277
Aged care	**134,757**	180,070
Medicare benefits	**9,445**	9,376
Other personal benefits	**480**	124
Subsidies		
Medical indemnity	**5,769**	5,769
Aged care	**66,062**	20,202
Other subsidies	**49**	49
Total accrued recoveries revenue	**775,854**	534,867

All accrued recoveries are expected to be recovered within 12 months of the balance date.

5.1C: Trade and other receivables		
Goods and services		
Goods and services receivable	**640,059**	297,789
GST receivable from the Australian Taxation Office	**84,914**	87,278
Contract assets	**3,838**	5,919
Total goods and services receivables	**728,812**	390,986

The contract assets represent outstanding amounts relating to the licensing and evaluation services provided by the Department in connection with the Medicinal Cannabis Licensing program and functions of the Pharmaceutical Benefits Advisory Committee.

Advances and loans		
Aged care facilities		
Nominal value	**190,501**	221,509
Less: Unexpired discount	**(17,561)**	(21,647)
Total advances and loans	**172,939**	199,862
Total trade and other receivables (gross)	**901,751**	590,848
Less expected credit loss allowance	**(9,937)**	(29,910)
Total trade and other receivables (net)	**891,814**	560,938

Credit terms for goods and services were within 30 days (2022: 30 days).

Accounting Policy

Loans were made to approved providers under the *Aged Care Act 1997* for an estimated period of 12 years. No security is generally required. Principal is repaid in full at maturity. Interest rates are linked to the Consumer Price Index. Interest payments are due on the 21st day of each calendar month.

	2023 $'000	2022 $'000
5.1D: Investments in portfolio entities		
Australian Institute of Health and Welfare	**36,000**	35,167
Food Standards Australia New Zealand	**9,242**	9,542
Australian Commission on Safety and Quality in Health Care	**6,012**	5,691
Sport Australia	**348,767**	321,228
Australian Sports Foundation Ltd	**5,898**	8,887
Independent Health and Aged Care Pricing Authority	**30,593**	16,360
Australian Digital Health Agency	**100,238**	114,720
Total investments in portfolio entities	**536,750**	511,595

The principal activities of each of the Department's administered investments in portfolio entities were as follows:

a) The Australian Institute of Health and Welfare informs community discussion and decision-making through national leadership and collaboration in developing and providing health and welfare statistics and information.

b) Foods Standards Australia New Zealand protects and informs consumers through the development of effective food standards, in a way that helps stimulate and support growth and innovation in the food industry.

c) The Australian Commission on Safety and Quality in Health Care works to lead and coordinate national improvements in safety and quality in health care across Australia.

d) Sport Australia (formerly the Australian Sports Commission) manages, develops and invests in sport at all levels. It works closely with a range of national organisations, state and local governments, schools and community organisations to ensure sport is well run and accessible.

e) The Australian Sports Foundation Ltd assists sporting, community, educational and other government organisations to raise funds for the development of sports infrastructure.

f) The Independent Health and Aged Care Pricing Authority determines the national efficient price and national efficient cost each year for healthcare services provided by public hospitals to inform decision makers in relation to funding of public hospitals.

g) The Australian Digital Health Agency has responsibility for the strategic management and governance for the national digital health strategy and the design, delivery and operations of the national digital healthcare system.

	2023 $'000	2022 $'000
5.1E: Other investments		
Biomedical Translation Fund - Brandon Capital Partners	**112,012**	64,451
Biomedical Translation Fund - OneVentures Management	**37,475**	29,792
Biomedical Translation Fund - BioScience Managers	**35,172**	41,711
Total other investments	**184,659**	135,954

All other investments are expected to be recovered more than 12 months from the balance date.

The Biomedical Translation Fund (BTF) is an equity co-investment venture capital program announced in the National Innovation and Science Agenda to support the development of biomedical ventures in Australia. The BTF Program will help translate biomedical discoveries into high growth potential companies that are improving long term health benefits and national economic outcomes. It is delivered by the Department of Industry, Science and Resources (AusIndustry) on behalf of the Department through licensed private sector, venture capital fund managers.

Accounting Policy
Administered investments represent corporate Commonwealth entities and companies within the Health portfolio. Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is only relevant at the whole-of-Government level.

Administered investments other than those held for trading are classified as fair value - other comprehensive income equity instruments and are measured at their fair value as at 30 June 2023. Fair value has been taken to be the Australian Government's proportional interest in the value of the net assets of each licensed investment fund, based on the latest available audited trust accounts increased by the value of new investments acquired during the reporting period.

5.2 Administered - Non-Financial Assets

5.2A: Reconciliation of the opening and closing balances of plant and equipment

	Total $'000
As at 1 July 2022	
Gross book value	**8,555**
Accumulated depreciation, amortisation and impairment	**(3,691)**
Total as at 1 July 2022	**4,864**
Depreciation and amortisation	**(1,703)**
Total as at 30 June 2023	**3,161**

	Total $'000
Total as at 30 June 2023 represented by	
Gross book value	**8,555**
Accumulated depreciation, amortisation and impairment	**(5,394)**
Total as at 30 June 2023	**3,161**

5.2 Administered - Non-Financial Assets

	2023 $'000	2022 $'000
5.2B: Inventories		
Inventories held for distribution		
National Medical Stockpile (NMS) and COVID-19 vaccines & consumables		
Opening balance	**2,569,241**	1,405,219
Add: Purchases	**3,134,028**	6,147,976
Add: Stock received free of charge	**174,230**	92,446
Less: Deployments	**(1,543,698)**	(3,849,776)
Less: Stock sold to other jurisdictions	**(27,548)**	-
Less: Grants to overseas	**(3,659)**	(452,068)
Less: Write down & impairment	**(1,222,297)**	(774,556)
Add: Other adjustments	**(295)**	-
Total Inventories held for distribution	**3,080,003**	2,569,241

During 2023 $2,797.5m of inventory held for distribution was recognised as an expense (2022: $5,076.4m).

5.2C: Other non-financial assets		
NMS and COVID-19 vaccines & consumables prepayments	**514,623**	708,081
Total other non-financial assets	**514,623**	708,081

All other non-financial assets are expected to be recovered within 12 months of the balance date.

Accounting Policy

The Department's administered inventories relate to:

a) The National Medical Stockpile (the NMS). The NMS is a strategic reserve of medicines, vaccines, antidotes and protective equipment available for use as part of the national response to a public health emergency. It is intended to augment state and territory government reserves of key medical items in a health emergency, which could arise from terrorist activities or natural causes. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

b) COVID-19 vaccines and consumables. The Commonwealth has entered into multiple agreements to acquire doses of COVID-19 vaccines. Vaccines and consumables are held for distribution prior to being deployed to administration sites.

Not all inventories are expected to be distributed in the next 12 months.

Costs in bringing each item to its present location and condition include purchase costs plus any other reasonably attributable costs, such as overseas shipping and handling and import duties, less any bulk order discounts and rebates received from suppliers.

Inventory is held at cost and adjusted where applicable for loss of service potential. Health considers the current replacement cost is the most appropriate basis for loss of service potential for inventories.

Inventories that are damaged or have passed their use-by dates are written off on the basis that the service potential is nil.

Inventories acquired at no or nominal cost are measured at current replacement cost at the date of acquisition. Any difference between acquisition costs and the value of these inventories is recognised as revenue.

Inventories are measured at weighted average cost, adjusted for obsolescence, other than vaccine stock which is measured using the costs specific for those items.

In determining impairment losses recognised in connection with the Department's inventories, management have applied assumptions and judgment in determining the current cost estimate (CCE). The CCE is used as the basis for measuring impairment losses where the weighted average cost of inventories exceeds the CCE. The CCE is determined based on observable market evidence including prices for comparable products and other market trends impacting supply.

Inventory prepayments represent the value of inventory paid for but not yet delivered by the supplier or accepted by the Department.

5.3 Administered - Payables

	2023 $'000	2022 $'000
5.3A: Suppliers		
Trade creditors and accruals	**206,758**	649,904
Contract liabilities	**5,418**	6,783
Total suppliers	**212,175**	656,687

All suppliers are expected to be settled within 12 months of the balance date.

The payment terms for goods and services are 20 calendar days from the receipt of a correctly rendered invoice (2022: 30 days).

The contract liabilities are associated with the unearned portion of licensing and evaluation fee revenue collected predominantly in connection with the Medicinal Cannabis Licensing program and functions of the Pharmaceutical Benefits Advisory Committee.

5.3B: Subsidies		
Aged care	**86,864**	152,955
Medical indemnity	**10,960**	8,959
Total subsidies	**97,824**	161,914

All subsidies are expected to be settled within 12 months of the balance date.

5.3C: Personal benefits		
Direct personal benefits		
Private health insurance	**554,150**	540,882
Indirect personal benefits		
Medical services	**525,446**	521,561
Pharmaceuticals and pharmaceutical services	**103,003**	91,208
Aged care	**558,573**	455,665
Other	**81,202**	81,296
Total personal benefits	**1,822,374**	1,690,612

All personal benefits are expected to be settled within 12 months of the balance date.

5.3D: Grants		
Australian Government entities (related entities)	**262**	1,192
Profit and non-profit organisations	**631,804**	210,041
Total grants	**632,066**	211,233

All grants are expected to be settled within 12 months of the balance date.

5.4 Administered - Other Provisions

5.4A: Subsidies

	Balance as at 30 June 2022	Claims paid	Schedule of Administered items impact	Balance as at 30 June 2023
	$'000	$'000	$'000	$'000
Medical Indemnity Liabilities				
Incurred but not reported scheme	**5,000**	**(349)**	**1,349**	**6,000**
High cost claims scheme	**327,000**	**(63,266)**	**73,266**	**337,000**
Run-off cover scheme	**142,000**	**(30,003)**	**59,003**	**171,000**
Total Medical Indemnity Liabilities	**474,000**	**(93,618)**	**133,618**	**514,000**
Midwife Professional Indemnity Liabilities	**6,200**	**-**	**-**	**6,200**
COVID-19 Vaccine Claims Liabilities	**95,000**	**(9,454)**	**(1,846)**	**83,700**
Total	**575,200**	**(103,072)**	**131,772**	**603,900**

Accounting Policy

Medical Indemnity Schemes

The Department administers the following medical indemnity schemes under the *Medical Indemnity Act 2002:*

a) Incurred But Not Reported Scheme (IBNRS)
b) High Cost Claims Scheme (HCCS)
c) Exceptional Claims Scheme (ECS)
d) Run-Off Cover Scheme (ROCS)
e) Premium Support Scheme (PSS)
f) Allied Health High Costs Claims Scheme (AHHCCS), and
g) Allied Health Exceptional Claims Scheme (AHECS).

The payments for medical indemnity are managed by Services Australia, the service delivery entity, on behalf of the Department through its Medicare program.

The Australian Government Actuary (AGA) estimated the provision for future payments for the medical indemnity schemes administered by the Department. At the reporting date, provision for future payments was recognised for IBNRS, HCCS, and ROCS. No provision was recognised for ECS, as to date no payment has been made against this scheme and it could not be reliably measured, and is therefore reported as a contingent liability in Note 7.1B. No provision was recognised for the PSS as the nature and timing of payments associated with the scheme are based on a relatively predictable pattern of annual payments that must be settled within 12 months of the end of the premium period.

AHHCCS and the AHECS were only implemented from 1 July 2020. There is currently insufficient information to estimate their liabilities separately and the schemes are expected to be immaterial. Any associated liabilities of these new schemes are currently included in the liability estimates of the HCCS and the ECS respectively, until there is sufficient information to separately assess the liabilities of the new schemes.

The methods used by the AGA to estimate the liability under the different schemes are as follows:

General

The AGA has relied on projections that have been prepared by the appointed actuaries to the five medical indemnity insurers (MIIs) and provided to the Commonwealth under the relevant provisions of the *Medical Indemnity Act 2002*. Payment information from the Medicare program complemented the projection. Where appropriate, adjustments have been made to those projections as described below.

IBNRS
The IBNRS provides for payments to Avant Mutual Group for claims made in relation to its IBNR liability at 30 June 2002. Some claims that will be payable under the IBNRS may also be eligible for payment under the HCCS.

The AGA has carried out chain ladder modelling using the payments data. The results of this analysis have been compared to the projections prepared by the industry actuaries. The results closely match and, as a result, the AGA has largely relied on industry projections to estimate the liability.

ROCS
ROCS provides free run-off cover for specific groups of medical practitioners including those retired and over 65, on maternity leave, retired for more than three years, retired due to permanent disability or the estates of those that have died. This scheme is funded through the collection of support payments imposed as a tax on MIIs.

The AGA has developed an independent ROCS actuarial model which estimates the total annual accruing ROCS cost to the Australian Government. The model output is used to check against industry actuaries' projections. For the estimate of the outstanding ROCS liability as at 30 June 2023, the AGA has relied on the projections from the actuary of each of the MIIs, but has adjusted the IBNRS component on comparison with the projections from its own ROCS internal model. Given that the majority of the claims anticipated under this scheme have not yet been made, the AGA noted a relatively high level of uncertainty in the estimate.

HCCS
Under HCCS, the Government pays 50% of the cost of claims made to all MIIs that exceed a specified threshold, up to the limit of the practitioner's insurance. The threshold to be applied depends on the date of the notification of the claim as follows:

a) from 1 January 2003 to 21 October 2003 - $2m
b) from 22 October 2003 to 31 December 2003 - $0.5m
c) from 1 January 2004 to 30 June 2018 - $0.3m, and
d) on or after 1 July 2018 - $0.5m.

The AGA has relied on the projections of the industry actuaries but has made adjustments in respect of claims which are also eligible for the IBNRS and/or ROCS to ensure overall consistency of the estimates.

Material accounting judgements and estimates
The nature of the medical indemnity liability estimates is inherently, and unavoidably, uncertain. The uncertainty arises for the following reasons:

a) it is not possible to precisely model the claims process, and random variations in both past and future claims have or will have adverse consequences on the model
b) there can be a long delay between incident occurrences, to notification and settlement, making the projection of timing very uncertain
c) the nature and cause of injury is difficult to determine and prove
d) the claims experience can be very sensitive to the surrounding factors such as technology, legislation, attitudes and the economy
e) in general, these schemes have a small number of large claims which account for a substantial part of the overall cost. This is associated with large expected random variation. It follows that a wide range of results can be obtained with equal statistical significance which differs materially in the context of a schedule of assets and liabilities. This is a common situation with liabilities of this nature
f) medical indemnity claims costs tend to increase at a faster rate than general inflation, and
g) economic assumptions have not been adjusted for the impacts of COVID-19, because their effect is indirect and likely to be short-term.

The experience of the medical indemnity claims cycle indicates that claims and subsequent payments can take a number of years to mature and settle. The Department used a 4% per annum discount rate in the calculation of the estimate for the current year. This discount rate was derived from the Commonwealth bonds yield curve based on the average observed liability duration of five years for the medical indemnity payments. A discount rate of 3.4% was used last year, which was derived using the same method.

A sensitivity analysis was undertaken by moving the discount rate either up or down to the nearest full percentage point. Increasing the discount rate to 5% would result in a discounted liability estimate which is about 3.7% ($19m) less than the base estimate. On the other hand, decreasing the discount rate to 3% would result in a liability estimate which is about 4.3% ($22m) higher than the base estimate.

	2022-23			2021-22
	discounted	discounted	discounted	discounted
	3.0%	4.0%	5.0%	3.4%
	$m	$m	$m	$m
Incurred But Not Reported Scheme	6	6	5	5
High Cost Claims Scheme	348	337	328	327
Run-Off Cover Scheme	182	171	162	142
Total	**536**	**514**	**495**	**474**

1. 3.4% was used as the basis of the estimation in 2021-22.

Midwife Professional Indemnity Schemes

The Department administers the following midwife professional indemnity schemes under the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*:

(a) Midwife Professional Indemnity (Commonwealth Contribution) Scheme (MPIS), and
(b) Midwife Professional Indemnity Run-off Cover Scheme (MPIRCS).

Under the MPIS, the Commonwealth reimburses a specified percentage of the costs of claims notified to Medical Insurance Australia Pty Ltd (MIGA) on or after 1 July 2010. Reimbursements are calculated under a tiered approach where the Commonwealth reimburses MIGA for:

a) 0% of costs for claim costs up to $100,000
b) 80% of costs for claim costs over $100,000 and up to $2,000,000, and
c) 100% of costs exceeding $2,000,000.

No payments have been made to date by Services Australia under either scheme, however a small number of claims have been lodged under the MPIS. The AGA used the claims lodged with MIGA as the basis for calculating the provision. A discount rate of 4% per annum was used in the calculation of the estimate for the current year, consistent with the medical indemnity schemes.

No provision was recognised for MPIRCS, as to date no claims have been lodged with MIGA and a reliable estimate cannot be made in relation to the future claims.

COVID-19 Vaccine Claims

The Vaccine Claims Scheme is designed to operate on a no-fault basis for eligible Australians to claim compensation for certain recognised moderate to severe vaccine-related adverse events that involve losses or expenses of at least $1,000 as a direct result of an administered COVID-19 vaccine.

The potential liability for claims under the scheme was estimated by the AGA using the claims data provided by Services Australia, categorised into tiers based on the severity of eligible lossess being claimed as follows:

a) Tier 1 - claims in the range of $1,000 - $20,000

b) Tier 2 - claims in excess of $20,000, and

c) Tier 3 - claims involving a loss of life.

A tailored modelling approach was developed for each tier, reflective of the perceived level of subjectivity associated with the relevant claim type, with higher tiers requiring specialist assessment on a case-by-case basis, and the potential claim amount.

Material accounting judgements and estimates

Due to the low number of claims lodged and assessed to date, the AGA noted a heightened level of uncertainty associated with the estimates. The uncertainty arises for the following reasons:

a) the number of applications which have been finalised, or are close to being finalised, is low

b) the payment amount can vary significantly from the claim amount stated on the application; no reliable pattern can yet be derived from the data as few claims have been finalised

c) the assessment of claims is subject to a significant level of judgement, as each application is considered on a case-by-case basis; Level 2 claims and some level 1 claims are referred to an expert panel

d) claims data includes limited variables to assist with the valuation process, and

e) hospitalisation data lacks the granularity required to be of use in the valuation process.

Key assumptions and sensitivities

Certain assumptions were applied to the available data. The vast majority of payments under this scheme are expected to be incurred within the next 2 years, therefore in the context of the short duration until settlement and the uncertainty of the underlying data, the inflationary and discounting effects were assumed to be implicit in the calculation of the claims size assumptions - performed separately for each tier.

The claims administration costs incurred are funded separately to this scheme and are outside the scope of this valuation. There is also no allowance for the Department's costs of managing the scheme.

Due to the prevalent uncertainties, the liability estimate is particularly sensitive to the acceptance rate and the ultimate claims costs per risk exposure. A sensitivity analysis was undertaken on these factors to understand the overall impact on the ultimate liability being recognised:

Scenario	**Liability Estimate ($'m)**	**Change**
Baseline (excluding prudential margin)	83.7	
Increase Tier 2 acceptance rate by 10%	92.7	10.8%
Decrease Tier 2 acceptance rate by 10%	74.5	-10.9%
Increase ultimate claims costs per exposure by 20%	100.0	19.5%
Decrease ultimate claims costs per exposure by 20%	68.0	-18.7%

	2023 $'000	2022 $'000
5.4B: Personal benefits		
Outstanding claims		
Medical services	**976,705**	863,687
Pharmaceuticals and pharmaceutical services	**146,401**	374,097
Total personal benefits	**1,123,106**	1,237,784

All personal benefits are expected to be settled within 12 months of the balance date.

Accounting Policy

Material accounting judgements and estimates

Medicare payments processed by Services Australia on behalf of the Department are either reimbursements to patients, made after medical services have been received from a doctor, or payments made directly to doctors through the bulk billing system. At any point in time, there are thousands of cases where a medical service has been rendered, but the Medicare payment has not yet been made. Services Australia has been using the 'Winters' methodology to estimate the value of these outstanding claims.

Under the 'Winters' methodology, a number of models are used to estimate the outstanding Medicare claims liabilities. The model preferred by the industry, and consistently applied in past financial statements of the Department, is Model 5. Model 5 comprises two major components: chain ladder modelling and time series modelling.

Under Model 5, user defined parameters are applied to smooth the time series observations and make predictions about future payment values. As the parameters are user defined it is reasonable to assume that different users of the model may make different choices, and therefore arrive at different estimates of the outstanding liability. In order to validate the parameters used, actual payment data has been compared to previous estimates using various parameters to predict the liability. The model weighs recent payment experience more heavily and is therefore self-adjusting for emerging trends.

Funding

This section identifies the Department's funding structure.

6.1 Appropriations

6.1A: Annual appropriations ('recoverable GST exclusive')

Annual Appropriations for 2023

	Annual Appropriation[1] $'000	Adjustments to appropriation[2] $'000	Total appropriation $'000	Appropriation applied in 2023 (current and prior years) $'000	Variance[3] $'000
Departmental					
Ordinary annual services	**1,047,755**	**212,963**	**1,260,718**	**1,269,246**	**(8,528)**
Capital Budget[4]	**14,517**	**-**	**14,517**	**19,294**	**(4,777)**
Other services					
Equity Injections	**180,271**	**-**	**180,271**	**149,160**	**31,111**
Total departmental	**1,242,543**	**212,963**	**1,455,506**	**1,437,700**	**17,806**
Administered					
Ordinary annual services					
Administered items	**19,471,417**	**1,133**	**19,472,550**	**16,556,471**	**2,916,079**
Payments to corporate Commonwealth entities	**601,516**	**-**	**601,516**	**601,516**	**-**
Other services					
Administered assets and liabilities	**1,006,137**	**271**	**1,006,408**	**438,384**	**568,024**
Payments to corporate Commonwealth entities	**28,740**	**-**	**28,740**	**28,740**	**-**
Total administered	**21,107,810**	**1,404**	**21,109,214**	**17,625,111**	**3,484,104**

1. In 2023 departmental appropriations, $0.5m relating to ordinary annual services appropriations and $48.4m relating to other than ordinary annual services appropriations were withheld under Section 51 of the PGPA Act. There were no amounts withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in any of the 2023 administered appropriations.

2. Departmental: adjustments to appropriations for ordinary annual services relate entirely to PGPA Act Section 74 receipts. Administered: adjustments to appropriations for ordinary annual services and adjustments to the administered assets and liabilities appropriations relate entirely to appropriation repayments.

3. The aggregate variance of ($13.305m) for departmental ordinary annual services and capital budget primarily represents the timing difference of payments to suppliers and employees. The variance of $31.111m for departmental equity is attributable to the fact that $48.4m of 2023 appropriations has been permanently withheld under Section 51 of the PGPA Act. The variance in administered ordinary annual services of $2,916.079m reflects delays in granting activities experienced across a range of programs. The variance in administered assets and liabilities of $568.024m reflects a reduction in inventory purchasing.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

5. The following entities spend money from the Consolidated Revenue Fund (CRF) on behalf of this entity: Services Australia and Department of Industry, Science and Resources.

Annual Appropriations for 2022

	Annual Appropriation[1] $'000	Adjustments to appropriation[2] $'000	Total appropriation $'000	Appropriation applied in 2022 $'000	Variance[3] $'000
Departmental					
Ordinary annual services	1,039,005	184,299	1,223,304	1,149,152	74,152
Capital Budget[4]	14,269	-	14,269	10,871	3,398
Other services					
Equity Injections	114,781	-	114,781	85,920	28,861
Total departmental	1,168,055	184,299	1,352,354	1,245,943	106,411
Administered					
Ordinary annual services					
Administered items	18,906,257	746	18,907,003	16,234,276	2,672,727
Payments to corporate Commonwealth entities	599,289	-	599,289	599,289	-
Other services					
Administered assets and liabilities	4,623,439	603	4,624,042	555,813	4,068,229
Payments to corporate Commonwealth entities	22,229	-	22,229	22,229	-
Total administered	24,151,214	1,349	24,152,563	17,411,607	6,740,956

1. There were no amounts withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in any of the 2022 departmental appropriations. Amounts totalling $3,012.302m were withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in relation to the 2022 administered appropriations.

2. Departmental: adjustments to appropriations for ordinary annual services are a net result of PGPA Act Section 74 receipts of $183.386m, PGPA Act Section 75 transfer to the Department of Social Services of $0.087m and PGPA Act Section 75 transfer from the Digital Transformation Agency of $1.0m.

Administered: adjustments to appropriations for ordinary annual services are a net result of appropriation repayments of $1.096m and PGPA Act Section 75 transfer to the Department of Social Services of $0.350m; adjustments to the administered assets and liabilities appropriations relate entirely to appropriation repayments of $0.603m.

3. The net variance of $74.152m for departmental ordinary annual services and capital budget primarily represents the timing difference of payments to suppliers and employees. The variance of $28.861m for departmental equity reflects the timing of payments for capital projects. The variance in administered ordinary annual services of $2,672.727m reflects pandemic related delays in granting activities experienced across a range of programs, as well as the impacts of caretaker protocols and the election timing close the end of financial year. The variance in administered assets and liabilities of $4,068.229m reflects the value of quarantined appropriations originally intended to fund the cost of vaccines and subsequently reclassified to a special appropriaiton.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

5. The following entities spend money from the Consolidated Revenue Fund (CRF) on behalf of this entity: Services Australia and Department of Industry, Science and Resources.

6.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2023 $'000	2022 $'000
Departmental		
Appropriation Act (No. 1) 2020-2021 - Departmental Capital Budget [1]	**2,235**	2,235
Appropriation Act (No. 1) 2021-2022 [2]	**8,335**	40,004
Appropriation Act (No. 1) 2021-2022 - Departmental Capital Budget	**-**	5,040
Appropriation Act (No. 1) 2021-2022 - Cash at Bank	**-**	4,113
Appropriation Act (No. 3) 2021-2022	**-**	68,131
Appropriation Act (No. 4) 2021-2022	**-**	48,400
Supply Act (No. 1) 2022-2023	**86,235**	-
Supply Act (No. 1) 2022-2023 - Departmental Capital Budget (DCB)	**263**	-
Appropriation Act (No. 1) 2022-23 [3]	**2,730**	-
Appropriation Act (No. 1) 2022-2023 - Cash at Bank	**1,212**	-
Supply Act (No. 2) 2022-23	**7,430**	-
Appropriation Act (No. 2) 2022-23 [4]	**61,701**	-
Appropriation Act (No. 3) 2022-23	**5,208**	-
Appropriation Act (No. 4) 2022-23	**10,380**	-
Total departmental	**185,729**	167,923
Administered		
Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020	**-**	20,595
Appropriation Act (No. 1) 2019-2020	**-**	66,067
Appropriation Act (No. 4) 2019-2020	**-**	49,113
Supply Act (No. 1) 2020-2021 [1]	**6,639**	6,639
Supply Act (No. 2) 2020-2021	**-**	71,556
Appropriation Act (No. 1) 2020-2021 [1]	**384,440**	384,440
Appropriation Act (No. 2) 2020-2021 [1]	**36,755**	51,479
Appropriation Act (No. 3) 2020-2021 [1]	**273,308**	273,308
Appropriation Act (No. 2) 2021-2022	**24,287**	24,287
Appropriation (COVID-19 Assistance) Act (No. 2) 2021-2022	**2,036,373**	2,036,373
Appropriation Act (No. 4) 2021-2022	**2,414,091**	2,414,091
Appropriation Act (No. 1) 2021-2022	**219,565**	219,565
Appropriation Act (No. 3) 2021-2022 [5]	**1,834,051**	1,834,051
Appropriation (COVID-19 Assistance) Act (No. 1) 2021-2022	**935,671**	935,671
Supply Act (No. 1) 2022-2023	**747,005**	-
Supply Act (No. 2) 2022-2023	**271**	-
Appropriation Act (No. 1) 2022-2023	**1,450,279**	-
Appropriation Act (No. 2) 2022-2023	**654,033**	-
Appropriation Act (No. 3) 2022-2023	**614,481**	-
Total administered	**11,631,249**	8,387,236

1. In departmental appropriations $2.235m carried over as Appropriation Act (No. 1) 2020-21 lapsed on 1 July 2023. In administered appropriations $6.639m carried over as Supply Act (No. 1) 2020-2021, $384.440m carried over as Appropriation Act (No. 1) 2020-2021, $36.755m carried over as Appropriation Act (No. 2) 2020-21 and $273.308m carried over as Appropriation Act (No. 3) 2020-2021 lapsed on 1 July 2023.

2. This amount includes $8.335m which has been permanently withheld under Section 51 of the PGPA Act.

3. This amount includes $0.5m which has been permanently withheld under Section 51 of the PGPA Act.

4. This amount includes $48.4m which has been permanently withheld under Section 51 of the PGPA Act.

5. This amount includes $16.855m which has been permanently withheld under Section 51 of the PGPA Act.

6.1C: Special appropriations ('recoverable GST exclusive')

	Appropriation	
	2023	2022
Authority	**$'000**	$'000
Aged Care (Accommodation Payment Security) Act 2006	**-**	64,841
Aged Care Act 1997	**21,442,906**	18,369,083
Health Insurance Act 1973	**-**	-
National Health Act 1953	**1,934,782**	4,674,569
Medical Indemnity Act 2002	**101,686**	77,047
Private Health Insurance Act 2007	**6,730,839**	6,465,800
Dental Benefits Act 2008	**315,989**	257,213
Medicare Guarantee Act 2017	**-**	-
Health and Other Services (Compensation) Act 1995	**-**	-
Medical Indemnity Agreement (Financial Assistance - Binding Commonwealth Obligations) Act 2002	**-**	-
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	**-**	-
Private Health Insurance (Transitional Provisions and Consequential Amendments) Act 2007	**-**	-
Public Governance, Performance and Accountability Act 2013 s.77	**1,953**	4,419
Total special appropriations applied	**30,528,156**	29,912,973

Services Australia drew money from the Consolidated Revenue Fund on behalf of the Department against the following special appropriations:

a) *Aged Care Act 1997*
b) *Health Insurance Act 1973*
c) *National Health Act 1953*
d) *Medical Indemnity Act 2002*
e) *Dental Benefits Act 2008,* and
f) *Private Health Insurance Act 2007.*

6.2 Special Accounts

Recoverable GST Exclusive	Services for Other Entities and Trust Moneys Account[1]		Australian Immunisation Register Account[2]		Sport and Recreation Account[3]	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Balance brought forward from previous period	**58,894**	32,153	**7,675**	4,958	**182**	312
Increases						
Appropriation credited to special account	**9,896**	8,733	**5,044**	7,362	**-**	-
Other increases	**312,231**	29,791	**3,092**	3,264	**-**	-
Total increases	**322,128**	38,524	**8,136**	10,626	**-**	-
Available for payments	**381,022**	70,677	**15,811**	15,584	**182**	312
Decreases						
Administered	**12,815**	11,783	**7,754**	7,909	**-**	130
Total administered	**12,815**	11,783	**7,754**	7,909	**-**	130
Total decreases	**12,815**	11,783	**7,754**	7,909	**-**	130
Total balance carried to the next period	**368,207**	58,894	**8,057**	7,675	**182**	182
Balance represented by:						
Cash held in entity bank accounts	**6,941**	2,027	**8,057**	7,675	**-**	-
Cash held in the Official Public Account	**361,265**	56,867	**-**	-	**182**	182
Total balance carried to the next period	**368,207**	58,894	**8,057**	7,675	**182**	182

1. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act*; section 78
Purpose:

The special account was established to enable the Department to hold and expend amounts for a range of purposes including for, on behalf of, or jointly with, other persons or entities, such as amounts held for joint activities with other governments, other Commonwealth entities, Commonwealth companies and other entities. The special account also enables the Department to hold and expend amounts held on trust, or for the benefit of another person, amounts in relation to agreements with other governments and amounts received that are permitted or required to be repaid.

[2.] Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act* ; section 78
Purpose:

The special account was established to manage contributions from the Commonwealth, States and Territories to make incentive payments to accredited vaccination providers for providing immunisation for children up to seven years of age.

[3.] Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act* ; section 78
Purpose:

The special account was established to manage contributions from the Commonwealth, States and Territories in support of activities and projects arising from and undertaken on behalf of the Meeting of Sport and Recreation. These contributions are to be used for payments for secretariat functions, the “Play by the Rules” program, and to undertake a range of projects beneficial to jurisdictions.

Recoverable GST Exclusive	Therapeutic Goods Administration Account[4]		Gene Technology Account[5]		Industrial Chemicals Special Account[6]	
	2023	2022	**2023**	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**91,026**	101,851	**9,419**	8,737	**31,861**	24,653
Increases						
Appropriation credited to special account	**21,442**	16,185	**8,576**	8,412	**34**	58
Other increases	**189,144**	186,205	**268**	517	**24,787**	24,501
Total increases	**210,586**	202,390	**8,844**	8,929	**24,821**	24,559
Available for payments	**301,612**	304,241	**18,263**	17,666	**56,682**	49,212
Decreases						
Departmental	**229,989**	213,215	**9,177**	8,247	**20,118**	17,351
Total departmental	**229,989**	213,215	**9,177**	8,247	**20,118**	17,351
Total decreases	**229,989**	213,215	**9,177**	8,247	**20,118**	17,351
Total balance carried to the next period	**71,623**	91,026	**9,086**	9,419	**36,564**	31,861
Balance represented by:						
Cash held in entity bank accounts	**5,481**	3,428	**3,195**	3,528	**681**	478
Cash held in the Official Public Account	**66,142**	87,598	**5,891**	5,891	**35,883**	31,383
Total balance carried to the next period	**71,623**	91,026	**9,086**	9,419	**36,564**	31,861

4. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Therapeutic Goods Act 1989*
Purpose (as per section 45 of the *Therapeutic Goods Act 1989)* :
a) to make payments to further the objects of the Act, and
b) to enable the Commonwealth to participate in the international harmonisation of regulatory controls on therapeutic goods and other related activities.

5. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Gene Technology Act 2000*
Purpose:
for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the Gene Technology Regulator.

6. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Industrial Chemicals Act 2019*
Purpose:
for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the Australian Industrial Chemicals Introduction Scheme.

Recoverable GST Exclusive	Medical Research Future Fund Account[7]		Medicare Guarantee Account[8]	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Balance brought forward from previous period	**2,031**	64,595	**3,271,472**	1,779,328
Increases				
Statutory credits	**598,000**	455,000	**46,467,038**	44,867,877
Other increases	**12,699**	-	**-**	-
Total increases	**610,699**	455,000	**46,467,038**	44,867,877
Available for payments	**612,730**	519,595	**49,738,510**	46,647,205
Decreases				
Administered	**498,275**	517,564	**44,496,785**	43,375,733
Total administered	**498,275**	517,564	**44,496,785**	43,375,733
Total decreases	**498,275**	517,564	**44,496,785**	43,375,733
Total balance carried to the next period	**114,455**	2,031	**5,241,725**	3,271,472
Balance represented by:				
Cash held in the Official Public Account	**114,455**	2,031	**5,241,725**	3,271,472
Total balance carried to the next period	**114,455**	2,031	**5,241,725**	3,271,472

[7.] Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Medical Research and Future Fund Act 2015*
Purpose:
to provide grants of financial assistance to support medical research and medical innovation.

[8.] Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Medical Guarantee Act 2017*
Purpose:
to secure the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme.

6.3 Regulatory Charging Summary

	2023 $'000	2022 $'000
Amounts applied		
Departmental		
Annual appropriations	**40,162**	33,457
Special appropriations (including special accounts)	**206,814**	203,014
Own source revenue	**-**	4,600
Administered		
Annual appropriations	**3,826**	4,074
Total amounts applied	**250,802**	245,145
Expenses		
Departmental	**251,596**	233,944
Administered	**11,380**	13,729
Total expenses	**262,976**	247,673
External Revenue		
Departmental	**211,397**	207,613
Administered	**35,178**	36,866
Total external revenue	**246,575**	244,479
Amounts written off		
Departmental	**4**	34
Total amounts written off	**4**	34

Regulatory charging activities:

The **Therapeutic Goods Administration** (TGA) undertakes cost recovered activities to evaluate the safety, quality and efficacy of medicines, medical devices and biologicals available for supply in, or export from Australia.

Australian Industrial Chemicals Introduction Scheme (AICIS). Charges are levied for registration, assessment and regulation of the importation and manufacture of industrial chemicals in Australia.

Medicinal cannabis. Fees and charges for the regulation of the cultivation and manufacture of Australian produced medicinal cannabis products.

Pharmacy approvals. Pharmacists seeking to provide Pharmaceutical Benefits Scheme medicines by establishing a new pharmacy or relocating an existing pharmacy are charged a fee for service to recover the cost of approving these applications.

Listing of medicines on the Pharmaceutical Benefits Scheme for approval by the **Pharmaceutical Benefits Advisory Committee** and designated vaccines on the National Immunisation Program for approval by the **Australian Technical Advisory Group on Immunisation** are subject to regulatory charges.

Administered revenue only is recorded for the **Private Health Insurance Ombudsman Levy.**

Registration and approval of private hospitals under the **Private Health Insurance 2nd Tier Private Hospital Default Benefits** program are subject to regulatory charges.

The **Prostheses Listing** arrangements refer to the activities involved in listing prostheses and their benefits for the purposes of private health insurance reimbursement.

Cost Recovery Implementation Statements for the above activities are available at:

Cost Recovery Implementation Statement, 2022-2023 | Therapeutic Goods Administration (TGA)

Cost Recovery Implementation Statement 2022-2023 | Australian Industrial Chemicals Introduction Scheme

Cost Recovery Implementation Statement (CRIS) - Regulation of medicinal cannabis 2022-23 | Office of Drug Control (ODC)

National Joint Replacement Registry Cost Recovery Implementation Statement - 1 July 2022 to 30 June 2023 | Australian Government Department of Health and Aged Care

Cost Recovery Implementation Statement 2023-2024 Pharmacy Approval (health.gov.au)

Cost Recovery Implement Statement 2023-24 PBAC

Cost Recovery Implementation Statement (CRIS) – Administration of Private Health Insurance second-tier default benefits | Australian Government Department of Health and Aged Care

Cost Recovery Implementation Statement – Administration of the Prostheses List – 1 July 2022 to 30 June 2023 | Australian Government Department of Health and Aged Care

6.4 Net Cash Appropriation Arrangements

	2023 $'000	2022 $'000
Total comprehensive loss - as per the Statement of Comprehensive Income	**(32,985)**	(37,302)
Plus : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	**38,166**	55,325
Plus : depreciation of right-of-use assets	**56,822**	58,794
Less : cost recovered depreciation	**(7,833)**	(12,576)
Less : lease principal repayments	**(41,178)**	(46,617)
Net Cash Operating Surplus	**12,991**	17,624

The Government funds the Department on a net cash appropriation basis, where appropriation revenue is not provided for depreciation and amortisation expenses. Depreciation and amortisation is included in the Department's cost recovered operations to the extent that it relates to those activities.

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

The Department excludes the cost of depreciation and amortisation related to the cost recovered activities outlined in Note 6.3.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 *Leases,* which does not directly reflect a change in appropriation arrangements.

Managing Uncertainties

This section analyses how the Department manages financial risks within its operating environment.

7.1 Contingent Assets and Liabilities

Quantifiable Contingencies

Quantifiable contingent assets: The Department had no departmental quantifiable contingent assets as at 30 June 2023 (2022: $Nil).

Quantifiable contingent liabilities: The Department had no departmental quantifiable contingent liabilities as at 30 June 2023 (2022: $Nil).

Unquantifiable Contingencies

At 30 June 2023, the Department was involved in a number of litigation cases before the courts, in which some cases have resulted in costs awarded for the Department and other partly for and partly against the Department, but none of these have yet been finalised. It is not possible to quantify amounts relating to these cases and the information is not disclosed on the grounds that it might seriously prejudice the outcomes of these cases.

The Department has provided indemnities to its transactional bankers in relation to any claims made against the bank resulting from errors in the Department's payment files. There were no claims made during the year.

Significant Remote Contingencies

The Department did not have any significant remote contigencies as at 30 June 2023 (2022: $Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not certain, and contingent liabilities are disclosed when settlement is greater than remote.

7.1B: Administered - contingent assets and liabilities

	Indemnities		Claims for damages or costs		Aged Care Accommodation Bond Guarantee Scheme		Total	
	2023 $'000	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000	**2023 $'000**	2022 $'000
Contingent assets								
Balance from previous period	**-**	-	**18,322**	18,000	**-**	-	**18,322**	18,000
New contingent assets recognised	**-**	-	**1,200**	1,000	**-**	-	**1,200**	1,000
Re-measurement	**-**	-	**-**	(78)	**-**	-	**-**	(78)
Assets expired	**-**	-	**(12,622)**	(600)	**-**	-	**(12,622)**	(600)
Total contingent assets	**-**	-	**6,900**	18,322	**-**	-	**6,900**	18,322
Contingent liabilities								
Balance from previous period	**53,000**	64,000	**19,468**	18,029	**-**	-	**72,468**	82,029
New contingent liabilities recognised	**-**	-	**1,243**	2,239	**2,180**	-	**3,423**	2,239
Re-measurement	**22,000**	(11,000)	**-**	-	**-**	-	**22,000**	(11,000)
Obligations expired	**-**	-	**(12,689)**	(800)	**-**	-	**(12,689)**	(800)
Total contingent liabilities	**75,000**	53,000	**8,022**	19,468	**2,180**	-	**85,202**	72,468
Net contingent assets/(liabilities)							**(78,302)**	(54,146)

Quantifiable Administered Contingencies

The above table contains contingent liabilities in respect to:

a) Indemnities: $75.0m (2022: $53.0m). The amount represents an estimate of the Department's liability in respect of medical indemnity payments under the High Cost Claims Scheme.

b) Claims for costs: The table reports a contingent liability in respect of claims for costs of up to $8.0m (2022: $19.5m).

Unquantifiable Administered Contingent Assets

At 30 June 2023, the Department has a number of items for which it was not possible to estimate the amounts of any eventual payments that may be received in relation to these claims. These items are outlined below but were not included in the above table.

Legal action seeking compensation

The Department is engaged in legal action against certain pharmaceutical companies seeking compensation for savings it claims were denied to the Commonwealth because interim injunctions granted to these companies in unsuccessful patent litigation delayed generic versions of drugs being listed on the Pharmaceutical Benefits Scheme, and thereby delayed statutory and price disclosure-related price reductions for these drugs.

Public Hospital Funding

The Auditor-General Report No. 26 2018-19 (ANAO Audit Report) *Australian Government Funding of Public Hospital Services - Risk Management, Data Monitoring and Reporting Arrangements* identified the potential for duplicate payments for the same public hospital service through funding under the Medicare Benefits Schedule and through public hospital funding under the National Health Reform Agreement. The Department has agreed to identify and prevent potential duplicate payments, including Medicare Benefits Schedule payments, by the Australian Government for public hospital services, and identify and recover past duplicate payments to the maximum extent permitted by law.

The 2020-2025 Addendum to the NHRA notes that the Commonwealth and States are jointly responsible for the funding of public hospitals and working together on policy decisions or areas of the system that impact each other's responsibilities. The Addendum requires information to be shared between Jurisdictions and the Commonwealth on a timely basis to support reconciliations of payments, data reporting and calculations of activities to ensure funding is accurate, transparent and accountable. In relation to the contingent asset for the recovery of over-payments, the nature of the contingency is such that the quantum of the potential asset is unknown at this stage. Under the Addendum, the Commonwealth will work with the States on identifying/confirming potential overpayments, but due to data limitations payments that may appear through data matching and compliance analysis processes to be non-compliant will generally require review by the hospital or claimant concerned to confirm any non-compliance.

Unquantifiable Administered Contingent Liabilities

At 30 June 2023, the Department has a number of items for which it was not possible to estimate the amounts of any eventual payments that may be required in relation to these claims. These items are outlined below but were not included in the above table.

Aged Care Accommodation Bond Guarantee Scheme

A Guarantee Scheme has been established through the *Aged Care (Accommodation Payment Security) Act 2006* and *Aged Care (Accommodation Payment Security) Levy Act 2006* . Under the Guarantee Scheme, if a provider becomes insolvent or bankrupt and is unable to repay outstanding accommodation payment balances to aged care residents, the Australian Government will repay the balances owing to each resident. In return, the residents' rights to pursue the defaulting provider for recovery of the accommodation payment funds transfers to the Government. In the event the Government cannot recover the full amount from the defaulting provider, it may levy all providers holding accommodation payment balances to recoup the shortfall. It is not possible to quantify the Australian Government's contingent liability in the event the Guarantee Scheme is activated. The Department has implemented risk mitigation strategies which should reduce the risk of default and thereby activation of the Guarantee Scheme.

From the latest available information, the maximum contingent liability, in the unlikely event that all providers defaulted, is $33.5 billion. Since the Guarantee Scheme was introduced, it has been activated 17 times with refunds of approximately $178.9 million (including interest) made to 538 residents or their estates. It is difficult to predict the frequency and size of future activations, although frequency has increased in the last 5 years. The Commonwealth's exposure through the Guarantee Scheme increases directly in line with an increase in Refundable Accommodation Deposit values and interest rate rises.

Diagnostic Products Agreement

The Australian Government has provided an indemnity to a review of certain matters in relation to Diagnostics Products Agreement. The indemnity provides certain specified members of the review the same level of indemnity as Australian Government officers for the purpose of the review. For the period ended 30 June 2023 no claims have been made (2022: Nil).

Medical Indemnity

Services Australia delivers the Exceptional Claims Scheme (ECS) for doctors and the duplicate scheme for allied health professionals on behalf of the Australian Government. Under these schemes, the Australian Government reimburses medical indemnity insurers for 100% of the cost of private practice claims that are above the limit of their medical indemnity insurance contract, which is typically $20m. To be covered by the ECS, practitioners must have medical indemnity insurance cover to at least a threshold of $15m for claims arising from incidents notified between 1 January and 30 June 2003, and $20m for claims notified from 1 July 2003. As the Allied Health ECS commenced on 1 July 2020, only incidents on or from this date will be eligible.

At 30 June 2023, the Department had received no notification of any incidents that would give rise to claims under the ECS. However, the nature of these claims is such that there is usually an extended period between the date of the medical incident and notification to the insurer. For the period ended 30 June 2023 no claims have been made or notified (2022: Nil).

CSL Ltd

Under existing agreements, the Australian Government has indemnified CSL Ltd for certain existing and potential claims made for personal injury, loss or damage suffered through therapeutic and diagnostic use of certain products manufactured by CSL Ltd. For the period ended 30 June 2023 no claims have been made (2022: Nil).

The Australian Government has indemnified CSL Ltd for a specific range of events that occurred during the Plasma Fractionation Agreement from 1 January 1994 to 31 December 2004, where alternative cover was not arranged by CSL Ltd. For the period ended 30 June 2023 no claims have been made (2022: Nil).

Lifeblood

Under certain conditions the Australian Government, States and Territories jointly provide indemnity to Lifeblood through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of life.

Deeds of Agreement between the Australian Red Cross Society and the National Blood Authority in relation to the operation of Lifeblood and the development of principal manufacturing sites in Sydney and Melbourne include certain indemnities and a limitation of liability in favour of Lifeblood. These indemnities cover defined sets of potential business, product and employee risks and liabilities. Certain indemnities for specific risk events that operate within the terms of the Deed of Agreement are capped and must meet specified pre-conditions.

Indemnities and limitation of liability only operate in the event of the expiry and non-renewal, or the early termination of the Deed, and only within a certain scope. They are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

For the period ended 30 June 2023 no claims have been made (2022: Nil).

Vaccines

Under certain conditions the Australian Government has provided an indemnity for the supply of certain vaccines to the suppliers of the vaccines. The contracts under which contingent liability is recognised will expire across a range of dates to 2036. However, until replacement stock is sourced the contingent liability for use of the vaccine currently held remains with the Commonwealth. For the period ended 30 June 2023 no claims have been made (2022: Nil).

mRNA manufacturing facility

The Australian Goverbent has agreed to provide certain indemnities to Moderna in relation to the Moderna mRNA Partnership for onshore end-to-end population scale mRNA capability. These indemnities cover certain liabilities that could result from implementation of the Partnership. These indemnities are mutual in nature, reflecting risk-sharing arrangements with Moderna to limit financial exposure to the Australian Government.

2032 Brisbane Olympic and Paralympics Games

In February 2021 the International Olympic Committee (IOC) selected Brisbane to host the 2032 Olympic and Paralympic Games. The Australian Government has committed to fund half the costs of critical infrastructure and shared governance arrangements with the Queensland Government. The Commonwealth has also provided a range of guarantees to the IOC for provision of government services in support of Brisbane hosting the Games at no cost to the Organising Committee for the Olympic Games. For the period ended 30 June 2023 no claims have been made.

2026 Commonwealth Games

The Australian Government has committed support to support the hosting of the Commonwealth Games 2026 in Victoria, should Commonwealth Games Australia and the Victorian Government's bid be successful. The Commonwealth has provided a commitment relating to the provision of government services to support the bid. On 18 July 2023, the Victorian Government announced that it would no longer host the Commonwealth Games 2026.

Rugby World Cup 2027 (Men's) and Rugby World Cup 2029 (Women's)

The Australian Government has committed support to Rugby Australia's bid to host the Rugby World Cup 2027 (Men's and the Rugby World Cup 2029 (Women's). In addition, the government has committed to provide services and support, such as security commitment and visa processing for participants and support staff, should Rugby Australia's bid be successful.

PBS listing of COVID-19 oral treatment Paxlovid

Under the arrangement, the Department purchases stock of the COVID-19 oral antiviral Paxlovid directly from the manufacturer Pfizer for supply either through the National Medical Stockpile or the Pharmaceutical Benefits Scheme (PBS). As the Responsible Person for Paxlovid on the PBS, the Commonwealth, through DHL Limited, sells Paxlovid stock to Community Service Obligation (CSO) distributors with the guarantee that they are eligible for a refund of any stock which expires prior to being dispensed. It is not possible to reliably measure the quantum of the stock that will expire prior to being dispensed. Therefore, as at 30 June 2023 the amount of potential refunds that may need to be issued to the SCO distributors is treated as an unquantifiable contingent liability.

Significant Remote Contingencies

The Australian Government has provided indemnities to the suppliers of potential COVID-19 vaccine, for which the Australian Government has entered into Advance Purchasing Agreements, covering certain liabilities that could result from the use of the vaccine. This comprises the University of Oxford vaccine candidate, which is sponsored by AstraZeneca, the Pfizer vaccine candidate, and the Novavax vaccine candidate.

The Australian Government has also entered into Advance Purchasing Agreements for the supply of COVID-19 treatments. The Australian Government has provided indemnities to Pfizer Australia to cover certain liabilities that could result from the use of the treatments.

7.2 Financial Instruments

	2023 $'000	2022 $'000
7.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**118,485**	136,419
Goods and services receivable	**39,154**	30,975
Less: Impairment allowance	**(3,053)**	(1,462)
Contract assets	**6,892**	10,582
Total financial assets at amortised cost	**161,478**	176,514
Total financial assets	**161,478**	176,514
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**83,033**	77,168
Contract liabilities	**30,886**	38,952
Total financial liabilities measured at amortised cost	**113,919**	116,120
Total financial liabilities	**113,919**	116,120

Accounting Policy

In accordance with AASB 9 *Financial Instruments* , the Department classifies its financial assets as financial assets measured at amortised cost. This classification is based on the Department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets at amortised cost

Financial assets included in this category must meet two criteria:
a) the financial asset is held in order to collect the contractual cash flows, and
b) the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest rate method.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on the ECL methodology, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities at amortised cost

Supplier and other payables are recognised at amortised cost to the extent that the goods or services have been received and irrespective of having been invoiced.

7.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment	**(1,904)**	(315)
Net losses on financial assets at amortised cost	**(1,904)**	(315)
Net losses on financial assets	**(1,904)**	(315)

7.3 Administered - Financial Instruments

	2023 $'000	2022 $'000
7.3A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**5,771,376**	3,404,758
Accrued recoveries revenue	**775,854**	534,867
Goods and services receivables	**640,059**	297,789
Contract assets	**3,838**	5,919
Advances and loans	**172,939**	199,862
Less: Impairment allowance	**(9,937)**	(29,910)
Total financial assets at amortised cost	**7,354,130**	4,413,285
Financial assets at fair value through other comprehensive		
Other investments	**184,659**	135,954
Total financial assets at fair value through other	**184,659**	135,954
Total financial assets	**7,538,789**	4,549,239
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**206,758**	649,904
Contract liabilities	**5,418**	6,783
Grants payable	**632,066**	211,233
Total financial liabilities measured at amortised cost	**844,241**	867,920
Total financial liabilities	**844,241**	867,920
7.3B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**8,604**	14,792
Impairment	**(55,265)**	(15,901)
Net losses on financial assets at amortised cost	**(46,661)**	(1,109)
Net losses on financial assets	**(46,661)**	(1,109)

7.4 Fair Value Measurement

The following tables provide an analysis of assets that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

	Note	2023 $'000	2022 $'000
Non-financial assets			
Land and Buildings	3.2A	**62,960**	36,007
Plant and equipment	3.2A	**4,918**	5,559
Total non-financial assets		**67,878**	41,566

Accounting Policy

The Department's assets are held for operational purposes, not for the purposes of deriving a profit. As allowed for by AASB 13 *Fair Value Measurement*, quantitative information on significant unobservable inputs used in determining fair value is not disclosed.

Assets held at fair value include land and buildings and property, plant and equipment. Assets not held at fair value include intangibles, assets under construction and ROU assets.

The Department reviews its valuation model each year via a desktop exercise with a formal revaluation undertaken every three years, with the most recent comprehensive revaluation undertaken in 2021. If during the conduct of the desktop valuation, indicators of a particular asset class change materially, that class is subject to specific valuation in the reporting period. Both the comprehensive revaluation and the desktop review were undertaken by Jones Lang La Salle (JLL).

The categories of fair value measurement are:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement date.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

c) Level 3: unobservable inputs.

Departmental assets are held at fair value and are measured at category Levels 2 or 3 with no fair values measured at category Level 1.

Leasehold improvements are predominantly measured at category Level 3 and the valuation methodology used is Depreciated Replacement Cost (DRC). Under DRC the estimated cost to replace the asset is calculated, with reference to new replacement price per square metre, and then adjusted to take into account its consumed economic benefit (accumulated depreciation). The consumed economic benefit has been determined based on the professional judgement of JLL with regard to physical, economic and external obsolescence factors. For all leasehold improvement assets, the consumed economic benefit is determined based on the term of the associated lease.

Property, plant and equipment is measured at either category Level 2 or 3. The valuation methodology is either market approach or DRC, based on replacement cost for a new equivalent asset. The significant unobservable inputs used in the fair value measurement of PPE assets are the market demand and JLL's professional judgement.

The Department deems transfers between levels of fair value hierarchy to have occurred when there has been a change to the inputs to the fair value measurement (for instance from observable to unobservable and vice versa) and the significance that the changed input has in determining the fair value measurement.

Other information

8.1 Current/non-current distinction for assets and liabilities

8.1A: Current/non-current distinction for assets and liabilities

	2023 $'000	2022 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**118,485**	136,419
Trade and other receivables	**187,353**	200,540
Land and buildings	**10,232**	7,160
Plant and equipment	**783**	914
Computer software	**32,407**	20,539
Other financial assets	**6,892**	10,582
Other non-financial assets	**26,597**	22,687
Total no more than 12 months	**382,750**	398,841
More than 12 months		
Land and buildings	**590,777**	564,019
Plant and equipment	**4,182**	4,728
Computer software	**365,553**	242,139
Other non-financial assets	**548**	1,784
Total more than 12 months	**961,060**	812,669
Total assets	**1,343,810**	1,211,510
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**113,919**	116,120
Employee payables	**23,779**	17,015
Other payables	**218**	3,404
Leases	**45,743**	35,425
Employee provisions	**50,080**	49,253
Other provisions	**-**	14,438
Total no more than 12 months	**233,740**	235,655
More than 12 months		
Leases	**553,145**	537,826
Employee provisions	**157,062**	152,507
Other provisions	**14,330**	2,822
Total more than 12 months	**724,537**	693,155
Total liabilities	**958,277**	928,810

8.1B: Administered - current/non-current distinction for assets and liabilities

	2023 $'000	2022 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**5,771,376**	3,404,758
Accrued recoveries revenue	**775,854**	534,867
Trade and other receivables	**734,927**	382,764
Plant and equipment	**1,703**	1,703
Inventories	**2,019,963**	2,278,232
Other non-financial assets	**514,623**	708,081
Total no more than 12 months	**9,818,447**	7,310,404
More than 12 months		
Trade and other receivables	**156,887**	178,174
Investment in portfolio entities	**536,750**	511,595
Other investments	**184,659**	135,954
Plant and equipment	**1,457**	3,161
Inventories	**1,060,039**	291,010
Total more than 12 months	**1,939,793**	1,119,893
Total assets	**11,758,240**	8,430,297
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers payable	**212,175**	656,687
Subsidies payable	**97,824**	161,914
Personal benefits payable	**1,822,374**	1,690,612
Grants payable	**632,066**	211,233
Subsidies provision	**171,823**	180,174
Personal benefits provision	**1,123,106**	1,237,784
Total no more than 12 months	**4,059,368**	4,138,404
More than 12 months		
Subsidies provision	**432,077**	395,026
Total more than 12 months	**432,077**	395,026
Total liabilities	**4,491,445**	4,533,430

8.2 Budget Variance Commentary

Explanations of Major Variances to Budget

The table below provides explanations for the major variances between the Department's original budget estimates, as published in the October 2022-23 Portfolio Budget Statements, and the actual financial performance and position for the year.

The information presented below should be read in the context of the following:

1. Variance commentary has been included when the variance is greater than 10% of the original estimate and it has been considered important for a reader's understanding or is relevant to the assessment of the discharge of accountability and for analysis of the Department's performance. Variances below this threshold are not included unless considered significant by their nature.
2. Variances attributable to factors which would not reasonably have been identifiable at the time of Budget preparation, such as impairment of assets or impacts of Australian Government Bond Rates, have not been included in the explanations unless they have been considered important for a reader's understanding of the Department's performance.
3. Variances relating to cash flow are a result of the factors explained for variances related to net cost of services, or assets and liabilities.
4. The Budget is not audited.

Departmental budget variances

Variance explanation	Impacted line items
While overall there was no major variance for the net cost of services, the following items have been noted:	
(a) Higher than budgeted expenses for employee benefits reflect the growth in ASL during the year (497 ASL or 10%) as the Department continues to implement residual COVID-19 measures and invests in aged care and mental health reform. In addition, a significant number of contractors have been converted to APS staff during the year.	Employee benefits
(b) Lower than budgeted suppliers expense is primarily due to a decrease in the use of consultants during the year in response to the Government's policy on reducing reliance on consultants.	Suppliers
(c) Lower than budgeted depreciation and amortisation as a result of delayed deployment for internally generated software.	Depreciation and amortisation
While overall there was no major variance in the Department's net asset position, the following items have been noted:	
(a) Lower than budgeted Right-of-Use asset capitalisation and the corresponding lease liabilities under AASB 16 *Leases.*	Land and Buildings / Leases
(b) The variance between Supplier and Other payables is due to the differnce in classification for unearned revenue between the budget and financial reporting.	Supplier / Other payables

Administered budget variances

Variance explanation	Impacted line items
The decrease in the net cost of services was a result of the following factors:	
(a) Lower than anticipated demand for COVID-19 vaccines and NMS deployments as a result of the pandemic easing.	Personal benefits expense / Supplier expense / Other expenses
(b) The write-off of stock within the NMS that has been identified as impaired on the basis that it has passed the agreed expiry date. This reflects the need for the Department to obtain essential supplies, in sufficient quantities, at the height of the pandemic to ensure suitable availability during the various stages of the COVID-19 pandemic.	Write-down and impairment of non-financial assets
(c) Lower than anticipated Pharmaceutical Benefits Scheme (PBS) drug recoveries, as well as the return of unspent grant funding.	Recoveries / Other revenue
While overall there was no major variance in the Department's net asset position the following items have been noted:	
(a) A timing difference between the availability of funds and the payment of claims from the Medicare Guarantee special account. Funds are held in the special account to ensure monies are secured to support the ongoing funding of the Medicare Benefits Schedule (MBS) and the PBS.	Cash and cash equivalents
(b) A difference in timing between the billing cycle and collections for PBS drug recoveries, and aged care recoveries from the National Disability Insurance Agency. These items can fluctuate widely depending on the demand for relevant PBS items, and various medicines reaching the relevant thresholds to trigger recoveries.	Accrued recoveries revenue / Trade and other receivables
While overall there was no major variance noted for liabilities, the following items were noted:	
(a) The variance in the payables balance is consistent and in line with the variance in the supplier expense and personal benefits expense explained above.	Supplier payables / Personal benefits payables and provision
(b) Grant liabilities vary from year to year depending on the timing of grant rounds and milestones.	Grants payable

Appendices

Appendix 1: **Expenses and Resources Statements**

Outcome 1 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Program 1.1: Health Research, Coordination and Access[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	321,820	301,564	(20,256)
to Services for Other Entities and Trust Moneys Special Account	(10,410)	(9,896)	514
Special Accounts			
Services for Other Entities and Trust Moneys Special Account	10,410	12,815	2,405
Expense adjustment[2]	–	(2,919)	(2,919)
Medical Research Future Fund	598,000	598,000	–
Special appropriations			
National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority	979,366	985,046	5,680
Public Governance, Performance and Accountability Act 2013 s77 - repayments	2,000	1,953	47
Other Services Appropriation Act (No. 2)	–	3,626	3,626
Payments to corporate entities	263,149	263,646	497
Total for Program 1.1	**2,164,335**	**2,153,836**	**(10,499)**
Program 1.2: Mental Health[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,476,238	1,354,720	(121,518)
Total for Program 1.2	**1,476,238**	**1,354,720**	**(121,518)**
Program 1.3: Aboriginal and Torres Strait Islander Health[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,113,511	1,110,496	(3,015)
Total for Program 1.3	**1,113,511**	**1,110,496**	**(3,015)**
Program 1.4: Health Workforce			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,608,364	1,629,405	21,041
Total for Program 1.4	**1,608,364**	**1,629,405**	**21,041**
Program 1.5: Preventive Health and Chronic Disease Support[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	533,910	479,375	(54,535)
Total for Program 1.5	**533,910**	**479,375**	**(54,535)**
Program 1.6: Primary Health Care Quality and Coordination			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,042,218	993,505	(48,713)
Total for Program 1.6	**1,042,218**	**993,505**	**(48,713)**

Outcome 1 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Program 1.7: Primary Care Practice Incentives and Medical Indemnity			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	513,845	444,689	(69,156)
Special appropriations			
Medical Indemnity Act 2002	129,401	143,729	14,328
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	3,831	–	(3,831)
Total for Program 1.7	**647,077**	**588,418**	**(58,659)**
Program 1.8: Health Protection, Emergency Response and Regulation[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	4,575,788	2,877,510	(1,698,278)
Non cash expenses[3]	732,700	460,820	(271,880)
Total for Program 1.8	**5,308,488**	**3,338,330**	**(1,970,158)**
Program 1.9: Immunisation[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	32,694	30,272	(2,422)
to Australian Immunisation Special Account	(7,133)	(5,044)	2,089
Special Accounts			
Australian Immunisation Register Special Account (s78 PGPA Act)	9,819	7,754	(2,065)
Expense adjustment[2]	–	–	–
Special appropriations			
National Health Act 1953 - essential vaccines	440,827	383,222	(57,605)
Total for Program 1.9	**476,207**	**416,205**	**(60,002)**
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	11,218,388	9,221,537	(1,996,851)
to Special Accounts	(17,543)	(14,940)	2,603
Special appropriations	1,555,425	1,513,951	(41,474)
Special Accounts	618,229	615,651	(2,578)
Non cash expenses[3]	732,700	460,820	(271,880)
Other Services Appropriation Act (No. 2)	-	3,626	3,626
Payments to corporate entities	263,149	263,646	497
Departmental expenses			
Departmental appropriation[4]	487,398	485,882	(1,516)
to Special Accounts	(31,136)	(30,052)	1,084
Expenses not requiring appropriation in the budget year[5]	26,279	15,345	(10,934)
Special Accounts			
AICIS[6]	23,191	20,118	(3,073)
OGTR[7]	8,712	9,177	465
TGA[8]	234,058	229,989	(4,069)
Expense adjustment[2]	(13,037)	(12,241)	796
Total expenses for Outcome	**15,105,813**	**12,782,508**	**(2,323,305)**

Outcome 1 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Average staffing level (number)	**2,895**	**2,919**	**24**

1 This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.
2 Special accounts are reported on a cash basis. The adjustment reflects the difference between expense and cash, and eliminates any inter-entity transactions.
3 Non cash expenses relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.
4 Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'
5 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and resources received free of charge.
6 Australian Industrial Chemicals Introduction Scheme (AICIS) Special Account.
7 Office of the Gene Technology Regulator (OGTR) Special Account.
8 Therapeutic Goods Administration (TGA) Special Account.

Outcome 2 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Program 2.1: Medical Benefits			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	152,323	135,226	(17,097)
Special account			
Medicare Guarantee Fund - medical benefits	28,061,033	28,692,264	631,231
accrual adjustment	31,652	(1,219,554)	(1,251,206)
Total for Program 2.1	**28,245,008**	**27,607,936**	**(637,072)**
Program 2.2: Hearing Services			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	594,398	587,879	(6,519)
Total for Program 2.2	**594,398**	**587,879**	**(6,519)**
Program 2.3: Pharmaceutical Benefits			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,039,699	798,835	(240,864)
Special account			
Medicare Guarantee Fund - pharmaceutical benefits	17,603,658	15,804,521	(1,799,137)
accrual adjustment	89,575	1,188,432	1,098,857
Total for Program 2.3	**18,732,932**	**17,791,788**	**(941,144)**
Program 2.4: Private Health Insurance			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	13,214	10,139	(3,075)
Special appropriations			
Private Health Insurance Act 2007 - incentive payments and rebate	6,726,890	6,744,106	17,216
Total for Program 2.4	**6,740,104**	**6,754,246**	**14,142**
Program 2.5: Dental Services[1]			
Administered expenses			
Special appropriations			
Dental Benefits Act 2008	343,701	315,710	(27,991)
Total for Program 2.5	**343,701**	**315,710**	**(27,991)**
Program 2.6 Health Benefit Compliance			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	17,325	14,864	(2,461)
Total for Program 2.6	**17,325**	**14,864**	**(2,461)**
Program 2.7: Assistance through Aids and Appliances			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,842	1,791	(51)
Special appropriations			
National Health Act 1953 - aids and appliances	508,388	464,377	(44,011)
Total for Program 2.7	**510,230**	**466,167**	**(44,063)**

Outcome 2 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,818,801	1,548,733	(270,068)
Special appropriations	7,578,979	7,524,193	(54,786)
Payments to corporate entities			
Special accounts	45,664,691	44,496,785	(1,167,906)
accrual adjustment	121,227	(31,122)	(152,349)
Departmental expenses			
Departmental appropriation[2]	215,280	205,722	(9,558)
Expenses not requiring appropriation in the budget year[3]	**12,504**	**7,893**	**(4,611)**
Total expenses for Outcome 2	**55,411,482**	**53,752,205**	**(1,659,277)**
Average staffing level (number)	**986**	**995**	**10**

[1] This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

[2] Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.

[3] Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and resources received free of charge.

Outcome 3 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Program 3.1: Access and Information			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	646,068	577,829	(68,239)
Total for Program 3.1	**646,068**	**577,829**	**(68,239)**
Program 3.2: Aged Care Services[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)[2]	3,918,093	3,734,750	(183,343)
Zero Real Interest Loans			
- appropriation	6,617	-	(6,617)
- expense adjustment[3]	(4,441)	1,342	5,783
Other Services Appropriation Act (No. 2)			
Refundable Accommodation Deposits			
- appropriation	38,648	-	(38,648)
- expense adjustment[4]	(34,003)	-	34,003
Special appropriations			
Aged Care Act 1997 - flexible care	717,024	645,258	(71,766)
Aged Care Act 1997 - residential and home care	22,146,212	21,062,392	(1,083,820)
National Health Act 1953 - continence aids payments	104,871	103,059	(1,812)
Aged Care Act 2006 - Accomodation Payment Security	9,148	9,984	836
Total for Program 3.2	**26,902,169**	**25,556,784**	**(1,345,385)**
Program 3.3: Aged Care Quality			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,223,237	962,702	(260,535)
Total for Program 3.3	**1,223,237**	**962,702**	**(260,535)**
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	5,787,398	5,275,281	(512,117)
Other services	6,617	-	(6,617)
- expense adjustment[3]	(4,441)	1,342	5,783
Other services	38,648	-	(38,648)
- expense adjustment[4]	(34,003)	-	34,003
Special appropriations	22,977,255	21,820,692	(1,156,563)
Departmental expenses			
Departmental appropriation[5]	353,113	358,166	5,053
Expenses not requiring appropriation in the budget year[6]	12,322	7,801	(4,521)
Total expenses for Outcome 3	**29,136,909**	**27,463,282**	**(1,673,627)**
Average staffing level (number)	**1,271**	**1,386**	**115**

1 This Program excludes Home and Community Care National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

2 'Ordinary annual services (Appropriation Act No. 1)' against program 3.2 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

3 Payments under the zero real interest loans program are a loan to aged care providers and not accounted for as an expense. The concessional loan discount is the expense and represents the difference between an estimate of the market rate of interest, and that recovered under the loan agreement, over the life of the loan. This adjustment recognises the difference between the appropriation and the concessional loan discount expense.

4 Payments under the Refundable Accommodation Deposit (RAD) loan support program are a loan to support aged care providers who face insolvency risks as a result of an outflow of refundable accommodation deposits. This adjustment recognises the difference between the appropriation and the concessional loan discount and unwinding of the concessional discount loan expense.

5 Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.

6 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and resources received free of charge.

Outcome 4 - Expenses and Resources	Budget Estimate 2022–23 $'000 (A)	Actual 2022–23 $'000 (B)	Variation $'000 (B) - (A)
Program 4.1: Sport and Recreation[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	166,669	86,805	(79,864)
Payments to corporate entities	337,870	337,870	–
Total for Program 4.1	**504,539**	**424,675**	**(79,864)**
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	166,669	86,805	(79,864)
Payments to corporate entities	337,870	337,870	–
Departmental expenses			
Departmental appropriation[2]	13,952	36,406	22,454
Expenses not requiring appropriation in the budget year[3]	634	213	(421)
Total expenses for Outcome 4	**519,125**	**461,294**	**(57,831)**
Average staffing level (number)	**82**	**86**	**4**

1 This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

2 Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.

3 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and resources received free of charge.

Entity Resource Statement

	Actual available appropriation for 2022–23 $'000 (A)	Payments made 2022–23 $'000 (B)	Balance remaining 2022–23 $'000 (A) - (B)
DEPARTMENTAL			
Annual appropriations - ordinary annual services[1]			
Prior year departmental appropriation	108,953	108,953	–
Departmental appropriation	1,047,255	952,370	94,885
Departmental capital budget[2]	14,517	14,254	263
Receipts retained under PGPA Act - section 74	212,963	212,963	–
Total annual appropriations - ordinary annual services	**1,383,688**	**1,288,540**	**95,148**
Annual appropriations - other services - non-operating[3]			
Prior year departmental appropriation	48,400	48,400	–
Equity injections	131,871	100,760	31,111
Total annual appropriations - other services - non-operating	**180,271**	**149,160**	**31,111**
Total departmental annual appropriations	**1,563,959**	**1,437,701**	**126,259**
Special accounts[4]			
Opening Balance	132,306		
Appropriation receipts[5]	30,052		
Non-appropriation receipts to special accounts	214,198		
Payments made		259,283	
Total special accounts	**376,557**	**259,283**	**117,273**
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts	30,052		
TOTAL DEPARTMENTAL RESOURCING	**1,910,464**	**1,696,984**	**243,532**
ADMINISTERED			
Annual appropriations - ordinary annual services[1]			
Outcome 1	11,039,573	10,042,855	
Outcome 2	1,821,084	1,440,025	
Outcome 3	6,444,091	4,997,537	
Outcome 4	166,669	74,921	
Receipts retained under PGPA Act - section 74	1,133		
Payments to corporate Commonwealth entities	601,516	601,516	
Total annual appropriations - ordinary annual services	**20,074,066**	**17,156,854**	
Annual appropriations - other services - non-operating[3]			
Prior year administered appropriation	4,597,787	86,280	
Administered assets and liabilities	1,006,137	352,104	
Receipts retained under PGPA Act - section 74	271		
Payments to corporate Commonwealth entities	28,740	28,740	

	Actual available appropriation for 2022–23 $'000 (A)	Payments made 2022–23 $'000 (B)	Balance remaining 2022–23 $'000 (A) - (B)
Total annual appropriations - other services - non-operating	**5,632,935**	**467,124**	
Total administered annual appropriations	**25,707,001**	**17,623,978**	
Administered special appropriations			
Special appropriations limited by criteria/entitlement			
Aged Care (Accommodation Payment Security) Act 2006		–	
Aged Care Act 1997		21,442,906	
Health Insurance Act 1973		–	
National Health Act 1953		1,934,782	
Medical Indemnity Act 2002		101,686	
Private Health Insurance Act 2007		6,730,839	
Dental Benefits Act 2008		315,989	
Public Governance, Performance and Accountability Act 2013-s77		1,953	
Total administered special appropriations		**30,528,156**	
Special accounts			
Opening Balance	3,340,253		
Appropriation receipts[4]	14,940		
Appropriation receipts - other entities[5]	47,065,038		
Non-appropriation receipts to special accounts	328,023		
Payments made	-	45,015,629	
Total special accounts	**50,748,254**	**45,015,629**	**5,732,625**
Less administered appropriations drawn from annual/special appropriations and credited to special accounts	14,940		
Less payments to corporate entities from annual/special appropriations	630,256	630,256	
TOTAL ADMINISTERED RESOURCING[6]	**75,810,059**	**92,537,507**	**5,732,625**
Total resourcing and payments for the Department of Health and Aged Care	**77,720,523**	**94,234,491**	**5,976,157**

[1] *Supply Act (No.1) 2022–23, Appropriation Act (No.1) 2022–23, Supply Act (No.3) 2022–23* and *Appropriation Act (No.3) 2022–23*. This also includes prior year Departmental appropriation and section 74 retained revenue receipts, and excludes amounts permanently withheld under s51 of the PGPA Act.

[2] Departmental capital budgets are not separately identified in Appropriation Acts and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contributions by owners'.

[3] *Supply Act (No.2) 2022–23, Appropriation Act (No.2) 2022–23, Supply Act (No.3) 2022–23* and *Appropriation Act (No.4) 2022–23*.

[4] Appropriation receipts from the Department of Health and Aged Care's annual appropriations 2022–23 included above.

[5] Appropriation receipts from other entities credited to the Department of Health and Aged Care's special accounts.

[6] Total resourcing excludes the actual available appropriation for all Special Appropriations.

Appendix 2: **Workforce Statistics**

The following tables show workforce statistics for the Department of Health and Aged Care for 2022–23. This includes Indigenous staff numbers, staff numbers by classification, distribution of staff by state and territory, as well as a range of other information relating to workplace arrangements, remuneration and salary structures.

For information on the department's workforce composition and human resource policies, refer Part 3.4: People.

Contents

Table 1: Ongoing employees at 30 June 2023

State/territory	Male			Female			Non-binary			Prefers not to answer[1]			Uses a different term[1]			30 June 2023 total	30 June 2022 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary	Full-time	Part-time	Total prefers not to answer	Full-time	Part-time	Total uses a different term		
Australian Capital Territory	1,133	70	1,203	2,400	634	3,034	8	5	13	–	–	–	–	–	–	4,250	4,238
New South Wales	116	6	122	221	48	269	0	0	0	–	–	–	–	–	–	391	291
Northern Territory	1	0	1	13	3	16	0	0	0	–	–	–	–	–	–	17	16
Queensland	61	4	65	170	51	221	1	0	1	–	–	–	–	–	–	287	196
South Australia	36	0	36	67	18	85	0	0	0	–	–	–	–	–	–	121	85
Tasmania	24	4	28	30	18	48	0	0	0	–	–	–	–	–	–	76	60
Victoria	87	12	99	144	44	188	0	0	0	–	–	–	–	–	–	287	217
Western Australia	17	2	19	41	15	56	0	0	0	–	–	–	–	–	–	75	51
Total	**1,475**	**98**	**1,573**	**3,086**	**831**	**3,917**	**9**	**5**	**14**	**–**	**–**	**–**	**–**	**–**	**–**	**5,504**	**5,154**

Notes:

[1] This is new reporting data for 2022–23 and therefore there are no results to report for this year.

Table 2: Non-ongoing employees at 30 June 2023

State/territory	Male			Female			Non-binary			Prefers not to answer[1]			Uses a different term[1]			30 June 2023 total	30 June 2022 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary	Full-time	Part-time	Total prefers not to answer	Full-time	Part-time	Total uses a different term		
Australian Capital Territory	92	20	112	184	55	239	2	0	2	–	–	–	–	–	–	353	369
New South Wales	9	2	11	20	2	22	0	0	0	–	–	–	–	–	–	33	49
Northern Territory	1	0	1	2	0	2	0	0	0	–	–	–	–	–	–	3	2
Queensland	9	1	10	23	4	27	0	0	0	–	–	–	–	–	–	37	42
South Australia	5	1	6	9	1	10	0	0	0	–	–	–	–	–	–	16	23
Tasmania	0	1	1	2	1	3	0	0	0	–	–	–	–	–	–	4	7
Victoria	7	1	8	12	4	16	0	0	0	–	–	–	–	–	–	24	36
Western Australia	2	1	3	6	1	7	0	0	0	–	–	–	–	–	–	10	11
Total	**125**	**27**	**152**	**258**	**68**	**326**	**2**	**0**	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**480**	**539**

Notes:

[1] This is new reporting data for 2022–23 and therefore there are no results to report for this year.

Table 3: Ongoing staff numbers by classification at 30 June 2023[1]

Classification	Male			Female			Non-binary			Prefers not to answer[4]			Uses a different term[4]			30 June 2023 total	30 June 2022 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary	Full-time	Part-time	Total prefers not to answer	Full-time	Part-time	Total uses a different term		
SES 3[2]	5	0	5	3	0	3	0	0	0	–	–	–	–	–	–	8	7
SES 2	16	0	16	22	0	22	0	0	0	–	–	–	–	–	–	38	38
SES 1	59	1	60	102	6	108	0	0	0	–	–	–	–	–	–	168	153
Holder of Public Office	1	0	1	1	0	1	0	0	0	–	–	–	–	–	–	2	3
EL 2[3]	233	12	245	485	76	561	0	0	0	–	–	–	–	–	–	806	763
EL 1	496	29	525	925	308	1,233	2	2	4	–	–	–	–	–	–	1,762	1,700
APS 6	354	27	381	785	252	1,037	3	2	5	–	–	–	–	–	–	1,423	1,272
APS 5	151	5	156	388	101	489	2	0	2	–	–	–	–	–	–	647	589
APS 4	48	3	51	178	30	208	2	1	3	–	–	–	–	–	–	262	255
APS 3	11	1	12	31	7	38	0	0	0	–	–	–	–	–	–	50	42
APS 2	6	4	10	4	3	7	0	0	0	–	–	–	–	–	–	17	18
APS 1	3	1	4	0	2	2	0	0	0	–	–	–	–	–	–	6	8
Health Entry Level Broadband	34	0	34	64	1	65	0	0	0	–	–	–	–	–	–	99	97
Legal 2	9	2	11	16	4	20	0	0	0	–	–	–	–	–	–	31	30
Legal 1	9	1	10	40	3	43	0	0	0	–	–	–	–	–	–	53	56
Chief Medical Officer	1	0	1	0	0	0	0	0	0	–	–	–	–	–	–	1	1
Medical Officer 6	1	0	1	0	1	1	0	0	0	–	–	–	–	–	–	2	3
Medical Officer 5	12	1	13	6	2	8	0	0	0	–	–	–	–	–	–	21	21

Table 3: Ongoing staff numbers by classification at 30 June 2023[1] (continued)

Classification	Male			Female			Non-binary			Prefers not to answer[4]			Uses a different term[4]			30 June 2023 total	30 June 2022 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary	Full-time	Part-time	Total prefers not to answer	Full-time	Part-time	Total uses a different term		
Medical Officer 4	13	0	13	15	9	24	0	0	0	–	–	–	–	–	–	37	37
Medical Officer 3	8	11	19	11	23	34	0	0	0	–	–	–	–	–	–	53	49
Medical Officer 2	0	0	0	1	0	1	0	0	0	–	–	–	–	–	–	1	1
Senior Public Affairs 2	1	0	1	1	0	1	0	0	0	–	–	–	–	–	–	2	0
Senior Public Affairs 1	0	0	0	1	0	1	0	0	0	–	–	–	–	–	–	1	1
Public Affairs 3	1	0	1	5	2	7	0	0	0	–	–	–	–	–	–	8	6
Principal Research Scientist	1	0	1	1	1	2	0	0	0	–	–	–	–	–	–	3	2
Research Scientist	1	0	1	1	0	1	0	0	0	–	–	–	–	–	–	2	1
Other[5]	1	0	1	0	0	0	0	0	0	–	–	–	–	–	–	1	1
Total	**1,475**	**98**	**1,573**	**3,086**	**831**	**3,917**	**9**	**5**	**14**	**–**	**–**	**–**	**–**	**–**	**–**	**5,504**	**5,154**

Notes:

[1] Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2023.
[2] SES are defined as Senior Executive Service staff.
[3] EL are defined as Executive Level staff.
[4] This is new reporting data for 2022–23 and therefore there are no results to report for this year.
[5] 'Other' includes Secretary.

Table 4: Non-ongoing staff numbers by classification at 30 June 2023[1]

Classification	Male			Female			Non-binary			Prefers not to answer[2]			Uses a different term[2]			30 June 2023 total	30 June 2022 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary	Full-time	Part-time	Total prefers not to answer	Full-time	Part-time	Total uses a different term		
SES 3	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
SES 2	1	1	2	1	0	1	0	0	0	–	–	–	–	–	–	3	4
SES 1	1	0	1	0	1	1	0	0	0	–	–	–	–	–	–	2	3
Holder of Public Office	2	0	2	2	0	2	0	0	0	–	–	–	–	–	–	4	4
EL 2	7	3	10	4	1	5	0	0	0	–	–	–	–	–	–	15	21
EL 1	17	7	24	40	15	55	1	0	1	–	–	–	–	–	–	80	96
APS 6	47	4	51	87	17	104	0	0	0	–	–	–	–	–	–	155	183
APS 5	19	3	22	46	7	53	0	0	0	–	–	–	–	–	–	75	101
APS 4	16	1	17	47	5	52	1	0	1	–	–	–	–	–	–	70	85
APS 3	8	2	10	15	6	21	0	0	0	–	–	–	–	–	–	31	13
APS 2	4	2	6	11	7	18	0	0	0	–	–	–	–	–	–	24	9
APS 1	0	0	0	1	0	1	0	0	0	–	–	–	–	–	–	1	0
Health Entry Level Broadband	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Legal 2	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Legal 1	0	0	0	3	1	4	0	0	0	–	–	–	–	–	–	4	6
Chief Medical Officer	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Medical Officer 6	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	1
Medical Officer 5	0	2	2	0	1	1	0	0	0	–	–	–	–	–	–	3	4

Table 4: Non-ongoing staff numbers by classification at 30 June 2023[1] (continued)

Classification	Male			Female			Non-binary			Prefers not to answer[2]			Uses a different term[2]			30 June 2023 total	30 June 2022 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary	Full-time	Part-time	Total prefers not to answer	Full-time	Part-time	Total uses a different term		
Medical Officer 4	0	0	0	1	2	3	0	0	0	–	–	–	–	–	–	3	3
Medical Officer 3	1	1	2	0	2	2	0	0	0	–	–	–	–	–	–	4	4
Medical Officer 2	2	0	2	0	3	3	0	0	0	–	–	–	–	–	–	5	2
Senior Public Affairs 2	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Senior Public Affairs 1	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Public Affairs 3	0	1	1	0	0	0	0	0	0	–	–	–	–	–	–	1	0
Principal Research Scientist	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Research Scientist	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Other	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	0	0
Total	**125**	**27**	**152**	**258**	**68**	**326**	**2**	**0**	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**480**	**539**

Notes:

[1] Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2023.
[2] This is new reporting data for 2022–23 and therefore there are no results to report for this year.

Table 5: Distribution of all staff by state and territory at 30 June 2023

State/territory	Ongoing	Non-ongoing	Total
Australian Capital Territory	4,250	353	4,603
New South Wales	391	33	424
Northern Territory	17	3	20
Queensland	287	37	324
South Australia	121	16	137
Tasmania	76	4	80
Victoria	287	24	311
Western Australia	75	10	85
Total	**5,504**	**480**	**5,984**

Table 6: Comparison of Indigenous staff by employment status between 30 June 2022 and 30 June 2023

Employment status	Indigenous staff	
	30 June 2023	30 June 2022
Ongoing	132	141
Non-ongoing	9	9
Total	**141**	**150**
Percentage of Indigenous staff in the department	**2.4%**	**2.6%**

Table 7: Number of SES staff covered by Individual Agreements

Nominal Classification	Number of SES staff with Individual Agreements					Total
	Female	Male	Non-binary[1]	Prefers not to answer[1]	Uses a different term[1]	
SES 3	3	5	–	–	–	8
SES 2	23	18	–	–	–	41
SES 1	69	44	–	–	–	113
Chief Medical Officer	0	1	–	–	–	1
Medical Officer 6	1	1	–	–	–	2
Medical Officer 5	9	14	–	–	–	23
Total	**105**	**83**	**–**	**–**	**–**	**188**

Notes:

[1] This is new reporting data for 2022–23 and therefore there are no results to report for this year.

Table 8: Key management personnel (KMP) length of term at 30 June 2023

During the 2022–23 financial year, the department had 14 executives who met the definition of KMP.

Name	Position title	Term as KMP
Brendan Murphy	Secretary	Full year
Paul Kelly	Chief Medical Officer	Full year
Michael Lye	Deputy Secretary	Full year
Tania Rishniw	Deputy Secretary	Full year
Penny Shakespeare	Deputy Secretary	Full year
Charles Wann	Chief Operating Officer	Full year
John Skerritt	Deputy Secretary	Full year
Blair Exell	Deputy Secretary	Part year (4 October 2022 to 30 June 2023)
Anthony Lawler	Deputy Secretary	Part year (26 June to 30 June 2023)
Tracey Duffy	Deputy Secretary (acting)	Part year (acting > 20 days)
Paul McBride	Deputy Secretary (acting)	Part year (1 July to 30 September 2022)
Michael Kidd	Deputy Secretary (acting)	Part year (acting > 20 days)
Paul McCormack	Deputy Secretary (acting)	Part year (acting > 20 days)
Daniel McCabe	Deputy Secretary (acting)	Part year (acting > 20 days)

Table 9: Information about remuneration for key management personnel (KMP)[1]

In the notes to the financial statements (Note 4.2 key management personnel remuneration), the department disclosed $4.6 million in KMP expenses during 2022–23. In accordance with the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), this information is disaggregated as follows:

		Short term benefits $			Post-employment benefits $	Other long term benefits $		Termination benefits $	Total remuneration $
Name	**Position title**	**Base salary**	**Bonuses**	**Other benefits and allowances**	**Superannuation contributions**	**Long service leave**	**Other long term benefits**		
Brendan Murphy	Secretary	853,261	–	3,324	33,544	24,979	–	–	915,108
Paul Kelly	Chief Medical Officer	430,870	–	34,225	74,743	19,734	–	–	559,572
Michael Lye	Deputy Secretary	420,072	–	3,324	75,005	30,953	–	–	529,354
Tania Rishniw	Deputy Secretary	356,705	–	34,225	64,308	22,634	–	–	477,871
Penny Shakespeare	Deputy Secretary	342,865	–	34,225	64,333	31,180	–	–	472,602
Charles Wann	Chief Operating Officer	326,287	–	34,225	62,307	26,839	–	–	449,657
John Skerritt	Deputy Secretary	297,870	–	27,629	71,097	19,514	–	–	416,110
Blair Exell	Deputy Secretary	295,771	–	2,471	53,127	27,905	–	–	379,273
Anthony Lawler	Deputy Secretary	8,480	–	654	1,157	128	–	–	10,419
Tracey Duffy	Deputy Secretary (acting)	94,025	–	8,635	14,328	4,311	–	–	121,298
Paul McBride	Deputy Secretary (acting)	81,280	–	7,923	13,796	6,337	–	–	109,335
Michael Kidd	Deputy Secretary (acting)	56,925	–	4,866	8,503	1,265	–	–	71,559
Paul McCormack	Deputy Secretary (acting)	28,648	–	2,896	4,498	2,176	–	–	38,218
Daniel McCabe	Deputy Secretary (acting)	23,524	–	2,317	4,011	1,753	–	–	31,605

Notes:

[1] Includes employees who have acted in a KMP position in excess of 4 weeks and who have exercised significant authority in planning, directing and controlling the activities of the department.

Table 10: Information about remuneration for SES staff

		Short term benefits $			Post-employment benefits $	Other long term benefits $		Termination benefits $	Total remuneration $
Total remuneration bands $	Number of SES staff[1]	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[2]	Average other long term benefits	Average termination benefits[3]	Average total remuneration[4]
0 - 220,000	34	83,478	–	11,059	18,030	4,449	–	–	117,015
220,001 - 245,000	18	168,572	–	27,540	32,975	8,416	–	–	237,503
245,001 - 270,000	35	186,880	–	26,315	34,594	10,890	–	–	258,679
270,001 - 295,000	42	207,485	–	25,379	36,735	12,187	–	–	281,787
295,001 - 320,000	36	229,638	–	22,862	41,253	14,119	–	–	307,872
320,001 - 345,000	31	250,243	–	24,987	41,401	15,434	–	–	332,065
345,001 - 370,000	8	269,747	–	22,710	47,746	15,257	–	–	355,460
370,001 - 395,000	4	285,976	–	23,883	52,294	19,522	–	–	381,675
395,001 - 420,000	3	319,305	–	30,238	54,149	12,073	–	–	415,765
420,001 - 445,000	–	–	–	–	–	–	–	–	–
445,001 - 470,000	3	308,589	–	24,724	35,765	15,257	–	69,184	453,518
470,001 - 495,000	–	–	–	–	–	–	–	–	–
495,001 - 520,000	1	366,569	–	42,877	69,086	22,623	–	–	501,155

Notes:

1 Any employee who held a substantive SES or equivalent position during 2022–23 is represented as one. This excludes those executives who have been disclosed in Table 9 and 5 senior executive or equivalent employees who were on leave without pay for the entire financial year, or until their termination.

2 Excludes bond rate impacts on long service leave.

3 Termination payments (excluding employee leave entitlement payments) were made to one senior executive or equivalent employee during 2022–23.

4 The table includes the part year impact of senior executives who either commenced or separated during the year, including 5 senior executives who were partially reported in Table 9.

Table 11: Information about remuneration for other highly paid staff

		Short-term benefits $			Post-employment benefits $	Other long term benefits $		Termination benefits $	Total remuneration $
Total remuneration bands $	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[1]	Average other long term benefits	Average termination benefits[2]	Average total remuneration[3]
240,001 - 245,000	–	–	–	–	–	–	–	–	–
245,001 - 270,000	4	180,445	–	26,854	34,468	13,870	–	–	255,637
270,001 - 295,000	–	–	–	–	–	–	–	–	–
295,001 - 320,000	–	–	–	–	–	–	–	–	–
320,001 - 345,000	–	–	–	–	–	–	–	–	–
345,001 - 370,000	2	163,689	–	–	27,268	10,033	–	160,647	361,637

Notes:

1 Excludes bond rate impacts on long service leave.
2 Termination payments (excluding employee leave entitlement payments) relate to 2 employees who ceased during 2022–23.
3 The table includes the part year impact of some employees who have temporarily filled a SES position during 2022–23.

Table 12: Salary ranges by classification level

Classification	Minimum salary $	Maximum salary $
SES 3	337,839	405,305
SES 2	238,110	294,802
SES 1	183,685	226,772
EL 2	133,555	158,121
EL 1	111,940	127,670
APS 6	91,092	102,765
APS 5	81,372	88,000
APS 4	75,917	80,215
APS 3	67,008	74,273
APS 2	57,984	63,275
APS 1	45,148	55,719
Other[1]	29,769	45,148

Notes:

[1] 'Other' includes staff ranging from under 18 years of age to 20 years of age.

Table 13: Non-SES staff covered by Individual Flexibility Arrangements and the Enterprise Agreement (EA) at 30 June 2023

Number of staff covered by the:		Total
EA	EA and an approved Individual Flexibility Arrangement	
5,767	47	5,814

Table 14: Non-salary benefits

Non-SES staff
Access to engage in private medical practice for Medical Officers
Access to Individual Flexibility Arrangements
Access to negotiated discount registration/membership fees to join a fitness or health club
Access to paid leave at half pay
Access to remote locality conditions
Access to the Employee Assistance Program
Additional cultural and ceremonial Aboriginal and Torres Strait Islander employee's leave
Australian Defence Force Reserve, full-time service or cadet leave
Annual close down and early stand down at Easter and Christmas Eve
Annual leave
Annual free onsite influenza vaccinations for staff
Bereavement and compassionate leave
Breastfeeding facilities and family care rooms
Cash-out of annual leave
Community service leave
Financial assistance to access financial advice for staff 54 years and older
Financial assistance to access financial advice for staff involved in a redundancy process
Flexible working locations and home-based work including, where appropriate, access to laptop computers, dial-in facilities, and mobile phones
Flextime (not all non-SES employees) and time in lieu
Hepatitis B vaccinations for staff who are required to come into regular contact with members of the community classified as at increased risk with regard to hepatitis B
Miscellaneous leave with or without pay
Parental leave – includes maternity, adoption and partner leave
Personal/carers leave
Provision of eyesight testing and reimbursement of prescribed eyewear costs specifically for use with screen-based equipment
Public Transport Loan Scheme
Purchased and extended purchased leave
Recognition of travel time
Relocation assistance
Reflection room
Study assistance
Support for professional and personal development
SES staff
All the above benefits except flextime and access to Individual Flexibility Arrangements
Airport lounge membership
Car parking
Individual determinations made under section 24(1) of the *Public Service Act 1999*
IT Reimbursement Scheme

Table 15: Health Entry Level Broadband

Local title	APS classification	Salary ranges at 30 June 2023 $
Health Entry Level (T, I, A, or G)[1]	APS 4	80,215
		78,006
		75,917
	APS 3	74,273
		70,904
		68,905
		67,008
	APS 2	63,275
		61,518
		59,724
		57,984
	APS 1	55,719
		53,126
		51,367
		49,612
	Staff at 20 years of age	45,148
	Staff at 19 years of age	40,186
	Staff at 18 years of age	34,729
	Staff under 18 years of age	29,769

Notes:

[1] (T) = Trainees, (I) = Indigenous Australian Government Development Program participants, (A) = Indigenous Apprenticeship Program, and (G) = Graduates.

Table 16: Professional 1 salary structure

Local title	APS classification	Salary ranges at 30 June 2023 $
Professional 1	APS 5	88,000
	APS 5	83,585
	APS 4	78,007
	APS 4[1]	75,918
	APS 3[2]	70,904
	APS 3	68,905

Notes:

[1] Salary on commencement for a professional with a 4 year degree (or higher).
[2] Salary on commencement for a professional with a 3 year degree.

Table 17: Medical Officer salary structure

Local title	Salary ranges at 30 June 2023 $
Medical Officer Class 6	294,802
	279,685
	264,567
	249,448
Medical Officer Class 5	249,448
	238,865
	228,283
	217,701
Medical Officer Class 4	189,935
	179,279
	172,558
Medical Officer Class 3	165,672
	158,234
Medical Officer Class 2	149,107
	141,516
Medical Officer Class 1	129,322
	117,152
	108,853
	100,483

Table 18: Legal salary structure

Local title	APS classification	Salary ranges at 30 June 2023 $
Legal 2	EL 2	163,659
		156,554
		151,493
Legal 1	EL 1	138,523
		127,523
		116,812
	APS 6	100,516
		95,511
		91,092
	APS 5	84,312
	APS 4	79,042

Table 19: Public Affairs salary structure

Local title	Classification	Salary ranges at 30 June 2023 $
Senior Public Affairs 2	EL 2	164,449
		158,057
Senior Public Affairs 1	EL 2	150,531
Public Affairs 3	EL 1	137,244
		130,588
		122,650
Public Affairs 2	APS 6	102,871
		95,511
		91,092
Public Affairs 1	APS 5	88,000
		83,585
	APS 4	80,215
	APS 4[1]	75,918

Notes:

[1] This level is generally reserved for staff with less than 2 years' experience.

Table 20: Research Scientist salary structure

Local title	Classification	Salary ranges at 30 June 2023 $
Senior Principal Research Scientist	EL 2	200,816
		180,641
Principal Research Scientist	EL 2	177,097
		171,609
		164,605
		160,264
		154,321
Senior Research Scientist	EL 2	160,811
		150,531
		145,668
		133,555
Research Scientist	EL 1	120,289
		111,940
	APS 6	95,686
		90,690
		88,224

Appendix 3: **Processes Leading to PBAC Consideration – Annual Report for 2022–23**

Introduction

This is the 14th annual report to the Parliament on processes that lead to the Pharmaceutical Benefits Advisory Committee's (PBAC's) consideration of applications (and associated recommendations) to list items on the Pharmaceutical Benefits Scheme (PBS).

This annual report has been prepared pursuant to subsection 99YBC(5) of the *National Health Act 1953* (the Act), under which it is required that: The Secretary must, as soon as practicable after June 30 in each year, prepare and give to the Minister a report on processes leading up to PBAC consideration, including:

a) *the extent and timeliness with which responsible persons are provided copies of documents relevant to their submission to the PBAC*

b) *the extent to which responsible persons exercise their right to comment on these documents, including appearing at hearings before the PBAC*

c) *the number of responsible persons seeking a review of the PBAC recommendation.*

Pharmaceutical Benefits Advisory Committee

The PBAC is established under section 100A of the Act and is an independent expert body appointed by the Australian Government. Members include doctors, health professionals and health economists, as well as industry and consumer representatives. Its primary role is to consider medicines for listing on the PBS and vaccines for inclusion on the National Immunisation Program (NIP). No new medicine can be listed unless the PBAC makes a positive recommendation to the Minister for Health and Aged Care (the Minister). The PBAC holds 3 scheduled meetings each year, usually in March, July and November, as well as 3 intracycle meetings each year.[135]

When considering a medicine for listing, the PBAC considers the medical condition(s) for which the medicine was registered for use in Australia and its clinical effectiveness, safety and cost-effectiveness compared with other treatments, including non-medical treatments.

The PBAC has 2 sub-committees to assist with analysis and advice in these areas. They are the:

- **Economics Sub-Committee (ESC)**, which assesses clinical and economic evaluations of medicines submitted to the PBAC for listing, and advises the PBAC on the technical aspects of these evaluations.
- **Drug Utilisation Sub-Committee (DUSC)**, which assesses estimates on projected usage and the financial cost of medicines. It also collects and analyses data on actual use (including in comparison with different countries) and provides advice to the PBAC.

Role of the PBAC

The PBAC:

- recommends medicines and medicinal preparations to the Minister for funding under the PBS
- since 2006, recommends vaccines to the Minister for funding under the NIP
- advises the Minister and department about cost-effectiveness
- recommends maximum quantities and repeats based on community use, and any restrictions on the indications where PBS subsidy is available
- regularly reviews items listed on the PBS
- advises the Minister about any other matters relating to the PBS, including on any matter referred to it by the Minister.

[135] The data in this report does not include data for intracycle or extraordinary meetings. Sponsors can only lodge submissions to the main meetings through the Health Products Portal.

Requirements of Section 99YBC of the Act

a) Extent and timeliness of the provision of relevant documents to responsible persons[136]

The PBAC provides applicants with documents relevant to their submissions in an orderly, timely and transparent fashion. This is achieved through the well established practice of providing applicants with documents relevant to their submissions 6 weeks before the applicable PBAC meeting. These documents are referred to as commentaries.

The PBAC Secretariat receives applicants' pre-subcommittee response(s) 5 weeks before the relevant PBAC meeting. Following the meeting of PBAC sub-committees, the PBAC Secretariat provides relevant sub-committee papers to applicants 2 weeks before the relevant PBAC meeting. Sponsors then provide their responses to the PBAC Secretariat one week before the PBAC meeting.

Following the PBAC meeting, the PBAC Secretariat provides summary advice on the outcomes of PBAC consideration to the relevant sponsor half a week after the meeting, with detailed advice provided 3 weeks (positive recommendations) and 5 weeks (all other outcomes) after the relevant PBAC meeting.

Where requested, the PBAC Secretariat, the PBAC and its sub-committees provide informal access to departmental officers and formal access to the PBAC for applicants or their representatives, including the option for the sponsor to appear before the PBAC in person.

b) Extent to which responsible persons comment on their commentaries

During 2022–23, the PBAC held 3 ordinary meetings. Of the 87 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications that were lodged for consideration by the PBAC in 2022–23, all applicants had the right to respond to their commentaries, although one applicant chose not to exercise this right. Due to withdrawals or being considered at a different meeting, 78 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered by the PBAC in 2022–23 at its 3 ordinary meetings. For the:

- **July 2022 PBAC meeting**, 29 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. A total of 29 responses were received for the commentaries. Three submissions were withdrawn by the sponsor before the PBAC meeting. Therefore, 26 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered.
- **November 2022 PBAC meeting**, 27 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. A total of 24 responses were received for the commentaries, including 2 for applications that were held over to future meetings. One sponsor of an application considered at the November 2022 PBAC meeting did not exercise their right to respond to their commentary. In total, 3 applications were considered at different PBAC meetings and one submission was withdrawn by the sponsor before the PBAC meeting. Therefore, 23 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered.
- **March 2023 PBAC meeting**, 31 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. A total of 31 responses were received for the commentaries. Two submissions were held over before the PBAC meeting to a future meeting. Therefore, 29 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered.

c) Number of responsible persons seeking a review of PBAC recommendations

During the 2022–23 financial year, there were no requests to the PBAC for an Independent Review.

[136] Responsible person for a brand of a pharmaceutical item is defined by the *National Health Act 1953* to be a person determined by the Minister under section 84AF to be the responsible person for the brand of the pharmaceutical item.

Number and category of applications for each PBAC meeting in 2022–23[137]

July 2022 PBAC Meeting

Category	Number
1	8
2	18
3	3
4	2
Committee Secretariat	2
Early resolution	2
Early re-entry	3
Facilitated resolution	0
Standard re-entry	3
Total	**41**

November 2022 PBAC Meeting

Category	Number
1	6
2	14
3	8
4	2
Committee Secretariat	1
Early resolution	3
Early re-entry	5
Facilitated resolution	0
Standard re-entry	7
Total	**46**

March 2023 PBAC Meeting

Category	Number
1	8
2	15
3	14
4	5
Committee Secretariat	4
Early resolution	1
Early re-entry	1
Facilitated resolution	0
Standard re-entry	8
Total	**56**

[137] The categories for applications are prescribed by the National Health (Pharmaceuticals and Vaccines—Cost Recovery) Regulations 2022. Further information on the categories of submissions available at: www.legislation.gov.au/Details/F2022C00801

Number and category of withdrawn applications for each PBAC meeting in 2022–23

July 2022 PBAC Meeting

Category	Number	Reasons for withdrawal
1	1	Determined by applicant, reason not available
2	2	Determined by applicant, reason not available
3	0	N/A
4	0	N/A
Committee Secretariat	0	N/A
Early resolution	0	N/A
Early re-entry	0	N/A
Facilitated resolution	0	N/A
Standard re-entry	0	N/A

November 2022 PBAC Meeting

Category	Number	Reasons for withdrawal
1	0	N/A
2	0	N/A
3	1	Determined by applicant, reason not available
4	0	N/A
Committee Secretariat	0	N/A
Early resolution	0	N/A
Early re-entry	0	N/A
Facilitated resolution	0	N/A
Standard re-entry	1	Determined by applicant, reason not available

March 2023 PBAC Meeting

Category	Number	Reasons for withdrawal
1	0	N/A
2	0	N/A
3	0	N/A
4	1	Determined by applicant, reason not available
Committee Secretariat	1	Determined by applicant, reason not available
Early resolution	0	N/A
Early re-entry	0	N/A
Facilitated resolution	0	N/A
Standard re-entry	0	N/A

Number of responsible persons that responded to their commentaries, including appearing before PBAC meetings

All except one of the responsible persons who submitted a Category 1, Category 2, facilitated resolution pathway, and standard re-entry submission to the PBAC during 2022–23 responded to their commentary.

July 2022 PBAC Meeting

Number of Category 1, Category 2, facilitated resolution pathway and standard re-entry submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
29	29	10

November 2022 PBAC Meeting

Number of Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
27	24	15

March 2023 PBAC Meeting

Number of Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
31	31	19

Number of pre-submission meetings held in 2022–23

Pre-submission meetings per month	Meetings held
2022	
July	0
August	8
September	10
October	2
November	0
December	4
2023	
January	2
February	0
March	0
April	0
May	9
June	1
Total	**36**

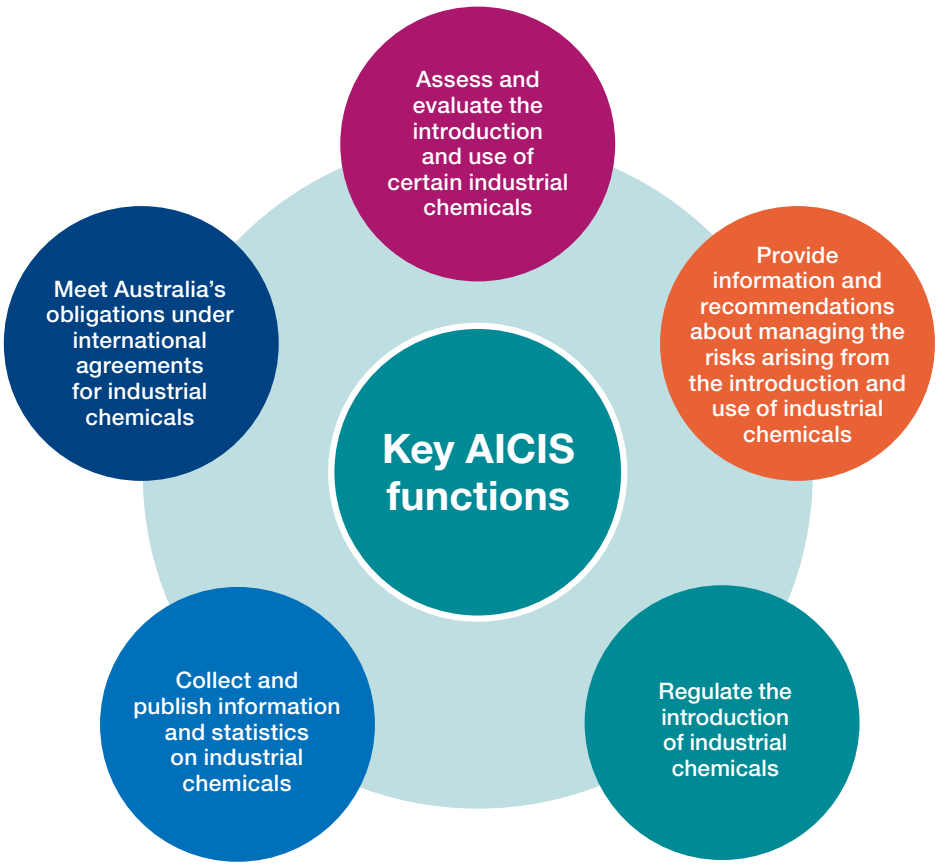
Appendix 4: **Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2022–23**

About the Australian Industrial Chemicals Introduction Scheme (AICIS)

The *Industrial Chemicals Act 2019* (IC Act) establishes AICIS as the regulatory scheme for the importation and manufacture (introduction) of industrial chemicals in Australia. AICIS is led by the Executive Director, who is an independent statutory office holder appointed by the Governor-General with specific powers and functions under the IC Act. The Executive Director is assisted by staff in the Australian Government Department of Health and Aged Care, and scientific staff from the Department of Climate Change, Energy, the Environment and Water (DCCEEW) who assess the environmental risks of industrial chemicals on behalf of AICIS under a Service Level Agreement.

AICIS aids in the protection of the Australian people and the environment by assessing the human health and environmental risks posed by industrial chemicals, providing information to promote their safe use, and making risk management recommendations to Commonwealth standard setting bodies, and state and territory risk managers. AICIS is designed to make regulatory effort proportionate to the risks posed by industrial chemical introductions.

Figure 1: AICIS functions



2022–23 Highlights

Registration

7,323 total registrants

841 new businesses registered

6,482 renewed registrants

375 non-renewals

Pre-market assessments

18 assessment certificates

4 commercial evaluation authorisations issued

Exempted and reported introductions

6,783 pre-introduction reports and **5,275** post-introduction declarations received

Evaluations

36 evaluations covering 1,955 chemicals

3 evaluations resulted in chemicals being removed from the Inventory

Exceeded evaluations roadmap 2024 target by one year (evaluated at least 20% of listed chemicals without a current risk assessment)

Compliance monitoring

81 unauthorised chemical introductions identified and case managed

296 referrals of non-compliance

2 infringement notices

Capability building

Peer review strategy implemented

10 staff training forums

Inventory management

39,594 chemicals on the Inventory

2,080 confidentially listed chemical searches completed

98 chemicals added to the Inventory

End of the Transition Period

2022–23 saw an increase in Post-Introduction Declaration (PID) and Pre-Introduction Report (PIR) submissions. This increase was anticipated as part of introducers transitioning from the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) exemptions to AICIS Reported and Exempted Introduction Categories at the formal end of the transition period on 31 August 2022.

Fit for purpose regulation

Challenges raised by stakeholders regarding categorisation, reporting and record keeping obligations under the IC Act were examined throughout 2022–23 and additional fit for purpose regulatory requirements were explored. On 25 November 2022, the Industrial Chemicals (General) Rules 2019 (IC Rules) were amended to expand the scope of record keeping and categorisation options for those introducing industrial chemicals at 10 kg or less each year.

In a further response to industry stakeholder concerns – categorisation, reporting and record keeping requirements for introductions to which the transition arrangements applied are under consideration. Further changes to the IC Rules and Industrial Chemicals Categorisation Guidelines may result from this work.

In general, the changes under consideration are not intended to reduce the obligation of introducers to provide information to AICIS. Rather, they are intended to change the mechanisms by which introducers comply with the policy underpinning the IC Act. Stakeholder consultation on proposed amendments will continue in 2023–24.

Registration

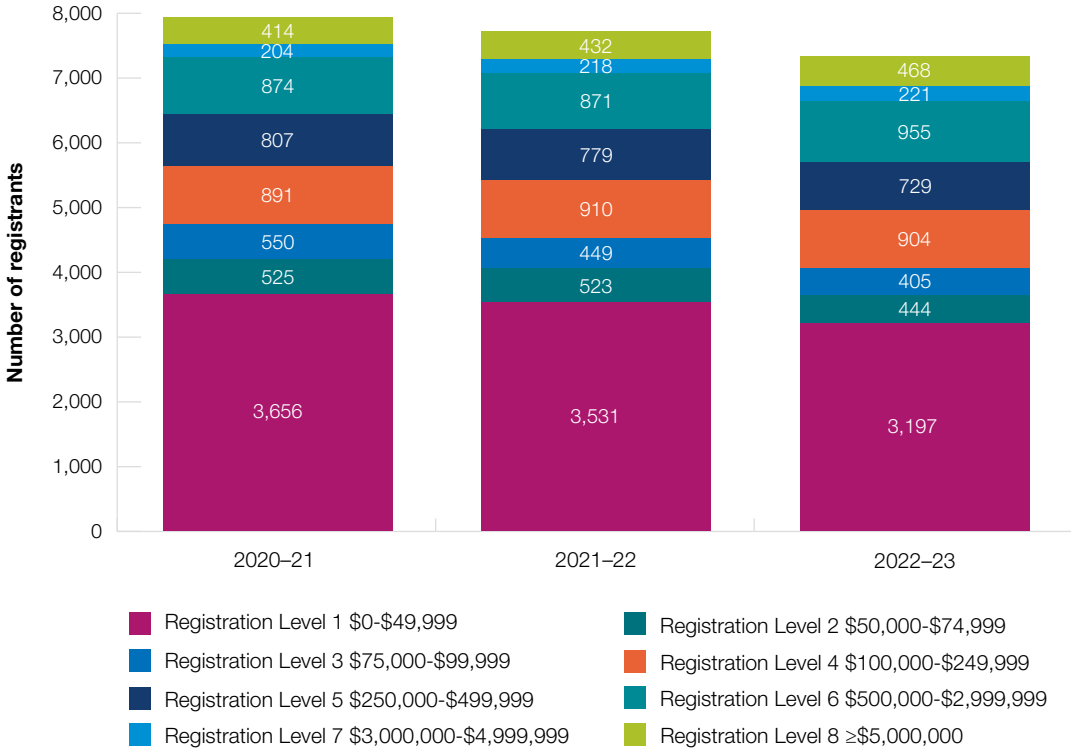
Figure 2: Key registration statistics during 2022–23

Introducers (importers and manufacturers) of industrial chemicals into Australia must be included on the publicly available Register of Industrial Chemical Introducers[138]. Registration costs consist of a low, flat fee (payable by all registrants) and an annual charge (levy - applicable above a threshold) that varies according to the value of relevant industrial chemicals introduced in the previous financial year. The revenue from registration is used to conduct post-market evaluations of industrial chemicals, monitor compliance and manage contraventions of our laws, and provide scheme support and communication activities.

There are 8 levels of registration. Level 1 registrants (44% of registrants, introducing less than $50,000 of relevant industrial chemicals per financial year) pay the flat fee, but do not pay a charge (Figure 3). In 2022–23, 7,323 introducers were registered with AICIS compared to 7,713 in the previous financial year. A total of 841 introducers that registered in 2022–23 were new registrants (Figure 4). The number of new registrants each year can reflect both businesses seeking to commence introduction of industrial chemicals, or those identified by AICIS compliance activity as needing to become registered.

[138] Available at: www.industrialchemicals.gov.au/search-registered-businesses/business-index-listing

Figure 3: Number of registrants by registration level for 2022–23 compared to 2021–22 and 2020–21



Source: AICIS internal data

Figure 4: Number of new registrants and registration renewals for 2022–23 compared to 2021–22 and 2020–21

Source: AICIS internal data

Introduction Categories

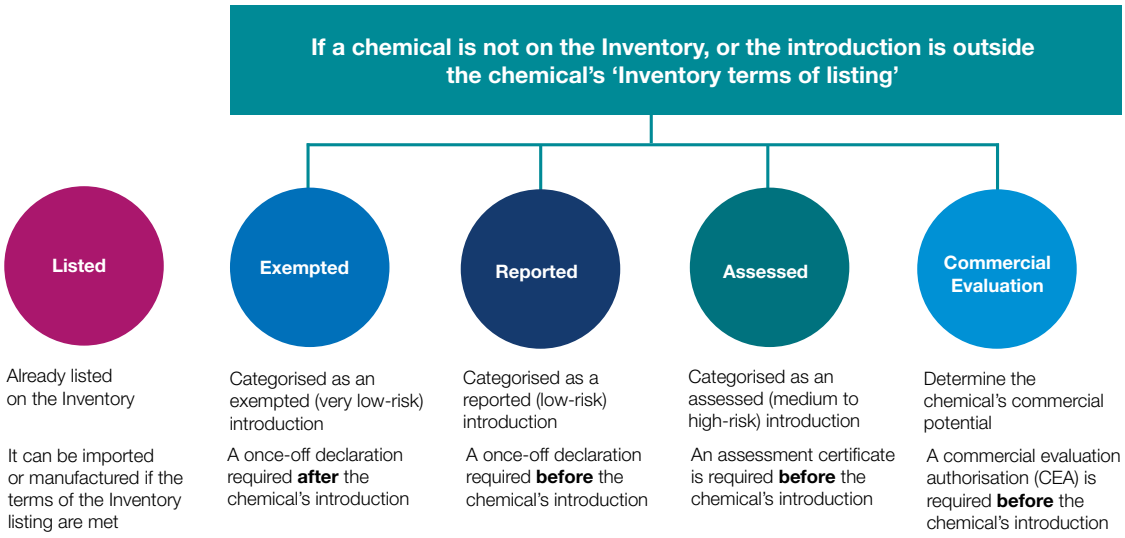
Figure 5: Key Introduction Category statistics during 2022–23

Chemicals listed on the Australian Inventory of Industrial Chemicals (Inventory) can be introduced as 'listed introductions' by registered introducers, who must comply with any regulatory obligations and restrictions stipulated in a chemical's terms of listing. Terms of a listing may include a defined scope of assessment, conditions of introduction or use, specific information requirements or any other legal obligations.

The Inventory provides chemical identity information, regulatory obligations and restrictions relating to the importation and manufacture of listed industrial chemicals.

Chemicals not listed on the Inventory are not available for industrial use in Australia unless their introduction is authorised under one of the following introduction categories: exempted, reported, assessed or commercial evaluation (Figure 6).

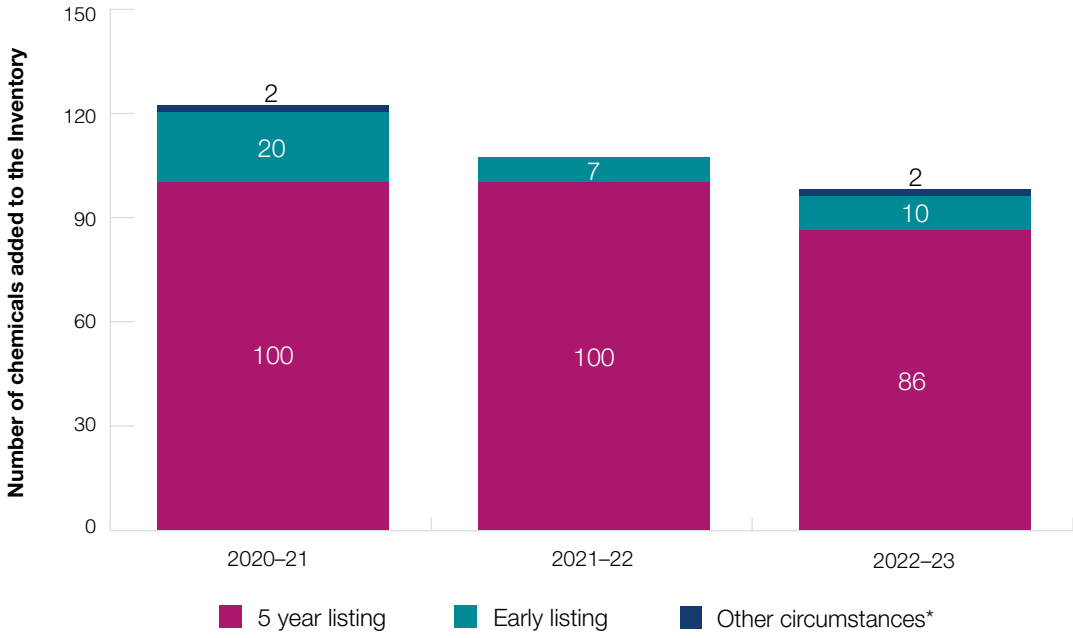
Figure 6: Introduction Categories under AICIS



Listed Introductions

Listed introductions cover the domestic manufacture and importation of industrial chemicals that are on the Inventory and where the introducer meets the chemical's Inventory terms of listing. Chemicals are listed on the Inventory 5 years after an assessment certificate is issued, unless the certificate holder applies for and is granted an early listing. During 2022–23, 98 chemicals (Figure 7) were added to the Inventory. These chemicals can now be imported and domestically manufactured if the terms on the Inventory listing are met. In addition, Inventory listings for 15 chemicals became publicly searchable following revocation of confidential business information (CBI) approval at the 5 yearly review.

Figure 7: Chemicals added to the Inventory by listing type in 2022–23 compared to 2021–22 and 2020–21



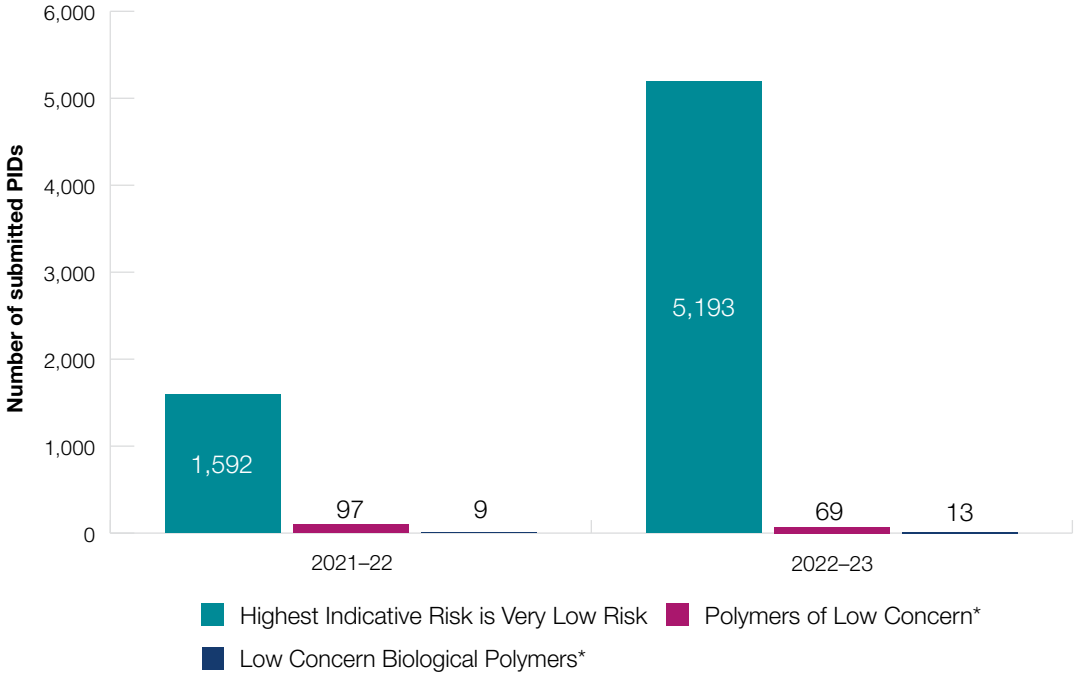
* Other circumstances include previously regulated chemicals, chemicals added back onto the Inventory following updated advice and misidentified chemicals.

Source: AICIS internal data

Exempted Introductions

For exempted introductions, introducers must submit a once-off Post-Introduction Declaration (PID). PIDs for the registration period 1 September 2021 to 31 August 2022 were due by 30 November 2022. 5,275 PIDs were received for the 2022–23 registration period (Figure 8). This is a significant increase compared to the 1,698 submitted in 2021–22 – likely due to the end of the NICNAS transitional provisions.

Figure 8: Submitted PIDs by type of exempted introduction for 2022–23 compared to 2021–22



* A single PID of this type can be submitted for multiple chemicals.

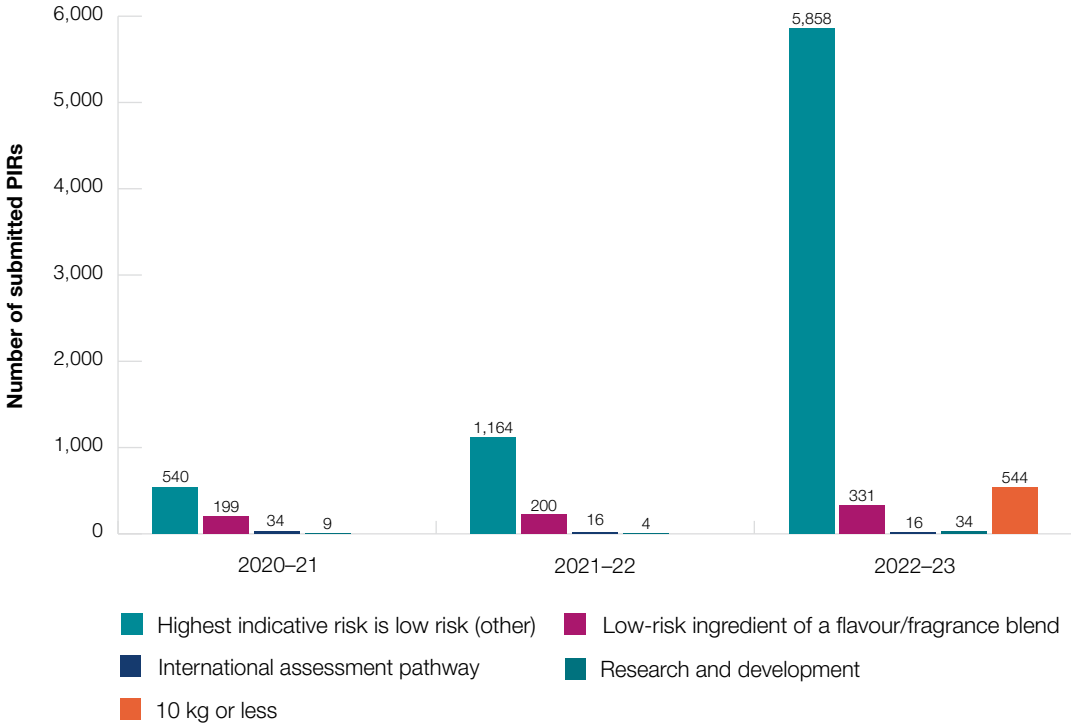
Source: AICIS internal data

All PIDs submitted for the type Highest Indicative Risk (HIR) is Very Low Risk undergo rapid pre-screening to select declarations for further analysis. In 2022–23, 32% of submitted PIDs were further reviewed for potential miscategorisation and of those, 50 PIDs were identified as requiring additional information to support categorisation. Where further information was received, 25 were identified as miscategorised and all instances of non-compliance were referred for case management with stakeholder education provided. Screening of PIDs submitted will continue into 2023–24.

Reported Introductions

For Reported Introductions, once a Pre-Introduction Report (PIR) is submitted an introducer can commence importing or manufacturing their chemical. The categorisation criteria are risk based, considering both the hazard of the chemical and the exposure arising from its introduction and use. A specific type of Reported Introduction relates to chemicals that have already been assessed overseas by a trusted international assessment body. Submission of PIRs increased leading up to the end of the transition period, with 6,783 PIRs submitted in 2022–23 compared to 1,384 submitted in 2021–22 (Figure 9). Additional information to support categorisation was requested for 27 PIRs in 2022–23.

Figure 9: Submitted PIRs by type of reported introduction for 2022–23 compared to 2021–22 and 2020–21



Source: AICIS internal data

The new type of reported introductions – introductions of 10 kg or less in an AICIS registration year – was implemented on 25 November 2022. This new type of reported introduction reduced reporting and record keeping obligations proportionate to the low permitted volume of introduction compared to other reported introduction types. 544 PIRs for this type of reported introduction were submitted in 2022–23, representing 8% of all PIRs submitted.

Submitted PIRs undergo rapid, pre-screening to select reports for further analysis. Of the PIRs submitted since the beginning of AICIS, 9% were further reviewed for miscategorisation. At the end of 2022–23, this monitoring activity identified that 1% of the PIRs submitted since the beginning of AICIS did not meet the criteria for a reported introduction or the type of reported introduction, down from 3% at the end of 2021–22. PIRs requiring stakeholder education was also down from 16% to 6% at the end of 2022–23. These statistics indicate that introducers' knowledge of the relevant categorisation requirements has increased, the utility of which will continue to be monitored and improved.

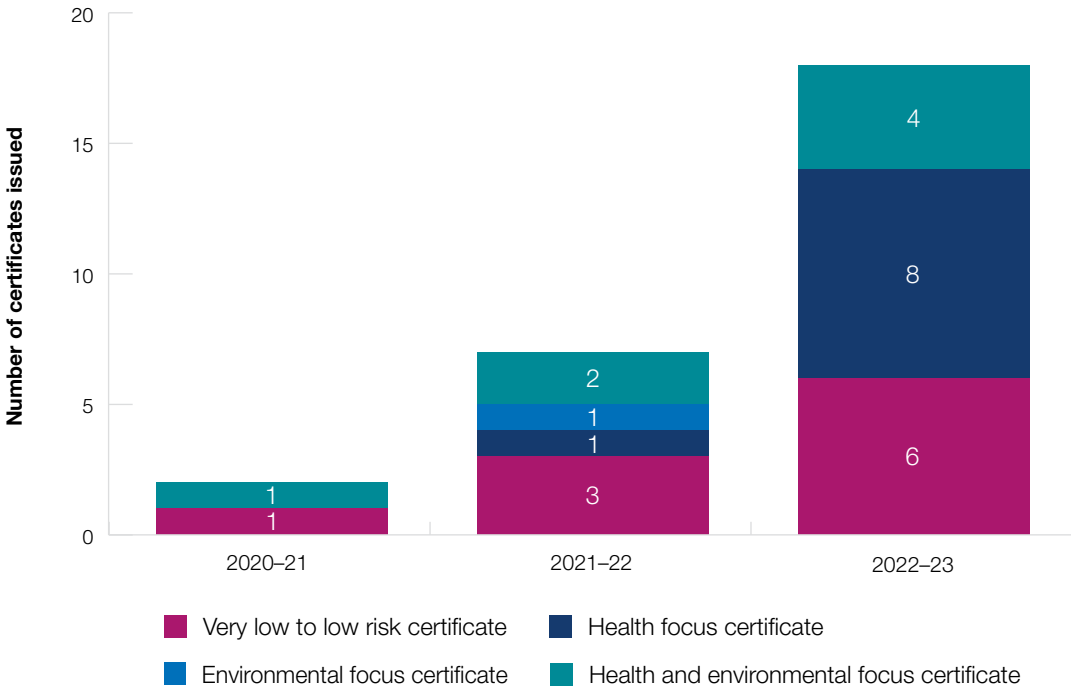
Assessed Introductions

For assessed introductions, introducers must apply for and receive an assessment certificate prior to introduction. An assessment statement is published on the AICIS website with a summary of the risk assessment and the means for managing any risks identified. There are 5 main types of application for an assessment certificate: health and environmental focus, health focus, environmental focus, very low to low risk, and comparable hazard assessments. A total of 18 assessment certificates were issued in 2022–23 (Figure 10), compared to 7 issued in 2021–22. The terms of the assessment certificate were varied for one chemical after application and assessment.

Assessments produce information to support the risk management of chemicals where required. Assessments completed in 2022–23 contained a total of 8 recommendations to Safe Work Australia (SWA).

Toxicological studies submitted for certificate applications now reflect a greater use of new assessment methodologies that do not use tests conducted on animals – 27 applications utilising non-animal data to support an application in the Assessed Category were received in 2022–23, including instances where analogues and read-across approaches were used. There were no environment focus certificate applications or comparable hazard assessment applications this year.

Figure 10: Certificates issued by type for 2022–23 compared to 2021–22 and 2020–21



Source: AICIS internal data

Commercial evaluation

The commercial evaluation authorisation (CEA) introduction category encourages innovation by providing a fast, cost-effective option to evaluate a chemical's commercial potential prior to introduction as an exempted, reported or assessed introduction categories. Four CEAs were issued in 2022–23, and 3 varied.

Industrial chemicals subject to international agreements

Anyone seeking to import or export certain banned or severely restricted chemicals subject to the prior informed consent procedure of the Rotterdam Convention and the Minamata Convention must apply for and receive authorisation from the Executive Director. Four annual export Rotterdam authorisations, and one annual import Rotterdam authorisation, were granted in 2022–23. No Minamata authorisation applications to import or export mercury were received in 2022–23.

Evaluations

Figure 11: Key evaluation statistics during 2022–23

Chemicals already authorised for introduction in Australia can be evaluated under AICIS. This includes chemicals that are listed on the Inventory, chemicals authorised by an assessment certificate, reported or exempted introductions, and excluded from other parts of the IC Act. In 2022–23, evaluations for human health and/or the environment were completed for 1,955 unique chemicals. This includes 2 evaluations that recommended the chemicals be removed from the Inventory because the Executive Director was not satisfied the risks to the environment from the introduction or use of these chemicals could be managed. The evaluation of another chemical resulted in the addition of the correct chemical and removal of an incorrectly listed chemical.

As of 30 June 2023, AICIS has evaluated over 5,670 of the chemicals listed on the Inventory, exceeding the 30 June 2024 target to evaluate at least 20% of the remaining unassessed chemicals on the Inventory. Chemicals on the Inventory without a current risk assessment continue to be targeted for evaluation using established criteria.

Evaluations produce information to support the risk management of chemicals where required. The Risk Management Recommendations Register for chemicals that we have assessed or evaluated and referred to prescribed bodies. This includes Australian standard setting bodies or state and territory agencies. The Risk Management Recommendations Register also gives timely access to information on the status of our recommendations to these bodies. Evaluations completed in 2022–23 included a total of 99 recommendations for regulatory bodies: 87 to SWA, 7 to the Department of Health and Aged Care (Standard for the Uniform Scheduling of Medicines and Poisons), 4 to DCCEEW and one to state and territory agencies.

Compliance

Figure 12: Key compliance statistics during 2022–23

The AICIS compliance strategy employs a risk-based approach to compliance monitoring of regulated entities. Compliance monitoring and enforcement activities are proportionate to risk. Responses to non-compliance range from education and awareness raising, to formal enforcement options such as civil penalties, infringement notices and enforceable undertakings.

Compliance monitoring activities include reviewing introducers' categorisation and record keeping obligations. These activities identified 48 contraventions of the IC Act within 2022–23, which are being case managed.

Imports and exports relating to all active Rotterdam authorisations were monitored to ensure the terms of these authorisations were met, and an additional 6 monitoring activities were undertaken to ensure all relevant introductions were subject to an AICIS authorisation.

Enforcement powers under the IC Act and the *Regulatory Powers (Standard Provisions) Act 2014* were used to issue 60-penalty unit ($13,320) infringement notices to 2 businesses for failing to meet their AICIS registration and reporting requirements.

Inventory management

Figure 13: Key Inventory statistics during 2022–23

In 2022–23, 947 submissions were received in relation to chemicals with a 'specific information requirement' obligation.

Chemicals can be listed on the Inventory with CBI protection. Applications for protection of CBI are subject to a statutory test that balances commercial prejudice and public interest. Confidential listings are subject to review every 5 years. In 2022–23, 10 applications for continued protection of CBI were approved, and 4 were listed with an AICIS approved chemical name (AACN).

Three chemicals were removed from the Inventory following an evaluation.

In 2022–23, a copy of the publicly available information on the Inventory (snapshot as at 1 September 2022) was made available as a downloadable digital version. In addition, minor corrections were made to 4 chemicals on the Inventory to increase the accuracy of the chemical's identity.

Capability building

Capability building continued across the organisation during 2022–23 through:

- Developing a range of in-house guidance materials to facilitate staff technical capability. These relate to (but are not limited to):
  - new assessment methodology e.g. New Approach Methodologies (NAMs) accepted for regulatory decision making and in vitro to in vivo extrapolation (IVIVE)
  - training on application of Globally Harmonized System (GHS) of classification
  - peer review.
- Maintaining and enhancing the AICIS Learning Centre, a learning management system established by AICIS to facilitate self-directed computer-based learning.
- 118 requests for journal articles and literature searches were processed, to support the quality of regulatory and technical decision making.
- 10 forums hosted on a diverse range of scientific and non-scientific topics featuring national and international experts, regulators, academia, and industry.
- Input provided into regulatory approaches and methodologies developed by the Organisation for Economic Co-operation and Development (OECD), for their acceptance in regulatory decision making.
- Continuing to work collaboratively with our bilateral and multilateral partners to enhance our awareness of international developments in chemicals risk assessment and increase in-house understanding in use and interpretation of non-animal tests/methodologies in risk assessment.
- Participation in the Regulatory Science Network's Annual Symposium and interagency webinars.
- Technical input provided to 12 requests from government departments/agencies (including DCCEEW, the Department of Health and Aged Care, the Therapeutic Goods Administration, and SWA).

Digital transformation

The efficient and effective management of information is supported by the AICIS IT System, which enables information necessary for the operation of AICIS to be received, stored, and retrieved. The AICIS IT System enables digital interactions between AICIS staff and chemical introducers or applicants and their representatives. It also provides transparency to industry stakeholders who can view the status of their applications and payments made through a personalised dashboard in the Portal. The Portal is connected to:

- Microsoft Dynamics Customer Relationship Management (CRM), a platform used in several business areas in the Department of Health and Aged Care.
- International Uniform Chemical Information Database (IUCLID), a database used to record, store, maintain and exchange chemical information using internationally harmonised structured data on OECD Harmonised Templates. IUCLID is used by AICIS to assist applicants to meet their regulatory information requirements, and for AICIS to conduct risk assessments.

In 2022–23, active engagement and collaboration on the use of IUCLID for information submission and risk assessments continued with the OECD IUCLID Management Group and the European Chemicals Agency (ECHA).

In November 2022, an improved Inventory and assessment search function on the AICIS website was released. In addition, the same IT release saw the launch of a risk-management recommendations register on the AICIS website. Delivery of the register is part of a commitment made by AICIS to give timely and easily accessible information about recommendations and the status of these recommendations to all stakeholders.

Stakeholder engagement

During 2022–23, active engagement with stakeholders continued via a range of mechanisms with:

- government entities
- the chemical industry
- community groups
- academia.

Staff attended 35 meeting with registrants and industry associations in efforts to help with compliance and understanding of the regulatory landscape, and received and addressed 3,285 stakeholder enquiries.

AICIS issued 12 stakeholder newsletters. The newsletters contained information for stakeholders on a range of matters including:

- new online forms
- guidance materials
- consultation opportunities.

The AICIS Strategic Consultative Committee (SCC), with representatives drawn from peak industry and community groups, continued as the primary stakeholder consultation mechanism. Two meetings of the SCC were held in 2022–23.

International engagement and harmonisation

Under the IC Act, the promotion of international harmonisation of regulatory controls or standards for industrial chemicals is a function of the Executive Director.

In 2022–23, collaborating with international counterparts on regulatory and scientific matters continued via regular teleconferences and participation in international working groups and conferences. The OECD Chemicals and Biotechnology Committee (CBC) and its key subsidiary committees are the principal mechanisms through which AICIS engages multilaterally. AICIS staff attended 15 meetings of the OECD working parties and technical groups, and provided input to 143 requests on various topics of interest. AICIS also participates in the Asia-Pacific Economic Cooperation's Chemical Dialogue, which includes Australia's key regional trading partners and other international associations. AICIS staff responded to 35 requests for input from the Asia-Pacific Economic Cooperation (APEC) sub-committees and committees.

Formal bilateral cooperative arrangements/memoranda of understanding are in place with counterparts in Europe, the United States of America, Canada, South Korea, and New Zealand. Regular dialogue was maintained with these agencies on emerging topics of interest, such as the use of NAMs for regulatory purposes, evaluations of chemicals that may be of concern, such as flame retardants. Liaison has continued between AICIS and ECHA, and Health Canada on issues related to technical cooperation and sharing of chemical information to facilitate international harmonisation.

AICIS continued to provide technical input to whole-of-government international activities, including requests from the Department of Foreign Affairs and Trade.

Financial performance

Compared with 2021–22, total revenue was lowered by $0.95 million and expenses was higher by $2.45 million.

Revenue recovered from the regulated industry was $24.3 million, which was $0.07 million lower than the previous financial year. Revenue reflected AICIS charging arrangements set out in the 2022–23 Cost Recovery Implementation Statement agreed by Government. Net revenue from other sources was $0.03 million.

Total expense was $21.6 million, which is $2.45 million higher than the previous financial year. This was due to operational costs associated with restoring staffing capacity, an increase in ICT user costs, and depreciation expenses from enhancements to the AICIS IT system enabling more efficient digital interactions between AICIS staff and chemical introducers or applicants and their representatives.

The AICIS final net result for 2022–23 was a surplus of $2.71 million, which will be maintained in the Industrial Chemicals Special Account.

Table 1: AICIS financial results for 2022–23 compared to 2021–22

	2021–22 $'000	2022–23 $'000
Industry cost recovered revenue	24,394	24,323
Other revenue	58	34
Total revenue	24,452	24,357
Total expenses	19,197	21,650
Operating surplus	5,255	2,707

Acknowledgements

The Executive Director of AICIS is grateful for the assistance of staff from within the Department of Health and Aged Care in both day-to-day administration of the scheme, and in the scientific assessment of the human health risks of industrial chemicals. The Executive Director of AICIS is also grateful for the assistance of scientific staff from the DCCEEW, who assess the environmental risks of industrial chemicals on behalf of AICIS under a Service Level Agreement.

Contact details

Graeme Barden

Executive Director of AICIS

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Phone: (02) 8577 8800

Free call: 1800 638 528

AICIS website: www.industrialchemicals.gov.au

Email address: aicis.enquiries@industrialchemicals.gov.au

Appendix 5: **Australian National Preventive Health Agency Financial Statements**

Essential functions of the Australian National Preventive Health Agency (ANPHA) transferred to the Department of Health and Aged Care from 1 July 2014.

The Secretary of the Department of Health and Aged Care, pursuant to subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014, is responsible for producing the financial statements for ANPHA, as would have been required by the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

Contents

Australian National Preventive Health Agency

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

Opinion

In my opinion, the financial statements of the Australian National Preventive Health Agency (the Entity) for the year ended 30 June 2023:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015; and

(b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Administered Schedule of Assets and Liabilities; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary of the Department of Health and Aged Care is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Accountable Authority is also responsible for such internal control as the Accountable Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Authority is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Accountable Authority is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

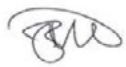
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Ben Nicholls
Audit Principal

Delegate of the Auditor-General

Canberra

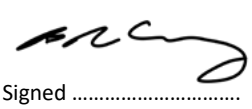
18 September 2023

Australian National Preventive Health Agency

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the period 1 July 2022 to 30 June 2023:

a) comply with subsection 42 (2) of the PGPA Act;
b) have been prepared based on properly maintained financial records as per subsection 41 (2) of the PGPA Act; and
c) at the date of this statement, there are reasonable grounds to believe that the Australian National Preventive Health Agency will be able to pay its debts as and when they fall due.



Signed …….

Blair Comley PSM
Secretary
Department of Health and Aged Care

18 September 2023

Signed …….

Kris Arnold
Chief Financial Officer (Acting)
Department of Health and Aged Care

18 September 2023

Australian National Preventive Health Agency

Statement of Comprehensive Income
for the period ended 30 June 2023

	2023 $	2022 $
Net Cost of Services		
Expenses		
Expenses incurred[1]	**16,404**	16,404
Total expenses	**16,404**	16,404
Revenue		
Resources received free of charge[1]	**16,404**	16,404
Total own-source income	**16,404**	16,404
Net cost of services	**-**	-
Surplus attributable to the Australian Government	**-**	-

The above statements should be read in conjunction with the accompanying notes.

[1] Expenses incurred and revenue recognised relate to the costs associated with preparation and audit of the financial statements in line with the requirements of AASB 1058 *Income for Not-for-Profit Entities*.

Australian National Preventive Health Agency

Administered Schedule of Assets and Liabilities
as at 30 June 2023

	2023 $	2022 $
Assets		
Financial assets		
Cash in special accounts	**12,382,827**	12,382,827
Total assets administered on behalf of Government	**12,382,827**	12,382,827
Net assets	**12,382,827**	12,382,827

Administered Reconciliation Schedule
as at 30 June 2023

	2023 $	2022 $
Net Administered assets as at 30 June	**12,382,827**	12,382,827

The above schedules should be read in conjunction with the accompanying notes.

Note 1 Overview

Abolition of the Australian National Preventive Health Agency

In the 2014-15 Budget papers the Australian Government announced as part of its Smaller Government initiative that it would abolish the Australian National Preventive Health Agency (ANPHA) and integrate its ongoing functions into the Department of Health.

The *Australian National Preventive Health Agency (Abolition) Bill 2014* (the Bill) was introduced to Parliament on 15 May 2014 by the Australian Government. The Bill was passed by the House of Representatives on 3 June 2014 but was negatived by the Senate on its second reading on 25 November 2014. There is currently no bill before Parliament to abolish ANPHA.

As at 30 June 2023, ANPHA had no debts and no employees.

ANPHA is an Australian Government Agency and does not have a separate legal identity to the Australian Government.

Objectives of the Australian National Preventive Health Agency

ANPHA is listed as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and its role and functions are set out in the *Australian National Preventive Health Agency Act 2010.*

The Australian Government established ANPHA on 1 January 2011 to provide a new national capacity to drive preventive health policy and programs.

ANPHA was structured to meet one outcome:

A reduction in the prevalence of preventable disease, including through research and evaluation to build the evidence base for future action, and by managing lifestyle education campaigns and developing partnerships with non-government sectors.

ANPHA activities that contributed toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ANPHA in its own right. Administered activities involve the management or oversight by ANPHA, on behalf of the Government, of items controlled or incurred by the Government.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and

b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. ANPHA has no unrecognised departmental or administered liabilities or assets.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Material Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

Cash

ANPHA no longer holds any cash independently. Cash holdings, recognised at its nominal amount are cash in special accounts, this balance is held in the Official Public Account.

Related Party Relationships

ANPHA is an Australian Government controlled entity. Related parties to ANPHA are the Portfolio Minister and Executive Government, and other Australian Government entities.

ANPHA had no related party transactions to report during 2022-23 or in the comparative year.

New Australian Accounting Standards

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period.

The following amending standards issued prior to the signing of the statement by the accountable authority and chief financial officer were applicable to the current reporting period:

Standard	Nature of change in accounting policy, transitional provisions and adjustment to financial statements
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (AASB 2021-2) and AASB 2021-6 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards* (AASB 2021-6)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies, and clarifies what is considered a change in accounting policy compared to a change in accounting estimate. AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2. This amending standard is not expected to have a material impact on the Commission's financial statements for the current reporting period or future reporting periods. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

Taxation

ANPHA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Events after the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Administered

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Reporting of Administered Activities

ANPHA had no Administered activities to report during the reporting year or in the comparative year.

Note 2 Special Accounts

The Australian National Preventive Health Agency special account (administered)[1,2,3]

	2023	2022
	$	$
Special account balance	**12,382,827**	12,382,827

No transactions were recorded against the ANPHA special account in the reporting period.

1 Appropriation: *Public Governance, Performance and Accountability Act 2013*, Section 80.
2 Establishing Instrument: *Australian National Preventive Health Agency Act 2010*, Section 50.
3 Purposes of the Account:
(a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Chief Executive Officer's functions;
(b) paying any remuneration and allowances payable to any person under the *Australian National Preventive Health Agency Act 2010*; and
(c) meeting the expenses of administering the Account.

Appendix 6: **Report on the operation of the National Sports Tribunal for 2022–23**

As required under section 63(2) of the *National Sports Tribunal Act 2019* (the Act), the Department of Health and Aged Care Annual Report must include information on the operation of the National Sports Tribunal (NST) during the reporting period.

Introduction

The NST provides an efficient and independent forum for resolving sporting disputes in Australia through arbitration, mediation, conciliation and case appraisal. The NST is an important element of the Australian Government's sport integrity strategy.

The NST was established in March 2020 in response to the Report of the Review of Australia's Sport Integrity Arrangements (Wood Review). In the October 2022 Budget, the Government announced the NST would become an ongoing tribunal. Amendments were made to the NST's delegated legislation in December 2022 to give effect to this decision.

About the NST

Vision, mission and values

The NST's **vision** is to promote and protect the integrity and fairness of Australian sport as the national sporting community's forum of choice for consistent, independent resolution of disputes.

The NST's **mission** is to provide an effective, efficient, independent, transparent, and specialist tribunal for the fair hearing and resolution of sporting disputes.

The NST's **values** are to:

- remain independent
- act with integrity and impartiality
- deliver quality justice and outcomes
- be accessible
- respect individuals.

Established by statute

The powers and functions of the NST are set out in the Act, with operations supported by a framework of legislative instruments. These include the National Sports Tribunal Rule 2020 (as amended by the National Sports Tribunal Amendment Rule 2021 and the National Sports Tribunal Amendment Rule 2022), the National Sports Tribunal Practice and Procedure Determination 2021, the *National Sports Tribunal Act 2019* - Specification of Sporting Body Instrument 2021, and the *National Sports Tribunal Act 2019* - Principles for Allocating a Member to a Dispute Instrument.

Structure and function

The NST has 3 divisions:

- Anti-Doping Division – deals with breaches of the anti-doping rules of a sport.
- General Division – deals with disputes under the rules of a sport (including, for example, disputes that might arise under a sport's Member Protection Policy or Selection Policy).
- Appeals Division – deals with appeals from the Anti-Doping or General Divisions, as well as appeals from decisions made by 'in-house' national sport tribunals.

The types of matters heard by the NST include disputes related to disciplinary issues, governance (for example, board code of conduct), bullying and harassment, discrimination, athlete safeguarding, reviews of eligibility and selection decisions, and anti-doping rule violations. A party can engage the jurisdiction of the NST via the policy or policies of the relevant sporting body, or if all parties agree to have the dispute heard by the NST.

The NST can resolve disputes through arbitration, mediation, conciliation, or case appraisal.

Powers

The NST is vested with powers that can be exercised to gather evidence and information to ensure the tribunal is properly informed.

In arbitration, NST Members can order a witness to appear before them to give evidence, and/or to produce documents, objects or other non-documentary evidence, as well as the broad power to inform themselves about relevant matters independently of the submissions made by parties.

Equipping the NST with powers to compel evidence from third parties provides for superior dispute resolution capability. This is particularly important in cases that are reliant on intelligence-based evidence. Penalties are important in deterring third parties, who may be reluctant to provide information or produce documents or things, from failing to comply with a notice issued by the NST.

NST Members

NST Members are part-time statutory office holders, appointed under the Act by the Minister for Sport. As at 30 June 2023, there were 74 Members. The Members bring a diverse range of skills and experience to the tribunal. NST Members include legal professionals working in sport or administrative law, sports medicine specialists and sports administrators. Some Members are also former athletes.

Members are allocated to hear individual cases by the CEO of the NST. Matters are heard by a sole Member, or by a panel of 3 or more Members including a nominated Chair.

National Sports Tribunal Members (as at 30 June 2023)			
Prof. Jack Anderson	Mr David Flynn	Mr Peter Kerr AM	Mr Simon Philips
Ms Joanna Andrew	Dr Peter Fricker OAM	Miss Bronwen Knox OLY	Mr Richard Redman
Prof. Lise Barry	Mr David Grace AM KC	Mr Andrzej Kudra	Ms Chris Ronalds AO SC
Ms Elizabeth Bennett	Dr Kenneth Graham	Ms Jessica Lambert	Mr Martin Ross
Ms Venetia Bennett	Mr Craig Green	Mr Stephen John Lancken	Ms Michelle Royal-Hebblewhite
Dr Carolyn Broderick	Ms Jen Halbert	Ms Judith Levine	Ms Tracey Scott
Ms Eugenie Buckley	Prof. David Handelsman AO	Mr Anthony Lo Surdo SC	Ms Jane Seawright
Mr Sean Carroll	Prof. Deborah Healey	Ms Carolyn Manning	Mr Andrew Sinclair
Mr Adam Casselden SC	Mr Robert Heath KC	Mrs Claire McLean PLY	Dr June Smith
Prof. Andrew Christie	Ms Elisa Holmes	Prof. Jenni Millbank	Mr Mark Stevens
Mr Bruce Collins KC	Mr Nicolas Humzy-Hancock	Mr Michael Mitchell	The Hon Steven Strickland KC
Ms Sarah Cook OLY	Ms Danielle Huntersmith	Ms Alison Murphy	Mrs Renee Toy
Mr Philip Corbett KC	Mr Anthony Jarvis	Mr Anthony Nolan KC	Dr Larissa Trease
Mr Paul Czarnota	Mr Christopher Johnstone	Ms Bridie Nolan	Ms Ann West
Mrs Fiona de Jong	Mr Darren Kane	Ms Rebecca Ogge	Mr Ian White
Dr Maria Dudycz	Dr Dominic Katter	Dr Catherine Ordway	Mrs Annabelle Williams OAM
Mr Scott Ellis	Mr Marcus Katter	Mr Anthony O'Reilly	Dr Rebecca Wilson
Mr Christopher Emzin	Mr Tony Keane	Mr Nicholas Pane KC	
Mr Jon Erbacher	Ms Caroline Kenny KC	Mr Sal Perna AM	

NST Members – Gender Balance

As at 30 June 2023	Male	Female
Number of Members	40	34
Number of Members allocated to hear a matter*	29	23

* Includes all NST cases to 30 June 2023. Some members have heard multiple cases.

Chief Executive Officer (CEO) and NST staff

The NST's CEO, Mr John Boultbee AM, is a lawyer and sport administrator with over 20 years' experience as an arbitrator of the Court of Arbitration for Sport. Mr Boultbee is a former barrister and served as Director of the Australian Institute of Sport (including during the Sydney 2000 Olympic Games), Head of National Teams of Football Federation Australia, and High Performance Director of Volleyball Australia.

The NST's Deputy CEO, Ms Kitty Chiller AM, is an Olympian in Modern Pentathlon (Sydney 2000) and an experienced sports administrator. Ms Chiller was the Chef de Mission of the Australian Olympic Team at the 2016 Rio Olympic Games.

The NST Registry team provides case management and administrative support for matters brought to the NST for resolution. NST staff also manage a broad range of projects, including communication and engagement activities to support the operation of the NST.

Highlights – 2022–23 in review

NST was made an ongoing tribunal

The NST was established in March 2020, initially as a pilot program, to provide an efficient and independent forum for resolving sporting disputes. An evaluation conducted by Urbis Pty Ltd found the NST was meeting its intended outcomes, although the initial uptake of the NST's services was significantly affected by the impact of COVID-19 on the sporting sector. The final evaluation report was received by the department in July 2022 and is published on the NST website.

In the October 2022 Budget, the Government announced the NST would become an ongoing tribunal. In December 2022, the National Sports Tribunal Rule 2020 was amended to enable the NST to continue to hear valid applications under Division 2 or 3 of Part 3, or section 32, 33 or 35 of the Act for a further period of 5 years (until 18 March 2028). In due course, it is intended that the Act will be amended to remove the time limit on applications being made to the NST and enable it to operate as an ongoing entity.

Increasing number of cases

The number of cases brought to the NST continued to increase in 2022–23, with 43 cases finalised in the 12 months to 30 June 2023. This is in comparison to 26 cases in 2021–22, and 18 cases in 2020–21. A breakdown of the case statistics for 2022–23 is presented below.

In 2022–23, the NST continued to conduct the majority of hearings virtually through videoconferencing platforms, with most parties preferring this method of service delivery.

Wider scope for the NST to hear matters

More than 95% of Australian Sports Commission recognised National Sporting Organisations (NSOs) have now embedded the NST's jurisdiction in one or more of their policies, rules or by-laws.

In March 2023, the Australian Olympic Committee (AOC) announced that the NST will be included in the AOC Selection Appeals By-Law to hear first instance appeals for non-nominations for the Paris 2024 Olympic Games. The NST's role will be similar to the Birmingham 2022 Commonwealth Games where the NST heard 7 selection and nomination appeals. The NST will also hear all selection and nomination appeals for the Paris 2024 Paralympic Games.

Reappointment of NST Members

In June 2023, the Minister for Sport reappointed 33 Members who were initially appointed to the NST in March 2020. These Members have been appointed for a further 5 years until June 2028, ensuring the NST retains a wide range of skills, experience and knowledge to resolve sporting disputes.

Improved accessibility

The NST has expanded the capacity of the NST Legal Assistance Panel (NSTLAP), with further expansion planned for 2023–24. The NSTLAP is a list of legal practitioners who provide pro bono legal assistance, or legal assistance at a significantly reduced rate, to the parties or participants in a matter that is currently before the NST or that may come before the NST. While legal representation is not required in matters before the NST, this service has provided some individuals a clearer path to resolution.

In early 2022–23, the NST completed the initial stage of its Policy Adoption Program. This program supported NSOs to access independent policy and legal advice in adopting a suite of best practice dispute resolution policies developed by the NST. Planning has been finalised for the second stage of the program which will focus on assisting NSOs to adopt the dispute resolution policies as well as the NST's Selection Appeals Policy template. The second stage is scheduled to roll out in the first half of 2023–24.

Stakeholder engagement

The NST collaborated with Sport Integrity Australia, the Australian Sports Commission and experts representing NSOs, to develop the abovementioned suite of best practice template policies that provide for resolution of complaints and other disputes that fall outside of the National Integrity Framework (NIF). Supported by the NST, a number of NSOs have adopted, or are in the process of adopting, these policies to accompany the NIF to provide a comprehensive dispute resolution framework for their sport.

To further support the Australian sporting sector in enhancing their selection policies to minimise the likelihood of appeals, the NST collaborated with the Australian Institute of Sport to form a working group of NSO representatives to develop Guidelines for Development and Implementation of Selection Policies. The guidelines include best practice principles and templated inclusions that NSOs can consider when drafting selection policies and appointing selection panels.

The NST has continued to work closely with other portfolio sport agencies, including the Australian Sports Commission and Sport Integrity Australia. The NST has also strengthened its partnerships with professional associations, in particular, the Australian and New Zealand Sports Law Association (ANZSLA), the Council of Australasian Tribunals, and the Resolution Institute.

International engagement

In 2022–23, the NST also continued to engage with international tribunals, holding meetings with representatives from national sporting tribunals in New Zealand, Japan, the Netherlands, Singapore, Canada and the United Kingdom.

Several NST staff and 8 Members attended the Annual ANZSLA Conference in October 2022. The conference was attended by approximately 120 delegates from both Australia and New Zealand.

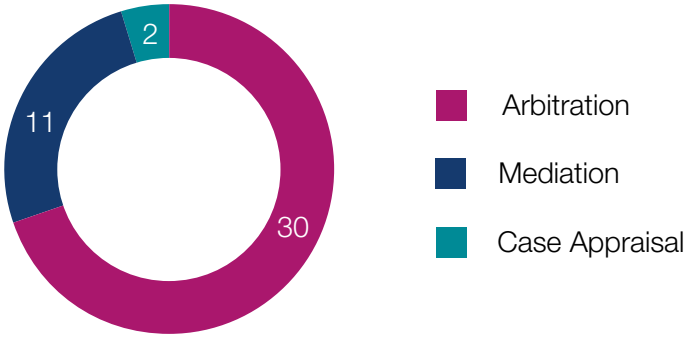
In early 2023, the NST hosted delegations from the Netherlands' Sports Tribunal and the Japan Sports Arbitration Agency. These visits provided an opportunity to exchange information and resources, and to continue to maintain the positive relationship the NST has established with them.

Statistics – 2022–23

Cases	National	State	Club	Total
Number of cases finalised in 2022–23	20	11	12	**43**
Number of active cases as at 30 June 2023	2	2	1	**5**

Cases finalised in 2022–23 – Division and type of matter	
General Division – Eligibility and/or selection dispute	11
General Division – Disciplinary matter	13
General Division – Bullying/harassment matter	10
General Division – Intra-sport dispute	1
General – Other	2
Anti-Doping Division – First instance anti-doping rule violation	1
Appeal Division – Disciplinary Matter	4
Appeal Division – Anti-doping rule violation	1
Total	**43**

Cases finalised in 2022–23



Cases finalised by the NST to 30 June 2023

Case duration*	Case length (days)
Mean	55
Median	43

* Total of 82 cases. Excludes 7 outlier cases with a duration greater than 6 months.

Appendix 7: **2021–22 Annual Report – Errors and Omissions**

The department confirms there were no Errors and Omissions to report following publication of the 2021–22 Annual Report.

Navigation Aids

List of Requirements

The list below outlines compliance with key annual performance reporting information, as required in section 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014.
This Schedule is made for subsection 46(3) of the Act.

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(g)	**Letter of Transmittal**			
17AI		A copy of the letter of transmittal signed and dated by the accountable authority on date final text approved, with statement that the annual report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	Page 1
17AD(h)	**Aids to access**			
17AJ(a)		Table of contents.	Mandatory	Page 2
17AJ(b)		Alphabetical index of the contents of the report (including any appendices).	Mandatory	Page 321
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	Page 317
17AJ(d)		List of requirements.	Mandatory	Page 308
17AJ(e)		Details of contact officer.	Mandatory	Page ii
17AJ(f)		Entity's website address.	Mandatory	Page ii
17AJ(g)		Electronic address of annual report published on Health and Aged Care's website.	Mandatory	Page ii
17AD(a)	**Review by accountable authority**			
17AD(a)		A review by the accountable authority of the entity for the period.	Mandatory	Page 4
17AD(b)	**Overview of the entity**			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	Page 20
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	Page 124
17AE(1)(a)(iii)		A description of the outcomes and programs administered by the entity during the period.	Mandatory	Page 21
17AE(1)(a)(iv)		A description of the purposes of the entity as included in the entity's corporate plan for the period.	Mandatory	Page 20
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority.	Mandatory	Page 24
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority.	Mandatory	Page 24
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Page 24
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	Page 18
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio estimates statements that was prepared for the entity for the period, the report must include details of variation and reasons for change.	If applicable, mandatory	Not applicable

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(c)	**Report on the performance of the entity**			
	Annual Performance Statements			**Part 2**
17AD(c)(i); 16F		Annual Performance Statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Page 24
17AD(c)(ii)	**Report on financial performance**			**Part 1 & 4**
17AF(1)(a)		A discussion and analysis of the entity's financial performance during the period.	Mandatory	Page 162
17AF(1)(b)		A table summarising the total resources of the entity, and the total payments made by the entity during the period.	Mandatory	Page 249
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, mandatory	Page 162
17AD(d)	**Management and Accountability**			
	Corporate governance			**Part 3.1**
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	Page 114
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Page 117
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	Page 117
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	Page 117
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Page 106
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, mandatory	Page 116
	Audit committee			**Part 3.1**
17AG(2A)(a)		A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	Page 111
17AG(2A)(b)		The name of each member of the entity's audit committee during the period.	Mandatory	Page 111
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Page 111

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Page 111
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	Page 111
	External scrutiny			**Part 3.6**
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	Page 154
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, mandatory	Page 158
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, mandatory	Page 159
17AG(3)(c)		Information on any capability reviews of the entity that were released during the period.	If applicable, Mandatory	Not applicable
	Management of human resources			**Part 3.4**
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Page 126
17AG(4)(aa)		Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on fulltime employees; (b) statistics on parttime employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory	Pages 126, 254 & 255
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on fulltime employees; • Statistics on parttime employees; • Statistics on gender; • Statistics on staff location; • Statistics on employees who identify as Indigenous.	Mandatory	Pages 126, 254, 255, 256 to 259
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory	Pages 127 & 266
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory	Pages 261 & 266
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	Page 266
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	Page 267

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	Not applicable
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	Not applicable
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, mandatory	Not applicable
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, mandatory	Not applicable
	Assets management			**Part 3.5**
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	Page 140
	Purchasing			**Part 3.5**
17AG(6)		An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory	Page 141
	Reportable consultancy contracts			**Part 3.5**
17AG(7)(a)		A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Page 142
17AG(7)(b)		A statement that *"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]."*	Mandatory	Page 142
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	Page 142
17AG(7)(d)		A statement that *"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy* contracts is available on the AusTender website."	Mandatory	Page 143
	Reportable non-consultancy contracts			**Part 3.5**
17AG(7A)(a)		A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Page 143

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AG(7A)(b)		A statement that *"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."*	Mandatory	Page 143
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy contracts**			**Part 3.5**
17AGA		Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	Pages 142 & 143
	Australian National Audit Office Access clauses			**Part 3.5**
17AG(8)		If an entity entered into a contract with a value of more than $100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	Page 143
	Exempt contracts			**Part 3.5**
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than $10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory	Page 143
	Small business			**Part 3.5**
17AG(10)(a)		A statement that *"the Department of Health and Aged Care supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."*	Mandatory	Page 141
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Page 141
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that *"the Department of Health and Aged Care recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."*	If applicable, mandatory	Page 141
	Financial statements			**Part 4**
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Page 165

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	Executive remuneration			**Part 3.4 & Appendix 1**
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	Pages 127 & 263
17AD(f)	**Other mandatory information**			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that *"During 2022–23, the Department of Health and Aged Care conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at www.health.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, mandatory	Pages 144 & 145
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns during the period, a statement to that effect.	If applicable, mandatory	Not applicable
17AH(1)(b)		A statement that *"Information on grants awarded by the Department of Health and Aged Care during the period 1 July 2022 to 30 June 2023 is available at www.grants.gov.au."*	If applicable, mandatory	Page 144
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Page 134
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	Page 156
17AH(1)(e)		Correction of material errors in previous annual report.	If applicable, mandatory	Page 305
17AH(2)		Information required by other legislation.	Mandatory	Pages 159 & 241

Acronyms and Abbreviations

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACAT	Aged Care Assessment Teams
ACCHO	Aboriginal Community Controlled Health Organisation
AHPRA	Australian Health Practitioner Regulation Agency
AICIS	Australian Industrial Chemicals Introduction Scheme
AIHW	Australian Institute of Health and Welfare
AN-ACC	Australian National Aged Care Classification
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ARTG	Australian Register of Therapeutic Goods
ATAGI	Australian Technical Advisory Group on Immunisation
BBV	Blood Borne Viruses
BPSD	Behavioural and Psychological Symptoms of Dementia
CCS	Commonwealth Contracting Suite
CDBS	Child Dental Benefits Schedule
CDC	Centre of Disease Control
CDPP	Commonwealth Director of Public Prosecutions
CEO	Chief Executive Officer
CFPC	Commonwealth Fraud Prevention Centre
CGRG	Commonwealth Grant Rules and Guidelines
CHSP	Commonwealth Home Support Programme
CMO	Chief Medical Officer
COO	Chief Operating Officer
CSO	Community Service Obligations
CVAS	COVID-19 Vaccine Administration System
CVS	Community Visitors Scheme
DBMAS	Dementia Behaviour Management Advisory Service
DSA	Dementia Support Australia
EA	Enterprise Agreement

EAP	Employee Assistance Program
EEGO	Energy Efficient in Government Operations
EL	Executive Level
ESD	Ecologically sustainable development
FTE	Full time equivalent
GBMSM	Gay, bisexual, and other men who have sex with men
GMOs	Genetically modified organisms
GP(s)	General practitioner(s)
GST	Goods and services tax
HCPs	Home Care Packages
HIV	Human immunodeficiency virus
HPV	Human papillomavirus
HR	Human resources
HSP	Hearing Services Program
ICC	International Cricket Council
IFA	Individual Flexibility Arrangement
IPS	Information Publication Scheme
JCPAA	Joint Committee of Public Accounts and Audit
JEV	Japanese Encephalitis Virus
LGBTIQA+	Lesbian, gay, bisexual, transgender, intersex, queer/questioning, asexual
LSDP	Life Saving Drugs Program
MBS	Medicare Benefits Schedule
MMR	Measles-Mumps-Rubella
MPOX	Monkeypox
MRAC	Medicare Benefits Schedule Review Advisory Committee
MRFF	Medical Research Future Fund
NACC	National Anti-Corruption Commission
NACCHO	National Aboriginal Community Controlled Organisation
NAIDOC	National Aborigines' and Islanders' Day Observance Committee
NAMs	New Approach Methodologies
NBCSP	National Bowel Cancer Screening Program
NDSS	National Diabetes Services Scheme
NHRA	National Health Reform Agreement
NHWD	National Health Workforce Datasets

NIP	National Immunisation Program
NMWS	National Medical Workforce Strategy
NPEV	National Partnership on Essential Vaccines
NPHS	National Preventive Health Strategy 2021–2030
NSOs	National Sporting Organisations
NST	National Sports Tribunal
NWOW	New Ways of Working
OCOG	Organising Committee for the Olympic and Paralympic Games
ODC	Office of Drug Control
OGTR	Office of the Gene Technology Regulator
PAC	Program Assurance Committee
PASC	Post-Acute-Sequelae of COVID-19
PBAC	Pharmaceutical Benefits Advisory Committee
PBS	Pharmaceutical Benefits Scheme
PGPA	Public Governance, Performance and Accountability
PHI	Private Health Insurance
PHNs	Primary Health Networks
PIP	Practice Incentives Program
PIP QI	Practice Incentives Program's Quality Improvement Incentive
PPH	Potentially preventable hospitalisations
RAS	Regional Assessment Services
SBRT	Severe Behaviour Response Teams
SES	Senior Executive Service
SMEs	Small and medium enterprises
TGA	Therapeutic Goods Administration
UCCs	Urgent Care Clinics
WHS	Work health and safety

Glossary

Australian Health Protection Principal Committee (AHPPC)	The AHPPC is the key decision making committee for health emergencies. It is comprised of all state and territory Chief Health Officers and is chaired by the Australian Chief Medical Officer.
Australian Technical Advisory Group on Immunisation (ATAGI)	ATAGI advises the Minister for Health and Aged Care on the National Immunisation Program and other immunisation issues.
BreastScreen Australia Program	BreastScreen Australia is a joint initiative of the Australian and state and territory governments and aims to reduce illness and death from breast cancer by detecting the disease early. Women over 40 can have a free mammogram every 2 years and women aged 50 to 74 are actively invited to screen.
Chronic disease	The term applied to a diverse group of diseases, such as heart disease, cancer and arthritis, that tend to be long-lasting and persistent in their symptoms or development. Although these features also apply to some communicable diseases (infections), chronic diseases is usually confined to non-communicable diseases.
Closing the Gap	Council of Australian Governments Closing the Gap initiatives, designed to close the gap in health equality between Indigenous and non-Indigenous Australians.
Commonwealth Home Support Programme (CHSP)	The CHSP provides entry level support for older Australians who need help to live independently in their homes and communities. Support can include help with daily tasks, home modifications, transport, social support, and nursing care.
Communicable disease	An infectious disease transmissible (as from person to person) by direct contact with an infected individual or the individual's discharges or by indirect means. Communicable (infectious) diseases include sexually transmitted diseases, vector-borne diseases, vaccine preventable diseases and antimicrobial resistant bacteria.
Coronavirus	Coronaviruses form a large family of viruses that can cause a range of illnesses. These include the common cold, as well as more serious diseases like SARS (severe acute respiratory syndrome), MERS (Middle East respiratory syndrome), and the more recent coronavirus disease 2019.
COVID-19	Coronavirus disease 2019. An illness caused by the SARS-CoV-2 virus that was first identified in December 2019. Formerly known as 2019-nCoV.
Dementia Behaviour Management Advisory Service (DBMAS)	DBMAS provides free support and advice to service providers and individuals caring for people living with dementia.
Diabetes	Refers to a group of syndromes caused by a malfunction in the production and release of insulin by the pancreas leading to a disturbance in blood glucose levels. Type 1 diabetes is characterised by the abrupt onset of symptoms, usually during childhood, and inadequate production of insulin requiring regular injections to regulate insulin levels. Type 2 diabetes is characterised by gradual onset commonly over the age of 45 years, but increasingly occurring in younger age groups. Type 2 diabetes can usually be regulated through dietary control.
Financial year	The 12 month period from 1 July to 30 June.
General practitioner (GP)	A medical practitioner who provides primary care to patients and their families within the community.
Genetically modified organisms (GMO)	Organisms modified by gene technology.
Gene technology	Gene technology is a technique for the modification of genes or other genetic material.

Head to Health	Provides help to find digital mental health services from some of Australia's most trusted mental health organisations. Provided by the department, Head to Health brings together apps, online programs, online forums and phone services, as well as a range of digital information resources.
headspace	A mental health support service for young people. It covers a critical gap by providing tailored and holistic mental health support to 12 to 25 year olds.
Health care	Services provided to individuals or communities to promote, maintain, monitor or restore health. Health care is not limited to medical care and includes self-care.
Health outcome	A change in the health of an individual or population due wholly or partly to a preventive or clinical intervention.
Home Care Package (HCP)	A coordinated mix of services that can include help with household tasks, equipment (such as walking frames), minor home modifications, personal care, and clinical care such as nursing, allied health, and physiotherapy services. These services support older people with complex needs to live independently in their own homes.
Human papillomavirus (HPV)	A virus that causes genital warts which is linked in some cases to the development of more serious cervical cell abnormalities.
Human immunodeficiency virus (HIV)	A virus that damages the body's immune system. The late stage of HIV is called acquired immunodeficiency syndrome (AIDS).
Immunisation	Inducing immunity against infection by the use of an antigen to stimulate the body to produce its own antibodies. See vaccination.
Incidence	The number of new cases (of an illness or event, and so on) occurring during a given period. Compare with prevalence.
Indemnity insurance	A form of professional indemnity cover that provides surety to medical practitioners, midwives and their patients in the event of an adverse outcome arising from medical negligence.
Influenza (flu)	Caused by the influenza virus, which is easily spread from person to person and is not the same as the common cold. The flu is a serious disease as it can lead to bronchitis, croup, pneumonia, ear infections, heart and other organ damage, brain inflammation and brain damage, and death.
Japanese encephalitis virus (JEV)	JEV is a flavivirus related to dengue, yellow fever, and West Nile viruses. It is spread by mosquitoes and is more common in areas of increased mosquito activity. It is endemic to parts of Asia and the Torres Strait region of Australia, and is preventable by vaccine.
Jurisdictions	In the Commonwealth of Australia, these include the 6 states, the Commonwealth Government and the 2 territories.
Measles	A highly contagious infection, usually in children, that causes flulike symptoms, fever, a typical rash and sometimes serious secondary problems such as brain damage. Preventable by vaccine.
Medical Research Future Fund (MRFF)	The MRFF delivers better and more advanced health care and medical technology for Australians. It provides support to researches to discover the next penicillin, pacemaker, cervical cancer vaccine or cochlear ear.
Medicare	A national, government-funded scheme that subsidises the cost of personal medical services for all Australians and aims to help them afford medical care. The Medicare Benefits Schedule (MBS) is the listing of the Medicare services subsidised by the Australian Government. The schedule is part of the wider MBS (Medicare).
Mpox (Monkeypox)	Mpox is caused by the monkeypox virus, which is of the same family as the variola virus, which causes smallpox. Most cases are contracted through close physical contact, and most people who contract Mpox will present with mild illness that includes a distinctive rash and/or systemic symptoms (fever, headache, swollen lymph nodes, etc). Smallpox vaccines and treatments are thought to be effective against Mpox.

National Aboriginal and Torres Strait Islander Health Plan 2021–2031	Sets the policy direction for First Nations health and wellbeing. It will guide the development of all First Nations health policies, programs, and initiatives over the next 10 years.
National Aged Care Advisory Council	Provides expert advice to government on key matters relating to the aged care sector, including to support implementation of aged care reforms, ensuring advice reflects the needs and expectations of older Australians, their families and carers, and the diverse needs of these groups.
National Bowel Cancer Screen Program (NBCSP)	The NBCSP aims to reduce deaths from bowel cancer by detecting the early signs of the disease. Eligible Australians aged 50 to 74 years are sent a free, simple test that is completed at home.
National Cervical Screening Program	Aims to reduce illness and death from cervical cancer. Women and people with a cervix aged 25 to 74 years are invited to have a cervical screening test every 5 years through their healthcare provider.
National Diabetes Services Scheme (NDSS)	Helps people with diabetes to understand and manage their life with diabetes. It also provides timely, reliable, and affordable access to NDSS support services and products, including syringes and needles, blood glucose strips, insulin pump consumables, and continuous glucose monitoring products.
National Health Reform Agreement (NHRA)	Signed by all Australian governments, the 2020–25 Addendum to the National Health Agreement commits to improving health outcomes for all Australians by providing better coordinated care in the community, and ensuring the future sustainability of Australia's health system. It is the key mechanism for the transparency, governance, and financing of Australia's public hospital system.
National Incident Centre	The National Incident Centre is the department's emergency response centre. It coordinates national responses to health emergencies, significant events and emerging threats, where there is an impact on human health or health systems.
National Preventive Health Strategy 2021–2030 (NHPS)	The NHPS aims to improve the health and wellbeing of all Australians at all stages of life through a systems-based approach to prevention that addresses the wider determinants of health, reduces health inequities and decreases the overall burden of disease.
Organisation for Economic Co-operation and Development (OECD)	An organisation of 38 countries (mostly developed and some emerging, such as Mexico, Chile and Turkey), including Australia. The OECD's aim is to promote policies that will improve the economic and social wellbeing of people around the world.
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. The department's current Outcomes are listed on page 21.
Pandemic	A pandemic is a worldwide spread of a new disease, such as a new influenza virus, or the coronavirus that causes COVID-19.
Pharmaceutical Benefits Advisory Committee (PBAC)	PBAC is an independent expert body appointed by the Australian Government. Members include doctors, health professionals, health economists and consumer representatives. Its primary role is to recommend new medicines for listing on the PBS. No new medicine can be listed unless the committee makes a positive recommendation.
Pharmaceutical Benefits Scheme (PBS)	A national, government-funded scheme that subsidises the cost of a wide range of pharmaceutical drugs for all Australians to help them afford standard medications. The PBS lists all the medicinal products available under the PBS and explains the uses for which they can be subsidised.
Portfolio Budget Statements (PB Statements)	Statements prepared by portfolios to explain the Budget appropriations in terms of Outcomes and programs.

Prevalence	The number or proportion (of cases, instances, and so forth) in a population at a given time. In relation to cancer, prevalence refers to the number of people alive who had been diagnosed with cancer in a prescribed period (usually 1, 5, 10 or 26 years). Compare with incidence.
Primary care	Provides the patient with a broad spectrum of care, both preventive and curative, over a period of time and coordinates all of the care the person receives.
Primary Health Networks (PHNs)	PHNs are independent organisations funded to coordinate primary health care in their regions. PHNs assess the needs of their community and commission health services so that people in their region can get coordinated health care where and when they need it.
Program/Programme	A specific strategy, initiative or grouping of activities directed towards the achievement of government policy or a common strategic objective.
Prostheses List	Under the *Private Health Insurance Act 2007*, private health insurers are required to pay benefits for a range of prostheses that are provided as part of an episode of hospital treatment or hospital substitute treatment for which a patient has cover and for which a Medicare benefit is payable for the associated professional service. The types of products on the Prostheses List include cardiac pacemakers and defibrillators, cardiac stents, joint replacements and intraocular lenses, as well as human tissues such as human heart valves. The list does not include external legs, external breast prostheses, wigs and other such devices. The Prostheses List contains prostheses and human tissue prostheses and the benefit to be paid by the private health insurers. The Prostheses List is published bi-annually.
Public health	Activities aimed at benefiting a population, with an emphasis on prevention, protection and health promotion as distinct from treatment tailored to individuals with symptoms. Examples include anti-smoking education campaigns and screening for diseases such as cancer of the breast or cervix.
Severe Behaviour Response Teams (SBRT)	SBRTs are a mobile workforce of clinical experts including nurse practitioners, nurses, allied health staff, and specialists who help aged care providers who care for people with severe Behavioural and Psychological Symptoms of Dementia in residential aged care settings. They provide expert and timely advice when needed.
Silicosis	A preventable lung disease resulting from inhalation of very fine silica dust.
Telehealth	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
Therapeutic Goods Administration (TGA)	The TGA is Australia's regulatory authority for therapeutic goods such as medicines, medical devices, and diagnostic tests.
Vaccination	The process of administering a vaccine to a person to produce immunity against infection. See immunisation.
Vaping	Recreational use of vapourised nicotine and/or e-cigarettes.
World Health Organization (WHO)	The WHO is a specialised agency of the United Nations (UN). Its primary role is to direct and coordinate international health within the UN system. The WHO has 194 member states, including Australia.

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Snapshot References

1. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 2, Program 2.2: Hearing Services, page **70**

2. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 1, Program 1.1: Health Research, Coordination and Access, page **32**

3. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 2, Program 2.3: Pharmaceutical Benefits, page **73**

4. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 1, Program 1.5: Preventive Health and Chronic Disease Support, page **47**

5. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 2, Program 2.7: Assistance through Aids and Appliances, page **80**

6. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 2, Program 2.1: Medical Benefits, page **68**

7. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 3, Program 3.2: Aged Care Services, page **89**

8. Department of Health and Aged Care Annual Report 2022–23, refer Outcome 4, Program 4.1: Sport and Recreation, page **99**

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