



Australian Government  
Department of Health  
and Aged Care

# Annual Report

2023-24





# Welcome to the Department of Health and Aged Care Annual Report 2023–24

The department's 2023–24 Annual Report provides a transparent account to the public and Parliament of the activities undertaken by the department throughout the financial year. We report against our planned performance expectations, as outlined in the *2023–24 Health and Aged Care Portfolio Budget Statements* and *2023–24 Corporate Plan*, providing readers with financial and performance information about the work undertaken to achieve our vision of better health and wellbeing for all Australians, now and for future generations.

## 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 continue to care for the lands and waters on which we live and, work, and from which we benefit each day. We recognise the strengths and knowledge Aboriginal and Torres Strait Islander peoples provide to the health and aged care system and thank them for their ongoing contributions to those systems and 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.

*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 2023–24

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# 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 2024. 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 2023–24)
- *Industrial Chemicals Act 2019* (Appendix 4 – Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2023–24)
- *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 2023–24)
- *Work Health and Safety Act 2011* (Appendix 7 – Work Health and Safety)
- *Environment Protection and Biodiversity Conservation Act 1999* (Appendix 8 – Environment Protection and Biodiversity Conservation)
- *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

A handwritten signature in black ink, appearing to read 'Blair Comley'.

Blair Comley PSM

16 October 2024

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# Secretary's Review

Blair Comley PSM

## Introduction

Welcome to the department's 2023–24 Annual Report. I am pleased to present the work the department has undertaken across our health and aged care programs for the 2023–24 reporting year to support the Government to deliver better outcomes for the people of Australia.

We have progressed and implemented a number of initiatives throughout this year, to continue to achieve our vision of better health and wellbeing for all Australians, now and for future generations. It is impossible to cover the breadth of work across the department, however some key highlights are presented below:

## Strengthening Medicare

We supported the government to provide continued support for Australians managing chronic conditions, through making medicines more affordable and implementing 60-day prescriptions.

The 60-day prescriptions implemented on 1 September 2023 allows patients to receive twice the medication on a single prescription. Over 8.5 million 60-day prescriptions were dispensed, resulting in over \$54.6 million in patient savings. In 2023–24, the Pharmaceutical Benefits Scheme General co-payment reduction resulted in over \$280 million in patient savings.

The government introduced a triple bulk billing incentive under the Medicare Benefit Scheme on 1 November 2023 to support longer telehealth consultations for children under 16, pensioners and concession card holders registered in MyMedicare.

In 2023–24, the department delivered 47 additional Urgent Care Clinics allowing for more patients to get urgent care from a doctor or nurse, and take pressure off busy hospital emergency departments.

## Smoking, vaping, and improving cancer outcomes

The government introduced the *Public Health (Tobacco and Other Products) Act 2023* on 1 April 2024. The new Act seeks to consolidate and strengthen tobacco control with new measures to reduce the appeal of tobacco and regulate e-cigarettes. A Vaping Response Plan developed by the National E-Cigarette Working Group detailed three implementation stages to deliver advanced new tobacco and e-cigarette control reforms under the National Tobacco Strategy 2023–2030.

The Government launched the Australian Cancer Plan in 2023–24 to enhance cancer prevention, screening, treatment and care. Key investments over 4 years include \$263.8 million for a National Lung Cancer Screening Program, \$238.5 million to improve First Nations cancer outcomes and \$186.2 million for the Australian Cancer Nursing and Navigation Program. To eliminate cervical cancer

by 2035, \$48.2 million has been invested to focus on increasing screening and early detection in priority populations.

## **2020–25 National Health Reform Agreement**

The department has been working collaboratively with states, territories, and the Independent Health and Aged Care Pricing Authority to begin moving community mental health funding from block to activity-based funding.

In October 2023, a Mid-Term Review evaluating the Addendum's effectiveness and alignment with health priorities was published. The 45 recommendations of the Mid-Term Review are informing negotiations for the 2025–30 National Health Reform Agreement Addendum.

## **Strengthening First Nations Health**

The Tackling Indigenous Smoking program adjusted service boundaries on 1 July 2023 to ensure nationwide coverage and enhance culturally appropriate vaping-prevention activities, while continuing efforts to reduce smoking among First Nations people.

As at May 2024, the First Nations Health Worker Traineeship (FNHWT) program has supported 45 trainees to complete their qualifications to become Aboriginal Health Workers and Practitioners. Over 240 people are enrolled and 55 Aboriginal Community Controlled Health Organisations are participating.

47 students graduated from the Indigenous Allied Health Australia (IAHA) Health Academy program in 2023, with the program continuing to support high school students in health literacy, leadership and career planning, transitioning into traineeships and gaining work experience in five locations across Australia.

## **Reforming aged care**

The Aged Care Taskforce chaired by the Minister for Aged Care, the Hon Anika Wells, delivered its final report in December 2023. It was released by the government on 12 March 2024.

The department advanced the development of a new Aged Care Act in 2023–24, a key reform following the Royal Commission into Aged Care Quality and Safety. Public consultations on the new Act took place in two stages, with the new Act expected to commence on 1 July 2025, pending parliamentary approval.

## **Nursing and Midwifery workforce**

The department conducted extensive consultations on the development of Australia's first National Nursing Workforce Strategy during 2023–24, with drafting to continue in to 2024–25. The Commonwealth and Victoria Departments of Health, alongside all jurisdictions and nursing stakeholders are developing the Strategy, which aims to provide a national approach to nursing policy, with a vision of valuing and empowering nurses to innovate and excel.

The department developed a Nursing Supply and Demand Model which projects the nursing workforce supply and demand until 2035 at national, state/territory, and Modified Monash Model levels. It provides full-time equivalent (FTE) and headcount projections for enrolled nurses, registered nurses, and nurse practitioners. The results are available on the department's website.

## **National apology to thalidomide survivors and their families**

On 29 November 2023, the government and the Australian Parliament, on behalf of the people of Australia offered a full, unreserved and overdue apology to all thalidomide survivors, their families, loved ones and carers. The apology was followed by the unveiling of the national memorial to survivors of the thalidomide tragedy and their families, on the shores of Lake Burley Griffin in Canberra. The department played a critical role in supporting these events, and the implementation of the Australian Thalidomide Survivors Support Program.

## **Mental Health Reform**

The government and the department have worked collaboratively with the mental health sector to respond to the evaluation of the Better Access to Psychiatrists, Psychologists and General Practitioners through the Medicare Benefits Schedule initiative (Better Access). In June 2023, the Minister established the Mental Health Reform Advisory Committee to inform its response to the evaluation and advise on broader mental health reforms. The Mental Health Advisory Committee met 5 times and published its Final Summary on 15 August 2024. These discussions helped inform the Commonwealth's 2024–25 Budget investment of \$361 million, including the establishment of a new National Early Intervention Service to provide free access to evidence-based therapies across Australia. The Government's response to the Better Access evaluation was published in August 2024.

## Investing in Women's Sport

Following the success of the 2023 FIFA Women's World Cup, the government announced the \$200 million Play Our Way program. Play Our way is the single biggest package for women's sport participation ever, and will mean that women and girls will find sport and physical activity safer and more accessible. The department has supported the assessment of more than 660 grant applications for the Participation Phase, with \$55 million in grants awarded to 120 organisations.

The second phase of Play Our Way, which will deliver grants for facilities, will be finalised in 2024–25.

## Capability review

The department participated in an APS-wide Capability Review pilot in 2023–24, to ensure we build and maintain the necessary capabilities for current and future challenges. In response to the findings of the review, the department has released an action plan focusing on 3 themes: lifting strategic policy capability; deepening our engagement with community and stakeholders; and unlocking our executive leader potential. Further information on the review can be found in Part 3.6 of this Annual Report.

## Looking ahead

I acknowledge all departmental staff for their ongoing dedication to delivering the departments objectives throughout 2023–24, and look forward to both building our capability and delivering across the full range of our responsibilities during 2024–25.



Blair Comley PSM  
Secretary



# Chief Medical Officer's Report

Professor Paul Kelly

## Australian Centre for Disease Control

The Interim Australian Centre for Disease Control (CDC) commenced on 1 January 2024 within the Department of Health and Aged Care under the leadership of the Chief Medical Officer, as the first step in the phased implementation of the Government's commitment to establish an Australian CDC. The standalone Australian CDC will be established in a phased approach which will allow for the lessons of the COVID-19 pandemic to inform its design.

The department stood up the CDC Establishment Taskforce on 29 January 2024 to further progress and prioritise work on establishing a standalone CDC. This taskforce is led by a Senior Responsible Officer, reporting directly to the Secretary. It operates alongside and in collaboration with the interim Australian CDC and is consulting closely with colleagues across State and Territory Governments.

In 2023–24, work progressed to scope and design the future Australian CDC and strengthen Australia's current management of public health risks and response to health emergencies.

There has been a range of key achievements during 2023–24, particularly in the internal governance settings that will assist in establishing a standalone CDC, enhancing the Interim CDC's outward facing communications, scoping a new national surveillance system and the release of new national reporting on the patterns of respiratory viruses.

Key activities achieved in 2023–24 include:

### Governance:

- In November 2023, all jurisdictional Health Ministers agreed to a Statement of Intent, setting out the commitment of the Commonwealth, states, and territories to work together to establish an Australian CDC. On 14 June 2024, Health Ministers reaffirmed their commitment to establishing an Australian CDC and agreed strong state and territory partnerships will be critical to the Australian CDC's success.
- Establishment of the One Health Unit to improve surveillance and response to zoonoses,<sup>1</sup> antimicrobial resistance and vector-borne disease through new coordinated approaches with animal and environmental sectors.
- Establishment of the National Occupational Respiratory Disease Registry to monitor and address the emergence of silicosis amongst those working with engineered stone.

<sup>1</sup> Zoonosis or zoonotic diseases are infectious diseases that can pass from animals to humans.

- Establishing the Health Security Unit (HSU) to expand surveillance, improve national health threat assessment and access to information through new partnerships in the Australian intelligence community. This better informs deployable response capability assets, such as the National Medical Stockpile (NMS) and the Australian Medical Assistance Team (AUSMAT) managed by the National Critical Care and Trauma Response Centre (NCCTRC).

### Data and reporting:

- Integration of COVID-19 into a holistic acute respiratory infection surveillance approach through the launch of the Australian National Surveillance Plan for COVID-19, Influenza and respiratory syncytial virus (RSV) and the Australian Respiratory Surveillance Report (ARSR).
- Commencement of the National Surveillance System Project (NSSP) in October 2023 to scope, design and seek investment approval for a new National Public Health Surveillance System (NPHSS).
- Commencement of a scoping project in November 2023 to test the feasibility of introducing a nationally networked laboratory information management system environment to enhance information sharing for communicable disease preparedness and response.
- Launch of the Australian CDC Preliminary Data Strategy. The Preliminary Strategy establishes the Australian CDC as a data-driven organisation and sets out 4 priority areas for action over the interim phase of the Australian CDC. Increasing engagement with international peers to draw on lessons learnt in operating effective CDC-equivalent entities. This includes exploring governance models for better emergency preparedness and response across National Public Health Agencies (NPHAs) in Singapore, increased knowledge sharing of public health surveillance and data methods with experts from public health institutes in the 'Five Eyes' countries, and leading discussions at the 2024 Global Health Security Conference in Sydney.

### Public health and preparedness leadership:

- Leading the national response to priority infections disease events, including rapid assessment of risk to Australia from recent H5N1 cases overseas and nationally.
- Stepping up the national syphilis response by overseeing coordination of national priority actions, launch of the 'Beforeplay' STI campaign to increase awareness of prevention, reduce stigma associated with getting tested and treated, partner notification, and community education.
- Improved emergency preparedness and response, including development of the draft Health Emergency Capability and Assurance Framework which defines the minimum requirements as they relate to essential internal emergency management capabilities, training, education, exercising and assurance.
- Successfully delivered the first multi-jurisdictional exercise preparing for a national health emergency since the COVID-19 pandemic. All jurisdictions were represented.
- Leading the development of the National Immunisation Strategy 2025–2030, which will outline key strategic efforts required to protect Australians from the harms of vaccine preventable diseases over the next 5 years.
- Networked with international counterparts and presented at the World Health Organization's (WHO's) Public Health Emergency Operations Centres Network (EOC-NET) 2024 Global Network Conference in April 2024. Joined the WHO Western Pacific EOC-NET Regional Forum, to strengthen collaboration and share best practice.
- Participated in the inaugural World Health Organization's (WHO's) Asia Pacific Health Security Action Framework (APHSAF) Stakeholders Meeting. Participants joined to identify, evaluate and address challenges and opportunities in implementing APHSAF, taking a multisectoral, One Health approach to health security at national and regional levels.
- Networked with international counterparts through the Medical Countermeasures Consortium meeting in April 2024. The interim CDC is collaborating internationally on procurements of countermeasures against Chemical, Biological, Radiological and Nuclear (CBRN) threats.

## Communications:

- Delivery of new communications activities to increase transparency and engagement with the interim CDC including, hosting a flu and respiratory illness webinar for health professionals, and expanding the interim CDC's social media and website presence.

## End of COVID-19 emergency response

COVID-19 was declared a 'Communicable Disease Incident of National Significance' (CDINS) on 18 February 2020. The CDINS declaration lasted 1,340 days, ending on 20 October 2023, making it the longest health emergency in Australia's history. Following the end of the COVID-19 CDINS, the Australian Government's response to the COVID-19 pandemic changed from an emergency response to routine management, consistent with other common communicable diseases. This change provided the opportunity to integrate and streamline our national surveillance and reporting of nationally notifiable acute viral respiratory diseases, specifically COVID-19, influenza, and RSV. Correspondingly, the National Incident Centre which had been activated for COVID-19 since 22 January 2020 was deactivated and transitioned to alert status on 20 October 2023.

On 15 February 2024, the department published a national response to the House Standing Committee on Health, Aged Care and Sport's Inquiry into Long COVID and Repeated COVID Infections. The Plan provides a framework for the health system to respond to Post-Acute Sequelae of COVID-19 (PASC) in Australia, within the context of existing health reforms. The plan outlines 3 main strategic priorities: improve primary care-based models of care for PASC, increase community and health sector awareness of PASC and increase support for PASC research.

Throughout the COVID-19 pandemic, the NMS's function and expertise was leveraged to rapidly procure and deploy personal protective equipment (PPE), COVID-19 treatments and other medical supplies to support Australia's health emergency response. This was done while maintaining capacity to deal with other health emergencies throughout the nation. To illustrate scale, before the pandemic the NMS made up to 10 deployments per year. During the pandemic the NMS completed over 280,000 PPE and COVID-19 related deployments and deployed over 1 million COVID-19 treatments since January 2020. This includes deployments to Aged Care, disability, Primary Care and state or territory governments. Deployments ceased on 30 April 2024.

To this end, on 17 April 2024, the department published the first version of the Australian National Surveillance Plan for COVID-19, Influenza and RSV, and the first issue of the Australian Respiratory Surveillance Report (ARSR). The Plan and the ARSR aim to inform public health decision making and national policy responses to these viral respiratory infections in Australia. As living documents, the department will adjust and update them in line with changes to the characteristics of these viruses and their epidemiology, and new technologies and approaches for disease control and surveillance.

## Immunisation

Vaccination remains a key public health measure. Co-administration of influenza and COVID-19 vaccines is an effective way to protect people from respiratory illnesses over winter.

The annual influenza vaccination is important to prevent influenza complications. The 2023 seasonal influenza vaccine was available for free under the National Immunisation Program (NIP) for people most at risk of severe influenza. More than 9.3 million doses of influenza vaccines were administered nationally during the 2023 influenza season (as reported to the Australian Immunisation Register (AIR) as at 3 October 2023). Influenza vaccination remains important, and 2024 influenza vaccines continue to be available to eligible people for free under the NIP.

In 2023–24, nearly 3.5 million doses of the COVID-19 vaccine were provided through the National COVID-19 Vaccine Program free of charge. Older Australians and other people at greater risk of severe disease and death from COVID-19 are encouraged to maintain their recommended COVID-19 vaccinations.

Recent changes to the NIP are providing further protection for the health of older Australians. From 1 November 2023, Shingrix® became a key NIP listing, with eligibility for adults aged 65 years and older, First Nations adults aged 50 years and older, and immunocompromised adults (18 years and older) at medium-high risk of complications from shingles. More than 1.7 million doses of Shingrix® have been administered so far (doses reported to the AIR between 1 November 2023 to 23 June 2024). Demand for this program remains high and the department continues to work with the supplier to ensure adequate supply is maintained.

## National Occupational Respiratory Disease Registry

On 22 May 2024, Australia's first National Occupational Respiratory Disease Registry commenced operation. The Registry captures and shares information on respiratory disease likely to have been occupationally caused or exacerbated.

The information captured on the Registry will assist governments to develop a greater understanding of the nature and extent of silicosis and other occupational respiratory diseases and assist industry and regulatory bodies to reduce worker exposure to respiratory disease-causing agents.

During 2024, the Australian Government awarded grants to the Thoracic Society of Australia and New Zealand along with the Royal Australian and New Zealand College of Radiologists. The grants were awarded to develop and provide training and support for health professionals to build capability in the diagnosis and treatment of silicosis and other occupational respiratory diseases.

## National Health and Climate Strategy

In recognition of the urgent need to address the health risks associated with climate change, the department launched Australia's first National Health and Climate Strategy (the Strategy) on 3 December 2023. The Strategy sets out a whole-of-government plan for addressing the health and wellbeing impacts of climate change, whilst also addressing the health system's contributions to Australia's greenhouse gas emissions.

The Strategy will be achieved through 4 objectives:

- **Health system resilience:** build a climate-resilient health system and enhance its capacity to protect health and wellbeing from the impacts of climate change.
- **Health system decarbonisation:** build a sustainable, high quality, net zero health system.
- **International collaboration:** collaborate internationally to build sustainable, climate-resilient health systems and communities.
- **Health in all policies:** support healthy, climate-resilient and sustainable communities through whole-of-government action which recognises the relationship between health and climate outcomes.

## Emerging Issues

### Syphilis

Syphilis is a serious infection caused by the *Treponema pallidum* bacterium. It has a complex disease progression and early symptoms are often unnoticed. Left untreated, it can have significant health effects in several organ systems. In pregnant women it can lead to birth complications, congenital syphilis, and miscarriages. Syphilis is treatable with long-acting penicillin injections.

In 2023, the highest number of infectious syphilis cases were notified, with cases reported in almost every part of Australia. Notifications of infectious syphilis among women of reproductive age have continued to increase in 2023, rising by 20% compared to 2022. Increases in infectious syphilis among women in 2023 have coincided with the highest number of congenital syphilis cases reported (n=20) since 1995 and the highest number of associated deaths ever reported in a single year (n=10).<sup>2</sup> Syphilis surveillance reports are published quarterly.<sup>3</sup>

In response, the Australian Government has renewed governance arrangements under the Australian Health Protection Committee, mobilising the subcommittees to address syphilis (including the Communicable Disease Network of Australia, the Blood Borne Virus and Sexually Transmissible Infections standing committee, and the National Aboriginal and Torres Strait Islander Health Protection subcommittee). Each of these committees include all jurisdictional governments in Australia, and a wide range of technical experts, community representatives and peak bodies.

In May 2024, the Australian Government committed \$15 million for delivery of National Blood Borne Virus and Sexually Transmissible Infections strategy initiatives, which includes syphilis specific actions. With an additional \$7.9 million to continue support for peak organisations' capability and capacity to deliver the National Strategies' initiatives. This is in addition to a further \$4.73 million provided for the Enhanced Syphilis Response program in June 2024. Additionally, from 1 July 2024, the GP Blood Borne Viruses, and Sexual Reproductive Health telehealth items, which were set to expire on 30 June 2024, have become permanent.

<sup>2</sup> Syphilis has been nationally notifiable since 1991, however prior to 2004, syphilis cases were reported under the overarching category of syphilis (all), which was inclusive of all cases of syphilis regardless of the stage of infection. From 2004, the syphilis (all) category was redefined with cases of syphilis reported under 3 new categories: infectious syphilis (2 years duration) and congenital syphilis ([www.health.gov.au/resources/collections/cdna-surveillance-case-definitions](http://www.health.gov.au/resources/collections/cdna-surveillance-case-definitions)).

<sup>3</sup> Available at: [www.health.gov.au/resources/collections/national-syphilis-monitoring-reports#quarterly-reports-2021-onwards](http://www.health.gov.au/resources/collections/national-syphilis-monitoring-reports#quarterly-reports-2021-onwards)

## Mpox

Mpox (formerly referred to as 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.

To the end of June 2024, there has been a total of 278 (confirmed and probable cases) of Mpox and no deaths reported in Australia since the first notified case in Australia in May 2022. Notified cases were low in 2023 and increased again from April 2024. In the first 6 months of 2024, there have been 108 cases of Mpox diagnosed (data extracted on 30 July 2024) in Australia. Compared to previous years, a greater proportion of the cases (88%) in 2024 have been acquired in Australia. As of 30 June 2024, all but one notified cases have been in adult males and all cases occurred in adults.

Since May 2022, the department has continued to work closely across state and territory governments, peak bodies, health organisations and communities. Activities have focussed on raising awareness of signs and symptoms in the community through social media channels, health care providers knowledge of vaccination and testing through primary health networks and supporting the reformation of the National Mpox Taskforce.

The Australian Government previously procured Mpox vaccines for use in Australia: JYNNEOS®. JYNNEOS® (modified vaccinia virus Ankara – Bavarian Nordic, MVA-BN) is a vaccine used to prevent infection with smallpox and Mpox viruses. The National Medical Stockpile (NMS) held and deployed antiviral treatments (Tecovirimat) to support localised cases.

The department continues to monitor the Mpox situation domestically and internationally, including the global outbreak of monkeypox virus (MPXV) Clade IIb and MPXV Clade I in the Democratic Republic of the Congo.

## Highly pathogenic avian influenza

The National Incident Centre (NIC) was activated on 20 May 2024 to provide a central coordination point for Health's response to the increasing risk posed to human health in Australia, from the international outbreaks of Highly Pathogenic Avian Influenza (HPAI) A.

The interim CDC has been actively engaging across government on the response, including

with National Emergency Management Agency and the Department of Agriculture, Fisheries and Forestry, which is the lead agency responsible for monitoring the threat posed to Australia by the global spread of HPAI A (H5N1) in animal and bird populations. The Commonwealth Chief Medical Officer (CMO) is in regular contact with the Commonwealth Chief Veterinary Officer and the Chief Vet of Wildlife Australia.

Over the past 2 years, the NMS has taken steps to ensure Australian Government preparedness to respond quickly to an outbreak of avian influenza. CSL Seqirus is contracted by the department to maintain a stockpile of candidate pandemic influenza vaccine antigen in bulk for a strain of the department's choice. Ready access to bulk vaccine antigen gives Australia a good 'head start' if the influenza virus with pandemic potential evolve to more readily transmit human to human and the risk of a case in Australia increases. The NMS also maintains a strategic stockpile of antiviral treatments to protect Australians against the threat of avian influenza. Early planning is underway within the interim CDC to guide deployments of vaccines and treatments if HPAI situation escalates.

## Australia's vaccination coverage rates

There are concerning trends in vaccination rates and overall population coverage. The achievements of COVID-19 vaccination programs across the world and in Australia came at the expense of routine immunisation programs, especially in children. The decline is steeper amongst First Nations children.

Australia's aspirational target of at least 95% vaccination coverage for children at 1, 2 and 5 years of age is the rate needed to disrupt disease transmission for the most infectious diseases, such as measles. The decline raises concerns about a potential resurgence of measles within the Australian community. The vaccination rates for measles-mumps-rubella (MMR), assessed at 2 years of age, have declined by approximately 1 percentage point over the last 12 months (from 93.55% in September 2022 to 92.61% in September 2023). This decline in MMR coverage is also evident among First Nations children, where the coverage rate continues to decrease (from 91.62% in September 2022 to 90.98% in September 2023).

There are also changes in attitudes towards immunisation. Despite Australia reaching a two-dose COVID-19 vaccine coverage of approximately 81% by the end of 2022, exposure to vaccine misinformation and disinformation is compounding

the challenges in increasing community confidence in vaccines. Community confidence in vaccines and the healthcare system is integral to effective immunisation programs.

Achieving high vaccine coverage requires people to accept vaccines are safe and effective, to be motivated to get immunisation for themselves or people in their care, and to not face barriers in accessing immunisation services.

The National Immunisation Strategy 2025–2030 (Strategy) builds on two previous national strategies (2013–18, 2019–24) to guide efforts to protect Australians from the harms of vaccine preventable diseases. The Strategy will draw on lessons from the COVID-19 pandemic and recent emergency outbreaks, providing a roadmap for national action on key immunisation priorities in Australia. The Strategy will also look

to address new opportunities and challenges in a shifting immunisation landscape, such as rapid technological advances, fluctuating community sentiment including vaccine hesitancy, and some recent concerning declines in childhood vaccination coverage. The Strategy has been developed by interim Australian Centre for Disease Control, in partnership with the National Centre for Immunisation Research and Surveillance. It has been informed by significant consultation and expected to be considered by Government later in 2024.





# Part 1: About the Department

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# Part 1.1:

## Health and Aged Care Portfolio

The Health and Aged Care Portfolio includes 18 entities and 7 statutory office holders. These entities help us deliver the Australian Government's health and aged care policies and programs.

As at 30 June 2024, 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 Physical Activity

### 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 Physical Activity

### Portfolio Entities/Statutory Office Holders:

Aged Care Quality and Safety Commission  
Aged Care Quality and Safety Commissioner  
Australian Sports Commission  
Australian Sports Foundation  
Office of the Inspector-General of Aged Care  
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:** First Nations Health

# Part 1.2: Portfolio Structure

As at 30 June 2024, the Health and Aged Care Portfolio consisted of:



## Department of State

### Department of Health and Aged Care

Secretary:  
Blair Comley PSM<sup>4</sup>



## Portfolio Entities

### Aged Care Quality and Safety Commission

Commissioner:  
Janet Anderson PSM

### Australian Sports Foundation Limited

Chief Executive Officer:  
Patrick Walker

### Australian Commission on Safety and Quality in Health Care

Chief Executive Officer:  
Conjoint Professor Anne Duggan

### Cancer Australia

Chief Executive Officer:  
Professor Dorothy Keefe PSM MD

### Australian Digital Health Agency

Chief Executive Officer:  
Amanda Cattermole PSM

### Food Standards Australia New Zealand

Chief Executive Officer:  
Dr Sandra Cuthbert

### Australian Institute of Health and Welfare

Chief Executive Officer:  
Dr Zoran Bolevich

### Independent Health and Aged Care Pricing Authority

Chief Executive Officer:  
Professor Michael Pervan

### Australian Radiation Protection and Nuclear Safety Agency

Chief Executive Officer:  
Dr Gillian Hirth

### National Blood Authority

Chief Executive Officer:  
John Cahill

### Australian Sports Commission

Chief Executive Officer:  
Kieren Perkins OAM

### National Health Funding Body

Chief Executive Officer:  
Shannon White

<sup>4</sup> Mr Blair Comley PSM was the department's accountable authority for the period of this report.

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**National Health and Medical Research Council**

Chief Executive Officer:  
Professor Steve Wesselingh

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**National Mental Health Commission**

Interim Chief Executive Officer:  
Paul McCormack

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**Office of the Inspector-General of Aged Care**

Acting Inspector-General:  
Ian Yates AM

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**Organ and Tissue Authority (Australian Organ and Tissue Donation and Transplantation Authority)**

Chief Executive Officer:  
Lucinda Barry AM

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**Professional Services Review**

A/g Director:  
Dr Antonio Di Dio

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**Sport Integrity Australia**

Chief Executive Officer:  
David Sharpe APM OAM

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## Statutory Office Holders

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**Aged Care Quality and Safety Commissioner**

Janet Anderson PSM

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**Australian Industrial Chemicals Introduction Scheme**

Executive Director: Graeme Barden

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**Gene Technology Regulator**

Dr Raj Bhula

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**National Health Funding Pool Administrator**

Toni Cunningham

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**National Health and Medical Research Council Commissioner of Complaints**

Chris Reid

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**National Rural Health Commissioner**

Dr Ruth Stewart

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**National Sports Tribunal**

Chief Executive Officer: Dr Michelle Gallen

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# Part 1.3: Departmental Overview

The Department of Health and Aged Care is a Department of State. In 2023–24, 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.



# 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 2023–24.

## **Outcome 1: Health Policy, Access and Support**

- 1.1:** Health Research, Coordination and Access
- 1.2:** Mental Health
- 1.3:** First Nations 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

## **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 Physical Activity**

- 4.1:** Sport and Physical Activity



# Part 2: Annual Performance Statements

<b>Part 2.1: 2023–24 Annual Performance Statements</b>	<b>24</b>
<b>Outcome 1:</b> Health Policy, Access and Support	28
<b>Outcome 2:</b> Individual Health Benefits	61
<b>Outcome 3:</b> Ageing and Aged Care	72
<b>Outcome 4:</b> Sport and Physical Activity	86

# Part 2.1: 2023–24 Annual Performance Statements

As the accountable authority of the Department of Health and Aged Care, I present the Department of Health and Aged Care's 2023–24 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 present the entity's performance in the reporting period, and comply with subsection 39(2) of the PGPA Act.

The Australian National Audit Office (ANAO) is currently undertaking an audit of the department's 2023–24 annual performance statements. I am aware the ANAO has formed the view that the annual performance statements for components of certain measures do not fully meet the requirements of the PGPA Act. The department has commenced its continuous improvement journey and will use best endeavours to improve its performance reporting to the public and the parliament.



**Blair Comley PSM**

Secretary

16 October 2024

## Introduction

As required under the PGPA Act, this report contains the Department of Health and Aged Care's Annual Performance Statements for 2023–24. The Annual Performance Statements detail results achieved against planned performance criteria set out in the *2023–24 Health and Aged Care Portfolio Budget Statements* and the department's *2023–24 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
- 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.

The department reviewed its key activities between the 2023–24 Portfolio Budget Statements and 2023–24 Corporate Plan. The key activities reported in the 2023–24 Annual Performance Statements are aligned with the 2023–24 Corporate Plan accordingly.

To enable a comparative analysis, the department has included prior year results back to the 2021–22 financial year where the performance information is consistent across the years.

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

## Results Key

- **Achieved**  
The result achieved the planned performance for 2023–24.
- ▮ **Substantially achieved**  
Substantially achieved results are applied to measures which comprise of a number of sub-targets, these are aggregated, and each sub-target is weighted equally in determining the overall result.
- **Not achieved**  
The result did not achieve the planned performance for 2023–24. Where planned performance comprises of a number of sub-targets, these are aggregated, and each sub-target is weighted equally in determining the overall result.
- **Data not available**  
Data is not yet available to report for the 2023–24 financial year.

## 2023–24 departmental results overview

Outcome	Summary of results against performance criteria			
	Achieved	Substantially achieved	Not achieved	Data not available
Outcome 1: Health Policy, Access and Support	5	3	7	2
Outcome 2: Individual Health Benefits	5	-	3	-
Outcome 3: Ageing and Aged Care	3	2	2	-
Outcome 4: Sport and Physical Activity	-	2	-	-
<b>Total</b>	<b>13</b>	<b>7</b>	<b>12</b>	<b>2</b>

In 2023–24, the department continued to achieve against our measures, with a total of 20 planned performance targets either achieved or substantially achieved in 2023–24.

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.

## Key changes for 2023–24

A summary of key changes following the publication of our 2023–24 Portfolio Budget Statements and 2023–24 Corporate Plan is provided below<sup>5</sup>:

Program	Summary
1.1A – Health Research, Coordination and Access	The data source and methodology was updated for planned performance f. to further enhance the detail on the institutions participating on grants and the calculation methodology for the measure.
1.2A – Mental Health	The Key Activity was updated to include a reference to <i>mental health</i> services. The methodology was updated to include <i>PHN-commissioned mental health service contacts</i> for the numerator.
1.2B – Mental Health	The Key Activity and Performance Measure was updated to include a reference to <i>Medicare-subsidised</i> services.
1.2C – Mental Health	The methodology was updated to include <i>for 12–25 year olds</i> in the numerator.
1.4A – Health Workforce	The data source and methodology was updated to confirm the data source for planned performance e.
1.5A – Preventive Health and Chronic Disease Support	The data source and methodology was updated for planned performance b. and c. to include survey timeframes.
1.7A – Primary Care Practice Incentives and Medical Indemnity	The Program Objective was updated to confirm the <i>medical</i> workforce. The data source and methodology was updated to further enhance the detail around the methodology.
2.2A – Hearing Services	The data source and methodology was updated to further enhance the detail around the methodology for the <i>Hearing Services Program</i> .
2.7A – Assistance through Aids and Appliances	The data source and methodology was updated to confirm <i>face-to-face programs</i> contribute to the result.
3.1A – Access and Information	The data source and methodology was updated to further enhance the detail around the methodology for the <i>Contact Centre</i> .
3.2A – Aged Care Services	The data source and methodology was updated to further enhance the detail around the methodology and survey timeframes for the <i>Residents' Experience Survey</i> .
3.2B – Aged Care Services	The data source and methodology was updated to include detail around the data source and methodology for planned performance b. and c.
3.3A – Aged Care Quality	In the 2023–24 Corporate Plan, planned performance c. noted 'N/A' for 2023–24. A baseline has become available for 2023–24, and the final result has been included. The data source and methodology for c. has been included.

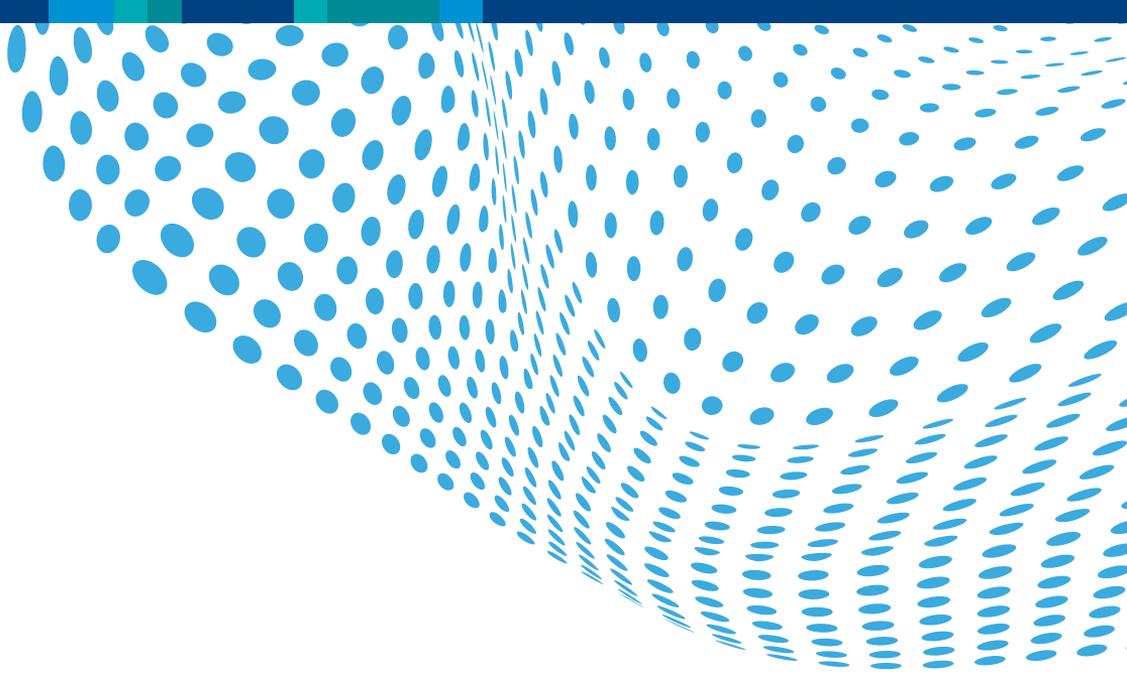
<sup>5</sup> The Department of Finance Resource Management Guide 134 – Annual Performance Statements for Commonwealth entities confirms if performance information, such as performance measures, targets, data sources and methodologies, differ between their Portfolio Budget Statements and from those set out in the Corporate Plan, entities should explain these changes in the Annual Performance Statements.



## **Outcome 1**

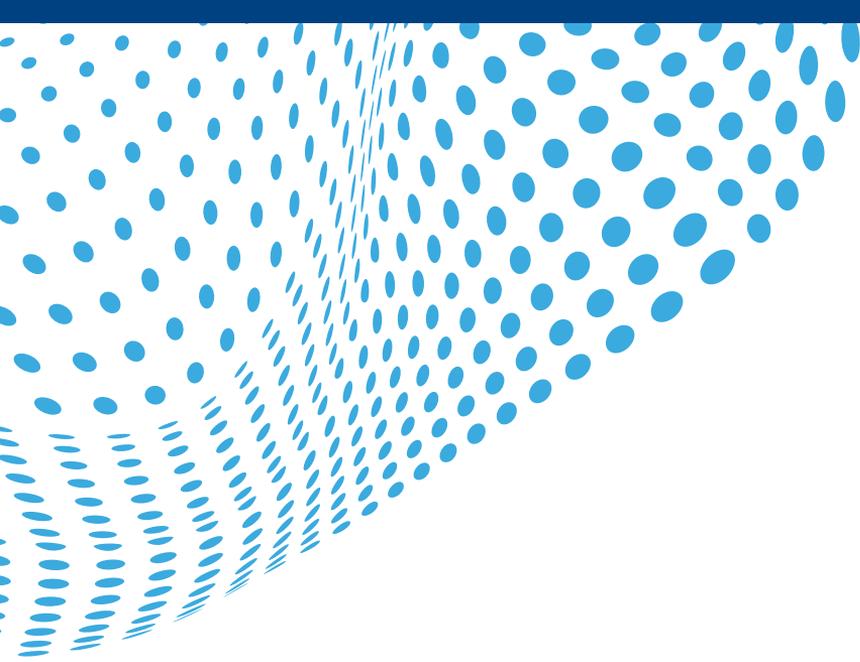
### Health Policy, Access and Support

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.



### Programs contributing to Outcome 1

Program	Summary of results against performance criteria			
	Achieved	Substantially achieved	Not achieved	Data not available
Program 1.1: Health Research, Coordination and Access	1	1	-	-
Program 1.2: Mental Health	1	-	2	-
Program 1.3: First Nations Health	1	-	-	-
Program 1.4: Health Workforce	-	1	-	-
Program 1.5: Preventive Health and Chronic Disease Support	-	-	1	1
Program 1.6: Primary Health Care Quality and Coordination	-	-	1	-
Program 1.7: Primary Care Practice Incentives and Medical Indemnity	-	-	1	1
Program 1.8: Health Protection, Emergency Response and Regulation	2	1	1	-
Program 1.9: Immunisation	-	-	1	-
<b>Total</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>2</b>



## **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 health 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.

**Key Activity:**

Providing a sustainable source of funding for transformative health and medical research through sources including the MRFF and the Biomedical Translation Fund.

Source: *Health and Aged Care Corporate Plan 2023–24, p.28*

**Performance Measure 1.1A:**

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 2023–24, p.58 and Health and Aged Care Corporate Plan 2023–24, p.28*

2023–24 Planned Performance	2023–24 Result	2022–23
<ul style="list-style-type: none"> <li>a. Disburse 100% of the available budget for the MRFF in 2023–24 to grants of financial assistance, consistent with the MRFF Act and the MRFF 10-Year Investment Plan.</li> <li>b. Support 40 new clinical trials.</li> <li>c. Provide funding for 15 new projects to develop and commercialise health technologies, treatments, drugs and devices.</li> <li>d. Build the capacity of First Nations peoples to lead Indigenous health and medical research.</li> <li>e. Build the capacity of the health and medical research sector.</li> <li>f. Support collaboration across the health and medical research sector.</li> <li>g. Enhance the capacity of the health and medical research sector by expanding the range of entities able to receive MRFF funding.</li> </ul>	<ul style="list-style-type: none"> <li>a. Disbursed 100% of the available budget for the MRFF in 2023–24 to grants of financial assistance, consistent with the MRFF Act and the MRFF 10-Year Investment Plan.</li> <li>b. Supported 123 new clinical trials.</li> <li>c. Provided funding for 26 new projects to develop and commercialise health technologies, treatments, drugs and devices.</li> <li>d. Provided funding for 33 new grants with a First Nations health focus; awarded funding to 8 unique First Nations lead researchers (Chief Investigators A) across 9 grants; and awarded funding to 100 unique First Nations research team members (Chief Investigators) across 44 grants.</li> <li>e. Awarded funding to 2,724 unique research team members (Chief Investigators).</li> <li>f. Provided funding for 233 grants with 3 or more participating institutions and 94 grants with 10 or more participating institutions.</li> <li>g. Confirmed the eligibility of 74 new organisations to receive MRFF funding, consistent with the MRFF Act.</li> </ul>	<ul style="list-style-type: none"> <li>a. 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.</li> <li>b. Supported 125 new clinical trials.</li> <li>c. Provided funding for 71 new projects to develop and commercialise health technologies, treatments, drugs and devices.</li> <li>d. 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.</li> <li>e. Awarded funding to 2,871 unique research team members (Chief Investigators).</li> <li>f. Provided funding for 247 grants with 3 or more participating institutions and 56 grants with 10 or more participating institutions.</li> <li>g. Confirmed the eligibility of 67 new organisations to receive MRFF funding, consistent with the MRFF Act.</li> </ul>
<b>Result: Substantially achieved</b>		

**Disclosures:**

A total of 91 from 1,683 respondents did not declare their Aboriginal and/or Torres Strait Islander status for result d.

**Data Source and Methodology:**

For all targets, the source data is provided by the grant hubs (National Health and Medical Research Council (NHMRC) and Business Grants Hub (BGH)) that receive, assess, administer and make payments for MRFF grants on the department's behalf. For target c., data on commercialisation projects is also provided by the grantees themselves (see below).

For target a., financial (expenditure) data uploaded by NHMRC and BGH to the Department of Health and Aged Care's Administered Reporting Information by Program (ARIP) is used. The data used for reporting are the sum of expenses for the MRFF under Priority 4 (MRFF Health Special Account) in 2023–24. Information on the value of investments is published in the department's annual financial statements, which are audited by the Australian National Audit Office and available on the department's website.

For all other targets, data on MRFF grants, researchers and research organisations (extracted from NHMRC's and BGH's grants management systems) and provided directly to the department is used. The data used for reporting are:

- b. MRFF grants executed in 2023–24 that fit the World Health Organization's definition of a clinical trial (as per standard operating procedure for classifying MRFF grants).
- c. MRFF grants executed in 2023–24 that have a specific focus on commercialisation (as per standard operating procedure for classifying MRFF grants). Also, MRFF-funded projects announced on the websites of companies that are awarded grants to help Australian organisations commercialise their research (including MTPConnect at [www.mtpconnect.org.au](http://www.mtpconnect.org.au), Brandon Capital Partners at [www.brandoncapital.com.au](http://www.brandoncapital.com.au) and ANDHealth at [www.andhealth.com.au](http://www.andhealth.com.au)) in 2023–24.
- d. MRFF grants executed in 2023–24 that have a specific focus on Aboriginal and/or Torres Strait Islander health (as per standard operating procedure for classifying MRFF grants), and the names of all research team members (Chief Investigators) on those grants and their Aboriginal and/or Torres Strait Islander status.
- e. MRFF grants executed in 2023–24 and the names of all research team members (Chief Investigators) on those grants.
- f. MRFF grants executed in 2023–24 and the names of all participating organisations on those grants. Institutions participating on grants include administering, primary, and government (local and federal) organisations, as well as other public and private entities involved in the funded research as declared by the applicants. Where an organisation name is not provided, it is calculated through other means (e.g. email domain, professional postal address, or self-declared professional position of the applicants).
- g. List of organisations that applied and were approved for MRFF Eligible Organisation status by NHMRC in 2023–24. Information on MRFF grants, researchers and research organisations is available on the department's website.<sup>6</sup>

<sup>6</sup> Available at: [www.health.gov.au/resources/publications/medical-research-future-fund-mrff-grant-recipients](http://www.health.gov.au/resources/publications/medical-research-future-fund-mrff-grant-recipients)

The Medical Research Future Fund (MRFF) was established to provide long-term sustainable funding for health and medical research that addresses the health needs and priorities of Australians. The performance measure for the MRFF indicates the extent to which it is supporting research across the translation and commercialisation pipeline, growing the research workforce, and supporting researchers and research organisations across the health system to deliver on its obligations under the *Medical Research Future Fund Act 2015* and the MRFF 10-Year Investment Plan.<sup>7</sup>

In 2023–24, the department fully disbursed 100% of the total available budget of \$650 million, including full disbursement of its allocations for clinical trials, commercialisation and First Nations health research through its Clinical Trials Activity initiative, Medical Research Commercialisation initiative and Indigenous Health Research Fund. The department also made substantial additional investments in clinical trials, commercialisation and First Nations health research through other initiatives under the MRFF 10-Year Investment Plan. The department also leveraged the diversity of its commitments across the MRFF 10-Year Investment Plan to meet its targets for health system sustainability by funding diverse researchers (including First Nations researchers) and research organisations across the health and medical research sector.

These results indicate that the MRFF is successfully targeting areas of health need that require sustained research investment. The results for researchers and research organisations also indicate a previously untapped pool of research expertise in Australia that the MRFF is successfully leveraging to meet the diverse health needs of Australians.

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<sup>7</sup> MRFF 10-Year Investment Plan: [www.health.gov.au/our-work/medical-research-future-fund/about-the-mrff/medical-research-future-fund-mrff-10-year-investment-plan](http://www.health.gov.au/our-work/medical-research-future-fund/about-the-mrff/medical-research-future-fund-mrff-10-year-investment-plan)

**Key Activity:**

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 and supporting effective collaboration between Commonwealth state and territory governments to improve health and wellbeing for all Australians.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.30

**Performance Measure 1.1B:**

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

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.59 and *Health and Aged Care Corporate Plan 2023–24*, p.30

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
Reduced rate of avoidable readmissions compared to 2021–22 baseline (0.78%).	0.75%	0.78%	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.
<b>Result: Achieved</b>			

**Disclosures:****2023–24 Result:**

The result reported is for the period of 1 July 2022 to 30 June 2023, as data is not available until 6 to 9 months after the end of each financial year.

**2022–23 Result:**

The result for 2022–23 has been finalised and is for the period 1 July 2021 to 30 June 2022, which establishes the 2021–22 baseline figure.

**2021–22 Result:**

Data was not available at the time of publishing the 2021–22 baseline result. The baseline is the reported result for the 2022–23 financial year, aligning with the timeframe the data became available within.

**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).

An Avoidable Hospital Readmission (AHR) is defined by the IHACPA and the Australian Commission on Safety and Quality in Health Care (ACSQHC), with the specifications for each financial year being published as part of the National Efficient Price Determination (NEP Determination).

Avoidable hospital readmissions are processed on the yearly reconciled APC data by the IHACPA and the Administrator of the National Health Funding Pool. The Administrator’s advice (and therefore data) is not available until 6–9 months after the end of the financial year.

The department’s methodology for the measurement of the target is:

Numerator: Administrator’s Advised AHR National Weighted Activity Unit (NWAU)

Denominator: Administrator’s Advised Total Acute Admitted NWAU

The 2021–22 baseline rate reflects the first year that public hospital services were priced and funded by this criteria under the 2020–2025 NHRA on ensuring a consistent approach across jurisdictions and is directly linked to a key NHRA obligation.

This performance measure has been amended since publication of the *Health and Aged Care Portfolio Budget Statements 2023–24* (p.59) with the inclusion of the 2021–22 baseline rate (0.78%).

The National Efficient Price Determination, which determines the amount of funding the government provides to public hospitals under the 2020–2025 National Health Reform Agreement (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.

The rate of avoidable readmissions to public hospitals was 0.75% for the reporting period 1 July 2022 to 30 June 2023, a reduction compared to the baseline rate.

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. The department will continue to work with 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.



# Program 1.2:

## Mental Health

### Program Objective

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

#### Key Activity:

Increasing access to PHN-commissioned mental health services.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.33

#### Performance Measure 1.2A:

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

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.60 and *Health and Aged Care Corporate Plan 2023–24*, p.33

2023–24 Planned Performance	2023–24 Result	2022–23
Annual increase on 2022–23 numbers.	6,436 PHN-commissioned mental health services used per 100,000 population.	6,487 PHN-commissioned mental health services used per 100,000 population.
	<b>Result: Not achieved</b>	

#### Disclosures:

##### 2023–24 Result:

The result was extracted on 8 July 2024, and includes data for the period 1 April 2022–31 March 2023 compared to 1 April 2023–31 March 2024. Service use is measured by the number of service contacts. The administrative data for the Primary Mental Health Care Minimum Data Set (PMHC MDS) numerator changes daily and the ABS ERP used as the denominator is updated regularly by the ABS. The 2023–24 measure uses the best available numerator and denominator data for 2022–23 from the data sources. Trends for this indicator are affected by a range of factors and should be interpreted with caution. The date of extraction is provided as results for a time period can continue to change daily, based on submissions and updates.

##### 2022–23 Result:

The 2022–23 data used in this report has been updated since the 2022–23 Annual Report. The result of 6,337 in the 2022–23 Annual Report was based on data extracted 17 July 2023. For the 2022–23 denominator used in this report, the most recent ABS published 30 June 2022 estimate is used. In the 2022–23 Annual Report 30 June 2021 ERP was used.

#### 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:

$100,000 \times (\text{Numerator} \div \text{Denominator})$ .

- Numerator: Number of PHN-commissioned mental health service contacts.
- Denominator: ABS Estimated Resident Population.

The Australian Government funds Primary Health Networks (PHNs) to conduct regional planning and commissioning of mental health and suicide prevention services. PHNs undertake mental health and suicide prevention planning and service commissioning at a regional level. To ensure these services are appropriate for their communities, commissioning decisions are informed by comprehensive regional needs assessments and consultations with key stakeholders.

This measure provides a high-level indication of PHN-commissioned mental health services accessed across Australia. Trends for this indicator are affected by a range of factors and should be interpreted with caution. This measure indicates that in 2023–24, fewer PHN-commissioned mental health services were accessed, compared to 2022–23. This decrease is within expected annual fluctuations. PHNs continue to ensure services meet the needs of their regions and address the demand for mental health services. The department continues to work with PHNs and their commissioned service providers to improve the completeness and quality of data submitted to the department.

As part of the ongoing improvement in service commissioning PHNs performance is monitored through the PHN Program Performance and Quality Framework. As data is received from PHNs the department identifies potential areas for improvement and works with the PHN to support activities to realise these improvements.

The mental health and suicide prevention needs across the population continuously change. The environmental context, including the continuing and emerging impacts of the COVID-19 pandemic, natural disasters, global conflicts, and the economy can impact mental health and service use. Part of the role of PHNs is to respond to emerging needs in their communities as influencing factors impact the demand for services and the service mix offered. Service access may also be impacted by workforce availability and capability. Performance is dependent on the demand and availability of services.

The mental health system has both national, state and territory government and PHN delivered services. Reforms to national or state and territory government services will influence the demand on PHN region specific services.

**Key Activity:**

Increasing the number of people accessing Medicare-subsidised mental health services.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.34

**Performance Measure 1.2B:**

Medicare-subsidised mental health services used per 100,000 population.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.61 and *Health and Aged Care Corporate Plan 2023–24*, p.34

2023–24 Planned Performance	2023–24 Result	2022–23
Annual increase on 2022–23 numbers.	47,357 Medicare-subsidised mental health services used per 100,000 population.	50,341 Medicare-subsidised mental health services used per 100,000 population.
	<b>Result: Not achieved</b>	

**Disclosures:****2023–24 Result:**

Data used for this measure has been provided by a third party. The result was extracted on 8 July 2024. The date of extraction is provided as results for a time period can continue to change daily, based on submissions and updates. The Medicare-subsidised mental health services data is the total number utilised, not the total number of patients who received these services. The 2022–23 data has been updated since the 2022–23 Annual Report. The administrative data source for the MBS claims processed numerator changes daily and ABS ERP used as the denominator is updated regularly by the ABS. The 2023–24 measure is most accurate by using the best available numerator and denominator data for 2022–23 from the data sources. The 2022–23 rate used in this report is based on MBS-claims data extracted on 8 July 2024, compared to 17 July 2023 for the 2022–23 Annual Report. For the 2022–23 denominator used in this report, the most recent ABS published 30 June 2022 estimate is used. In the 2022–23 Annual Report 30 June 2021 ERP was used.

**2022–23 Result:**

The 2022–23 data used in this report has been updated since the 2022–23 Annual Report. The result of 50,984 in the 2022–23 Annual Report was based on data extracted 17 July 2023.

**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:**

$100,000 \times (\text{Numerator} \div \text{Denominator})$ .

- Numerator: Number of MBS-subsidised mental health services claims processed.
- Denominator: ABS Estimated Resident Population.

This measure indicates that in 2023–24, fewer Medicare mental health services were accessed, compared to 2022–23. Medicare mental health services accessed through the MBS are provided on a demand-driven basis. As such, all MBS items, including those for mental health services, do not have specific funding allocations and/or key performance indicators to meet annually.

Demand for mental health services is influenced by the prevalence of mental ill health in the community and environmental and economic factors, emergencies, and the prevalence of domestic and international tragedies. Service access may also be impacted by workforce availability and capability. Performance is dependent on the demand and availability of services.

The department continued to work through mental health reforms, including the Better Access initiative in response to the Better Access evaluation, and other learnings throughout the COVID-19 pandemic in response to patient's needs. This included providing benefits for longer consultations and the tripling of the bulk billing incentive made seeing a GP more affordable for vulnerable and disadvantaged Australians.

The Australian Government is continuing to establish Medicare Mental Health Centres across Australia, providing free mental health support without needing a referral or appointment. Services are delivered outside of the MBS.

The data indicates that activity levels have reduced from their peak during the COVID-19 pandemic. This is consistent with broader trends in Medicare service use. Specifically, whilst total Medicare services grew by 1.1% in 2023–24, GP attendances declined by 1.4%, compared to the previous year. This follows a decline in GP Bulk Billing rates in previous years from 88.3% in 2021–22 to 80% in 2022–23. This coincided with a decline in the GP Full Time Equivalent workforce, which led to fewer services being available. Since increased GP Bulk Billing Incentives were introduced on 1 November 2023, the decline in bulk billing has halted. Stable or increasing GP bulk billing rates are expected to lead to improved performance against the measure in 2024–25.

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.

**Key Activity:**

Enhancing the capacity of headspace youth services.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.35

**Performance Measure 1.2C:**

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

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.61 and *Health and Aged Care Corporate Plan 2023–24*, p.35

2023–24 Planned Performance	2023–24 Result	2022–23
Annual increase on 2022–23 numbers.	8,285 headspace services were delivered per 100,000 population of 12 to 25 year olds.	7,600 headspace services were delivered per 100,000 population of 12 to 25 year olds.

**Result: Achieved**

**Disclosures:****2023–24 Result:**

The result was extracted on 8 July 2024, and includes data for the period 1 April 2022–31 March 2023 compared to 1 April 2023–31 March 2024. The administrative data for the Primary Mental Health Care Minimum Data Set (PMHC MDS) numerator changes daily and the ABS ERP used as the denominator is updated regularly by the ABS. The 2023–24 measure uses the best available numerator and denominator data for 2022–23 from the data sources. The date of extraction is provided as results for a time period can continue to change daily, based on submissions and updates. Caution should be used when interpreting the data as the Primary Mental Health Care Minimum Data Set (PMHC MDS) only contains headspace service data from clients who consent to their data being shared with the Commonwealth.

A change in headspace services data occurred in the 2023–24 Annual Report, compared to the 2022–23 Annual Report. In the 2023–24 Annual Report, services data is reported for 12 to 25 year olds as per the measure definition and in alignment with the policy intent of the services. In the 2022–23 Annual Report, the best available extractable data from the PMHC MDS was for 12 to 24 year olds. For the 2023–24 Annual Report the department obtained a customised extract of the required age group of data from the PMHC MDS.

**2022–23 Result:**

The 2022–23 rate used in this report is based on PMHC MDS data extracted on 26 June 2024, compared to 18 July 2023 for the 2022–23 Annual Report. For the 2022–23 denominator used in this report, the most recent ABS published 30 June 2022 estimate is used. In the 2022–23 Annual Report 30 June 2021 ERP was used. The 2022–23 data used in this report has been updated since the 2022–23 Annual Report. The result of 8,256 headspace services used per 100,000 population of 12 to 24 year olds in the 2022–23 Annual Report was based on data extracted 18 July 2023.

**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 (ABS). ERP is the official measure of the population of states and territories of Australia according to a usual residence population concept.

**Methodology:**

$100,000 \times (\text{Numerator} \div \text{Denominator})$ .

- Numerator: Number of headspace occasions of service for 12 to 25 year olds.
- Denominator: ABS Estimated Resident Population (12 to 25 year olds).

headspace is the primary national platform for provision of services to young people aged 12 to 25 years who are experiencing, or at risk of, mild to moderate mental illness. This measure indicates that in 2023–24, more headspace services were delivered, compared to 2022–23.

Caution should be used when interpreting the data as the Primary Mental Health Care Minimum Data Set (PMHC MDS) only contains headspace service data from clients who consent to their data being shared with the Commonwealth. In 2023–24, 90% of headspace service contacts were consented to be uploaded to the PMHC MDS, and 88% in 2022–23. Also, new categories of service activity data capture were introduced from October 2023 (Indirect and Engagement Occasions of Service) impacting the headspace service data.

An increase in the number of services used per 100,000 people indicates to the department that service capacity and access is improving.

Demand for mental health services is influenced by the prevalence of mental ill health in the community and environmental and economic factors, emergencies, and the prevalence of domestic and international tragedies. Service access may also be impacted by workforce availability and capability. Performance is dependent on the demand and availability of services.

The Australian Government established 3 new headspace centres during 2023–24. As at 29 May 2024, 160 headspace centres are operational. The Australian Government has provided additional funding to enhance the headspace network, in recognition of pressure points across the network, to increase capacity and/or access to headspace services.



# Program 1.3:

## First Nations Health

### Program Objective

Drive improved health outcomes for First Nations peoples.

#### Key Activities:

- Working in partnership with 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 2021–2031.
- Delivering activities to contribute to achieving Target 1 (life expectancy) and Target 2 (healthy birthweight) of the National Agreement on Closing the Gap.
- Embedding structural reform across the department to implement the Priority Reforms of the National Agreement on Closing the Gap.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.38

#### Performance Measure 1.3A:

Increase the percentage of annual Indigenous Australians' Health Programme (IAHP) funding directed to Aboriginal and Torres Strait Islander Community Controlled Organisations.<sup>8</sup>

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.63<sup>9</sup> and *Health and Aged Care Corporate Plan 2023–24*, p.38

2023–24 Planned Performance	2023–24 Result
70%	73%
	<b>Result: Achieved</b>

#### Data Source and Methodology:

Data is analysed and maintained internally by the department.

Through implementation of both the National Agreement on Closing the Gap (National Agreement) and the National Aboriginal and Torres Strait Islander Health Plan 2021–2031 (Health Plan) the department is working to grow and support the Aboriginal and Torres Strait Islander Community Controlled health sector. Health services delivered by Aboriginal Community Controlled Health Organisations (ACCHOs) leads to better health outcomes for First Nations people.

In 2023–24, the department exceeded the planned performance target to direct 70% of Program 1.3 funding through the Aboriginal and Torres Strait Islander Community Controlled health sector. This was achieved by:

- Transitioning funding from state and territory health services to ACCHOs.
- Providing funding to 115 ACCHOs to deliver comprehensive primary health care.
- Investing in improved infrastructure for ACCHOs.
- Delivering funding to support the First Nations health workforce.
- Directing funding for First Nations health programs through the Aboriginal and Torres Strait Islander Community Controlled health sector.

The transition of First Nations health funding to ACCHOs is a multi-year process and includes a key focus of ensuring continuity in service delivery throughout the transitioning period, particularly in regional and remote communities where there is no ACCHO.

<sup>8</sup> This is a new performance measure for 2023–24, therefore results are not available for previous years.

<sup>9</sup> The performance measure published in the *Health and Aged Care Portfolio Budget Statements 2023–24* (p.63) was updated in the *Health and Aged Care Corporate Plan 2023–24* (p.38).

# 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.

### Key Activities:

- Implementing workforce programs to improve the health and wellbeing of all Australians.
- Supporting distribution of the health workforce across Australia, including in primary care, aged care and regional, rural and remote areas, through training programs, scholarships, incentive programs, and trials of innovative models of care and employment approaches.
- Improving distribution of the health workforce through improved incentives for primary care doctors, nurses and allied health professionals including through reforms to the Workforce Incentive Program.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.40

### Performance Measure 1.4A:

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

- Full time equivalent (FTE) Primary Care General Practitioners (GPs) per 100,000 population.<sup>10</sup>
- FTE non-general practice medical specialists per 100,000 population.<sup>11</sup>
- FTE primary and community nurses per 100,000 population.<sup>12</sup>
- FTE primary and community allied health practitioners per 100,000 population.<sup>13</sup>
- Proportion of GP training undertaken in areas outside major cities.<sup>14</sup>

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.65 and *Health and Aged Care Corporate Plan 2023–24*, p.40

2023–24 Planned Performance		2023–24 Result		2022–23	
MM1	MM2–7	MM1 <sup>15</sup>	MM2–7	MM1	MM2–7
a. 115.2	a. 109.2	a. 116.6	a. 104.9	a. 125.0	a. 110.4
b. 192.3	b. 96.6	b. 198.4	b. 87.9	b. 193.2	b. 88.6
c. 187.5	c. 229.1	c. 233.0	c. 267.5	c. 220.3	c. 252.6
d. 437.2	d. 412.1	d. 480.6	d. 403.6	d. 456.1	d. 388.8
e. N/A <sup>16</sup>	e. >50%	e. N/A	e. 53.6%	e. N/A	e. 50.8%

**Result: Substantially achieved**

<sup>10</sup> Medicare Benefits Scheme claims data (based on date of service).

<sup>11</sup> National Health Workforce Datasets (NHWDS), Medical Practitioners.

<sup>12</sup> NHWDS, Nurses and Midwives.

<sup>13</sup> NHWDS, Allied Health.

<sup>14</sup> Australian General Practice Training Program data (sourced from RIDE) and Rural Vocational Training Scheme data.

<sup>15</sup> Geography: Cities (MM1) and rural (MM2–7) based on Modified Monash Model 2019.

<sup>16</sup> Planned performance is not applicable for MM1 e. as the geography for MM1 is Cities, and the measure is for training undertaken in areas outside of major cities.

**Disclosures:**

Due to data availability, there is a one year lag for the results reported in this measure.

**2023–24 Result:**

a. data for the 2023–24 Result reports 2022–23 data, as data is not available until approximately 5 months after the end of the financial year. Data used for this measure has been provided by a third party.

b., c., d. and e. the 2023–24 Results reports 2022 data, as data is captured by calendar year and is not available until 4 to 12 months after the end of the calendar year.

**2022–23 Result:**

The 2022–23 Results have been revised to align with the data availability for the reporting period.

a. data for the 2022–23 Result reports 2021–22 data, as data is not available until approximately 5 months after the end of the financial year.

b., c., d. and e. the 2022–23 Results reports 2021 data, as data is captured by calendar year and is not available until 4 to 12 months after the end of the calendar year.

**Data Source and Methodology:**

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

b. c. d. National Health Workforce Datasets (NHWDS) and derived from an annual survey of all registered health practitioners. The NHWDS 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 was captured daily from Regional Training Providers into the department's Registrar Information Data Exchange (RIDE). RVTS program data is provided 6 monthly to the department through progress reports by RVTS Ltd and is administered and owned by the department.

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. In 2023–24, \$1.9 billion in program funding was provided to develop the workforce and support more equitable distribution of health professionals to areas of need, especially regional and rural locations. This included:

- implementing workforce programs to improve the health and wellbeing of all Australians
- supporting distribution of the health workforce across Australia, including in primary care, aged care and regional, rural and remote areas, through training programs, scholarships, incentive programs, and trials of innovative models of care and employment approaches
- improving distribution of the health workforce through improved incentives for primary care doctors, nurses and allied health professionals through reforms to the Workforce Incentive Program
- leading work with states, territories, other employers, education providers, health professionals and their representatives, to implement the National Medical Workforce Strategy, implement the Nurse Practitioner Workforce Plan, develop the National Nursing Workforce Strategy and a Maternity Services Workforce Strategy.

The department has substantially achieved its performance targets through the delivery of programs and incentives which address key shortages and areas of need.

In 2022, 53.6% of GP training in the Australian General Practice Training (AGPT) and Remote Vocational Training Scheme (RVTS) programs were undertaken in regional, rural or remote areas. The department supported more than 1,000 full-time training places for non-GP medical specialists in 2023, including around half in rural and regional Australia.

Following the Independent Review of Australia's regulatory settings relating to overseas health practitioners, delivered by Robyn Kruk AO (Kruk Review) the government has worked closely with states and territories, Australian Health Practitioner Regulation Agency, boards and colleges to prioritise efforts to streamline regulatory red tape and disincentives for international health workers coming into Australia. The number of health professionals coming to Australia has increased over the last 5 years:

- In 2019–20, 2,877 medical practitioners came to Australia, half of which were general practitioners. In 2023, there were 4,211 and as at May 2024 there were 5,065. This presents a 20% increase.
- In 2019–20, 5,114 nurses and midwives came to Australia, and as at May 2024, 15,171 have come to Australia in 2023–24.
- In 2019–20, 2,127 allied health professionals came into Australia and as at May 2024, 5,736 have come to Australia in 2023–24.

Reviews to consider future reforms to support the health workforce are underway. A review of incentives which go into primary care and a review of scopes of practice are being undertaken. There is also a review of the distribution levers—the regulatory levers that the government has available to ensure better distribution of health workers to areas of need.



# Program 1.5:

## Preventive Health and Chronic Disease Support

### Program Objective

Support the people of Australia to live longer in full health and wellbeing through reducing the rates of harmful alcohol consumption, illicit drug use, and tobacco use, and increasing healthy eating patterns, levels of physical activity and cancer screening participation.

### Key Activities:

Working with Commonwealth entities, states, 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 the 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 raise awareness of the risks of drinking alcohol while pregnant and breastfeeding
- 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
- investing in quality alcohol and drug treatment services consistent with the National Quality and Treatment Frameworks
- supporting expansion of tobacco and e-cigarette control program activities through investment in tobacco and e-cigarette control research and evaluation, and international tobacco control.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.45

### Performance Measure 1.5A:

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:
  - i. reduction in harmful alcohol consumption by 2030
  - ii. reduction of young people (14 to 17 year olds) consuming alcohol by 2030
  - iii. reduction of pregnant women aged 14 to 49 years consuming alcohol whilst pregnant by 2030.
- c. Percentage of population who have used an illicit drug in the last 12 months.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.67 and *Health and Aged Care Corporate Plan 2023–24*, p.45

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
a. Progressive decrease of daily smoking prevalence towards <10%	a. 10.6%	10.1%	10.7%
b. Progressive decrease of harmful alcohol consumption towards: i. <29.7% ii. <10.0% iii. <10.0%	b. i. 30.7% ii. 5.5% iii. 14.9%	N/A <sup>17</sup>	N/A <sup>18</sup>
c. Progressive decrease of recent illicit drug use towards <13.94%	c. 17.9%	17.9%	Data not available
<b>Result: Not achieved</b>			

#### Disclosures:

##### 2023–24 Result:

b. The result utilises 2022–23 data from the National Drug Strategy Household Survey. The 2023–24 Result establishes a baseline which will enable the department to measure a progressive decrease for forward years' results. The survey is conducted every 2–3 years. The data in relation to reduction in alcohol consumption by pregnant women (b(iii.)) has a relative standard error of 25% to 50% and should be used with caution. This is due to a small sample size of respondents to this element of the survey. Data may not be reliable for a specific point in time but is useful for trend analysis.

c. The result reported is utilising the latest available data from the AIHW National Drug Strategy Household Survey, 2022–23. The survey is conducted every 2–3 years.

##### 2022–23 Result:

a. 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](http://www.abs.gov.au/articles/insights-australian-smokers-2021-22).

c. Final data for the 2022–23 result is now available. The result has been updated since the 2022–23 Annual Report to reflect the final result.

##### 2021–22 Result:

a. 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/articles/pandemic-insights-australian-smokers-2020-21](http://www.abs.gov.au/articles/pandemic-insights-australian-smokers-2020-21).

##### Data Source and Methodology:

- Baseline figure from the most recent data in the Australian Bureau of Statistics National Health Survey 2017–18.
- Baseline figure from the most recent data in the 2019 National Drug Strategy Household Survey, 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.
- Baseline figure from the most recent national data in the 2019 National Drug Strategy Household Survey. The data source for measure b. and measure c. is the AIHW National Drug Strategy Household Survey. The survey is conducted every 2–3 years.

The most recent Australian Bureau of Statistics National Health Survey results<sup>19</sup> (released 15 December 2023) show that in 2022, 1 in 10 (10.6%) adults aged 18 years and over were current daily smokers. This rate has steadily declined over the last 20 years from 22.4% in 2001, with a significant decrease from 13.8% in 2017–18. This shows significant progress towards the national daily smoking targets contained within the National Tobacco Strategy 2023–2030.

<sup>17</sup> This performance measure was revised in 2023–24, therefore previous results are not comparable.

<sup>18</sup> Ibid.

<sup>19</sup> 2022 National Health Survey (NHS) released 15 December 2023 available at: [www.abs.gov.au/statistics/health/health-conditions-and-risks/smoking-and-vaping/2022](http://www.abs.gov.au/statistics/health/health-conditions-and-risks/smoking-and-vaping/2022)

The continued decline in smoking rates has occurred as a result of Australia's comprehensive and sustained suite of evidence-based initiatives to prevent and reduce tobacco use. These include plain packaging of tobacco products, labelling tobacco products with graphic health warnings, tobacco excise and excise-equivalent customs duty, education programs and campaigns, prohibiting tobacco advertising and promotion, providing support for smokers to quit and measures to minimise the illicit tobacco trade.

While there has been a long-term decline in smoking prevalence over many years, there has been a rapid increase in e-cigarette marketing and use in more recent years, particularly among young people, which poses a risk to population health and Australia's success in tobacco control.

Defined action within 2023–24 has expanded on the Government's commitment to reduce tobacco and e-cigarette use through stronger legislation, enforcement, education, and cessation support. The department supported the Government's development, introduction, and passage of the *Public Health (Tobacco and Other Products) Act 2023* (the Act), which commenced on 1 April 2024. The legislation streamlines and modernises existing provisions and introduces new measures to discourage smoking and tobacco use and prevent the promotion of e-cigarettes.

The Therapeutic Goods and Other Legislation Amendment (Vaping Reforms) Bill 2024 passed by Parliament on 28 June 2024 (commenced on 1 July 2024), prohibits the importation, domestic manufacture, supply, commercial possession, and advertisement of disposable single use and non-therapeutic vapes. The department has developed and launched new public health campaigns<sup>20</sup> to empower Australians to quit smoking and vaping, expanded a range of national cessation initiatives that are proven to help people quit, and reduced the affordability of tobacco products. These measures work together to further reduce the prevalence of tobacco and e-cigarette use and the associated health, social, environmental, and economic costs, and the inequalities it causes.

The National Drug Strategy 2017–2026 (the Strategy) is the overarching framework which identifies national priorities relating to alcohol, tobacco and other drugs, and guides action by governments in partnership with service providers and the community.

The Strategy outlines a national commitment to harm minimisation through a balanced adoption of evidence-based demand, supply and harm reduction strategies. Implementation of the Strategy is the responsibility of relevant agencies in the Government and state and territory jurisdictions.

Reporting from the National Drug Strategy Household Survey 2022–23 demonstrates risky consumption of alcohol is in decline. While targets for the reduction in harmful alcohol have not yet been reached, the downward trend is continuing. While the reduction in harmful alcohol for young people exceeds the target, it also continues to trend downwards. The data in relation to illicit drug use continues a slow upward trend since 2007.

The data used in relation to reduction in alcohol consumption by pregnant women (measure b(iii.)) has a relative standard error of 25% to 50% and should be used with caution. This is due to a small sample size of respondents to this element of the survey. Data may not be reliable for a specific point in time but is overall useful for trend analysis. Data is captured through the National Drug Strategy Household Survey and is collected every 2–3 years. Despite the relative standard error precluding the data from being reliable in this instance, there is still evidence of declining rates of alcohol consumption in this cohort over time.

The Every Moment Matters campaign is a national campaign sharing the latest evidence-based information about alcohol during pregnancy, while planning a pregnancy and breastfeeding, and has shown success in the targeted cohort. Through the Every Moment Matters campaign evaluation survey, undertaken between January 2022 and November 2023, there has been an increase in the proportion of women who would abstain from alcohol during pregnancy if they were to become pregnant, from 82.6% to 90.9%.

There are a number of programs designed to combat the consumption of risky alcohol and drug use in communities. They include the Good Sports program, which provides alcohol and other drug primary prevention activities in community sports clubs across Australia by encouraging cultural change in behaviours and attitudes to alcohol and other drug use in sporting clubs at the grass roots level. This includes processes and policies targeting junior players; to reduce risks that young people are exposed to risky alcohol and drug use in the club setting.

<sup>20</sup> Available at: [www.health.gov.au/give-up-for-good](http://www.health.gov.au/give-up-for-good)

The Cracks in the Ice Program is an e-health initiative which aims to develop and disseminate evidence-based resources about crystal methamphetamine to improve knowledge, reduce stigma and increase access to care for people who use crystal methamphetamine, their families, health workers and communities.

Additionally, Local Drug Action Teams and the Planet Youth trial also supports communities to work together to prevent and minimise the harm caused by alcohol and other drugs.

#### Key Activity:

Improving early detection, treatment, and survival outcomes for people with cancer by increasing participation across the 3 cancer screening programs over the next 5 years under the National Preventive Health Strategy 2021–2030.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.47

#### Performance Measure 1.5B:

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 2023–24*, p.68 and *Health and Aged Care Corporate Plan 2023–24*, p.47

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
a. Progressive increase towards 53.0%	Data not available	Data not available	40%
b. Progressive increase towards 64.0%	Data not available	Data not available	68%
c. Progressive increase towards 65.0%	Data not available	Data not available	Data not available
<b>Result: Data not available</b>			

#### Disclosures:

##### 2023–24 Result:

- a. The National Bowel Cancer Screening Program requires the two-year screening cycle to be complete and is calculated on a calendar year basis. The Australian Institute of Health and Welfare undertakes data processes prior to publishing the participation rate. Due to the time between an invitation being sent, test results and collection of data from the Register, participation rates for January 2023 to December 2024 are not yet available. These results are expected to be available in June 2026.
- b. The National Cervical Screening Program requires the five-year screening cycle to be complete and is calculated on a calendar year basis. The Australian Institute of Health and Welfare undertakes data quality processes prior to publishing the participation rate which creates an additional time lag after the completion of a screening cycle for data to be suitable for reporting. 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 2020–24 will not be available until December 2025.
- c. The BreastScreen Australia national participation rate relies on third party data from state and territory government BreastScreen registers being provided to the Australian Institute of Health and Welfare for national collation and reporting. This presents a high risk in terms of not being able to report the most recent data.

##### 2022–23 Result:

- a. 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. 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](http://www.aihw.gov.au/reports-data/health-welfare-services/cancer-screening/overview)
- b. Participation rate for the 5-year period 2019–23 will not be available until December 2024.
- c. The age-standardised participation rates for January 2021 to December 2022 are expected to be available in October 2024. 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](http://www.aihw.gov.au/reports-data/health-welfare-services/cancer-screening/overview)

#### Data Source and Methodology:

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

The department continued to promote the importance of undergoing screening for bowel, breast, and cervical cancers during 2023–24, with early detection a key factor in reducing morbidity and mortality rates. The department delivers 2 cancer screening programs: the National Bowel Cancer Screening Program (NBCSP), and the National Cervical Screening Program (NCSP). The department also facilitates national leadership and coordination for the BreastScreen Australia Program. The cancer screening programs' performance targets are informed by the National Preventive Health Strategy 2021–2030 and the National Strategy for the Elimination of Cervical Cancer in Australia.

Based on data for the most recent 2-year full cycle reporting period of 1 January 2021 to 31 December 2022, an estimated 40% of eligible people participated in the National Bowel Cancer Screening Program.

The National Bowel Cancer Screening Program historically sees lower participation and anecdotal aversion to participating in screening for bowel cancer (both in Australia and overseas), that influences performance. Increasing the uptake of bowel screening is a priority for the department. A national campaign in 2023 resulted in an additional 120,000 screens undertaken, saving more than 425 lives, along with a focus on partnerships with the National Rugby League, Western Sydney Wanderers and bowel cancer ambassadors Merv Hughes and Gavin Wanganeen to help reach under-screened communities. This campaign and partnership approach to community engagement will continue in 2024.

Participation data for the 5-year cervical screening round is available for the first time since the roll-out of the program in December 2017. Based on data from January 2018 to December 2022, an estimated 68.0% of eligible people participated in the National Cervical Screening Program.

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 2020–21 around 1.7 million women participated, equivalent to 47% (age standardised rate) of eligible women aged between 50 and 74 years. The participation rate for BreastScreen Australia has been relatively stable (53% to 54%) in the years prior to COVID-19. In 2019–20, the participation rate dropped to 49.4% because COVID-19 public health measures resulted in service closures and reduced capacity to screen. This downward trend continued in 2020–21.

Several COVID-19 recovery measures have been delivered to support post-COVID catch-up on screening, with an emphasis on First Nations People and remote and rural communities. A BreastScreen Australia Surge Capacity Initiative was implemented in 2022–23 to 2023–24 to support women to return to screening. Outcomes from the initiative indicate BreastScreen Australia participation rates will increase towards pre-pandemic levels in future reporting years. The department will continue to increase awareness of all 3 programs and the importance of screening through communications and campaign activity.

# 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.

### Key Activity:

Supporting Primary Health Networks 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 multidisciplinary care, care coordination and integration.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.50

### Performance Measure 1.6A:

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 2023–24*, p.70 and *Health and Aged Care Corporate Plan 2023–24*, p.50

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
27	24	30	29
<b>Result: Not achieved</b>			

### Disclosures:

Due to the delay in receiving hospital data from states and territories, there is a 2 year time lag in the reported results for this performance measure.

### 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.<sup>21</sup> There is up to a 2 year lag collecting data from states and territories.

The department continued to work in partnership with Primary Health Networks (PHNs) in 2023–24, 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.

In 2023–24, there were 58 Medicare Urgent Care Clinics open across Australia, and they treated over 551,000 presentations. Medicare Urgent Care Clinics are easing the pressure on our hospitals and giving Australian families more options to see a healthcare professional when they have an urgent, but not life threatening, need for care. 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.

In contrast to previous years, potentially preventable hospitalisations rose between 2020–21 and 2021–22 in 7 PHN areas and declined in 24 areas. In alignment with nation-wide trends, increases in potentially preventable hospitalisations were predominantly driven by increases in vaccine-preventable hospitalisations associated with pneumonia and influenza (15 per 100,000 people, after adjusting for age, in 2020–21 compared with 74 per 100,000 people in 2021–22).

This is not directly reflective of hospitalisations for COVID-19, as this is not counted as a vaccine-preventable condition in the 2021–22 data. Instead, the trend is attributed to a return to previously recorded population levels of pneumonia and influenza which were notably lower in the 2020–21 period due to COVID-19 preventative measures such as mask wearing and social distancing.

<sup>21</sup> Available at: [www.aihw.gov.au](http://www.aihw.gov.au)

# Program 1.7:

## Primary Care Practice Incentives and Medical Indemnity

### Program Objective

Provide incentive payments to eligible general practices and general practitioners 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.

### Key Activity:

Providing Practice Incentive Program payments to eligible general practices for participation in the Quality Improvement (QI) Incentive.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.53

### Performance Measure 1.7A:

Maintain Australia's access to quality general practitioner care through the percentage of accredited general practices submitting PIP QI Incentive data to their Primary Health Network.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.72 and *Health and Aged Care Corporate Plan 2023–24*, p.53

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
≥94.0%	92.7%	92.7%	91.8%
<b>Result: Not achieved</b>			

### Data Source and Methodology:

Data is obtained from Services Australia for the number of practices participating in the 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.

The methodology includes general practice participation in the PIP Quality Improvement Incentive. Participation in the other PIP Quality Stream Incentive (Indigenous Health Incentive) is not included in the calculation.

PIP QI Incentive data is the basis for the quality improvement measures that aim to support general practices to partner with Primary Health Networks to improve patient care, and plan for community health needs across Australia. When a general practice first registers to participate in PIP, they can choose to participate in up to 8 incentives. However, there is no requirement for a practice to participate in PIP QI.

The PIP QI uptake was essentially flat (up by 0.01%) in both practice participation during 2023–24 compared to 2022–23. Practice participation in PIP QI did not meet the planned performance target (≥94.0%) for 2023–24. The difference between expected and actual was less than 2%.

There are inherent limitations associated with forecasting outcomes for the uptake of incentives within demand driven programs like the PIP. A key external factor that influences PIP QI participation is how the program requirements and associated costs impact the day-to-day business operations of the general practice. The department's lack of visibility about these impacts makes the task of explaining differences between expected and actual results for participation in PIP QI difficult.

**Key Activity:**

Requiring medical indemnity insurers to only refuse to provide cover or apply a risk surcharge on insurance premiums under limited circumstances as set out under section 52A of the *Medical Indemnity Act 2002*.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.54

**Performance Measure 1.7B:**

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

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.72 and *Health and Aged Care Corporate Plan 2023–24*, p.54

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
95.0%	Data not available	99.60%	99.64%
<b>Result: Data not available</b>			

**Disclosures:****2023–24 Result:**

Insurers have up to 2 months to provide data after 30 June 2024, with the final result available in November 2024. The final result will be included in the 2024–25 Annual Report.

**2022–23 Result:**

The result has now been finalised and updated accordingly.

**2021–22 Result:**

The result has now been finalised and updated accordingly.

**Data Source and Methodology:**

Medical indemnity insurers provide data to the department annually. Results are available on the department's website,<sup>22</sup> where the number of refusals of cover and the application of risk surcharges for medical practitioners are also available.

The department's performance regarding the accessibility of medical indemnity insurance in 2023–24 cannot be definitively assessed until the final data is available from medical indemnity insurers in November 2024. Current trends and preliminary data indicate medical professionals will continue to access insurance without experiencing refusals or risk surcharges.

The data used for this measure is based on self-reporting by insurers and presents a limitation in that it may not capture the full extent of refusals or risk surcharges applied. The department works closely with engaging insurers to ensure the accuracy and completeness of the information. Additionally, the calculation methodology for Measure 1.7B is still evolving, as the department seeks to refine its approach to data analysis and interpretation. As the program matures and more data becomes available, the department may consider adjusting the planned performance or introducing additional measures to better assess the effectiveness of the Medical Indemnity Reform.

However, based on current trends and preliminary data, the department anticipates that most medical professionals will continue to access insurance without experiencing refusals or risk surcharges.

The department's ongoing monitoring and engagement with insurers, coupled with the legislative framework of the *Medical Indemnity Act 2002*, contribute to maintaining a high level of access to affordable medical indemnity insurance for practitioners in Australia. It is forecasted that the reporting provided by insurers on the universal cover requirements will exceed the 2023–24 performance indicator given that insurers have a strong understanding of the requirements under the *Medical Indemnity Act 2002* in relation to the universal cover obligations.

<sup>22</sup> Available at: [www.health.gov.au/resources/collections/medical-indemnity-universal-cover-annual-reports](http://www.health.gov.au/resources/collections/medical-indemnity-universal-cover-annual-reports)

The department will be engaging the Australian Government Actuary to undertake a 6-month review to evaluate the stability and affordability of medical indemnity insurance which should provide further insights into whether the Commonwealth's medical indemnity objectives are being met. This will include making recommendations to the department.

The current arrangements continue to remain suitable for assessing the performance of the medical indemnity schemes. Data is provided directly by insurers to the department; and risks of receiving unreliable, irrelevant and incomplete data are mitigated through offence provisions within the *Medical Indemnity Act 2002*. The department aims to meet with insurers at least 3 times per year to discuss and address any emerging issues that could impact the Commonwealth's objectives.



# 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, and industrial chemicals.

### Key Activity:

Regulating therapeutic goods, including COVID-19 vaccines and treatments, to ensure safety, efficacy, performance and quality.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.57

### Performance Measure 1.8A:

Percentage of therapeutic goods evaluations that meet statutory timeframes.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.74 and *Health and Aged Care Corporate Plan 2023–24*, p.57

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
100%	99.93%	99.45%	99.78%
<b>Result: Not achieved</b>			

### 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.

In 2023–24, the Therapeutic Goods Administration (TGA) maintained high standards in evaluating therapeutic goods, achieving near-total compliance with statutory timeframes across 6 key areas.

The TGA achieved 100% compliance in Listed Medicine Ingredients, Registered Complementary Medicines, Assessed Listed Medicines, Medical Devices Preliminary Assessments, and Medical Devices Conformity Assessments.

Prescription Medicines achieved a 99.56% compliance rate, with the shortfall due to 14 out of 2,727 Category 3 and Minor Variation applications exceeding the 45-day statutory timeframe. While these prescription medicine applications are lower risk, they also have a shorter legislated timeframe of 45 working days in comparison to new chemical entity applications of 255 working days. The TGA completed 328 more prescription applications this year compared to last year. This represents a 11.6% increase in workload. The TGA's performance, with an average compliance rate of 99.93%, underscores its dedication to regulatory excellence, continuous improvement and transparency, ensuring the safety and efficacy of therapeutic goods for the Australian public.

**Key Activities:**

- Regulating and providing advice on the import, export, cultivation, production, and manufacture of controlled drugs, including medicinal cannabis, to support Australia's obligations under the International Drug Conventions.
- 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.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.57

**Performance Measure 1.8B:**

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

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.74 and *Health and Aged Care Corporate Plan 2023–24*, p.57

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
27	31	30	25
<b>Result: Achieved</b>			

**Data Source and Methodology:**

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

In 2023–24, the Office of Drug Control (ODC) completed 31 inspections, comprising 29 onsite and 2 desktop. This was 4 above the planned performance figure due to greater than forecasted licence applications and verification activity.

The ODC issued 6 infringements totalling \$99,000, 15 Directions and 2 warnings. The improved result was achieved based on a risk led approach, strong quarterly planning, and the introduction of timeliness standards for the completion of inspection reports.

In 2023–24, the ODC continued to strengthen relationships with law enforcement and state and territory regulators to collaborate, share information and conduct joint compliance and enforcement activities.

Early and regular engagement with licence and permit holders allowed the ODC to identify compliance issues and trends, and apply effective treatments to ensure licence holders' obligations were met to maintain compliance and regulation standards.

**Key Activity:**

Administering the National Gene Technology Scheme by assessing applications and issuing approvals, and by conducting routine inspections of certified facilities and licensed activities with genetically modified organisms (GMOs).

Source: *Health and Aged Care Corporate Plan 2023–24*, p.58

**Performance Measure 1.8C:**

- 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 2023–24*, p.74 and *Health and Aged Care Corporate Plan 2023–24*, p.58

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
a. 100% b. 100%	a. 100% b. 99.1%	a. 100% b. 100%	a. 100% b. 100%
<b>Result: Substantially achieved</b>			

**Data Source and Methodology:**

Records of licence applications and incidents. Data is analysed and maintained internally by the department. All licence decision timeframes are measured against statutory timeframes within the Gene Technology Regulations 2001.<sup>23</sup> All reports or allegations (incidents) received are assessed in accordance with the Monitoring and Compliance Managing Incidents Reports Standard Operating Procedures.

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 public consultation procedures are built into relevant decision-making processes.

The following licences were issued during 2023–24:

- 3 agricultural plant licences
- 16 clinical trial licences
- 1 commercial licence for a human therapeutic
- 9 laboratory research licences
- 3 licences for manufacturing involving a GMO.

The OGTR received and assessed 108 reports during 2023–24 relating to possible non-compliances with GMO approvals (licences, notifiable low risk dealings and certifications).

While inspectors assessed all reports received, one report was received in the last 3 business days of the financial year and assessed after 30 June 2024. This final report was assessed within 5 business days of receipt. Assessments consider the circumstances of the report in accordance with the *Gene Technology Act 2000*, Gene Technology Regulations 2001, 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.

The OGTR takes a cooperative compliance approach, with an emphasis on education, engagement and awareness raising. When assessing non-compliance, the 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.

100% of GMO licence decisions were made within statutory timeframes and 99.1% of reported non-compliance with the conditions of GMO approvals were assessed. Skilled technical staff and robust procedures contributed to the strong performance against these measures in 2023–24.

<sup>23</sup> Available at: [www.legislation.gov.au/F2001B00162/latest/text](http://www.legislation.gov.au/F2001B00162/latest/text)

**Key Activity:**

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

Source: *Health and Aged Care Corporate Plan 2023–24*, p.59

**Performance Measure 1.8D:**

Industrial chemical risk assessments and evaluations completed within statutory timeframes.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.75 and *Health and Aged Care Corporate Plan 2023–24*, p.59

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
≥95%	100%	100%	96.8%
<b>Result: Achieved</b>			

**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.<sup>24</sup>

The Australian Industrial Chemicals Introduction Scheme (AICIS) conducts high quality, risk proportionate chemical assessments and evaluations by skilled scientific and technical staff.

During 2023–24, AICIS completed a total of 106 assessments and evaluations covering 4,183 industrial chemicals. Assessments relate to commercial authorisations and assessment certificate authorisations. Evaluations relate to chemicals that have been authorised for use in Australia. Both address risks to human health and the environment. Appendix 4 in this report describes the operation of AICIS and provides comprehensive details on the type and number of assessment and evaluations completed. During 2023–24, all assessments and evaluations were completed within statutory timeframes.

AICIS ensured assessment and evaluation quality was maintained through internal peer review and feedback from applicants, introducers and other stakeholders prior to finalising statements.

Publication of completed assessment and evaluation statements, including risk management recommendations on the Australian Industrial Chemicals Introduction Scheme website,<sup>25</sup> assists Commonwealth and State and Territory governments with implementing risk management controls, and facilitates the safe use of industrial chemicals by workers and the public.

<sup>24</sup> Available at: [www.industrialchemicals.gov.au/consumers-and-community/our-evaluations](http://www.industrialchemicals.gov.au/consumers-and-community/our-evaluations)

<sup>25</sup> Ibid.

# 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.

#### Key Activities:

- Developing, implementing and evaluating strategies to improve immunisation coverage of vaccines covered by the National Immunisation Program (NIP).
- Promoting the safety and effectiveness of the NIP Schedule, including the need to remain vigilant against vaccine preventable disease.
- Ensuring secure vaccine supply and efficient use of vaccines for the NIP.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.62

#### Performance Measure 1.9A:

Immunisation coverage rates:

- For children at 5 years of age are increased and maintained at the protective rate of 95%.
- For First Nations children 12 to 15 months of age are increased to close the gap and then maintained.
- For 15 year olds, HPV vaccinations are increased with a target of 90% coverage by 2030.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.76 and *Health and Aged Care Corporate Plan 2023–24*, p.62

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
a. ≥95.00%	93.85%	94.14%	94.54%
b. ≥95.00%	90.29%	90.83%	91.53%
c. ≥90.00%	84.75% (females) 82.03% (males)	N/A <sup>26</sup>	N/A
<b>Result: Not achieved</b>			

#### Data Source and Methodology:

Immunisation data is reported to the AIR,<sup>27</sup> and quarterly coverage reports are produced by Services Australia and reported by the department. 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.<sup>28</sup> Comprehensive reporting on the performance of the COVID-19 vaccine rollout is published regularly.

The program's objective is to reduce the incidence of vaccine preventable diseases to protect individuals and increase national immunisation rates to protect the Australian community. In 2023–24, the department implemented a range of activities such as a childhood immunisation campaign, culturally sensitive resources for First Nations communities, and support to primary care providers. Significant additions to diversifying the National Immunisation Program (NIP) portfolio included new alternate vaccines, an ongoing catch-up program for meningococcal B for First Nations children, and the listing of Shingrix for the prevention of shingles.

<sup>26</sup> This was a new performance measure in 2023–24, therefore results are not available for previous years.

<sup>27</sup> Available at: [www.health.gov.au/topics/immunisation/immunisation-data/childhood-immunisation-coverage/immunisation-coverage-rates-for-all-children](http://www.health.gov.au/topics/immunisation/immunisation-data/childhood-immunisation-coverage/immunisation-coverage-rates-for-all-children)

<sup>28</sup> Available at: [www.ncirs.org.au](http://www.ncirs.org.au)

The introduction of the National Immunisation Program Vaccinations in Pharmacy Program (NIPVIP) was a major policy expansion in 2023–24 expected to enhance access and coverage of NIP vaccines. These activities align with the program’s goals of improving immunisation coverage, ensuring secure vaccine supply, and partnering with states and territories to deliver vaccine initiatives. They directly address public health concerns by reducing vaccine preventable diseases, fostering public confidence in vaccination programs, and maintaining high immunisation rates despite external challenges.

Immunisation coverage rates for children at 5 years of age and First Nations children aged 12 to 15 months did not meet the planned targets of 95%, with rates recorded at 93.85% and 90.29% respectively. The decline in these rates was influenced by the lingering effects of the COVID-19 pandemic (including disruptions to healthcare services, health workforce shortages, and changes in community health behaviours) and varying vaccine acceptance levels.

The HPV vaccination rates for 15 year old adolescents are reported for the first time in the 2023–24 performance statements. An initial coverage rate of 84.75% for females and 82.03% for males<sup>29</sup> has established a baseline for future improvement towards the target of 90% coverage by 2030.

The department remains committed to addressing these challenges through continuous monitoring, data analysis, and adaptive strategies. Efforts to improve immunisation coverage will continue to be a priority moving forward.



<sup>29</sup> Available at: [www.health.gov.au/topics/immunisation/immunisation-data/human-papillomavirus-hpv-immunisation-data](https://www.health.gov.au/topics/immunisation/immunisation-data/human-papillomavirus-hpv-immunisation-data)



## 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.

#### Programs contributing to Outcome 2

Program	Summary of results against performance criteria			
	Achieved	Substantially achieved	Not achieved	Data not available
Program 2.1: Medical Benefits	-	-	1	-
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	-	-	-
<b>Total</b>	<b>5</b>	<b>-</b>	<b>3</b>	<b>-</b>

# Program 2.1:

## Medical Benefits

### Program Objective

Deliver a modern, sustainable Medicare Benefits Schedule 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.

#### Key Activity:

Supporting access to a contemporary and sustainable Medicare Benefits Schedule (MBS).

Source: *Health and Aged Care Corporate Plan 2023–24*, p.68

#### Performance Measure 2.1A:

Percentage of Australians accessing Medicare Benefits Schedule services.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.83 and *Health and Aged Care Corporate Plan 2023–24*, p.68

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
>90%	88.6%	90.3%	94.2%
<b>Result: Not achieved</b>			

#### Data Source and Methodology:

Medicare statistics recorded on a rolling 12-month time series. This is published on the department's website.<sup>30</sup>

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 Schedule (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 continued to provide Australians with access to affordable and clinically relevant medical services, with 23.6 million Australians (inclusive of some overseas visitors) accessing at least one MBS service in 2023–24.

The MBS is a demand driven program and service utilisation depends on the behaviour of consumers and health practitioners. Consultations (often referred to as attendances) with General Practitioners (GPs) are often the first contact patients have with the MBS. As such, the number of people accessing MBS services is heavily influenced by the number of GP attendances. GP attendances declined by 1.4% in 2023–24, coinciding with a decline in the GP Full Time Equivalent participation and a reduction in the GP bulk billing rate.

The department will investigate the extent to which the reductions in demand are due to services being obtained from other health professionals (e.g. clinical certificates for work absences may be being obtained from pharmacists and some states are trialling other services to be delivered via pharmacies); services being obtained through non-government funded providers (e.g. online clinics), or services being funded through other government programs (e.g. Department of Veterans Affairs).

<sup>30</sup> Available at: [www.health.gov.au/resources/collections/medicare-statistics-collection](http://www.health.gov.au/resources/collections/medicare-statistics-collection)

# 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.

### Key Activities:

- Access to high-quality hearing services through the delivery of the Voucher scheme component of the Hearing Services Program (HSP).
- Administering the Community Service Obligations (CSO) component of the HSP, providing specialist services to children and other eligible groups through Hearing Australia.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.71

### Performance Measure 2.2A:

- Number of active vouchered clients<sup>31</sup> who receive hearing services.
- Number of active Community Service Obligations (CSO) clients who receive hearing services.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.84 and *Health and Aged Care Corporate Plan 2023–24*, p.71

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
a. 865,000	a. 800,733	a. 801,008	a. 811,991
b. 79,000	b. 62,041	b. 69,959	b. 72,245
<b>Result: Not achieved</b>			

### Disclosures:

#### 2023–24 Result:

The result for a. was calculated as at 30 June 2024. Providers have up to 12 months to claim for services at the end of each financial year, with claims subject to recovery if found to be invalid. The final result will be included in the 2024–25 Annual Report.

#### 2022–23 Result:

The result for a. has been amended to reflect the final result following conclusion of the 12 month provider claiming period for 2022–23. The result as of 30 June 2023 and published in the 2022–23 Annual Report was 802,902. The decrease is a result of an update in methodology to change from calculating by the date of payment to calculating by the date of service, as well as invalid items which were subsequently recovered for the period.

#### 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<sup>32</sup> under ‘About the Program: Program Statistics’.

Hearing Services Program clients are counted based on the date of service.

CSO data is provided by Hearing Australia and maintained by the department. It is also reported in Hearing Australia’s Annual and Quarterly Reports.<sup>33</sup>

The above planned performance are the forecasts for future years based on the historical trends.

The planned performance results published in the *Health and Aged Care Portfolio Budget Statements 2023–24*, (p.84), have been updated to reflect new funding model projections.

<sup>31</sup> Active vouchered clients refers to the number of current voucher holders under the Hearing Services Program that have accessed one or more program services during the year.

<sup>32</sup> Available at: [www.health.gov.au/our-work/hearing-services-program](http://www.health.gov.au/our-work/hearing-services-program)

<sup>33</sup> Available at: [www.hearing.com.au/about-hearing-australia/corporate-publications/](http://www.hearing.com.au/about-hearing-australia/corporate-publications/)

The Planned Performance is an estimate based on historical program data trends, the growth of the Hearing Services Program eligible population and with consideration of any policy changes. 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. The funding model used to generate these projections is under ongoing review to improve accuracy of future projections.

Program providers have up to 12 months after 30 June 2024 to submit a claim for Voucher scheme services provided in the reporting period. The 2023–24 result is based on the number of claims made in the reporting period as of 1 July 2024. Updated results will be published in the 2024–25 Annual Report.

In 2023–24, the number of active vouchered clients who received hearing services has been lower than forecast. This outcome can be due in part to services which are yet to be claimed for 2023–24, however the lower activity is consistent with a reduction in new clients accessing the program in recent years. A change in voucher length (to extend vouchers from 3 years to 5 years) was designed to improve program efficiency and was implemented in 2020–21. The full effect of the policy change is continuing to work through the system.

The CSO element of the program is delivered exclusively by Hearing Australia, who are responsible for meeting the client numbers. The department continued to meet with Hearing Australia throughout 2023–24 to monitor its delivery of the CSO and any implications for the future of the CSO. The count of clients receiving CSO services is provided by Hearing Australia to the department, and this is what is included in the current report. Late claims do not impact the CSO client numbers.



# Program 2.3:

## Pharmaceutical Benefits

### Program Objective

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

### Key Activity:

Provide all eligible Australians with reliable, timely, and affordable access to high-quality, clinically effective, cost-effective medicines recommended by the Pharmaceutical Benefits Advisory Committee, by listing of new medicines on the Pharmaceutical Benefits Scheme.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.73

### Performance Measure 2.3A:

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 2023–24*, p.85 and *Health and Aged Care Corporate Plan 2023–24*, p.73

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
≥80%	100%	100%	100%
<b>Result: Achieved</b>			

### 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 used as the date of in-principle agreement to listing arrangements, and is publicly available on the Medicine Status Website<sup>34</sup> as the date government processes commence.

More information on the PBAC is available on the department's website.<sup>35</sup>

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.

During 2023–24, the department continued negotiations with medicine sponsors and listing activities for new medicines on the PBS, resulting in 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. Activities 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.

<sup>34</sup> Available at: [www.pbs.gov.au/medicinestatus/home.html](http://www.pbs.gov.au/medicinestatus/home.html)

<sup>35</sup> Available at: [www.pbs.gov.au/info/industry/listing/elements/pbac-meetings](http://www.pbs.gov.au/info/industry/listing/elements/pbac-meetings)

**Key Activity:**

Providing access to new and existing medicines for patients with ultra-rare life-threatening conditions, assessing patient applications, administering medicine orders within agreed timeframes, and supporting the Life Saving Drugs Program (LSDP) Expert Panel to assess new medicines for LSDP listing and review existing LSDP medicines.

Source: *Health and Aged Care Corporate Plan 2023–24, p.74*

**Performance Measure 2.3B:**

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

Source: *Health and Aged Care Portfolio Budget Statements 2023–24, p.85 and Health and Aged Care Corporate Plan 2023–24, p.74*

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
90% within 8 calendar days. 100% within 30 calendar days. 100% of urgent applications within 48 hours.	94.12% within 8 calendar days. 100% within 30 calendar days. No urgent applications received.	93.3% within 8 calendar days. 100% within 30 calendar days. 100% of urgent applications within 48 hours.	85.72% within 8 calendar days. 100% within 30 calendar days. No urgent applications were received in 2021–22.
<b>Result: Achieved</b>			

**Data Source and Methodology:**

Applications are received from the treating physician and processed in line with Standard Operating Procedures once complete. Data is maintained internally by the department and results are calculated based on the percentage of applications assessed in the required timeframes.

In 2023–24, a total of 34 new patient applications were processed for the LSDP.

94.12% of all applications were processed within 8 calendar days.

Application processing time 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 3.21 days.

No urgent applications were received in 2023–24.

# Program 2.4:

## Private Health Insurance

### Program Objective

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

#### Key Activity:

Assessment of private health insurer premium change applications.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.77

#### Performance Measure 2.4A:

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.<sup>36</sup>

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.88 and *Health and Aged Care Corporate Plan 2023–24*, p.77

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
100%	100%	100%	100%
<b>Result: Achieved</b>			

#### 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.<sup>37</sup>

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 2023–24, including:

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

In the 2024 premium round, the department received premium change applications from 30 private health insurers. All applications were processed within the approved timeframes, leading to 100% performance in line with the performance measure for Program 2.4. The 2023–24 result is consistent with previous years’ performance.

<sup>36</sup> Application form and timeframes are available at: [www.health.gov.au/news/phi-circulars/phi-6222-2023-private-health-insurance-premium-round-applications](http://www.health.gov.au/news/phi-circulars/phi-6222-2023-private-health-insurance-premium-round-applications)

<sup>37</sup> Available at: [www.health.gov.au/news/phi-circulars/phi-6222-2023-private-health-insurance-premium-round-applications](http://www.health.gov.au/news/phi-circulars/phi-6222-2023-private-health-insurance-premium-round-applications)

# Program 2.5:

## Dental Services

### Program Objective

Support eligible children to access essential dental health services through the Child Dental Benefits Schedule (CDBS).

#### Key Activity:

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

Source: *Health and Aged Care Corporate Plan 2023–24*, p.79

#### Performance Measure 2.5A:

The percentage of eligible children<sup>38</sup> accessing essential dental health services through the Child Dental Benefits Schedule.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.89 and *Health and Aged Care Corporate Plan 2023–24*, p.79

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
42.7%	39.2%	38.8% <sup>39</sup>	35.40%
<b>Result: Not achieved</b>			

#### Disclosures:

Data used for this measure has been provided by a third party.

#### 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.

The CDBS is jointly administered by the Department of Health and Aged Care and Services Australia in accordance with the *Dental Benefits Act 2008* and Dental Benefits Rules 2014.

The CDBS is a demand driven, calendar year program that aims to improve access to dental services for eligible children by covering part or all the cost of basic dental services. Once a child is found to be eligible,<sup>40</sup> they are notified via a letter sent by post or MyGov. The department commenced work with Services Australia to update the letters to be more effective at encouraging eligible children/their carers to take advantage of the CDBS.

External factors that contributed to the performance of this measure vary based on circumstances including school holiday periods, provision by state and territory governments of dental outreach services (e.g. school dental), cost of living pressures and the ongoing recovery of preventive health services and behaviours post COVID-19.

The Report on the Fifth Review of the *Dental Benefits Act 2008*, tabled in Parliament on 2 August 2023,<sup>41</sup> placed a specific focus on the accessibility and delivery of dental services under the CDBS to First Nations children, children living in rural and remote communities, and children with disability. The recommendations are being considered by the department and the Dental Clinical Advisory Committee.

<sup>38</sup> From 1 January 2022, to be eligible for the CDBS a child must be between zero and 17 years of age, must be eligible for Medicare, and the child or parent/guardian must be receiving a relevant Australian Government Payment, such as Family Tax Benefit Part A. From 1 January 2014 to 31 December 2021, the age of eligibility was between 2 and 17 years of age.

<sup>39</sup> Data is based on date of service being in 2022–23 and is correct as of 30 June 2023.

<sup>40</sup> Eligibility for the CDBS is automatically assessed by Services Australia and is valid for that calendar year. The benefit limit is applied over a relevant 2 calendar year period: for the 2023 and 2024 calendar years the benefit limit is \$1,052. For the 2024 to 2025 calendar years, the benefit limit is \$1,095.

<sup>41</sup> Available at: [www.health.gov.au/resources/publications/report-on-the-fifth-review-of-the-dental-benefits-act-2008](http://www.health.gov.au/resources/publications/report-on-the-fifth-review-of-the-dental-benefits-act-2008)

# 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.

#### Key Activity:

To take action against health care providers who are found non-compliant to support the integrity of health benefit claims.

Source: *Health and Aged Care Corporate Plan 2023–24, p.81*

#### Performance Measure 2.6A:

Percentage of completed audits, practitioner reviews and investigations that find non-compliance.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24, p.90 and Health and Aged Care Corporate Plan 2023–24, p.81*

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
>80%	>95%	>90%	>95%
<b>Result: Achieved</b>			

#### Disclosures:

Data used for this measure has been provided by a third party.

#### Data Source and Methodology:

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.

Data is maintained internally by the department.

A case is considered non-compliant where it is:

- referred to the Commonwealth Director of Public Prosecutions
- placed in 6-month review after a practitioner review program interview, referred to the Delegate of the Chief Executive Medicare within the Professional Review Section or a request can be made to the Director of Professional Services Review
- completed as an audit case and non-compliant services are confirmed.

The department continued to support the integrity of Australia's health payment systems throughout 2023–24, undertaking targeted, data driven compliance activities focused on early intervention and prevention. The number of cases completed each year can vary depending on the compliance concerns identified and the scale of those concerns. The broader environment can also impact the volume of work, for example suspension of compliance activities for Medicare providers in areas impacted by natural disasters/declared emergencies.

This measure ensures that the integrity of funding directed towards the Medicare Benefits Schedule, Pharmaceutical Benefits Scheme and Child Dental Benefits Schedule is maintained through monitoring possible non-compliant servicing behaviour and intervening where potential incorrect claiming, inappropriate practice or fraud has been detected. Annual calculations include completed audit cases, investigations, and Practitioner Review Program interventions.

A refreshed compliance case work governance model effective from November 2023 was introduced to improve our ability to identify and assess risks in the context of the fluid health environment.

The primary data input for our analysis work is Medicare payment information from Services Australia. This influences the prioritisation of risks and the analytical work underpinning our performance. Our choice of activity is proportional to the significance of any observed compliance concern. Our compliance interventions range from education activities through to criminal investigations.

Feedback mechanisms are built into our work to document lessons learned into decision-making processes, thereby ensuring continuous improvement. The department will continue to work with data and stakeholders to strengthen our ability to correctly identify and treat non-compliant practice.

# 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.

### Key Activity:

Deliver the National Diabetes Services Scheme, including expanded access arrangements for continuous glucose monitoring products, with the assistance of Diabetes Australia.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.83

### Performance Measure 2.7A:

Average Net Promoter Score for National Diabetes Services Scheme programs.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.91 and *Health and Aged Care Corporate Plan 2023–24*, p.83

2023–24 Planned Performance	2023–24 Result	2022–23
>70	74	74
<b>Result: Achieved</b>		

### 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 complete reviews of NDSS registrants' satisfaction with NDSS programs and services and provide an annual Average Net Promoter Score (NPS) for face-to-face programs. The outcomes of the reviews of face-to-face NDSS programs and services will inform this measure.

The NPS is a more holistic and accurate description of how likely NDSS registrants are to refer people to use the NDSS. It provides an overall view of how effective the NDSS has been in meeting the needs of people with diabetes. The NPS can range from -100 to 100 with a score above 0 being considered good and based on the international benchmark for health care, scores over 50 are considered excellent.

The Average NPS provides a qualitative assessment of how the NDSS is perceived by NDSS registrants participating in educational and information events.

The department continued to provide eligible Australians with access to the National Diabetes Services Scheme (NDSS) throughout 2023–24. The NDSS provides support for people with diabetes, to assist with understanding and management of their condition and provides timely, reliable, and affordable access to NDSS services and products.

During 2023–24 the implementation of nationally consistent programs across the NDSS would have been reflected in the feedback received from program participants who attended face-to-face programs.

The Average Net Promoter Score (NPS) for the NDSS for 2023–24 is 74, which is consistent with 2022–23, indicating that NDSS registrants continue to be very satisfied with NDSS services and are likely to recommend them to other people.



# Outcome 3

## Ageing and Aged Care

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

### Programs contributing to Outcome 3

Program	Summary of results against performance criteria			
	Achieved	Substantially achieved	Not achieved	Data not available
Program 3.1: Access and Information	1	1	-	-
Program 3.2: Aged Care Services	1	1	2	-
Program 3.3: Aged Care Quality	1	-	-	-
<b>Total</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>-</b>

# Program 3.1:

## Access and Information

### Program Objective

Provide older people in Australia, their families, representatives and carers access to reliable and trusted information about aged care services through My Aged Care. Provide improved and more consistent client outcomes, responsive assessments of clients' needs and goals, appropriate referral, and equitable access to aged care services.

### Key Activity:

Easy, consistent and equitable access for older Australians.

- 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 Corporate Plan 2023–24*, p.88

### Performance Measure 3.1A:

Older Australians and their representatives have access to reliable and trusted information through My Aged Care, as measured through consumer satisfaction.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.99 and *Health and Aged Care Corporate Plan 2023–24*, p.88

2023–24 Planned Performance	2023–24 Result
a. The percentage of surveyed users who are satisfied with the service provided by the My Aged Care Website: >65%	a. 56.3%
b. The percentage of surveyed users who are satisfied with the service provided by the My Aged Care Contact Centre: >95%	b. 95.1%
<b>Result: Substantially achieved</b>	

### 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. The Contact Centre Satisfaction score (the reported indicator) considers those responses that relate to Contact Centre service. 'Satisfied' visitors to the website consist of an aggregate score from 7 questions which measure key indicators of website satisfaction.

Satisfaction with the My Aged Care website remained below the target of 65.0% for 2023–24. Satisfaction was above the previous 2022–23 result of 48.4% and the 2023–24 result of 56.3% reflects the highest rate of satisfaction levels since the introduction of the My Aged Care website.

The department continued to closely monitor consumer feedback through the survey to inform improvements to the My Aged Care website. During 2023–24, a number of enhancements were implemented based on broad feedback and user testing, aimed at improving user experience. These included:

- improvements to the ‘Find a Provider’ tool through implementation of the Provider Operations and Dollars to Care enhancement, increasing the transparency of aged care services in Australia
- further enhancements to the Star Rating information displayed to provide the ability for older Australians and their support networks to easily compare services and make informed choices about their care
- publication of provider 24/7 Registered Nurse coverage and Enrolled Nursing Care minutes to provide greater confidence to users that a provider is meeting their Registered and Enrolled Nursing requirements.

Feedback from the My Aged Care Website survey indicated that users are considering their satisfaction with the aged care system more broadly, rather than just the website. Survey free text responses<sup>42</sup> demonstrate this through themes raised including aged care service availability.

Satisfaction with the My Aged contact centre target of 95% was achieved for 2023–24. The department demonstrated commitment to maintaining high levels of customer satisfaction through workforce training, quality assurance, continuous improvement of scripting and process through both regular reviews and in response to feedback from customers.

**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 Corporate Plan 2023–24, p.89*

**Performance Measure 3.1B:**

Older Australians are assessed for service need as measured through assessment timeliness.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24, p.100 and Health and Aged Care Corporate Plan 2023–24, p.89*

2023–24 Planned Performance	2023–24 Result
a. High priority comprehensive assessments completed within 10 calendar days of referral acceptance for community setting >90%	a. 92.9% of 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 >90%	b. 97.1% of 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) >90%	c. 93.4% of home support assessments completed within 10 calendar days of referral acceptance (community setting only).
<b>Result: Achieved</b>	
<b>Data Source and Methodology:</b>	
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.

<sup>42</sup> Survey free text responses refers to users providing raw unfiltered comments and feedback in their own words.

In 2023–24, a total of 213,763 comprehensive assessments were conducted. Of these, 159,662 were conducted in the community setting and 238 of these were rated as high priority.<sup>43</sup> 92.9% of high priority comprehensive assessments conducted in a community setting were completed within 10 days of referral.

54,101 comprehensive assessments were conducted in the hospital setting. Of these, 105 were rated as high priority. 97.1% of high priority comprehensive assessments conducted in a hospital setting were completed within 5 days of referral.

In 2023–24, 324,610 home support assessments were conducted in community settings, and of these 3,635 were rated as ‘high priority’ assessments. Of the high priority home support assessments, 93.4% were completed within 10 calendar days of referral acceptance.

Assessment organisations and jurisdictions continued to meet high priority referral Key Performance Indicators (KPIs) during 2023–24. Factors that contributed towards performance were a clear focus on the part of Assessment organisations and jurisdictions to deliver high priority assessments, and meet this segment of their KPIs.

The department is focused on progressing reforms to aged care assessments, with the aim of simplifying and improving arrangements for older Australians through the introduction of a Single Assessment System in 2024–25. This system will provide a single assessment pathway that can adapt to changing needs of older people, without having to change assessment providers. In addition, from 2024–25, the department will expand its reporting to all assessment priority levels, not just high priority.



<sup>43</sup> Definition of high priority level is included on page 27 of: [www.health.gov.au/resources/publications/my-aged-care-assessment-manual](http://www.health.gov.au/resources/publications/my-aged-care-assessment-manual)

# Program 3.2:

## Aged Care Services

### Program Objective

Provide choice through a range of flexible options to support older people 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.

### Key Activity:

Respect, Care and Dignity for older Australians.

- Measure older peoples’ experiences of residential aged care homes and capture their perspective on whether they are being cared for with respect and dignity.

Source: *Health and Aged Care Corporate Plan 2023–24, p.91*

### Performance Measure 3.2A:

Older Australians are treated with respect and dignity in receiving aged care services, as measured through resident experience.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24, p.101 and Health and Aged Care Corporate Plan 2023–24, p.91*

2023–24 Planned Performance	2023–24 Result
Maintain or increase the average Resident Experience Survey (RES) Score of 82% for residential aged care homes.	84.4%
	<b>Result: Achieved</b>

### Data Source and Methodology:

Data is sourced on the number of aged care residents that choose to complete the Residents’ Experience Surveys (RES). The RES is conducted by an independent third-party consortium on behalf of the department and is undertaken between February to October each year. All surveyors undergo training and inter-rater surveys are conducted throughout the year to ensure reliability in the data. The result is calculated by averaging the RES scores (the 12 Likert scale questions in the survey) of all participating residential aged care homes and converting the total average score to a percentage.

Aged care residents refer to older people who are residing in government funded residential aged care homes and excludes aged care residents where the Commonwealth funded aged care home receive an exemption.

- Around 20% of residents across 2,700 Commonwealth funded residents aged care homes will be surveyed.
- The survey includes a 10% response rate from each non-exempt aged care home.
- The 2022 survey questions were designed in collaboration with La Trobe University Lincoln Centre for Research on Ageing (external organisation).
- The 2023 survey has been improved based on feedback from residents on the questions contained within the tool (one question changed).

The department has achieved its planned performance to maintain or increase the average Residents’ Experience Survey (RES) score of 82% by achieving a score of 84.4%. The result of 84.4% reflects the 2023 round of RES calculated from data collected from 1 February 2023 to 31 October 2023.

The performance result measured older people’s experiences of residential aged care homes and captured their perspectives on whether they were being cared for with respect and dignity. The department’s aged care reform program contributed towards a shift in aged care provider behaviour to place their residents’ quality of care at the centre of their improvement activities.

This increase indicates that older people living in residential aged care homes have had an improved care experience, as highlighted by a high positive response rate to RES questions related to dignity and respect such as “Do staff treat you with respect?”.

The performance measure solely utilises results from RES and is directly dependent on the experiences of residents living in residential aged care homes. Therefore, this performance measure is largely influenced by external factors surrounding the quality of care provided by aged care providers within the residential aged care homes they operate.

The RES results also feed directly into the Residents’ Experience subcategory of the Star Ratings system, which enables older people and their families to quickly compare different residential aged care homes. Residential aged care homes are incentivised to participate in the RES, as they will receive a one-star rating for Residents’ Experience if they do not participate, which will have an adverse impact on their overall Star Rating.

**Key Activity:**

Respect, Care and Dignity for older Australians.

- Respect, care and dignity is about ensuring older people in Australia are valued as people when receiving care. It also works to ensure older people in Australia are able to have real choice of providers and high-quality services.

Source: *Health and Aged Care Corporate Plan 2023–24, p.92*

**Performance Measure 3.2B:**

Older Australians receive residential care services that contributes to their quality of life as measured through:

- Provider metrics
- Care minutes
- 24/7 registered nursing.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24, p.102 and Health and Aged Care Corporate Plan 2023–24, p.92*

2023–24 Planned Performance	2023–24 Result
<ol style="list-style-type: none"> <li>Establish measurement baseline for ‘Quality of Life’ indicator.</li> <li>Maintain average of 200 care minutes per resident per day, including a minimum of 40 minutes of registered nurse (RN) time per day.</li> <li>All non-exempt residential aged care facilities have an RN onsite and on-duty 100% of the time.</li> </ol>	<ol style="list-style-type: none"> <li>Data not available.</li> <li>Weighted sector average of 200.76 minutes per resident per day of total care minutes including 39.02 RN minutes per resident per day.</li> <li>The average RN coverage from non-exempt facilities was 98.58%.</li> </ol>
<b>Result: Not achieved</b>	

**Disclosures:**

- a. Data for the 2023–24 result is not available. An analysis has confirmed 8 quarters of data would instead be required to support the establishment of a meaningful baseline for this quality indicator.
- b. The reported result is for the period July 2023 to March 2024, and does not include the April to June 2024 quarterly data as this will not be available until October 2024.<sup>44</sup> The data validations and associated resubmissions for this quarter are scheduled for completion by the end of September 2024. The final result will be reported in the 2024–25 Annual Report.
- c. Data for 4 facilities which undertake manual reporting has not been included in the result. Manual reporting is undertaken due to operating across multiple sites and is excluded from the performance result due to manual data being held in an alternative system compared to the rest of the 24/7 RN reporting.

**Data Source and Methodology:**

a. Data is sourced from the Quality Indicator (QI) Program. The QI Program requires all Government funded residential aged care facilities to submit quarterly quality indicator data, including for quality of life. The Quality of Life – Aged Care Consumers (QOL-ACC) tool is the quality of life assessment tool used for the purposes of the QI Program.

Quality of Life QI results are calculated based on:

- the number of care recipients who report quality of life through each completion mode of the QOL-ACC (self-completed, interview facilitated, proxy-completion) against categories including excellent, good, moderate, poor, very poor
  - the number of care recipients who were offered an assessment for completion
  - the number of care recipients excluded because they were absent from the service for the entire service or who did not choose to complete the assessment for the entire quarter.
- b. Data is sourced from the Quarterly Financial Report (QFR) data submitted by Government funded residential aged care providers in respect of each of their services. The sector average care minutes per resident per day are calculated by summing the reported care time from registered nurses, enrolled nurses and personal care workers/assistants in nursing across all aged care services and dividing these by occupied bed days delivered over the same time period.
- c. Data is sourced from 24/7 RN reporting submitted by Government funded residential aged care providers in respect of each of their facilities each month. As part of this reporting providers are required to outline the time periods that they do and do not have a registered nurse on-site and on duty in each of their facilities. Sector average registered nurse coverage is derived through summing every facilities percentage coverage and dividing it by the number of facilities.

- a. During 2023–24, the department set out to establish a measurement baseline for the ‘Quality of Life’ quality indicator, a crucial step towards measuring the well-being of care recipients. As work progressed, an analysis of the data indicated that 8 quarters of data would instead be required to support the establishment of a meaningful baseline for this quality indicator. This ensures the baseline will be a comprehensive reflection of care recipients’ experiences. The development of a reliable baseline, sourced from mature and robust data also ensures there is stabilisation in the sector on the number of consumers who are taking part in the surveys on a quarterly basis. This approach aligns with other quality indicator trend analysis, based on more established and longer term data sets (representing 10 quarters).
- b. The 2023–24 planned performance result for total care minutes was exceeded with aged care providers delivering 200.76 minutes on average per resident per day. For the purposes of this report, data reported is for Quarter 1 to Quarter 3 (July 2023 to March 2024) only. Data for Quarter 4 (April to June 2024) was not available at the time of publication due to the report submission timeframe and data validation processes. Final data for the final quarter of 2023–24 will be available publicly in early October 2024 on the department’s care minutes dashboard.<sup>45</sup> The planned performance result for registered nurse (RN) minutes was not met, with aged care providers delivering 39.02 minutes per resident per day. External factors influencing the result include RN workforce shortages across Australia with some providers (particularly those operating rural and remote locations) experiencing challenges recruiting and retaining enough workers to meet their care minutes responsibility. In addition, performance over the full 2023–24 financial year was influenced by care minutes only becoming mandatory one quarter into the 2023–24 financial year (from 1 October 2023).

<sup>44</sup> Data for the final quarter of 2023–24 will be available in October 2024 on the department’s website, available at: [www.health.gov.au/resources/publications/care-minutes-in-residential-aged-care-dashboard](http://www.health.gov.au/resources/publications/care-minutes-in-residential-aged-care-dashboard)

<sup>45</sup> Available at: [www.health.gov.au/resources/publications/care-minutes-in-residential-aged-care-dashboard](http://www.health.gov.au/resources/publications/care-minutes-in-residential-aged-care-dashboard)

- c. The residential aged care sector is providing RN coverage 98.58% of the time, or 23 hours and 39 minutes on average per day, only slightly below the planned performance result of 100% coverage. This is due to RN workforce shortages as described above in performance measure b. Sector RN coverage increased each month of the year during 2023–24, indicating that we can expect next year’s performance result to improve.

**Key Activity:**

Respect, Care and Dignity for older Australians.

Source: *Health and Aged Care Corporate Plan 2023–24, p.94*

**Performance Measure 3.2C:**

Older Australians with diverse backgrounds and life experiences or who live in rural and remote areas can receive culturally safe and equitable aged care services where they live measured through access by:

- a. First Nations people
- b. People in rural and remote areas.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24, p.103 and Health and Aged Care Corporate Plan 2023–24, p.94*

2023–24 Planned Performance	2023–24 Result
<p>a. Older Australians who are (self-identified as) First Nations peoples are receiving aged care services at rates comparable with their representation in Australian population estimates: Target 3.5%</p> <p>b. Older Australians in rural and remote areas are receiving aged care services at rates comparable with their representation in Australian population estimates: Target 11.2%</p>	<p>a. First Nations identification amongst older people accessing aged care is estimated as follows:</p> <ul style="list-style-type: none"> <li>• As of 30 June 2024, 1.3% of permanent residents accessing care in mainstream residential aged care.</li> <li>• As of 30 June 2024, 3.4% of people accessing services under the Home Care Package (HCP) program.</li> <li>• Across 2023–24 financial year, 3.0% of people using any Commonwealth Home Support Programme (CHSP) supports.</li> </ul> <p>b. Older Australians in rural and remote areas as a proportion of all people accessing care is estimated as follows:</p> <ul style="list-style-type: none"> <li>• As of 30 June 2024, 7.7% of permanent residents accessing care in mainstream residential aged care.</li> <li>• As of 30 June 2024, 8.9% of people accessing services under the HCP program.</li> <li>• Across 2023–24 financial year, 12.4% of people using any CHSP supports.</li> </ul>
<b>Result: Not achieved</b>	

**Disclosures:**

a. The population target of 3.5% is applicable to each of the individual percentage results recorded for:

- mainstream residential aged care
- HCP program
- CHSP.

Data for First Nations identity is dependent on self-reported data by First Nations peoples and presents a limitation in reporting on the outcome of the measure.

b. The population target of 11.2% is applicable to each of the individual percentage results recorded for:

- mainstream residential aged care
- HCP program
- CHSP.

The 2023–24 result for both a. and b. is preliminary financial year data as of 30 June 2024, and does not include data on flexible aged care programs including Multi-Purpose Services (MPS)<sup>46</sup> and the National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC)<sup>47</sup> Program.

**Data Source and Methodology:**

This administrative data is sourced through the My Aged Care personal client record or related processes (such as aged care assessments) of older Australians receiving Australian Government funded aged care.

a. This information is assessed using the number of aged care recipients that are identified as First Nations as determined through the My Aged Care client record or related administrative data collected for aged care programs, assessed against the number of older First Nations people (aged 50 years and over) based on Australian Bureau of Statistics' population data.

b. This information is assessed using the number of aged care recipients that are living in rural and remote areas in respect of remoteness categories determined from client address information or the address of the aged care service as available and relevant, assessed against the number of older people (aged 65 and over) that live in rural and remote areas.

The rate at which First Nations people and people living in rural and remote areas accessed aged care during 2023–24 was below the department's expectations. Factors that contributed to this status include the challenges service providers face with recruiting and retaining a suitable workforce comprised of First Nations people, and a sustainable workforce located in rural and remote areas.

For older Australians who are (self-identified as) First Nations peoples receiving mainstream residential aged care, this target was not achieved, with only 1.3% of permanent residents accessing services. This was also the case amongst First Nations peoples accessing basic aged care services via CHSP (3.0% vs target of 3.5%) and the HCP program (3.4% vs target of 3.5%). People identifying as having First Nations backgrounds were underrepresented in all programs, but less so in the context of the home-based programs. Several factors should be considered though when considering these results: compared to the rest of the population, First Nations people have higher rates of disability, lower life expectancy and an increased likelihood of requiring aged care services at a younger age. Due to these factors, the target population for First Nations people is people aged 50 years and over, compared to 65 years and over for other population groups.

Cultural differences, and the availability of care and support from family, friends and neighbours, can also affect the use of services across different population groups. Stronger support networks can reduce the need for government funded aged care services, or for particular government funded service types. The exclusion of some aged care programs from this reporting, particularly flexible aged care programs directly targeted at First Nations service delivery, is also relevant when considering this result.

<sup>46</sup> The MPS program delivers residential and home care services in MM 5 to 7 locations. Further information is available at: [www.health.gov.au/our-work/multi-purpose-services-mps-program/about-the-multi-purpose-services-mps-program#who-can-access-the-program](http://www.health.gov.au/our-work/multi-purpose-services-mps-program/about-the-multi-purpose-services-mps-program#who-can-access-the-program)

<sup>47</sup> The NATSIFAC Program provides culturally safe and appropriate care for people identifying as being of First Nations backgrounds, particularly in the more remote areas of Australia. Further information is available at: [www.health.gov.au/our-work/national-aboriginal-and-torres-strait-islander-flexible-aged-care-program](http://www.health.gov.au/our-work/national-aboriginal-and-torres-strait-islander-flexible-aged-care-program)

Initiatives aimed at increasing the number of Aboriginal Community Controlled Organisation aged care providers, and integrated service providers in rural and remote areas, are dependent upon co-design and local and regional partnerships. These are slow processes, but they are necessary to achieve viable long-term solutions. Additionally, building sector supply chain disruptions continue post COVID-19, adding cost and delay to infrastructure projects.

For older Australians in rural and remote areas receiving mainstream residential aged care, this target was not achieved with only 7.6% of permanent residents accessing services. This was also the case amongst people accessing aged care services via the HCP program (8.9% vs target of 11.2%). The target was, however, exceeded by people accessing basic aged care services via CHSP (12.4% vs target of 11.2%). People accessing aged care services in rural and remote areas were over-represented amongst people accessing services through CHSP, but underrepresented in the other aged care programs. The differences in the need or preference for aged care services across different areas of Australia, including where influenced by cultural differences, availability of other supports, and the exclusion of some aged care programs from this reporting, particularly flexible aged care programs directly targeted at thin market service delivery (see discussion below), are all relevant factors when considering this result.

The rates of representation of First Nations peoples, and people in rural and remote areas, should be considered in the context of the further MPS and NATSIFAC programs through which older Australians with diverse backgrounds may access Commonwealth funded aged care services. This is expected to amount to up to an additional 6,000 individuals accessing funded aged care services annually.

The department continued to facilitate activities and initiatives to promote cultural safety and wellbeing. In 2023–24, the department launched a regional, rural and remote webpage for aged care providers which lists all supports available to providers in these areas. Supports are also in place to address workforce challenges in rural and remote Australia which can impact service availability. For example, the Rural Locum Assistance Program for Aged Care provided aged care providers in rural and remote areas with 9,772 days of assistance in 2023–24.

Additionally, the Elder Care Support program is assisting First Nations people and their families in understanding and accessing aged care services, with over 300 people being supported to register on My Aged Care in 2023–24.

**Key Activity:**

Prioritise independence through care at home.

- Delivering Home Care Packages.
- Delivering CHSP services to 840,000 CHSP clients.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.95

**Performance Measure 3.2D:**

Older Australians receive care and support at home that contributes to quality of life as measured through access to services.

- Number of allocated Home Care Packages.
- Number of clients that accessed Commonwealth Home Support Programme services.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.104 and *Health and Aged Care Corporate Plan 2023–24*, p.95

2023–24 Planned Performance	2023–24 Result
a. >285,100	a. 287,404
b. 840,000	b. 834,981
<b>Result: Substantially achieved</b>	

**Data Source and Methodology:**

a. The number of allocated Home Care Packages (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. Data on HCP indicators is published quarterly by the Australian Institute of Health and Welfare (AIHW) and shows data on the total number of allocated HCPs. Defined as the number of older people who are assigned or committed to a HCP, having commenced a HCP service with a HCP program provider, and the number of people assigned an HCP but are yet to commence services with a HCP program provider within the 56 (84 with extension) day take-up period.

b. Commonwealth Home Support Programme (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. Older people who access the CHSP services are defined as the number of clients that had one or more sessions for a CHSP service in the given financial year.

Home Care Packages (HCPs) provide older people in Australia with more complex needs access to clinical care, personal care and support services which assist with day-to-day activities while 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 with care delivered through the HCP Program.

The increased number of allocated HCPs in 2023–24 means more older people have access to a range of services to support their care needs and ability to live independently in their own homes.

There is an increased demand for in-home aged care services because of the continued growth in the population of those over 65 in Australia. By 2034, \$1.5 million<sup>48</sup> older people will want aged care services to come to them in their homes. As people age, there is an increasing preference to age in place in their own homes. However, as people age there are many who require additional support to live independently. This has seen an increase in demand for HCPs.

The waitlist for HCPs has increased significantly from 28,665 as of 30 June 2023 to 68,586 as of 30 June 2024, as the number of people approved to receive a home care package exceeds the available places.

The department has implemented the Fair Work Commission Stage 2 Work Value Case by increasing subsidies for the 2023–24 financial year and releasing an additional 9,500 HCPs. These measures, along with effective communication within the sector, have supported current HCP recipients and facilitated the allocation of new packages for those care recipients who have joined the Program.

<sup>48</sup> Available at: [www.health.gov.au/sites/default/files/2024-08/financial-report-on-the-australian-aged-care-sector-2022-23.pdf](https://www.health.gov.au/sites/default/files/2024-08/financial-report-on-the-australian-aged-care-sector-2022-23.pdf)

The target for the number of allocated HCPs was achieved. As at 30 June 2024, there were 287,404 people allocated a HCP, enabling them to continue living at home by providing timely access care and services needed.

The Commonwealth Home Support Programme (CHSP) provides services nationally to clients with a lower assessed level of need, with a focus on delivering activities that support their independence, wellness and reablement.

In 2023–24, around 1,264<sup>49</sup> CHSP providers delivered a range of entry level support services to 834,981 older people, enabling them to continue living in their own homes and communities for longer.

An additional \$30 million in funding was provided within 2023–24, to enable CHSP providers to assist with the increase in service demand as well as respond to emergency or unforeseen circumstances.



<sup>49</sup> The final data report will be available in October 2024 on the AIHW website: [www.gen-agedcaredata.gov.au/resources/access-data/2020/september/aged-care-data-snapshot](https://www.gen-agedcaredata.gov.au/resources/access-data/2020/september/aged-care-data-snapshot)

# Program 3.3:

## Aged Care Quality

### Program Objective

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

### Key Activities:

Safe and high-quality care and appropriately skilled care.

- Implementing recommendations of the Royal Commission into Aged Care Quality and Safety to build, train and support the aged care workforce, including increases in award wages for the aged care workforce.
- Implementing or continuing a range of aged care service provider support programs, including support for the rollout of additional mandatory care requirements.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.98

### Performance Measure 3.3A:

Aged care workforce is available and appropriately skilled to deliver safe and high-quality care to older Australians, as measured through:

- Workforce attraction and retention
- Workforce skills/qualifications
- Workforce satisfaction.

Source: *Health and Aged Care Portfolio Budget Statements 2023–24*, p.106 and *Health and Aged Care Corporate Plan 2023–24*, p.98

2023–24 Planned Performance	2023–24 Result
a. Establish baseline for staff turnover through the biennial Provider Workforce Survey.	a. Workforce turnover: 84,908 (27%) of all directly employed nursing, personal care and clinical care manager staff left their employment in the 12-months since March 2022.
b. Establish baseline for worker qualification through the biennial Provider Workforce Survey.	b. Workforce qualifications: 48.0% of all directly employed Personal Care Workers hold a Certificate III or higher in a field of study related to their aged care work.
c. Establish baseline for worker satisfaction through the biennial Worker Survey.	c. Workforce satisfaction: 64.7% of survey respondents of the Worker Survey are satisfied with their overall employment in their main job in aged care.
<b>Result: Achieved (Baseline established)</b>	

**Disclosures:**

For a. and b. the 2023 Aged Care Provider Workforce Survey, headcount estimates may overstate the size of the workforce where staff work for multiple providers or across different service care types. Services were asked to provide information relevant to the first fortnightly pay period in March 2023.

The result for b. Workforce qualification was calculated as the proportion of Personal Care Workers whose highest level of education completed in a field related to aged care work is a Certificate III or higher, noting the denominator includes “unknown” responses. Please note the high proportion of ‘unknown’ responses on this question (47% overall), indicating that these results should be interpreted with caution.

**Data Source and Methodology:**

- Survey Results of targeted Aged Care Providers responding to the Aged Care Provider Workforce Survey.
- Providers are all the active registered residential aged care facilities and home care providers (Commonwealth Home Support Programme and Home Care Packages Program) who provide direct care to at least one aged care resident.
- The survey went out to 50% of providers with an 80% target response rate.
- For information on the design of the survey please see the Aged Care Provider Workforce Survey Data Quality Statement ‘Aged Care Provider Workforce Survey 2022–23 external consultation paper – Jan 2023’.<sup>50</sup>

For c. Overall job satisfaction is calculated as the number of respondents who report they were satisfied or very satisfied, divided by the total number of survey respondents who provide an answer to the overall job satisfaction question.

**Note:**

As this is the first year that the department will be reporting on this planned performance result, the target is to establish a baseline for future years to report against. The methodology is still in development and will be updated once more information is available.

The results from the Aged Care Provider Workforce Survey 2023 and the Aged Care Worker Survey 2024 will be used to establish a baseline for future years to report against and measure progress. The final data set comprises 1,401 submissions giving an overall response rate of 47%; 598 Residential Aged Care facilities, 93 Multi-Purpose Services providers, 29 National Aboriginal and Torres Strait Islander Flexible Aged Care providers, 360 Home Care Package Program providers and 321 Commonwealth Home Support Program providers.

A range of new policy and program initiatives were introduced in the data collection process in 2023–24. These included:

- residential aged care services are required to have a registered nurse on-site and on duty 24-hours a day, 7-days a week from 1 July 2023
- residential aged care services are required to deliver at least 200 care minutes per resident per day, including 40 minutes with a registered nurse from 1 October 2023
- the 15% award wage increase announced for many workers in the aged care sector from 30 June 2023.

The above initiatives were introduced following the Aged Care Provider Workforce Survey 2023, and before the Aged Care Worker Survey 2024. These external factors may have impacted how people and service providers responded to the surveys.

Data from the Aged Care Provider Workforce Survey 2023 is weighted to represent the population of the aged care workforce. Data presented is at the National level, and smaller geography breakdowns of these data may be unreliable for some jurisdictions as the survey was not designed to provide estimates at jurisdiction level. Estimates at this level or below must be interpreted with caution.

Data from the Aged Care Worker Survey 2024 is not weighted to represent the direct care aged care workforce. Data may not represent the views of the entire aged care workforce, but only those aged care workers who participated in the survey.

<sup>50</sup> Available at: [www.gen-agedcaredata.gov.au/getmedia/54fece26-d972-432d-ab5f-4bbef3949b74/2023-ACPWS\\_Data\\_Quality\\_Statement](http://www.gen-agedcaredata.gov.au/getmedia/54fece26-d972-432d-ab5f-4bbef3949b74/2023-ACPWS_Data_Quality_Statement)



# Outcome 4

## Sport and Physical Activity

Improved opportunities for community participation in sport and physical activity, 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.

### Programs contributing to Outcome 4

Program	Summary of results against performance criteria			
	Achieved	Substantially achieved	Not achieved	Data not available
Program 4.1: Sport and Physical Activity	-	2	-	-
<b>Total</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>

# Program 4.1:

## Sport and Physical Activity

### 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 developing sport policy and programs.

### 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 Corporate Plan 2023–24*, p.101

### Performance Measure 4.1A:

Engagement of Australians in weekly organised community sport and physical activity as measured through:

- Percentage of Australian children aged zero to 14 years participating in organised sport or physical activity outside of school hours once per week.
- 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 2023–24*, p.110 and *Health and Aged Care Corporate Plan 2023–24*, p.101

2023 Planned Performance	2023 Result	2022	2021
a. Progressive increase towards 59%	a. 51.5%	a. 49.7%	a. 44.1%
b. Progressive increase towards 83%	b. 78.5%	b. 79.3%	b. 80.3%
<b>Result: Substantially achieved</b>			

### Disclosures:

The Result for a. and b. reports the 2022–23 financial year data, which has a 6 month overlap with the 2022 previous years' reported result between 1 July 2022 to 31 December 2022. The 2022–23 financial year data has been utilised due to the AusPlay Survey changing methodology in July 2023 from telephone interviewing to online data collection. Following the change in survey methodology, data collection for the 2023 calendar year ceased on 30 June 2023. Final data for the 2022–23 financial year was published in October 2023.

### Data Source and Methodology:

Data for a. and b. is derived from the Australian Sports Commission AusPlay survey results.<sup>51</sup> AusPlay collects national, state, and territory data on participation rates across organised sport and physical activity. This performance measure is reported on a calendar year basis to align with the release of AusPlay data.

AusPlay Survey data is published twice a year and covers periods from June to the following July (published in October) and January to December (published in April). Due to the change in survey methodology, data collection for the 2023 calendar year ceased on 30 June 2023, with final data for 2022–23 published in October 2023.

<sup>51</sup> Available at: [www.clearinghouseforsport.gov.au/research/ausplay/results](http://www.clearinghouseforsport.gov.au/research/ausplay/results)

The following analysis has utilised the available financial year data to undertake a comparative assessment. AusPlay data shows children's participation in sport and physical activity has been steadily increasing since the COVID-19 pandemic but has not yet recovered to pre-pandemic levels. In 2022–23, 51.5% of Australia children (aged zero to 14 years) participated in organised sport or physical activity outside of school hours at least once per week, representing a 4.2-percentage point increase from 2021–22 (47.3%) and an upwards trend since the low point of 42.2% in 2020–21.<sup>52</sup> AusPlay data suggests the restrictions imposed during the COVID-19 pandemic reduced the amount of out-of-school organised sport and physical activity children were able to do. While most children have returned to these activities, overall participation rates remain below pre-pandemic levels.<sup>53</sup>

Adults' participation in sport and physical activity has decreased compared with the previous reporting period. In 2022–23, 78.5% of Australian adults (aged 15 years and over) participated in sport or physical activity at least once per week, representing a 2-percentage point decrease from 2021–22 (80.5%) and a downward trend since 2020–21 (80.1%).<sup>54</sup> This trend is more apparent in women than in men. Women's participation decreased from 84.2% in 2018–19 (pre-pandemic) to 81.7% in 2020–21 during the pandemic and 78.8% in 2022–23. In contrast, men's participation has remained comparatively stable at 80.4% in 2018–19 compared with 78.4% in 2020–21 and 78.1% in 2022–23.<sup>55</sup> AusPlay data indicates more men and women reported exercise was not a priority in 2022–23.

The trend in adult participation may be impacted by cost of living increases. A recent study by the Australian Sports Foundation found 52% of sporting clubs have reported cost of living impacts as a growing barrier to member registrations.<sup>56</sup> Membership fees, uniforms, equipment, travel, and insurance costs have risen in the recent years, representing barriers to participation for many Australians, particularly people facing other socioeconomic challenges.<sup>57</sup>

The department continued to support participation in sport and physical activity during 2023–24 by developing national sport policy, funding programs and initiatives and collaborating with Australian Government entities.

The department led consultation with Australian Government entities and the broader sector to develop a new National Sport Strategy (Strategy). The new Strategy will set a shared vision and priorities for sport in Australia over the next decade. The Strategy brings together other national sport-related strategies and priorities into a single framework to address barriers and encourage participation and high performance.

The department designed the \$200 million Play Our Way grant program to promote equal access, build more suitable facilities, and support grassroots initiatives to engage women and girls in sport and physical activity throughout their lives. In consultation with an expert advisory panel and sector experts, the department developed program guidelines and ran an open competitive grant process. Grant applications closed in April 2024 and the department will award grants in 2024–25.

The department managed the Water and Snow Safety program, which funds leading organisations to implement prevention and intervention measures and support safe environments for participation. The department has also managed funding to Female Facilities and Water Safety Stream projects which improve access and enable participation in community sport and physical activity.

In providing support for major sporting events, the department has funded event partners to deliver legacy programs which encourage Australians to participate in sport and physical activity. For example, following the 2023 FIFA Women's World Cup the department provided \$5.8 million to Football Australia for participation initiatives for girls and women, newly arrived migrants, and refugees and multicultural youth.

<sup>52</sup> Available at: [www.clearinghouseforsport.gov.au/research/ausplay/results](http://www.clearinghouseforsport.gov.au/research/ausplay/results)

<sup>53</sup> Australia Sports Commission, 2023 'AusPlay: A review of how the COVID-19 pandemic impacted sport and physical activity in Australia', October 2023, available at: [www.clearinghouseforsport.gov.au/research/ausplay/results](http://www.clearinghouseforsport.gov.au/research/ausplay/results)

<sup>54</sup> Available at: [www.clearinghouseforsport.gov.au/research/ausplay/results](http://www.clearinghouseforsport.gov.au/research/ausplay/results)

<sup>55</sup> Available at: [www.clearinghouseforsport.gov.au/research/ausplay/results](http://www.clearinghouseforsport.gov.au/research/ausplay/results)

<sup>56</sup> Australian Sports Foundation, 2023, 'Clubs Under Pressure - Australian Community Sport Research Findings', accessed 27 July 2024 available at: [res.cloudinary.com/asf-australia/image/upload/v1684390398/Website%20PDFs/ASF\\_Clubs\\_Under\\_Pressure\\_Report\\_-\\_WEB.pdf](https://res.cloudinary.com/asf-australia/image/upload/v1684390398/Website%20PDFs/ASF_Clubs_Under_Pressure_Report_-_WEB.pdf)

<sup>57</sup> Cruickshank, V, Hyndman, B, Hartley, T 2024, 'No cash, no play? Have cost-of-living pressures impacted sports participation in Australia?', The Conversation, 10 April 2024, available at: [theconversation.com/no-cash-no-play-have-cost-of-living-pressure-impacted-sports-participation-in-australia-226613](https://theconversation.com/no-cash-no-play-have-cost-of-living-pressure-impacted-sports-participation-in-australia-226613)

**Key Activities:**

- Coordinating whole-of-government support for the bidding, planning, delivery, evaluation and legacy impacts of major international sporting events hosted in Australia, including the Brisbane 2032 Olympic and Paralympic Games.
- Developing and implementing a strategic, whole-of-government legacy and communications approach for major sporting events.

Source: *Health and Aged Care Corporate Plan 2023–24*, p.105

**Performance Measure 4.1B:**

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 2023–24*, p.111 and *Health and Aged Care Corporate Plan 2023–24*, p.105

2023–24 Planned Performance	2023–24 Result	2022–23	2021–22
<p>Event delivery support:</p> <ul style="list-style-type: none"> <li>• FIFA Women’s World Cup 2023</li> </ul> <p>Event Planning:</p> <ul style="list-style-type: none"> <li>• Netball World Cup 2027</li> <li>• Rugby World Cup 2027</li> <li>• Women’s Rugby World Cup 2029</li> <li>• ICC Men’s T20 World Cup 2028</li> <li>• Brisbane 2032 Olympic and Paralympic Games.</li> </ul>	<p>The department collaborated across multiple Australian Government agencies, and with state/territory governments, local organising committees, and international sporting federations to effectively coordinate and deliver on areas of Commonwealth responsibilities for the following major sporting events hosted/being hosted in Australia.</p> <p>Event delivery:</p> <ul style="list-style-type: none"> <li>• FIFA Women’s World Cup 2023.</li> </ul> <p>Event planning:<sup>58</sup></p> <ul style="list-style-type: none"> <li>• Netball World Cup 2027</li> <li>• Rugby World Cup 2027</li> <li>• Women’s Rugby World Cup 2029</li> <li>• Brisbane 2032 Olympic and Paralympic Games.</li> </ul>	<p>The department collaborated with Australian Government agencies and relevant stakeholders to implement strategic coordination of Commonwealth responsibilities.</p> <p>Event delivery support:</p> <ul style="list-style-type: none"> <li>• ICC T20 Men’s World Cup 2022</li> <li>• UCI Road World Championships 2022</li> <li>• Virtus Oceania Asia Games 2022</li> <li>• FIBA Women’s World Cup 2022</li> <li>• World Transplant Games 2023</li> </ul> <p>Event planning:</p> <ul style="list-style-type: none"> <li>• FIFA Women’s World Cup 2023</li> <li>• Victoria 2026 Commonwealth Games</li> <li>• Rugby World Cup 2027</li> <li>• Women’s Rugby World Cup 2029</li> <li>• ICC Men’s T20 World Cup 2028</li> <li>• Brisbane 2032 Olympic and Paralympic Games.</li> </ul>	<p>The department collaborated with Australian Government agencies and relevant stakeholders to implement strategic coordination of Commonwealth responsibilities in relation to the:</p> <ul style="list-style-type: none"> <li>• ICC T20 Men’s World Cup 2022</li> <li>• FIBA Women’s World Cup 2022</li> <li>• World Transplant Games 2023</li> <li>• FIFA Women’s World Cup 2023</li> <li>• Rugby World Cup 2027 bid</li> <li>• 2032 Olympic and Paralympic Games candidature.</li> </ul>
<b>Result: Substantially achieved</b>			

**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 and Australian Government commitments to events are typically published through media releases and budget fact sheets. Planning for major sporting events commences years in advance of the event. Data becomes available in the lead up to events and may not be available many years in advance. In these cases, data will be available in future Corporate Plans.

<sup>58</sup> The Victoria 2026 Commonwealth Games was removed as a planned performance result from the *Health and Aged Care Corporate Plan 2023–24*, p.105, following the Victorian Government’s announcement to withdraw as host of the Victoria 2026 Commonwealth Games. The Australian Government was not engaged by the Victorian Government during the bid process or in relation to the Victorian Government’s withdrawal. The Commonwealth has continued to work with the jurisdiction, organising committee, and Senate Select Committee, and engaged in discussions with jurisdictions on the event.

On behalf of the Australian Government, the department administered direct funding to support the successful delivery of the FIFA Women's World Cup 2023.

Funding, broader engagement and support provided by the department contributed to event delivery arrangements in 2023–24 and leveraged legacy initiatives to amplify a range of benefits of hosting these events in Australia, including significant economic, social, cultural, environmental, and sporting benefits to Australia, as well as enhancing our international reputation. Strategic coordination of Australian Government support for major sporting events was achieved through effective engagement with external stakeholders, including event owners, event organisers, host jurisdictions, national sporting organisations and key sport portfolio bodies. The Government is transparent about supporting bids, recognising not all bid proposals will be successful and that being successful in a bid does not guarantee funding from Government.

FIFA Women's World Cup 2023, the largest women's sporting event in the world, presented a vehicle to increase gender equity, and promote inclusion and a healthy lifestyle. The department provided legacy funding to support the growth of football in Australia, particularly for women and girls. This included contributions to high performance and talent pathway initiatives, a Club Development Program, and other participation initiatives to ensure a positive legacy from the event.

Hosting the FIFA Women's World Cup 2023 provided and will continue to provide significant opportunities to leverage the rising popularity of women's football and deliver significant benefits to the Australian community. It assisted in bringing forward positive change to improve Australia's global image, improve infrastructure, deliver long term economic benefits, increase jobs, and improve social and cultural behaviours.

A key event during the FIFA Women's World Cup 2023 was the Gender Equality Symposium, co-hosted by the Minister for Sport and the Minister for Foreign Affairs. The event brought together more than 200 leaders, advocates, academics, and athletes from our region and across the world. Guests reflected on the broad benefits to communities when women and girls receive the support to realise their full potential through sport.

The Government worked closely with Football Australia and FIFA to ensure the FIFA Women's World Cup 2023 showcased Australia to the world as a leading host national for major international events. It proved a resounding opportunity to promote Australia as open for tourism, trade and business post the COVID-19 pandemic.

The department is working with the Queensland Government and other Games Delivery Partners to progress funding, infrastructure, legacy and governance arrangements to ensure successful delivery of the Brisbane 2032 Olympic and Paralympic Games, including through a new independent Games Venue and Legacy Delivery Authority. Following findings from the Queensland Government-commissioned Independent 60-day Review of Brisbane 2032 Olympic and Paralympic Games venue infrastructure projects (released in March 2024),<sup>59</sup> the department is working with the Department of Infrastructure and the Queensland Government on the Review's recommendations and any implications for the Commonwealth. The department manages and participates in governance committees to progress foundational planning activities with the Queensland Government, other Games Delivery Partners and across relevant Commonwealth agencies.

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<sup>59</sup> Information on the Independent 60-day Review of Brisbane 2032 Olympic and Paralympic Games Venue Infrastructure Projects, and the Queensland Government's response, is available at: [www.statedevelopment.qld.gov.au/industry/brisbane-2032](http://www.statedevelopment.qld.gov.au/industry/brisbane-2032)

Planning arrangements continued in partnership with event organisers to support hosting of the Netball World Cup 2027, Men's Rugby World Cup 2027 and Women's Rugby World Cup 2029. Planning arrangements for the ICC Men's T20 World Cup 2028 major sporting event did not occur. Bidding for the right to host major sporting events is often a competitive process and carries risk, noting international sporting federations and their members have the responsibility of selecting the event host.

The department has developed a Major Sporting Events Legacy Framework to ensure major international sporting events held in Australia deliver lasting social, economic, and sporting benefits for all Australians, with a vision to attract, deliver and leverage world class major sporting events to provide the greatest social, sporting and economic benefits for all Australians.





# Part 3: Management and Accountability

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# 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 2023–24, the Executive Committee continued to provide strategic direction and leadership, including responding to the 2023 Australian Public Service Commission (APSC) Capability Review and navigating a successful negotiation of the 2024–27 Enterprise Agreement. These and other actions enhanced the department’s capability and culture towards high quality outcomes.

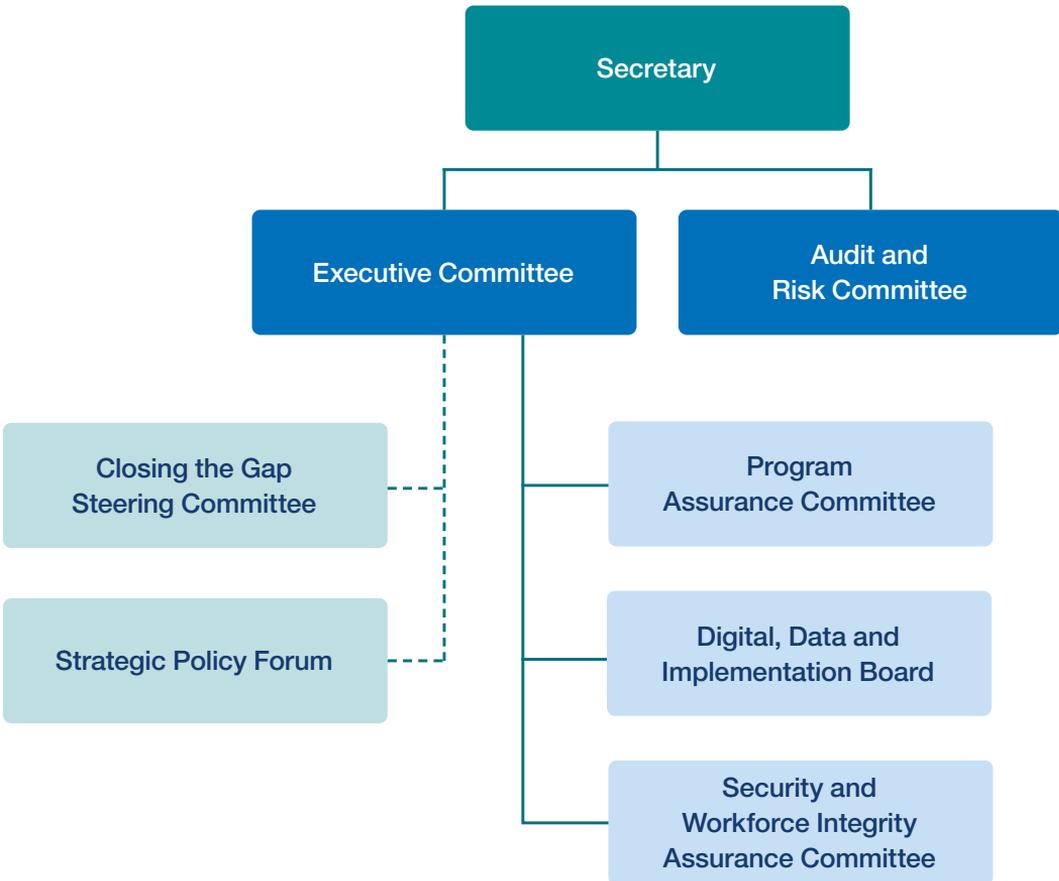
An overview of the department’s corporate governance is provided below.

## 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



**Table 3.1.1: Senior governance committees**

Committee	Role
<b>Executive Committee</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• effective decision making and governance</li> <li>• 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</li> <li>• shaping organisational culture and developing capability</li> <li>• monitoring and addressing departmental performance and risks</li> <li>• providing strategic advice on recommendations put forward by the department’s senior governance committees.</li> </ul> <p>Membership comprises the Secretary and all Deputy Secretaries.</p>
<b>Audit and Risk Committee</b>	<p>The Audit and Risk Committee provides independent advice and assurance to the Secretary on the appropriateness of the department’s:</p> <ul style="list-style-type: none"> <li>• financial reporting</li> <li>• systems of internal control</li> <li>• performance reporting</li> <li>• systems of risk oversight and management.</li> </ul> <p>During 2023–24, the Committee comprised 5 independent members (refer to Audit and Risk Committee Membership for more information).</p>
<b>Program Assurance Committee</b>	<p>The Program Assurance Committee (PAC) reviews departmental sub-programs to assure the effectiveness of program management through a risk-based assessment approach, with a focus on the highest-risk sub-programs. Membership comprises of senior executives from various business groups across the department.</p>
<b>Digital, Data and Implementation Board</b>	<p>The Digital, Data and Implementation Board provides oversight, advice and assurance to the Executive Committee on:</p> <ul style="list-style-type: none"> <li>• effective management and ongoing viability of the department’s high risk change projects</li> <li>• strengthening and maturing project capability and independent project assurance</li> <li>• 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.</li> </ul> <p>Membership comprises of senior executives selected for their current role in the department.</p>
<b>Security and Workforce Integrity Assurance Committee</b>	<p>The Security and Workforce Integrity Assurance Committee provides assurance to the Secretary and Executive Committee that security and workforce integrity related risks are being managed effectively. Membership comprises senior executives and executive level officers managing key functions relevant to security and workforce integrity.</p>
<b>Strategic Policy Forum</b>	<p>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.</p>
<b>Closing the Gap Steering Committee</b>	<p>The Closing the Gap Steering Committee oversees and drives the implementation of the department’s commitments under the National Agreement on Closing the Gap.</p>

## National Agreement on Closing the Gap

The department is committed to changing the way we work in line with the 4 Closing the Gap Priority Reforms to accelerate progress against the Closing the Gap targets and Priority Reforms. There are 19 socio-economic targets with 3 that are health specific.

Performance on the Closing the Gap targets is reported through the Closing the Gap Dashboard produced by the Productivity Commission. The latest update was released on 6 March 2024. We know that 2 of the 3 health specific targets are not currently on track to be met.

- Aboriginal and Torres Strait Islander people are living longer than 15 years ago but the life expectancy target is unlikely to be achieved by 2031 (Target 1).
- A higher proportion of Aboriginal and Torres Strait Islander babies are being born at a healthy birthweight and the target is on track to be met by 2031 (Target 2).
- The target for a significant and sustained reduction in suicide of Aboriginal and Torres Strait Islander people towards zero is not on track to be met (Target 14).

In 2023–24, the Closing the Gap Steering Committee (Steering Committee) progressed a significant body of work to implement action under each of the Priority Reforms through the Closing the Gap Framework for Action. The Steering Committee met 4 times in 2023–24, with a focus on projects that strongly aligned with the priorities of First Nations' peak and community-controlled health organisations. Actions progressed this year have included convening an inaugural roundtable meeting with First Nations peak organisations, commencing co-design of a National Health Reform Agreement First Nations Schedule, and developing and implementing policies and programs in partnership with our First Nations stakeholders.

In addition to actions progressed by the Steering Committee, other significant activities by the department included appointing an Interim First Nations Aged Care Commissioner and providing 120 Aboriginal Community Controlled Health Organisations with funding stability and certainty.

**Interim First Nations Aged Care Commissioner:** Ms Andrea Kelly was appointed to lead nation-wide consultations to hear directly from First Nations older people, families, carers, communities and providers, about how aged care is working for older Aboriginal and Torres Strait Islander people and their families. Commissioner Kelly commenced on 8 January 2024 and has visited communities across Australia including very remote, remote, regional, and urban locations. Community feedback has already been used to amplify the voices of older Aboriginal and Torres Strait Islander people in the development of key aged care policy initiatives.

**National Health Reform Agreement:** The department is working on the development of a National Health Reform Agreement (NHRA) First Nations Schedule as recommended by the Mid-Term Review of the 2020–25 Addendum to the NHRA. At the National Aboriginal and Torres Strait Islander Health Ministers Roundtable on 22 March 2024, it was agreed by all jurisdictions that the First Nations Schedule will be co-designed with First Nations people, led by the National Aboriginal and Torres Strait Islander Health Collaboration.

**First Nations Funding Transition Program:** The First Nations Funding Transition Advisory Group, co-chaired by the department and Dr Dawn Casey PSM, has guided a review of programs explicitly targeting First Nations health outcomes. The Advisory Group met on 11 occasions and considered 45 programs across the department. A roadmap of transition opportunities will be finalised in mid-2024. On 22 March 2024, the Hon Mark Butler MP announced that management of the Puggy Hunter Memorial Scholarship Program would transition from 1 July 2024 to a consortium led by Indigenous Allied Health Australia.

**First Nations Governance Group:** Our commitment to self-empowerment and self-determination is demonstrated by our many partnerships across the First Nations health sector. This includes a new First Nations Health Governance Group established to share decision making on Australian Government health policy and reform and hold the department accountable to actions committed to improving First Nations health outcomes. The group is co-chaired by our Secretary and a First Nations member. Membership includes representatives from key national organisations and skills-based members.

**Aboriginal and Torres Strait Islander Partnership and Engagement Framework:** The department has developed in partnership with First Nations stakeholders, an Aboriginal and Torres Strait Islander Partnership and Engagement Framework. The framework was endorsed by the Executive Committee in June 2024. It outlines actionable steps departmental staff can take to plan, engage, and partner with First Nations stakeholders to build and strengthen culturally safe, responsive, and genuine partnership, to ensure programs and services best suit the needs of Aboriginal and Torres Strait Islander people.

**New Primary Health Care Rolling Funding Agreements:** 120 Aboriginal Community Controlled Health Organisations (ACCHOs) now have greater funding stability and certainty to plan for the future thanks to new 4 year rolling funding agreements announced on 14 June 2024. To commence from 1 July 2024, these new arrangements will be supported by a \$300 million funding boost, providing up to \$2.70 billion over 4 years from 2024–25 for ACCHOs delivering comprehensive primary health care under the Indigenous Australians' Health Programme.

**Better Renal Services for First Nations People:** The department is progressing the establishment of up to 30 4-bed dialysis units to provide First Nations people all around Australia with dialysis closer to home, enabling them to remain on Country and connected with their communities whilst receiving regular life-sustaining treatment. The unit at Coober Pedy officially opened on 18 June 2024 and patients are gradually being moved home from regional hubs in South Australia, such as Port Augusta and Whyalla. A further 5 sites are at varying stages of development. The Better Renal Services Steering Committee, a partnership between the department and the National Aboriginal Community Controlled Health Organisation, will recommend further sites following a direct call to First Nations communities through an expression of interest.

While acknowledging the successes of the actions progressed by the department in 2023, the department recognises that we still have a long way to go to close the gap. The Closing the Gap Priority Reforms outline, in practical and measurable terms, ways to ensure that the voices of Aboriginal and Torres Strait Islander people are given weight on issues that impact their lives. We are committed to ensuring that First Nations voices are heard in the development and delivery of Health and Aged Care Portfolio programs and services which impact their lives.

## Audit and Risk Committee (ARC) membership

The ARC's functions are set out in its Charter.<sup>60</sup>

During 2023–24, the ARC was supported by the following sub-committees:

- The Financial Statements Sub-Committee (FSSC), chaired by Fran Raymond.
- The Performance Reporting Sub-Committee (PRSC), chaired by Nick Baker.

In 2023–24, the ARC and its sub-committees each met 4 times. In addition, the ARC held one joint meeting with the FSSC and 1 joint meeting with the PRSC in 2023–24. Committee chair and member attendance and remuneration in relation to meetings held in 2023–24 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
Tim Youngberry	4	1	1	1	1	\$80,000
Nick Baker	4	0	4	1	1	\$33,000*
Andrew Stuart	4	0	4	1	1	\$27,080*
Fran Raymond	4	4	0	1	1	\$35,500
Wendy Southern	4	4	0	1	1	\$26,855

\*GST Exempt.

## ARC membership during 2023–24

### Tim Youngberry ARC Chair

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.

### 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 is a Fellow of the Certified Practising 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).

<sup>60</sup> Available at: [www.health.gov.au/audit-risk-committee-charter](http://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 and Aged Care 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. Mr Stuart's membership of the ARC and Performance Reporting Sub-Committee ended on 30 June 2024.

**Fran Raymond**  
**ARC Member**  
**Chair of the Financial Statements Sub-Committee**

Ms Raymond is a current Member of the Australian National University Audit and Risk Management Committee and the former Chair of the Defence Bank Risk and Compliance Committee.

Ms Raymond is a seasoned financial sector leader with Committee and Senior Executive capability spanning diverse organisations and sectors, with significant Audit, Risk and Governance Committee experience. Ms Raymond is the former Chief Financial Officer of the National Health and Medical Research Council and the Department of Prime Minister and Cabinet.

**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 Aged Care 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 Doctor of Philosophy from the Australian National University. Dr Southern's membership of the ARC and Financial Statements Sub-Committee ended on 30 June 2024.

## 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<sup>61</sup>

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 Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

### 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 2023–24, the department sought to improve the clarity, reliability, and objectivity of our performance reporting through the following activities:

- commenced a review of our key activities and corresponding performance measures to reduce the number of key activities to those of a material nature to the purpose of the department
- streamlined and aligned performance information across the Portfolio Budget Statements, Corporate Plan, and Annual Performance Statements
- analysed performance measures to provide a 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 Act and PGPA Rule.

Details of the department's performance against individual performance measures is listed under Part 2: Annual Performance Statements.

### Business and risk planning

Integrated business and risk planning processes were undertaken by the department in 2023–24 and closely aligned to internal budget allocation processes. The approach enabled visibility of priority areas of need, allowing business areas to use a risk-based approach to manage their budget and resource allocations to deliver government priorities consistent with our vision.

<sup>61</sup> Available at: [www.health.gov.au/corporateplan](http://www.health.gov.au/corporateplan)

## Risk management

The department's Risk Management Policy and Risk Management Framework comply with the Commonwealth Risk Management Policy and are aligned to the AS/NZS ISO 31000:2018 Risk Management – Guidelines.<sup>62</sup>

The Risk Management Policy and Framework assists the department to:

- make better business decisions
- encourage appropriate engagement with risk
- actively manage current and emerging challenges
- support the accountable authority to meet its duties under section 16 of the PGPA Act.

In 2023–24, the department worked on initiatives to improve its maturity in risk management, including:

- implementing arrangements for identifying, managing and escalating emerging risks through the introduction of a quarterly group risk report. The report serves as a platform for group delegates to outline the management of current and emerging risks and opportunities that may impact on the department's operations and objectives
- conducting a quarterly thematic analysis on the department's 8 Enterprise Risk categories to inform the Audit and Risk Committee, the Executive Committee and the accountable authority of the appropriateness of the department's systems of risk oversight and management
- centralising project and program risks in Altus, the department's new project management software. Altus assists the department to ensure effective arrangements are in place to regularly monitor and review risks, issues, and control effectiveness, as well as implement mitigations as required
- establishing Guidelines for Shared Risk Management between the department and Services Australia
- improving executive reporting by including key metrics and performance indicators to support risk management across the department
- uplifting capability through ongoing engagement with departmental officials, including education and awareness presentations on the department's approach to risk management and the role of the Chief Risk Officer.

## Fraud and corruption control

The department is serious about minimising the impact of fraud and corruption on its policies and programs. It focuses on protecting payments, services and information using an increasingly dynamic set of preventative, detective and response measures.

During 2023–24, the department consolidated its fraud functions into a new fraud and integrity branch. The branch leads and coordinates the department's fraud control program and is continuing to modernise and mature the department's operability and systems to enhance its fraud and corruption management.

The branch implemented changes to prepare the department for the introduction of the new Commonwealth Fraud and Corruption Control Framework. This included updating the department's Financial Business Rule, Accountable Authority Instructions and Fraud and Corruption Control Plan to ensure the department was compliant with the framework when it came into effect on 1 July 2024. The branch has enhanced its internal awareness campaign to ensure senior officials and staff understand changes in the framework and to educate them on their new requirements.

## Fraud and corruption prevention

The department's fraud and corruption prevention strategies focus on ensuring risks are identified and managed at the enterprise, program and operational levels, and that these are reviewed regularly. The department also assesses and tests the controls in place to mitigate these risks, and designs improvements wherever possible.

<sup>62</sup> Available at: [www.iso.org/obp/ui#iso:std:iso:31000:ed-2:v1:en](http://www.iso.org/obp/ui#iso:std:iso:31000:ed-2:v1:en)

In 2023–24, the department implemented a new approach to operational fraud and corruption risk assessments and created a new control testing framework. These resources will allow the department to strengthen its fraud and corruption prevention mechanisms and support all staff in the department to better manage fraud and corruption in their areas of responsibility.

The department prioritises fraud and corruption education and awareness to ensure all department officials have the knowledge and skills to combat fraud and corruption. This includes initiatives such as the 2023 International Fraud Awareness Week events in November 2023. The department delivered presentations, resources and activities through multiple media channels, which included collaborating with other federal government agencies to provide a broader view of the fraud and corruption landscape.

Other educational activities in 2023–24 included monthly themed awareness and education campaigns, a new multimedia intranet page and a redesigned online training module.

The department actively engages 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 continues to work as a member of the Fraud Fusion Taskforce, actively working with partner agencies in preventing, responding to, and disrupting fraud and criminal activity against the Commonwealth government payments and programs with a focus on intelligence sharing.

The department has broadened its proactive fraud detection capability by regularly engaging with internal stakeholders and data owners to partner and strengthen detection and investigation controls while assisting to build its intelligence capability. Our fraud detection processes include compliance monitoring, data matching and internal and external audits. The department systematically reviews internal processes and controls to strengthen its approach to non-compliance and fraud.

The department maintains fraud reporting mechanisms that allow anyone 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 2023–24, the department received 1,054 tip-offs. Following assessment of these tip-offs, 22 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 state or Commonwealth law enforcement or other agencies as appropriate.

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 2023–24, the department referred 2 Briefs of Evidence to the CDPP. During the same period, 6 cases resulted in successful criminal prosecution and one case was discontinued by the CDPP.

As at 30 June 2024, 12 matters were before the courts, with an estimated detriment to the Commonwealth of \$17 million.

## Compliance reporting

### Significant non-compliance issues with finance law

In 2023–24, the department reported one instance 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. The instance related to the requirement that Grant Opportunity Guidelines must be in place before a grant is awarded. The grant was in relation to the Embrace Multicultural Mental Health Framework from 2021–22. This instance was not identified when the 3 instances of significant non-compliance of similar nature were reported last financial year. 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 commissioned an external review of its financial controls and assurance framework. To ensure there have been no further instances of non-compliance not previously detected, an external review undertook a comprehensive review for similar non-compliance of the grants awarded across the department, with a focus on programs assessed as higher risk. The review selected grants from payments made between December 2018 (Commonwealth Grant Rules and Guidelines were implemented in 2018) and October 2023. No additional instances of similar non-compliance with finance law were identified.

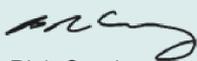
### Department's framework

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, and reporting mechanisms that meet the specific needs of the department
- taken all reasonable measures to appropriately deal with fraud relating to the department.



Blair Comley  
8 October 2024

### Assurance and audit activities

In 2023–24, 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 2024–25 Internal Audit Work Program.

Internal audits completed during 2023–24 reviewed and provided assurance on taskforce creations, rapid implementation, cyber security, data and information management, effectiveness and efficiency of grant programs, and capital procurement. During 2023–24, the department completed 22 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.

# Part 3.2: Executive

As at 30 June 2024.<sup>63</sup>



## Blair Comley PSM Secretary

Blair Comley commenced as the Secretary of the Department of Health and Aged Care on 17 July 2023.

Blair has served as the Secretary of the Commonwealth Department of Climate Change and Energy Efficiency and the Secretary of the Commonwealth Department of Resources, Energy and Tourism. Blair has also served as Secretary of the NSW Department of Premier and Cabinet, NSW's most senior public servant.

Prior to these positions, Blair held senior leadership positions in Treasury including General Manager of the Indirect Tax Division, the Business Tax Division, and the Macroeconomic Policy Division and the Acting Chief Executive of the Australian Office of Financial Management with responsibility for managing the Commonwealth's debt and derivative portfolio.

Blair has had extensive engagement with Commonwealth State relations, including reform of the Federation and Health funding in his role as Secretary of the Department of Premier and Cabinet in the NSW Government.

Blair also has significant private sector experience as a strategy consultant advising governments, not for profits, and corporates on a wide range of matters including climate, energy, human services, health, organisational leadership and design, governance and economic policy.

In 2012, Blair was awarded the Public Service Medal for outstanding public service in the development of public policy, particularly in the areas of carbon pricing and emissions trading, tax policy design and debt management.

Blair has a Bachelor of Economics (Hons), a Master of Economics and a Graduate Diploma of Legal Studies.



## Professor Paul Kelly Chief Medical Officer

Professor Paul Kelly is the Chief Medical Officer for the Australian Government and the principal medical adviser to the Minister for Health and Aged Care and the Department of Health and Aged Care.

As part of his role as Chief Medical Officer, Professor Kelly is also the Head of the interim Australian Centre for Disease Control.

Professor Kelly is a public health physician and epidemiologist with more than 30 years of research experience. Professor Kelly has worked around the world in health system development and infectious disease epidemiology. Professor Kelly chairs the Australian Health Protection Committee.

<sup>63</sup> To view the most up to date Executive biographies, visit: [www.health.gov.au/about-us/who-we-are/leadership](http://www.health.gov.au/about-us/who-we-are/leadership)



## Charles Wann

### Chief Operating Officer

Charles Wann has been Chief Operating Officer (COO) since February 2020. He holds a Bachelor of Arts (Hons) from the Australian National University, specialising in Classics.

Charles 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. While COO, he has directed the department's improved focus on integrity and governance, chairing boards on Closing the Gap, implementation and digital delivery. Charles has driven a revitalised workplace informed by lessons learned following the COVID-19 pandemic and a departmental capability review.

Before joining the department, Charles worked in diverse roles for the 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.

Charles 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.



## Penny Shakespeare

### Deputy Secretary for Health Resourcing

Penny Shakespeare is Deputy Secretary for Health Resourcing, responsible for the Australian Government's investments in the Medicare Benefits Schedule, Pharmaceutical Benefits Schedule, Health Workforce, Digital Health Policy and Private Health Insurance.

Since joining the Department of Health and Aged Care in 2006, Penny has held a number of senior leadership positions. Prior to joining the department, Penny was an industrial relations lawyer in the Department of Employment and Workplace Relations and worked in regulatory policy roles, including as head of the Australian Capital Territory's Office of Industrial Relations.

Penny 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 is Deputy Secretary of the Ageing and Aged Care Group and First Nations Champion.

Prior to joining the Department of Health and Aged Care in 2019, Michael was the Deputy Secretary responsible for disability and carers policy 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.

Michael has a Bachelor of Arts degree majoring in Psychology and a Master of Social Welfare Administration and Planning, both of which are from the University of Queensland.



## **Dr Liz Develin**

### Deputy Secretary for Primary and Community Care

Dr Liz Develin joined the Department of Health and Aged Care in January 2024 as Deputy Secretary for the Primary and Community Care Group.

Prior to joining the department, Liz has been a CEO of both the Sydney Olympic Park Authority and the Australian Energy Regulator.

Liz's public service career began in the New South Wales (NSW) Government, and she has enjoyed executive level roles across NSW Health, Premier & Cabinet, and the Planning portfolio. Liz's varied leadership roles have spanned areas such as health promotion, service planning, health infrastructure, national reform and intergovernmental relations, governance, urban planning, housing, energy and water.

Liz has qualifications in human movement, public health, and a Doctorate of Business Administration that considered policy implementation in the NSW health system.



## **Blair Exell**

### **Deputy Secretary for Health Strategy, First Nations and Sport**

Blair Exell joined the Department of Health and Aged Care in 2022 as the Deputy Secretary for Health Strategy, First Nations and Sport.

Blair has been a senior leader in the Australian Public Service (APS), working across foreign affairs, international development, First Nations and health agendas in Australia and across the Asia Pacific region for more than 25 years.

Blair has led and delivered policy and program reforms at the federal and international level in the areas of international development and governance, health and First Nations (including leading the National Agreement on Closing the Gap for the APS). Blair has also led emergency responses domestically and internationally, including natural disasters and pandemic responses.

Blair was Australia's most senior aid representative while posted to Cambodia, Solomon Islands and Indonesia. Blair 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). Blair is currently Australia's representative on the WHO Executive Board (2022–2025).

Blair has a Bachelor of Economics from the Australian National University.



## **Professor Tony Lawler**

### **Deputy Secretary of the Health Products Regulation Group**

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 in June 2023, Tony was the Chief Medical Officer and Deputy Secretary - Clinical Quality, Regulation and Accreditation with the Tasmanian Department of Health. This role included providing leadership to health professionals, system-wide clinical governance oversight, and the regulation of private health service establishments.

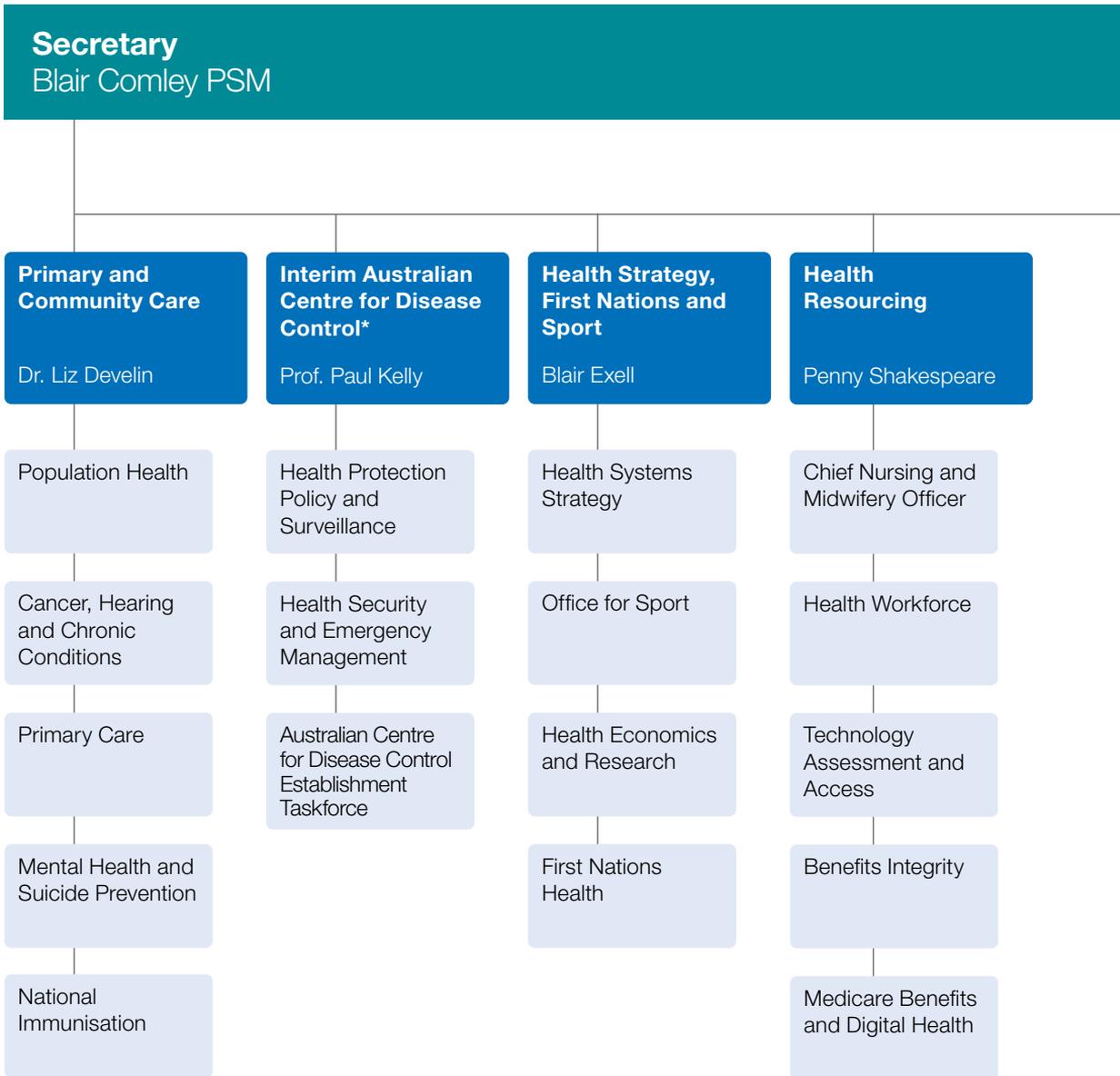
Having studied medicine at the University of Tasmania, Tony has worked in the health system as a Specialist Emergency Physician, Specialist Medical Administrator, and senior health public servant for almost 30 years. During the COVID-19 pandemic, Tony was the Tasmanian Health Service Emergency Operations Commander.

Tony has previously held positions as a member of the Board of the Australian Commission on Safety and Quality in Health Care and 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.

Tony is a Professor in Health Services with the University of Tasmania.

# Part 3.3: Organisational Chart

(As at 30 June 2024)<sup>64</sup>



\* Formerly Chief Medical Officer Group

<sup>64</sup> To view the most recent departmental structure chart, visit: [www.health.gov.au/about-us/who-we-are/organisational-chart](http://www.health.gov.au/about-us/who-we-are/organisational-chart)



**Health Products Regulation**  
Prof. Tony Lawler

Chief Medical Adviser

Principal Legal and Policy Adviser /Regulatory Legal Services

Medicines Regulation

Medical Devices and Product Quality

Regulatory Practice and Support

**Ageing and Aged Care**  
Michael Lye

Reform Implementation

Home and Residential

Aged Care Taskforce Response

Quality and Assurance

Market and Workforce

Service Delivery

**Corporate Operations**  
Charles Wann

Financial Management

Legal and Assurance

People, Communication and Parliamentary

Integrity and Assurance

Information Technology

Digital Transformation and Delivery

**Statutory Office Holders**

- Office of the Gene Technology Regulator
- Aged Care Quality and Safety Commissioner
- Australian Industrial Chemicals Introduction Scheme
- National Rural Health Commissioner
- National Sports Tribunal

# Part 3.4: People

The Australian Public Service Commission's (APSC) capability review<sup>65</sup> recognised the department's strong sense of self, clear values, and professional and supportive culture. During 2023–24, the department has worked to maintain and build on this strong foundation, pursuing the opportunities for improvement highlighted in the review. The department has focused on lifting our strategic policy capability, deepening our engagement with the community and stakeholders, and unlocking the potential of its executive leaders.

In 2023–24, the department refreshed its internal survey framework to focus on the experience of its employees. By gathering data from new starters, existing staff, and those leaving the department, we can measure our progress and identify areas for improvement.

## Workforce composition

At 30 June 2024, the department had a workforce of 7,135 ongoing and non-ongoing APS staff (including staff on leave and secondment). This is an increase from 5,984 at 30 June 2023, due to a number of factors including the public good activities provided by the Therapeutic Goods Administration, increased support for Aged Care following the Royal Commission into Aged Care Quality and Safety, work supporting the Review of the Medicare Benefits Schedule and Strengthening Medicare in the Primary Care sector.

At 30 June 2024:

- 93% of staff were ongoing and 7% were non-ongoing
- 15.21% of staff were employed on a part-time basis
- 70.6% of staff identified as Women/Female – Figure 3.4.1 shows our gender profile by classification range compared to 2023
- 2.3% of staff identified as Aboriginal and/or Torres Strait Islander
- 4.3% of staff identified as having a disability.

The ongoing staff turnover rate in 2023–24, excluding voluntary redundancies, was 10%. This represented a decrease from 13.1% in 2022–23. Including voluntary redundancies, the ongoing staff turnover rate was 10.2%.

<sup>65</sup> Available at: [www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-department-health-and-aged-care](https://www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-department-health-and-aged-care)

Figure 3.4.1: Comparison of gender profile at 30 June 2023 and 30 June 2024<sup>66</sup>



## 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

The APSC established a Workplace Relations Bargaining Taskforce in late 2022 which commenced APS-wide bargaining in early 2023. Following conclusion of APS-wide bargaining, the APSC released the ‘APS-wide bargaining: Statement of Common Conditions’ (the Statement).<sup>67</sup> The Statement outlined the outcome of negotiations on over 90 matters raised with APS employee bargaining representatives. The Statement included a list of 59 APS-wide common conditions. The department undertook further negotiation with its employee bargaining representatives on terms and conditions. The resultant offer was strongly supported by staff on 15 December 2023.

The department’s Enterprise Agreement 2024–2027<sup>68</sup> commenced operation on 25 January 2024 and nominally expires on 28 February 2027.<sup>69</sup> A one-off payment was provided to staff in December 2023, followed by a 4% pay increase in March 2024. The Enterprise Agreement includes a range of significant enhancements to conditions such as:

- Flexible work arrangements – with a bias towards approving flexible work requests and no caps on the number of days a staff member can request to work from home.

<sup>66</sup> ‘Prefers not to answer’ is reported as zero in 2023–24. Refer to Appendix 2: Workforce Statistics in this Annual Report for more information on the department’s workforce statistics.

<sup>67</sup> Available at: [www.apsc.gov.au/news-and-events/latest-news/release-statement-common-conditions](http://www.apsc.gov.au/news-and-events/latest-news/release-statement-common-conditions)

<sup>68</sup> Available at: [www.health.gov.au/resources/publications/enterprise-agreement-ea](http://www.health.gov.au/resources/publications/enterprise-agreement-ea)

<sup>69</sup> 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.

- Parental leave – 18 weeks for the primary caregiver and 8 weeks for the secondary caregiver, increasing to 18 weeks by 2026–27.
- A clear commitment to support the learning, development, and career progression of departmental staff, including increased Studybank support and improved support for continuing professional development.
- A more attractive graduate program to improve attraction and retention of graduates.

## Executive remuneration and performance pay

During 2023–24, 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 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 2023. This included a 4% pay increase, in line with the increase delivered to non-SES officers under the Enterprise Agreement. No departmental staff received performance pay in 2023–24.

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.

## Organisational performance

### Measures of leadership and culture

The 2024 APS Employee Census (the Census) was conducted during May and June 2024.<sup>70</sup> Our response rate in 2024 was 79%, an increase from 74% in 2023.

Our 2024 results show continued strong staff engagement (Figure 3.4.2) with 83% of respondents indicating they would recommend the agency as a good place to work (12% more than the APS average) and 83% being proud to work in the department. Results also show 87% of respondents believe the department supports and actively promotes an inclusive workplace culture (6% more than the APS average), 82% believe the culture in our agency supports people to act with integrity and 82% indicated the people in their workgroup demonstrate stewardship.

The perception of the department’s leadership remains strong (Figure 3.4.3 & 3.4.4) with results increasing from 2023. The perception of the department’s SES leadership is significantly higher than the APS overall, while the Executive Level 2 (Director) cohort continue to receive the highest leadership performance satisfaction scores (Figure 3.4.5). Further, 82% of staff indicated their Director demonstrates strong people management behaviour (e.g., empowers and develops others; builds an inclusive environment; and treats people with decency and respect).

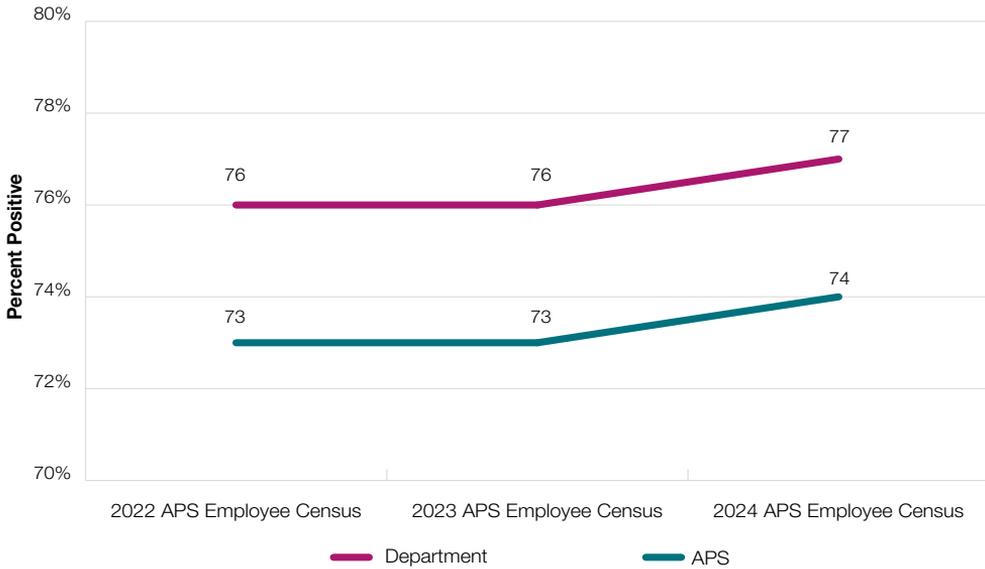
Staff sentiment around flexible working remains positive, with 92% of staff confident that if they requested a flexible work arrangement, their request would be given reasonable consideration. The department’s wellbeing index in 2024 is 72%, a slight increase from the previous year’s results and 2% higher than the APS overall.

Staff perception of performance continues to rate positively compared to the APS overall, with 86% of respondents rating their workgroups overall performance in the last month as excellent or very good. Positively, 90% of respondents indicated their workgroup considers the people and businesses affected by what we do.

<sup>70</sup> 2024 APS Employee Census results will be available in November 2024 at: [www.apsc.gov.au/initiatives-and-programs/workforce-information/aps-employee-census-2024](http://www.apsc.gov.au/initiatives-and-programs/workforce-information/aps-employee-census-2024)

Over the coming year, the department will continue to build on its inclusive and flexible work environment, strong leadership and integrity culture. Key focus areas will be to continue improving internal communication and change management and driving a culture of innovation. 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**



**Figure 3.4.3: Leadership – Immediate Supervisor Index**

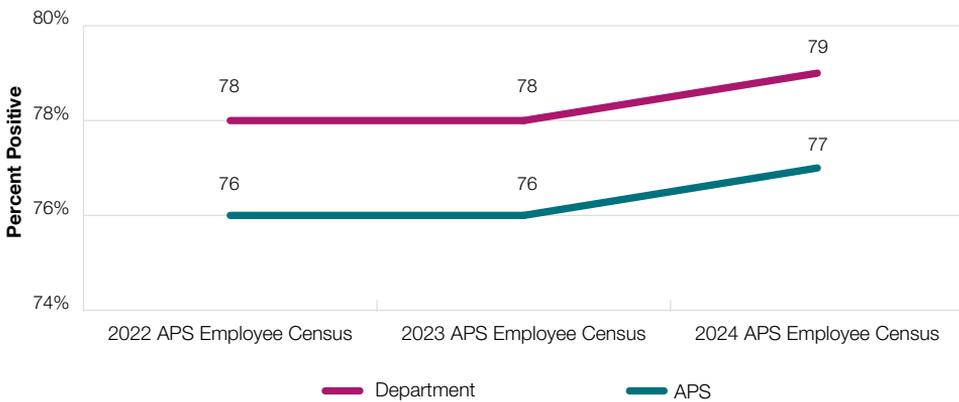


Figure 3.4.4: Leadership – SES Manager Index

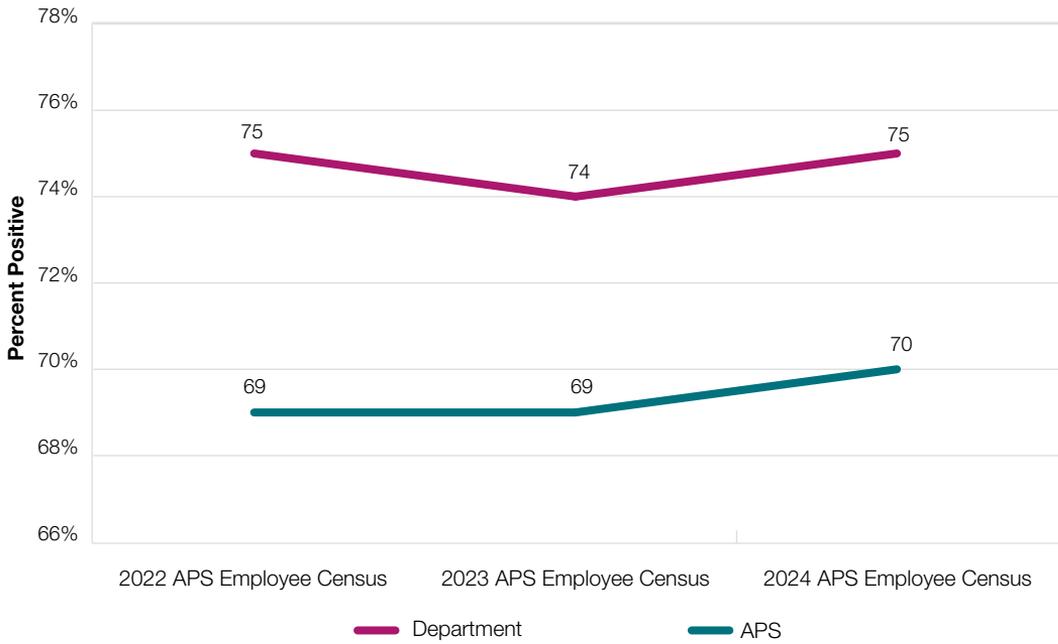
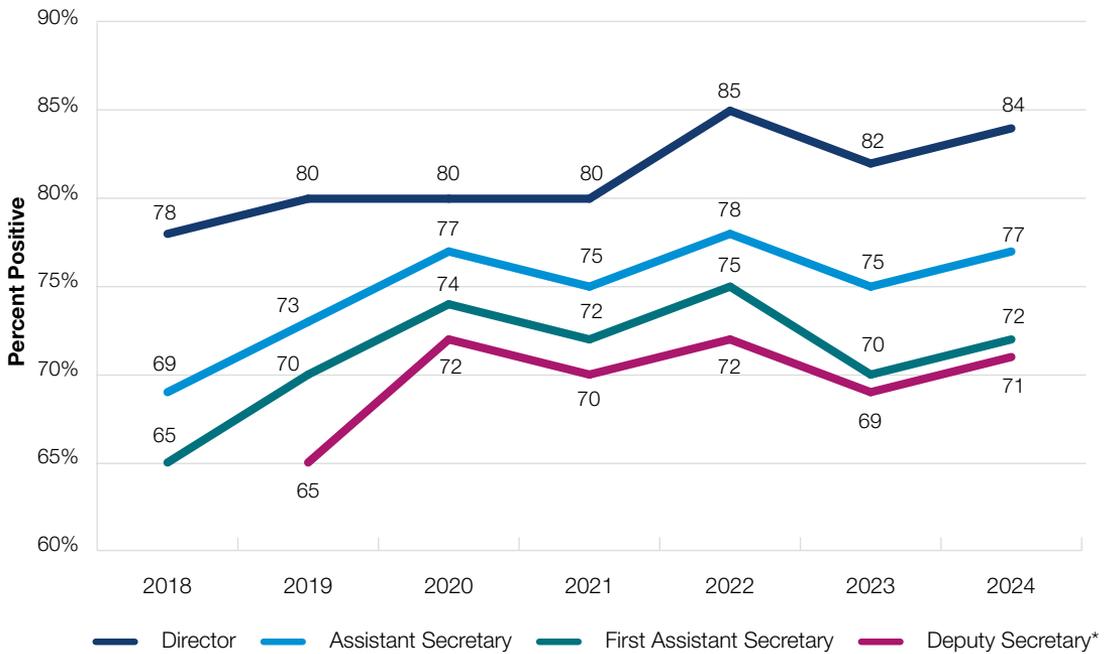


Figure 3.4.5: Health senior leadership perception, proportion of staff satisfied and very satisfied by leadership cohort



\* 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 SES B2 (FAS), SES B1 (AS) and EL2 (Director) leadership levels).

## Workforce Capability

The department's Workforce 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 take to understand, grow, support, and mobilise the capability we need for a high performing, diverse, and agile workforce.

The Strategy has 4 strategic focus areas:

- 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 plans align with APS Reforms, the APS Workforce Strategy 2025, the APS Values, our Capability Review Response, and the cultural mindset outlined in our Behaviours in Action.

In 2023–24, as part of implementation of the Strategy, the department developed its first formal Employee Value Proposition, a location of work framework, and a Learning and Development Roadmap. The department also commenced work on a recruitment strategy, an Inclusion Framework, and refinements to its graduate program.

The department is committed to strengthening the capability of our APS employees and will commit to reduce outsourcing of core work in 2024–25. Through workforce planning in 2023–24, the department identified the capabilities needed to deliver on priorities and roles to be bought in-house in 2024–25. The department will continue to identify opportunities to maximise the benefits of external expertise supporting the development of the department's APS workforce.

## Learning and development

In 2023–24, the department focused on enhancing the existing learning and development offering to deliver against the department's workforce strategy and Capability Review Response.

Key initiatives undertaken included:

- Partnering with internal policy experts to design and procure strategic policy capability initiatives.
- Developing an Indigenous Cultural Capability Action Plan.
- Piloting an in-house leadership development program for Executive Level 2 officers.
- Increasing access to bite-sized learning on LinkedIn Learning to support timely learning.
- Developing an organisational learning and development roadmap to clearly articulate priorities and offerings for the year ahead.

Analysis, preparation and planning for many initiatives in response to the Capability Review Response has taken place in 2023–24, with initiatives to commence implementation in the 2024–25 period. Evaluation of learning initiatives is being undertaken in a more in-depth manner to better understand the individual experience, individual impact, and organisational impact of learning activities. Insights from the evaluation have shaped offerings in 2023–24 and informed planning for 2024–25.

Staff in the department have learning and development opportunities that are accessible, timely and tailored to their needs. The department offers various methods of learning to meet individual needs including online classrooms, bite-sized videos, quick reference guides, resources and toolkits. The department continues to partner with the APS Academy to grow APS Craft capability, through access to programs, seminars, resources and networking opportunities.

The department supports the continued professional development of medical officers, nursing officers, and others with mandatory professional qualifications through financial support and access to paid leave, as outlined in the department's Enterprise Agreement 2024–27.

The department's Studybank scheme provides eligible staff access to financial and/or leave support for approved courses of study. Financial support and paid leave allowances have been significantly increased under the new Enterprise Agreement. Additional leave is available to First Nations staff, staff from a non-English speaking background and staff with disability.

## Flexible working arrangements

The Enterprise Agreement formalised the approach to flexible work the department has been pursuing since the COVID-19 pandemic. Staff can access 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 seen a significant shift in the geographic distribution of its staff, with an increasing proportion located outside of Canberra.

Given these changes, building the capability of staff and managers, and providing them with the tools they need to work efficiently, effectively, and collaboratively has been a departmental priority. This has been achieved through a range of initiatives, including:

- improving technical resources and infrastructure, including digital collaboration tools, and supporting staff to use these effectively
- expanding the policies, guidance and training for staff and their managers regarding hybrid and geographically-dispersed teams
- guidance and support for staff and managers to maintain work health and safety when working remotely.

At 30 June 2024, the department had 4,929 staff (69%) with formal remote work agreements in place to support an agreed hybrid work arrangement.

The 2024 APS Employee Census showed that 83% of staff accessed remote working as a flexible work practice.

## 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.

The department's staff-led diversity networks continued to thrive during 2023–24. These networks provide representation, networking opportunities, information, and peer support to staff. The networks continue to mature their approaches to engaging and supporting staff, including increasing engagement with the department's state and territory offices and portfolio agencies. Each network continues to receive support from Diversity Champions and celebrate chosen days of significance across all departmental sites.

In 2023–24 the department had 5 staff-led Diversity Networks:

- Culturally and Linguistically Diverse Network
- Disability and Carers Network
- Gender Equality Network
- Health Pride (LGBTIQA+) Network
- National Aboriginal and Torres Strait Islander Staff Network (NATSISN), including Friends of the NATSISN.

From 2 to 9 July 2023, the department celebrated the National Aborigines' and Islanders' Day Observance Committee (NAIDOC) Week with a range of activities, including our annual NAIDOC Awards, the NATSISN's Walk/Run event and the Annual Australian Public Service (APS) NAIDOC Touch Football Competition.

From 27 May to 31 May 2024, the department commemorated National Reconciliation Week with events and activities held across our offices. All offices held a morning tea or lunch catered by Indigenous businesses and had the opportunity to experience on country tours. On 30 May 2024, the department hosted our first online art workshop with Aboriginal owned company Dalmari. Over 210 participants

attended the workshop including staff from 2 of our portfolio agencies, the Aged Care Quality and Safety Commission and the Independent Health and Aged Care Pricing Authority. The NATSISN also held events for staff, including a weaving workshop and an informative National Reconciliation Week themed trivia session.

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. Following the 2023 Referendum outcome, the NATSISN Committee and Indigenous Liaison Officer Unit organised Cultural Healing Events for staff across all offices. The Healing Events were a way to help staff recover, reconcile, and reconnect and included a smoking ceremony, weaving workshop, BBQ and some cultural connection activities. Staff of all levels and heritage were encouraged to attend.

The New Ways of Working Program continues to design and roll-out new workspaces that emphasise the importance of how we connect to the land, family, community and culture. Meeting rooms have been renamed to strengthen staff sense of belonging and reflect the diverse public the department serves. Meeting room names have been selected in consultation with staff, including via the department's 5 staff networks. The department also conducted an all-staff nomination and voting process to rename the Sirius building in Canberra, with the outcome to be announced in 2024. This year, the refreshed Level 1 of the Sirius building was opened. This includes new multi-faith rooms, first-aid, nursing, and carers rooms designed in consultation with staff networks.

To raise awareness of World AIDS Day and Aboriginal and Torres Strait Islander HIV Awareness Week, the department hosted a screening event of episode 1 of *In Our Blood* – A four-part musical drama inspired by Australia's radical response to HIV/AIDS in the 1980s. This event was a joint initiative to acknowledge intersectionality and raise awareness about HIV and AIDS in the LGBTIQ+ and First Nations communities.

Throughout the year, various LGBTIQ+ inclusion initiatives were implemented, including:

- In August 2023, Assistant Minister Kearney attended the department's Big Purple Photoshoot to celebrate Wear it Purple Day.
- In March 2024, the department sponsored the AIDS Council of NSW's (ACON) Pride in Health + Wellbeing Awards. The event celebrated LGBTIQ+ inclusion initiatives and showcased the department's commitment to LGBTIQ+ health services and inclusive culture.
- The department participated in the Touch of Pride Football Event and placed second.
- The department continues to participate in the Australian Workplace Equality Index, which is the definitive national benchmark on LGBTIQ+ workplace inclusion in Australia. The department achieved Gold Employer status for the first time in May 2024.
- The department maintains our memberships with Pride in Diversity and the Diversity Council of Australia.

The department has a Gender Affirmation Policy which supports our goal of creating an environment that empowers LGBTIQ+ 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 Gender Affirmation Guidelines.

The department continued to build staff capability in the areas of diversity and inclusion by delivering training sessions focused on building awareness and manager capability in LGBTIQ+ and neurodiversity. This additional training complements our participation in the Special Broadcasting Service (SBS) Inclusion Program, and in-house learning options to build cultural capability.

During 2023–24 various initiatives and events were run by the Culturally and Linguistically Diverse (CALD) Network, including:

- a panel discussion to acknowledge International Day for Tolerance in November 2023 exploring the theme of "What does Tolerance mean to me"
- a Thanksgiving lunch in November 2023
- Harmony Week in March 2024, with events both online and in person, including a photoshoot, food bazaar, trivia, and events hosted by CALD SES champions along with a discussion forum about the APSC CALD strategy

- consultation relating to the upgrade of existing Multi-Faith rooms in health offices and design of Multi-Faith spaces for new/refurbished health office spaces
- Eid al-Fitr celebrations in April 2024
- establishing a working group to support the department to meet the requirements of the APS Culturally and Linguistically Diverse Employment Strategy and Action Plan.

## 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 2023–24, activities included:

- holding screenings for staff to watch the Focus on Ability Film Festival
- hosting a ‘Cupcakes for Carers’ event in Carers Week
- organising bi-monthly coffee catchups for staff in the department with caring responsibilities
- leading and participating in ‘All Abilities’ cross-agency basketball games in recognition of International Day of People with Disability.

## 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.<sup>71</sup>

Disability reporting is included in the Australian Public Service Commission’s State of the Service reports and the APS Statistical Bulletin.<sup>72</sup>

<sup>71</sup> Available at: [www.disabilitygateway.gov.au/ads](http://www.disabilitygateway.gov.au/ads)

<sup>72</sup> Available at: [www.apsc.gov.au](http://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 a suite of resources which set out the responsibilities of staff and managers and provide user-friendly and practical tools to prevent, address or report bullying, discrimination and harassment incidents. There are multiple ways for staff to report incidents and access support, including a network of Harassment Contact Officers. The department's framework is consistent with the Respect@Work<sup>73</sup> recommendations and work health safety laws.

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 majority of bullying, harassment and discrimination complaints received were resolved through local management action or preliminary assessments.

Results from the 2024 APS Employee Census (the Census) show that staff perception of our overall culture remains positive, with most staff (87%) 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 2024 Census results for staff that experienced discrimination have not shifted from 2023. Those reporting harassment and bullying have increased by 1%, however our reported rate remains lower than the APS overall.

<sup>73</sup> Further information available at: [www.respectatwork.gov.au](http://www.respectatwork.gov.au)

## 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 2023–24, the department continued to build on strategies to foster a high-performance environment and a focus on managing for outcomes. These strategies included:

- 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 to support managers to create an environment that optimises high-performance.
- Toolkits for human resources practitioners and line area managers, which include reference material, guidelines and practical tips to manage and lead effectively.
- 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.

SES performance leadership will be strengthened through a stronger emphasis on behaviours and outcomes-based performance management. In 2023–24, the department incorporated biannual upwards feedback into the SES performance cycle to inform the identification of development focus areas. The department also revised its SES Performance Framework to align with the APS SES Leadership Performance Framework. Elements of the new framework will be used to assess SES performance during 2023–24, with full implementation for the 2024–25 performance cycle.

The department 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.

### Entry level programs

Entry level recruitment programs assist the department to engage a diverse group of employees with both general and specific capabilities. During 2023–24, the department participated in the following Career Pathways programs:

- Australian Government Graduate Program - Human Resources (HR) Graduate stream
- Australian Government Graduate Program - Digital Graduate stream
- Australian Government Graduate Program - Data Graduate stream
- Australian Government Graduate Program - Legal Stream
- Australian Government Graduate Program - Accounting and Financial Management stream
- Australian Government School Leaver Program (including the HR stream)
- Data Cadet Program
- Indigenous Apprenticeship Program.

The department also delivered:

- the Department of Health and Aged Care Graduate Program, which included recruitment through an Affirmative Measures process for First Nations people
- an Indigenous Internship Program.

The department also participated in the following programs:

- Office of the Chief Scientist's Australian Science Policy Fellowships Program
- Indigenous Australian Government Development Program.

We are currently conducting a review of the Entry Level Programs. The review aims to repoint our programs to optimise our engagement with the entry level market programs. In doing so, we plan to increase our return on investment and align our participant experience with organisational culture, strategy and intent.

## **Work Health and Safety**

For information on the department's work health and safety performance, refer to Appendix 7: Work Health and Safety in this Annual Report.

# Part 3.5:

## Financial Management and Procurement

### 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 2023–24 financial statements are provided in Part 5: 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 2023–24, the department purchased goods and services with a major focus on supporting the Government's continued implementation of the response to recommendations of the Royal Commission into Aged Care Quality and Safety.

## 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.<sup>74</sup>

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.
- Incorporating the supplier pay on-time policy, mandating 20-day payment terms for standard contracts, and 5 day payment terms for eInvoicing contracts.
- 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 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.<sup>75</sup>

In November 2021, the department's Invoice Management System was upgraded to receive eInvoices. In April 2024, further upgrades were made to the system to reduce invoice processing times. In 2023–24 1,194 eInvoices were received from suppliers, compared to 1,654 in 2022–23. The number of suppliers sending eInvoices to the department increased from 15 in 2022–23 to 31 in 2023–24. The department is continuing to encourage supplier use of eInvoices and continues to consult with the Australian Taxation Office on strategies for supplier engagement and increasing eInvoice volumes.

<sup>74</sup> Available at: [www.finance.gov.au](http://www.finance.gov.au)

<sup>75</sup> Available at: [www.treasury.gov.au/small-business/pay-time-survey-performance-reports](http://www.treasury.gov.au/small-business/pay-time-survey-performance-reports)

## 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 1.75% in 2022–23 to 2.00% in 2023–24 of the department's average relevant procurement spend over the previous 3 years. The existing volume targets and policy objectives remained unchanged.

In 2023–24, the department entered into 85 new contracts with Indigenous businesses, worth a combined \$71.1 million. This represents a lower volume than the 91 contracts entered into in 2022–23. However, the department exceeded its value-based target of \$24.8 million by \$46.3 million.

The department continued to promote awareness of opportunities to procure goods and services from Indigenous businesses. The department's Reconciliation Action Plan 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 attendance at industry events such as the Department of Finance Management Advisory Services 'meet the supplier' events held in Sydney, Melbourne, Canberra, Perth, Adelaide and Brisbane, the department is committed to building awareness of and connections with relevant Indigenous businesses. Also, through committing to membership of Supply Nation (Australia's leading database of verified Indigenous businesses), the department's Reconciliation Action Plan 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 2023–24, 396 new reportable consultancy contracts were entered into, involving total expenditure of \$70.8 million. In addition, 233 ongoing reportable consultancy contracts entered into in prior years continued into the period 2023–24, involving total expenditure of \$55.1 million for those contracts in 2023–24.

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.<sup>76</sup>

<sup>76</sup> Available at: [www.tenders.gov.au](http://www.tenders.gov.au)

**Table 3.5.1: Organisations receiving a share of reportable consultancy contract expenditure in 2023–24**

Organisations receiving a share of reportable consultancy contract expenditure in 2023–24	Australian Business Number (ABN)	Expenditure \$ (Inc. GST)	Percentage of total spend
Nous Group Pty. Ltd.	66 086 210 344	10,091,895.55	8%
KPMG	51 194 660 183	9,445,371.16	7%
Ernst & Young	75 288 172 749	8,717,926.59	7%
Deloitte Touche Tohmatsu	74 490 121 060	7,717,154.15	6%
Monash University	12 377 614 012	7,424,085.58	6%

### 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 2023–24, 1,962 new reportable non-consultancy contracts were entered into, involving total expenditure of \$1.3 billion. In addition, 1,759 ongoing reportable non-consultancy contracts entered into in prior years continued into the period 2023–24, involving total expenditure of \$1.3 billion for those contracts in 2023–24.

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.<sup>77</sup>

**Table 3.5.2: Organisations receiving a share of reportable non-consultancy contract expenditure in 2023–24**

Organisations receiving a share of reportable non-consultancy contract expenditure in 2023–24	Australian Business Number (ABN)	Expenditure \$ (Inc. GST)	Percentage of total spend
Glaxosmithkline Australia Pty Ltd	47 100 162 481	504,057,150.25	18%
Seqirus (Australia) Pty Ltd	66 120 398 067	172,959,907.30	6%
Accenture Australia Pty Ltd	49 096 776 895	139,268,853.85	5%
Australian Healthcare Associates	82 072 790 848	135,721,456.98	5%
Pfizer Australia Pty Ltd	50 008 422 348	103,971,146.14	4%

<sup>77</sup> Available at: [www.tenders.gov.au](http://www.tenders.gov.au)

## Exempt contracts and Australian National Audit Office (ANAO) access

### Exempt contracts

In 2023–24, 67 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 a decrease from 2022–23, where 81 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 2023–24, there were no identified reportable contracts that excluded this provision.

## Grants

Consistent with other 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 25,378 grant activities funded in 2023–24 at a value of \$10.35 billion.

Key grants programs funded in 2023–24 include:

- \$2.9 billion for the Commonwealth Home Support Programme
- \$713 million for Mental Health and Suicide Prevention Operational and Flexible Support
- \$606 million for Indigenous Comprehensive Primary Health Care.

The department's approach to grant administration follows the mandatory requirements 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). They detail the key legislative and policy requirements relating to grants as well as better practice principles for grants administration. The department 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 undertaking grants administration activities in accordance with the CGRGs. This is complemented by a quarterly grants assurance program which tests for compliance with the CGRGs and broader grants framework.

The department is committed to continuous improvement in grants administration. In response to the Australian National Audit Office (ANAO) report on the Administration of the Community Health and Hospitals Program (CHHP), the department reviewed and improved grant administration processes, guidance materials and assurance programs. The department has also:

- undertaken an external review of the department's financial controls and assurance framework
- strengthened governance arrangements for the remaining CHHP projects, including establishing a CHHP oversight board
- established an infrastructure grants centre of excellence.

Information on grants awarded by the department during the period 1 July 2023 to 30 June 2024 is available on the Australian Government's grant information system, GrantConnect.<sup>78</sup>

<sup>78</sup> Available at: [www.grants.gov.au](http://www.grants.gov.au)

## Advertising and market research

The department must report on payments over \$16,300 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 2023–24.

### Advertising campaigns

During 2023–24, the department conducted the following advertising campaigns, which were certified by the Secretary in line with the Guidelines on Information and Advertising Campaigns<sup>79</sup> where required:

- 2024 Influenza Vaccination campaign
- Childhood Immunisation campaign
- Cheaper Medicines campaign (Phase 1 and 2)
- Medicare Urgent Care Clinics campaign
- Head to Health Centres campaign
- Cervical Cancer Screening campaign
- National Tobacco and E-cigarette Campaign (Phase 1)
- Youth Vaping Education Campaign (Phases 1 and 2)
- Sexually Transmissible Infections Campaign
- Aged Care Volunteer Visitors Scheme campaign.

The department also made final payments in relation to the Cosmetic Surgery Public Education campaign conducted in 2022–23.

Further information on these advertising campaigns is available at [www.health.gov.au](http://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.<sup>80</sup>

<sup>79</sup> Available at: [www.finance.gov.au/government/advertising/australian-government-guidelines-information-and-advertising-campaigns-non-corporate-commonwealth-entities](http://www.finance.gov.au/government/advertising/australian-government-guidelines-information-and-advertising-campaigns-non-corporate-commonwealth-entities)

<sup>80</sup> Available at: [www.finance.gov.au](http://www.finance.gov.au)

**Table 3.5.3: Advertising, market research, direct mail and media advertising payments for 2023–24**

Organisation	Service provided	Paid (Inc. GST)
<b>Advertising agencies</b>		
Ogilvy Australia	Medicare Urgent Care Clinics campaign creative services	\$735,224.48
Cultural Perspectives	Medicare Urgent Care Clinics campaign creative services for culturally and linguistically diverse audiences	\$43,545.21
Ogilvy Australia	Cosmetic Surgery Public Education campaign creative services	\$67,093.40
Ogilvy Australia	2024 Influenza Vaccination campaign creative services	\$660,957.58
Carbon Media Pty Ltd	2024 Influenza Vaccination campaign creative services for First Nations audiences	\$42,979.20
Cultural Perspectives	2024 Influenza Vaccination campaign creative services for culturally and linguistically diverse audiences	\$16,566.00
Ogilvy Australia	Childhood Immunisation campaign creative services	\$81,588.11
Carbon Media Pty Ltd	Childhood Immunisation campaign creative services for First Nations audiences	\$274,999.50
Ogilvy Australia	Cheaper Medicines campaign creative services	\$1,069,435.40
Cultural Perspectives Pty Ltd	Cheaper Medicines campaign creative services for culturally and linguistically diverse audiences	\$162,326.02
BMF Australia	National Tobacco and E-cigarette campaign creative services	\$2,237,641.50
Carbon Media Pty Ltd	National Tobacco and E-cigarette campaign creative services for First Nations audiences	\$573,100.00
Cultural Perspectives Pty Ltd	National Tobacco and E-cigarette campaign creative services for culturally and linguistically diverse audiences	\$73,057.14
BMF Australia	Youth Vaping Education campaign creative services	\$1,430,000.00
Ogilvy Australia	Sexually Transmissible Infections campaign creative services	\$710,950.47
Cultural Perspectives Pty Ltd	Sexually Transmissible Infections campaign creative services for culturally and linguistically diverse audiences	\$51,700.00
Ogilvy Australia	Star Ratings campaign creative services	\$157,573.90
Ogilvy Australia	MyMedicare creative services	\$88,183.73

Organisation	Service provided	Paid (Inc. GST)
<b>Market research</b>		
Allen and Clarke Consulting Pty Ltd	Independent evaluation of star ratings for residential aged care	\$91,045.91
Anti Cancer Council of Victoria T/A The Cancer Council Victoria	National bowel cancer screening program	\$450,000.00
Askable Pty Ltd	User research engagement services	\$74,052.00
Australian Healthcare Associates Pty Ltd	Evaluation of the national aged care advocacy program	\$612,825.00
Australian National University	Monitor mental health needs of First Nations people during voice to parliament referendum	\$483,613.64
Bastion Insights Pty Ltd	Voluntary patient registration research	\$202,774.00
Behavioural Insights (Australia) Pty Ltd	Younger people in residential aged care research	\$184,635.00
Cultural Perspectives Pty Ltd T/A Cultural & Indigenous Research	User research for COVID-19 content strategy	\$430,369.00
Fifty-Five Five Pty. Ltd	Developmental research for a Cervical Screening campaign	\$154,000.00
Fifty-Five Five Pty. Ltd	Exploratory research for illicit drugs	\$411,056.25
Fifty-Five Five Pty. Ltd	Concept testing research for Medicare urgent care clinics campaign	\$159,775.00
Fifty-Five Five Pty. Ltd	Influenza campaign concept testing research	\$158,950.00
Fifty-Five Five Pty. Ltd	2024 Routine childhood immunisation campaign concept testing	\$103,675.00
Fifty-Five Five Pty. Ltd	Market research for star ratings	\$277,255.00
Fifty-Five Five Pty. Ltd	Concept testing research services	\$213,521.00
Fifty-Five Five Pty. Ltd	Concept testing services for sexually transmitted infections campaign	\$247,665.00
Fifty-Five Five Pty. Ltd	Research Services for a cervical screening awareness campaign	\$177,650.00
Fifty-Five Five Pty. Ltd	Research services for immunisation campaign communication	\$186,780.00
Fifty-Five Five Pty. Ltd	MyMedicare campaign research	\$364,199.00
Hall & Partners Pty Ltd	Evaluation research for the COVID-19 vaccines campaign	\$111,509.76
Hall & Partners Pty Ltd	Research services for the influenza vaccination campaign	\$68,409.00
Hall & Partners Pty Ltd	Medicines evaluation	\$94,270.00
Hall & Partners Pty Ltd	Sexually transmitted infections campaign evaluation research	\$77,330.00
Hall & Partners Pty Ltd	Evaluation research national tobacco and E-cigarette and youth vaping campaigns	\$53,904.40
Hall & Partners Pty Ltd	Research services for the 2024–25 childhood immunisation campaign	\$55,770.00
Hall & Partners Pty Ltd	Evaluation research for urgent care clinics communications	\$112,420.00
Hall & Partners Pty Ltd	Evaluation research for cheaper medicines public information campaign	\$87,824.00
Healthcare Management Advisors Pty	Evaluation services for the Chronic Wound Consumables Scheme	\$164,836.00

Organisation	Service provided	Paid (Inc. GST)
<b>Market research</b>		
Heartward Pty Ltd	Focus groups for new aged care regulatory model	\$36,151.00
Heartward Pty Ltd	Analysis and market research to support the Working Better for Medicare Review	\$123,744.50
Instinct and Reason Pty Ltd	Collection of data on community attitudes to gene technology in Australia	\$55,000.00
Kantar Public Australia Pty Ltd	Tobacco and vaping developmental and concept testing	\$1,320,000.00
Kantar Public Australia Pty Ltd	Aged care policy research	\$283,800.00
Kantar Public Australia Pty Ltd	Provision of independent evaluation services	\$110,000.00
McNair YellowSquares Pty Ltd	Research and translation services to support the Women's Health Advisory Council	\$17,663.65
Ninti One Limited	Market research with First Nations aged care workforce stakeholders	\$100,000.00
Nous Group Pty. Ltd.	Consumer access pathways research	\$123,200.00
Painted Dog Research Pty Ltd	Research services for COVID-19 measures	\$517,616.00
PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	Evaluation research for Lifeline Australia's Aboriginal and Torres Strait Islander crisis support phone line	\$290,988.35
Qualtrics LLC	Market research sample for the TGA stakeholder survey	\$61,425.00
The Australian Council for Education Research Limited	Provision of the national registrar survey 2024 and 2025	\$165,293.01
The Australian Council For Educational Research Limited	Australian general practice training national registrar survey 2023	\$98,289.72
The Cancer Council NSW	National research insights into electronic cigarette use among young people	\$110,000.00
The Social Research Centre	Aged care provider workforce survey	\$137,412.55
Whereto Research Based Consulting Pty Ltd	Aged care workforce market research	\$299,035.00
Whereto Research Based Consulting Pty Ltd	Development of consumer resources that support the Australian Pregnancy Care Guidelines	\$220,000.00
Whereto Research Based Consulting Pty Ltd	Campaign evaluation	\$307,670.00
Whereto Research Based Consulting Pty Ltd	First nations shingles concept testing	\$51,040.00
Whereto Research Based Consulting Pty Ltd	Exploratory research breast screening	\$206,239.00
Cancer Council Victoria	NBCSP Age-Lowering market research	\$635,694.40
Kantar Public Australia Pty Ltd	Jodi Lee Foundation Talking Sh!t campaign evaluation	\$109,890.00
Whereto Research Based Consulting Pty Ltd 2023–24 NBCSP	NBCSP Campaign Evaluation	\$307,670.00
Fifty-Five Five Pty. Ltd	Cervical screening campaign concept testing	\$177,650.00
National Mail and Marketing	Cancer screening general practitioner education kits	\$497,262.00
Fifty-Five Five Pty Ltd	Developmental research for a Cervical Screening campaign	\$154,000.00

Organisation	Service provided	Paid (Inc. GST)
<b>Direct mail organisations (includes organisations which handle the sorting and mailing out of information material to the public)</b>		
IVE Group	National Immunisation Program mailout	\$56,537.80
National Mail and Marketing	National Immunisation Program Vaccines in Pharmacy mailout	\$37,377.85
National Mail and Marketing	Medical Costs Finder mailout	\$50,882.30
National Mail and Marketing	MyMedicare information materials	\$51,016.42
National Mail and Marketing	Cancer screening general practitioner education kits	\$497,261.99

Organisation	Service provided	Paid (Inc. GST)
<b>Media advertising organisations (the master advertising agencies which place Government advertising in the media – this covers both campaign and non-campaign advertising)</b>		
Mediabrand Australia Pty Ltd	Media buy for the Medicare Urgent Care Clinic campaign	\$4,169,816.71
Mediabrand Australia Pty Ltd	Media buy for the 2024 Influenza Vaccination campaign	\$1,648,558.05
Mediabrand Australia	Media buy for the National Tobacco and E-cigarette Campaign (Phase 1)	\$6,565,459.25
Mediabrand Australia	Media buy for the Youth Vaping Education campaign (Phase 1)	\$602,873.26
Mediabrand Australia	Media buy for the Youth Vaping Education campaign (Phase 2)	\$1,590,644.72
Mediabrand Australia	Media buy for the Sexually Transmissible Infections campaign	\$2,189,071.07
Mediabrand Australia Pty Ltd	Media buy for Childhood Immunisation campaign	\$824,982.53
Mediabrand Australia Pty Ltd	Media buy for Cosmetic Surgery Public Education campaign	\$1,233,650.04
Mediabrand Australia Pty Ltd	Media buy for Cheaper Medicines campaign	\$7,707,414.84
Mediabrand Australia Pty Ltd	Media buy for Cancer Screening Reminders campaign	\$165,000.00
Mediabrand Australia Pty Ltd	Media buy for the Medical Costs Finder	\$537,324.20
Mediabrand Australia Pty Ltd	Media buy for new Aged Care Act consultation	\$71,078.81
Mediabrand Australia Pty Ltd	Media buy for Vaping access pathways - campaign	\$38,974.53
Mediabrand Australia Pty Ltd	Media buy for Medicine shortages - campaign	\$29,306.63
Mediabrand Australia Pty Ltd	Media buy for Vaping regulation reforms - campaign	\$44,208.90
Mediabrand Australia Pty Ltd	Media buy for Monitoring medicine safety - campaign	\$29,677.64
Mediabrand Australia Pty Ltd	Media buy for Adverse event reporting - campaign	\$29,709.75
Mediabrand Australia Pty Ltd	Media buy for Adverse event reporting: Devices - campaign	\$20,000.00
Mediabrand Australia Pty Ltd	Media buy for compounding - campaign	\$29,667.45
Mediabrand Australia Pty Ltd	Media buy for Gene technology notices	\$17,112.15
Mediabrand Australia Pty Ltd	Media buy for travelling with medicines and medical devices (in language)	\$47,999.95

Organisation	Service provided	Paid (Inc. GST)
<b>Media advertising organisations (the master advertising agencies which place Government advertising in the media – this covers both campaign and non-campaign advertising)</b>		
Mediabrand Australia Pty Ltd	Media buy for Cancer Screening Reminders campaign	\$165,000.00

# 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 2023–24, the department provided evidence and/or submissions to 36 Parliamentary Inquiries and received a total of 3,914 Senate Estimates Questions on Notice.

### Joint Committee of Public Accounts and Audit (JCPAA) reviews

During 2023–24, the department was involved in the JCPAA Report 502: The never-ending quest for the golden thread which was tabled in June 2024. The department also attended four hearings relating to the following inquiries during 2023–24:

- Commonwealth Financial Statements 2022–23
- Policy and Program Design and Implementation
- Probity and ethics in the Australian public sector.

### Senate Estimates hearings

During 2023–24, 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**

- Supplementary Budget Estimates – 27 October 2023
- Additional Budget Estimates – 16 February 2024
- Budget Estimates – 7 June 2024

#### **Community Affairs Committee**

- Supplementary Budget Estimates – 26 October 2023
- Additional Budget Estimates – 15 February 2024
- Budget Estimates – 5 to 6 June 2024

During 2023–24, the Health and Aged Care Portfolio received 25 Questions on Notice from the Finance and Public Administration Committee hearings and 3,889 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 2023–24:

Committee	Evidence/submission provided
House of Representative Standing Committee on Agriculture	Inquiry into food security in Australia
House of Representatives Standing Committee on Health, Aged Care and Sport	Inquiry into Diabetes
House of Representatives Standing Committee on Health, Aged Care and Sport	Inquiry into allergies and anaphylaxis: Walking the allergy tightrope – Addressing the rise of allergies and anaphylaxis in Australia
House of Representatives Standing Committee on Social Policy and Legal Affairs	Inquiry into the recognition of unpaid carers
Senate Community Affairs References Committee	Inquiry into the extent and nature of poverty in Australia
Senate Environment and Communications Legislation Committee	Climate Change Amendment (Duty of Care and Intergenerational Climate Equity) Bill 2023
Senate Finance and Public Administration Legislation Committee	Inquiry into PGPA (Vaccine Indemnity) Bill 2023
Senate Finance and Public Administration References Committee	Inquiry into management and assurance of integrity by consulting services
Senate Legal and Constitutional Affairs Legislation Committee	Inquiry into the Legalising Cannabis Bill 2023
Senate Rural and Regional Affairs and Transport References Committee	Australia's preparedness to host Commonwealth, Olympic and Paralympic Games
Senate Select Committee into the Provision of and Access to Dental Services in Australia	Provision of and access to dental services in Australia
Senate Select Committee on Adopting Artificial Intelligence (AI)	Inquiry into, and report on, the opportunities and impacts for Australia arising out of the uptake of AI technologies in Australia
Senate Standing Committee for the Scrutiny of Bills	National Occupational Respiratory Disease Registry Bill 2023 and the National Occupational Respiratory Disease Registry (Consequential Amendments) Bill 2023
Senate Standing Committee on Community Affairs Legislation Committee	Australian Organ and Tissue Donation and Transplantation Authority Amendment (Disclosure of Information) Bill 2023
Senate Standing Committee on Community Affairs Legislation Committee	Inquiry into the Public Health (Tobacco and Other Products) Bill 2023 and Public Health (Tobacco and Other Products) (Consequential Amendments and Transitional Provisions) Bill 2023
Senate Standing Committee on Community Affairs Legislation Committee	Vaping and tobacco control measures
Senate Standing Committee on Community Affairs Legislation Committee	Inquiry into the National Occupational Respiratory Disease Registry Bill 2023 and the National Occupational Respiratory Disease Registry (Consequential Amendments) Bill 2023
Senate Standing Committee on Community Affairs Legislation Committee	Therapeutic Goods and Other Legislation Amendment (Vaping Reforms) Bill 2024.
Senate Standing Committee on Community Affairs Reference Committee	Inquiry into equitable access to diagnosis and treatment for individuals with rare and less common cancers, including neuroendocrine cancer

Committee	Evidence/submission provided
Senate Standing Committee on Community Affairs Reference Committee	Inquiry into issues relating to menopause and perimenopause
Senate Standing Committee on Community Affairs Reference Committee	Excess mortality
Senate Standing Committee on Education and Employment	Inquiry in COVID-19 Vaccination Status (Prevention of Discrimination) Bill 2022 and the Fair Work Amendment (Prohibiting COVID-19 Vaccine Discrimination) Bill 2023
Joint Committee of Public Accounts and Audit	Inquiry into Commonwealth Financial Statements 2022–23
Joint Committee of Public Accounts and Audit	Inquiry into the failed visa privatisation process and the implementation of other public sector IT procurements and projects
Joint Committee of Public Accounts and Audit	Policy and program design and implementation
Joint Committee of Public Accounts and Audit	Inquiry into probity and ethics in the Australian public sector
Joint Committee on Corporations and Financial Services	Inquiry into the Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry
Joint Committee on Law Enforcement	Australia's illicit drug problem: challenges and opportunities for law enforcement
Joint Standing Committee on Trade and Investment Growth	Inquiry into the Australian Government's approach to negotiating trade and investment agreements
Joint Standing Committee on Treaties	Amendments to the Annex of the Convention on Facilitation of International Maritime Traffic, 1965
Parliamentary Joint Committee on Human Rights	National Occupational Respiratory Disease Registry Bill 2023
Parliamentary Standing Committee on Public Works	Department of Health and Aged Care, New Ways of Working Office Fit-out
Victorian Legislative Assembly's Legal and Social Issues Committee	Inquiry into increasing the number of registered organ and tissue donors
Victorian Public Accounts and Estimates Committee	Parliamentary Inquiry into Vaping and Tobacco Controls

## Freedom of Information

The department received 605 Freedom of Information requests in 2023–24, an increase of 15.5% on the previous year.

Under Part II of the *Freedom of Information Act 1982* (FOI Act), agencies subject to the Act are required to publish certain information as part of the Information Publication Scheme (IPS). This requirement replaces the requirement to publish a section 8 statement in an annual report.

As part of the IPS, each agency must display on its website a plan showing what information it publishes in accordance with 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.<sup>81</sup>

The Agency Plan includes a link to the department's Freedom of Information disclosure log, which is also available on the department's website.<sup>82</sup>

<sup>81</sup> Available at: [www.health.gov.au/resources/publications/information-publication-scheme-ips-agency-plan](http://www.health.gov.au/resources/publications/information-publication-scheme-ips-agency-plan)

<sup>82</sup> Available at: [www.health.gov.au/resources/foi-disclosure-log](http://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](http://www.tga.gov.au/foi-disclosure-log)

## 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 2023–24, the ANAO tabled 4 performance audits involving the department. The department agreed to all recommendations from these audits, and implementation activities have commenced or are complete.

### Audits specific to the department

Audit	Management of Non-Compliance with the <i>Therapeutic Goods Act 1989</i> for Unapproved Therapeutic Goods Published – 28 August 2023 Performance audit (Auditor-General Report No.3 of 2023–24)
<b>Objective</b>	To assess the effectiveness of the department’s management of non-compliance with the <i>Therapeutic Goods Act 1989</i> for unapproved therapeutic goods.
<b>Recommendations</b> (Directed to the department)	<p><b>Recommendation 1:</b> The Department of Health and Aged Care review its annually reported performance information for its regulation of therapeutic goods to ensure the information is appropriate and covers the significant components of its key activities.</p> <p><b>Recommendation 2:</b> The Department of Health and Aged Care: a. finalise its investigation procedures for the regulation of therapeutic goods and ensure these procedures align with requirements of the Australian Government Investigations Standard 2022 b. establish an internal control for the regular review and update of these investigation procedures.</p> <p><b>Recommendation 3:</b> The Department of Health and Aged Care: a. ensure that investigators maintain a minimum level of investigator qualification, as required by the Australian Government Investigations Standard 2022 b. keep appropriate records of investigator qualifications.</p> <p><b>Recommendation 4:</b> The Department of Health and Aged Care: a. establish an internal control to ensure that officials involved in investigations and compliance activities make and manage declarations of interest b. keep appropriate records of declarations of interest.</p> <p><b>Recommendation 5:</b> The Department of Health and Aged Care establish: a. clear complaint handling channels that are accessible and easy to use b. a system for end-to-end complaint management and reporting.</p> <p><b>Recommendation 6:</b> The Department of Health and Aged Care develop an Investigations Quality Assurance Policy, as required by the Australian Government Investigations Standard 2022.</p>

<b>Audit</b>	<b>Design and Early Implementation of Residential Aged Care Reforms Published – 11 December 2023 Performance audit (Auditor-General Report No.8 of 2023–24)</b>
<b>Objective</b>	To assess whether the design and early implementation of the Australian Government’s response to Recommendation 86 of the Royal Commission into Aged Care Quality and Safety has been effective.
<b>Recommendations</b> (Directed to the department)	<p><b>Recommendation 1:</b></p> <p>The Department of Health and Aged Care ensure that Risk Potential Assessment Tools are completed in accordance with Australian Government policy, in particular the requirement to complete a Risk Potential Assessment Tool for new policy proposals with a financial impact of \$30 million, and the requirement to revise a Risk Potential Assessment Tool for approved policy proposals when there is a significant change to one or more risk factors affecting implementation. The Department of Health and Aged Care should promote the use of the Risk Potential Assessment Tool for new policy proposals of less than \$30 million.</p> <p><b>Recommendation 2:</b></p> <p>The Department of Health and Aged Care establish evaluation plans for mandatory care minutes and 24/7 registered nurse in order to settle on the policy objectives to be assessed, potential data sources, baseline data, data collection mechanisms and specific timeframes. Gaps in information required for an effective evaluation should be identified and rectified as part of implementation.</p>

<b>Audit</b>	<b>Effectiveness of the Department of Health and Aged Care's Performance Management of Primary Health Networks Published – 27 February 2024 Performance audit (Auditor-General Report No.19 of 2023–24)</b>
<b>Objective</b>	To assess the effectiveness of the Department of Health and Aged Care's performance management of Primary Health Networks.
<b>Recommendations</b> (Directed to the department)	<p><b>Recommendation 1:</b> The Department of Health and Aged Care ensure that Primary Health Networks' fully comply with transparency and accountability requirements established in grant agreements, including requirements to participate in and provide data and information for the purposes of evaluation.</p> <p><b>Recommendation 2:</b> The Department of Health and Aged Care establish performance measures that are clearly aligned to the Primary Health Networks' and delivery model's objectives.</p> <p><b>Recommendation 3:</b> Where there is a reliance on Primary Health Network-supplied data, the Department of Health and Aged Care establish a risk-based methodology for obtaining assurance over the data.</p> <p><b>Recommendation 4:</b> The Department of Health and Aged Care report on Primary Health Network performance as soon as practicable following the year to which the majority of the performance information relates.</p> <p><b>Recommendation 5:</b> The Department of Health and Aged Care publish individual Primary Health Networks' performance data and analysis in annual reports.</p> <p><b>Recommendation 6:</b> The Department of Health and Aged Care publicly report on performance measures:</p> <ol style="list-style-type: none"> <li>a. in compliance with the Primary Health Network performance framework by reporting all performance measures</li> <li>b. in a way that is consistent with the intended purpose of conveying information about performance in addition to compliance with grant agreement requirements.</li> </ol> <p><b>Recommendation 7:</b> The Department of Health and Aged Care implement a fit-for-purpose IT system for administering Primary Health Networks' that supports the accurate capture and reporting of compliance and performance information.</p> <p><b>Recommendation 8:</b> The Department of Health and Aged Care:</p> <ol style="list-style-type: none"> <li>a. develop an evaluation plan for the Primary Health Network delivery model</li> <li>b. evaluate the Primary Health Network delivery model to determine whether it is achieving its objectives.</li> </ol>

<b>Audit</b>	<b>Evaluation of Australian Government Pilot Programs Published – 17 June 2024 Performance audit (Auditor-General Report No.39 of 2023–24)</b>
<b>Objective</b>	To assess the effectiveness of the evaluation of selected Australian Government pilot programs.
<b>Recommendations</b> (Directed to the department)	<p><b>Recommendation 2:</b></p> <p>The Departments of Health and Aged Care and Veterans' Affairs include in their entity-specific evaluation policies:</p> <ol style="list-style-type: none"> <li>decision-making criteria for the appropriate style of evaluation to be completed by reference to the activity's risk, objective and outcomes</li> <li>guidance on how to demonstrate whether a program represented a proper use of public money, including the cost-effectiveness of its implementation, and how to undertake an economic evaluation where appropriate</li> <li>guidance related to evaluation of pilot programs.</li> </ol> <p><b>Recommendation 4:</b></p> <p>The Departments of Health and Aged Care, Veterans' Affairs and Home Affairs develop and implement explicit guidance to support early engagement with central evaluation teams to improve evaluation strategy and planning.</p> <p><b>Recommendation 5:</b></p> <p>The Departments of Health and Aged Care, Veterans' Affairs and Home Affairs ensure evaluation plans are prepared for policies or programs subject to evaluation requirements and that they be approved prior to the implementation of the policy or program. Consistent with the Commonwealth Evaluation Toolkit, evaluation plans should incorporate proportionate and risk-based level of information, including:</p> <ol style="list-style-type: none"> <li>methods for measuring or capturing baseline evidence, and attributing changes to the pilot, policy or program</li> <li>a method of economic evaluation or other means of assessing the proper use of public money.</li> </ol>

## Capability review

In 2023–24, the department was part of an APS-wide Capability Review pilot program to ensure that we are building and maintaining the right capabilities to respond to challenges now and into the future.

The Agency Capability Review Program was a recommendation of the Independent Review of the APS (Thodey Review) and is a central element of the Government's APS reform agenda. The Australian Public Service Commissioner endorsed the final report on 19 July 2023.<sup>83</sup> The report found 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.

The final report identified areas for development across the 5 core domains assessed. In response to the 2023 capability review, the department developed an action plan structured around 3 themes. The action plan outlines how the department will lift its capability over the coming years. The themes are:

1. Lifting our strategic policy capability
2. Deepening our engagement with the community and stakeholders
3. Unlocking our Executive Leader potential.

The Strategic Capability Uplift Project (SCUP) has been established to support the department's response.

<sup>83</sup> The final report published is available at: [www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-department-health-and-aged-care](http://www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-department-health-and-aged-care)

## Judicial decisions, decisions of administrative tribunals and decisions of the Information Commissioner

In 2023–24, 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 2023–24, the department was involved in:

- 3 matters in the High Court of Australia
- 4 matters in the Full Federal Court of Australia
- 31 matters in the Federal Court of Australia
- 1 matter in the Federal Circuit and Family Court of Australia
- 1 matter in the Supreme Court of the Northern Territory
- 1 matter in the District Court of Western Australia
- 1 matter in the District Court of South Australia
- 2 matters in the Magistrates Court of the Australian Capital Territory
- 24 matters in the Administrative Appeals Tribunal
- 107 reviews with the Office of the Australian Information Commissioner
- 1 matter in the Queensland Civil and Administrative Tribunal
- 1 successful criminal prosecution in relation to contravention of the *Therapeutic Goods Act 1989*.

## 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 2023–24, the department received 4 preliminary inquiries (section 7A of the *Ombudsman Act 1976*) and 3 investigations (section 8 of the *Ombudsman Act 1976*) from the Office. The Office notified the department of the finalisation of 4 preliminary inquiries and investigations in 2023–24 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](http://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.

In 2023–24, the department supported the Government's development, introduction, and passage of the *Public Health (Tobacco and Other Products) Act 2023* (the Tobacco Act), which commenced on 1 April 2024. This legislation replaces the *Tobacco Plain Packaging Act 2011* which was repealed on 31 March 2024.

For the 2023–24 financial year, the *Public Health (Tobacco and Other Products) (Consequential Amendments and Transitional Provisions) Act 2023* requires reporting under section 108 of the *Tobacco Plain Packaging Act 2011* and section 184 of the Tobacco Act to apply for the 2023–24 financial year. Future reporting of contraventions for tobacco packaging requirements will occur in accordance with section 184 of the *Public Health (Tobacco and Other Products) Act 2023*.

The department, pursuant to section 108 of the *Tobacco Plain Packaging Act 2011*, reports that 233 potential contraventions were investigated, and 101 warning letters were issued up to the date of repeal of the *Tobacco Plain Packaging Act 2011* in 2023–24.

A copy of this report has been provided to the Minister for Health and Aged Care.

## The Public Health (Tobacco and Other Products) Act 2023

The department has responsibility to investigate and enforce on behalf of the Commonwealth the *Public Health (Tobacco and Other Products) Act 2023*, which:

- prohibits the advertising and sponsorship of tobacco and e cigarette products (with limited exceptions)
- regulates the appearance, contents and functions of tobacco products, tobacco packaging and tobacco product accessories
- permanently bans certain tobacco products, such as chewing tobacco or oral snuff
- requires mandatory reporting from certain entities relating to tobacco product ingredients, tobacco product volumes, and marketing and promotional expenditure.

Pursuant to section 184 of the *Public Health (Tobacco and Other Products) Act 2023*, the department reports the following potential contraventions, and the action taken in response to those contraventions, have occurred since the commencement of the Tobacco Act on 1 April 2024:

	Contraventions Identified	Actions taken in response
Chapter 2 – Advertising and sponsorship prohibitions.	15	3 Warning letters sent. 13 cases still under investigation. 2 cases closed.
Chapter 3 – Tobacco product requirements.	4	4 cases still under investigation.
Chapter 4 – Permanent bans on certain tobacco products.	Nil.	Nil.
Chapter 5 – Reporting and information disclosure.	Nil.	Nil.

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 2023–24.

Section 42(1) paragraphs (a) to (h)		
(a)	the number of signed instruments made under section 8L	6
(b)	the number of notices in writing given under section 8P	23
(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 8Z	0

## Legal services expenditure

The table below outlines the department's legal services expenditure for 2023–24, in compliance with paragraph 11.1(ba) of the Legal Services Directions 2017.

Description	2023–24 cost \$'000 (excluding GST)
Total external legal services expenditure	18,763
Total internal legal services expenditure	22,824





# Part 4: Appendices

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# Appendix 1: Expenses and Resources Statements

Outcome 1 – Expenses and Resources	Budget Estimate 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
<b>Program 1.1: Health Research, Coordination and Access<sup>1</sup></b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	216,897	210,915	(5,982)
to Services for Other Entities and Trust Moneys Special Account	(10,931)	(7,736)	3,195
Special Accounts			
Biomedical Translation Fund	7,501	4,144	(3,357)
Services for Other Entities and Trust Moneys Special Account	10,931	11,417	486
Expense adjustment <sup>2</sup>	-	(3,681)	(3,681)
Medical Research Future Fund	650,000	649,902	(98)
Special appropriations			
<i>National Health Act 1953</i> - blood fractionation, products and blood related products to National Blood Authority	1,067,215	1,058,186	(9,029)
<i>Public Governance, Performance and Accountability Act 2013</i> s77 - repayments	2,000	2,931	931
Payments to corporate entities	322,306	322,306	-
<b>Total for Program 1.1</b>	<b>2,265,919</b>	<b>2,248,384</b>	<b>(17,535)</b>
<b>Program 1.2: Mental Health<sup>1</sup></b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,543,607	1,444,922	(98,685)
<b>Total for Program 1.2</b>	<b>1,543,607</b>	<b>1,444,922</b>	<b>(98,685)</b>
<b>Program 1.3: First Nations Health<sup>1</sup></b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,216,503	1,210,438	(6,065)
<b>Total for Program 1.3</b>	<b>1,216,503</b>	<b>1,210,438</b>	<b>(6,065)</b>
<b>Program 1.4: Health Workforce</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,804,933	1,694,778	(110,155)
<b>Total for Program 1.4</b>	<b>1,804,933</b>	<b>1,694,778</b>	<b>(110,155)</b>
<b>Program 1.5: Preventive Health and Chronic Disease Support<sup>1</sup></b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	618,012	564,799	(53,213)

Outcome 1 – Expenses and Resources	Budget Estimate 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
<b>Total for Program 1.5</b>	<b>618,012</b>	<b>564,799</b>	<b>(53,213)</b>
<b>Program 1.6: Primary Health Care Quality and Coordination</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	702,035	678,918	(23,117)
<b>Total for Program 1.6</b>	<b>702,035</b>	<b>678,918</b>	<b>(23,117)</b>
<b>Program 1.7: Primary Care Practice Incentives and Medical Indemnity</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	480,077	440,917	(39,160)
Special appropriations			
<i>Medical Indemnity Act 2002</i>	134,964	149,811	14,847
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	4,186	500	(3,686)
<b>Total for Program 1.7</b>	<b>619,227</b>	<b>591,228</b>	<b>(27,999)</b>
<b>Program 1.8: Health Protection, Emergency Response and Regulation<sup>1</sup></b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	2,634,319	2,334,391	(299,928)
Non cash expenses <sup>3</sup>	273,584	243,759	(29,825)
<b>Total for Program 1.8</b>	<b>2,907,903</b>	<b>2,578,150</b>	<b>(329,753)</b>
<b>Program 1.9: Immunisation<sup>1</sup></b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	30,030	27,807	(2,223)
to Australian Immunisation Special Account	(7,133)	(551)	6,582
Special Accounts			
Australian Immunisation Register Special Account (s78 PGPA Act)	9,819	7,198	(2,621)
Expense adjustment <sup>2</sup>	-	(3,238)	(3,238)
Special appropriations			
<i>National Health Act 1953 - essential vaccines</i>	733,797	709,487	(24,310)
<b>Total for Program 1.9</b>	<b>766,513</b>	<b>740,703</b>	<b>(25,810)</b>

Outcome 1 – Expenses and Resources	Budget Estimate 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
<b>Outcome 1 totals by appropriation type</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	9,246,413	8,607,886	(638,527)
to Special Accounts	(18,064)	(8,287)	9,777
Special appropriations	1,942,162	1,920,915	(21,247)
Special Accounts	678,251	665,742	(12,509)
Non cash expenses <sup>3</sup>	273,584	243,759	(29,825)
Payments to corporate entities	322,306	322,306	-
Departmental expenses			
Departmental appropriation <sup>4</sup>	499,489	499,008	(481)
to Special Accounts	(45,534)	(45,534)	-
Expenses not requiring appropriation in the budget year <sup>5</sup>	14,915	16,868	1,953
Special Accounts			
AICIS <sup>6</sup>	20,724	20,366	(358)
OGTR <sup>7</sup>	11,233	9,784	(1,449)
TGA <sup>8</sup>	241,829	230,966	(10,863)
Expense adjustment <sup>2</sup>	(11,225)	971	12,196
<b>Total expenses for Outcome 1</b>	<b>13,176,083</b>	<b>12,484,750</b>	<b>(691,333)</b>
<b>Average staffing level (number)</b>	<b>3,392</b>	<b>3,409</b>	<b>17</b>

<sup>1</sup> This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

<sup>2</sup> Special accounts are reported on a cash basis. The adjustment reflects the difference between expense and cash, and eliminates any inter-entity transactions.

<sup>3</sup> Non cash expenses relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.

<sup>4</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.

<sup>5</sup> 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.

<sup>6</sup> Australian Industrial Chemicals Introduction Scheme (AICIS) Special Account.

<sup>7</sup> Office of the Gene Technology Regulator (OGTR) Special Account.

<sup>8</sup> Therapeutic Goods Administration (TGA) Special Account.

Outcome 2 – Expenses and Resources	Budget Estimate 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
<b>Program 2.1: Medical Benefits</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	134,532	111,116	(23,416)
Special account			
<i>Medicare Guarantee Fund - medical benefits</i>	29,557,569	29,649,083	91,514
<i>accrual adjustment</i>	70,784	(136,014)	(206,798)
<b>Total for Program 2.1</b>	<b>29,762,885</b>	<b>29,624,185</b>	<b>(138,700)</b>
<b>Program 2.2: Hearing Services</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	616,984	605,302	(11,682)
<b>Total for Program 2.2</b>	<b>616,984</b>	<b>605,302</b>	<b>(11,682)</b>
<b>Program 2.3: Pharmaceutical Benefits</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,008,333	875,442	(132,891)
Special account			
<i>Medicare Guarantee Fund - pharmaceutical benefits</i>	17,982,588	17,872,959	(109,629)
<i>accrual adjustment</i>	18,456	131,035	112,579
<b>Total for Program 2.3</b>	<b>19,009,377</b>	<b>18,879,436</b>	<b>(129,941)</b>
<b>Program 2.4: Private Health Insurance</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	14,759	10,913	(3,846)
Special appropriations			
<i>Private Health Insurance Act 2007</i> - incentive payments and rebate	7,045,715	7,078,141	32,426
<b>Total for Program 2.4</b>	<b>7,060,474</b>	<b>7,089,054</b>	<b>28,580</b>
<b>Program 2.5: Dental Services<sup>1</sup></b>			
Administered expenses			
Special appropriations			
<i>Dental Benefits Act 2008</i>	339,889	325,532	(14,357)
<b>Total for Program 2.5</b>	<b>339,889</b>	<b>325,532</b>	<b>(14,357)</b>
<b>Program 2.6 Health Benefit Compliance</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	20,319	7,012	(13,307)
<b>Total for Program 2.6</b>	<b>20,319</b>	<b>7,012</b>	<b>(13,307)</b>
<b>Program 2.7: Targeted Assistance - Aids and Appliances</b>			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	2,012	1,943	(69)
Special appropriations			
<i>National Health Act 1953 - aids and appliances</i>	514,817	509,657	(5,160)
<b>Total for Program 2.7</b>	<b>516,829</b>	<b>511,600</b>	<b>(5,229)</b>

Outcome 2 – Expenses and Resources	Budget Estimate 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
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**Outcome 2 totals by appropriation type**

Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,796,939	1,611,729	(185,210)
Special appropriations	7,900,421	7,913,330	12,909
Payments to corporate entities			
Special accounts	47,540,157	47,522,042	(18,115)
accrual adjustment	89,240	(4,979)	(94,219)
Departmental expenses			
Departmental appropriation <sup>2</sup>	211,789	207,778	(4,011)
Expenses not requiring appropriation in the budget year <sup>3</sup>	5,637	7,066	1,429
<b>Total expenses for Outcome 2</b>	<b>57,544,183</b>	<b>57,256,966</b>	<b>(287,217)</b>
<b>Average staffing level (number)</b>	<b>1,081</b>	<b>1,081</b>	<b>-</b>

<sup>1</sup> This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

<sup>2</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.

<sup>3</sup> 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 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
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### Program 3.1: Access and Information

Administered expenses

Ordinary annual services Appropriation Act (No. 1)	713,811	641,050	(72,761)
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<b>Total for Program 3.1</b>	<b>713,811</b>	<b>641,050</b>	<b>(72,761)</b>
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### Program 3.2: Aged Care Services<sup>1</sup>

Administered expenses

Ordinary annual services Appropriation Act (No. 1) <sup>2</sup>	4,075,263	3,791,492	(283,771)
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Zero Real Interest Loans

- appropriation	2,942	-	(2,942)
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- expense adjustment <sup>3</sup>	(2,268)	-	2,268
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Other Services Appropriation Act (No. 2)

Refundable Accommodation Deposits

- appropriation	-	-	-
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- expense adjustment <sup>4</sup>	531	-	(531)
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Special appropriations

Aged Care Act 1997 - flexible care	809,020	735,760	(73,260)
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Aged Care Act 1997 - residential and home care	27,316,790	28,093,988	777,198
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National Health Act 1953 - continence aids payments	116,815	112,503	(4,312)
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Aged Care Act 2006 - Accommodation Payment Security	2,180	882	(1,298)
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<b>Total for Program 3.2</b>	<b>32,321,273</b>	<b>32,734,625</b>	<b>413,352</b>
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### Program 3.3: Aged Care Quality

Administered expenses

Ordinary annual services Appropriation Act (No. 1)	1,713,344	1,377,923	(335,421)
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<b>Total for Program 3.3</b>	<b>1,713,344</b>	<b>1,377,923</b>	<b>(335,421)</b>
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### Outcome 3 totals by appropriation type

Administered expenses

Ordinary annual services Appropriation Act (No. 1)	6,505,360	5,810,465	(694,895)
- expense adjustment <sup>3</sup>	(2,268)	-	2,268

Other services	-	-	-
- expense adjustment <sup>4</sup>	531	-	(531)

Special appropriations	28,244,805	28,934,133	698,328
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Departmental expenses

Departmental appropriation <sup>5</sup>	590,489	686,377	95,888
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Outcome 3 – Expenses and Resources	Budget Estimate 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
Expenses not requiring appropriation in the budget year <sup>6</sup>	13,936	20,580	6,644
<b>Total expenses for Outcome 3</b>	<b>35,352,853</b>	<b>35,460,544</b>	<b>107,701</b>
<b>Average staffing level (number)</b>	<b>1,565</b>	<b>1,574</b>	<b>9</b>

<sup>1</sup> 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.

<sup>2</sup> '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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'. Actual expenses include a significant adjustment to reflect the appropriate accounting treatment of IT Software services.

<sup>6</sup> 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 2023–24 \$'000 (A)	Actual 2023–24 \$'000 (B)	Variation \$'000 (B) - (A)
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**Program 4.1: Sport and Physical Activity<sup>1</sup>**

Administered expenses

Ordinary annual services Appropriation Act (No. 1)	98,448	48,588	(49,860)
Payments to corporate entities	343,020	351,081	8,061

<b>Total for Program 4.1</b>	<b>441,468</b>	<b>399,669</b>	<b>(41,799)</b>
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**Outcome 4 totals by appropriation type**

Administered expenses

Ordinary annual services Appropriation Act (No. 1)	98,448	48,588	(49,860)
Payments to corporate entities	343,020	351,081	8,061

Departmental expenses

Departmental appropriation <sup>2</sup>	16,863	16,376	(487)
Expenses not requiring appropriation in the budget year <sup>3</sup>	189	266	77

<b>Total expenses for Outcome 4</b>	<b>458,520</b>	<b>416,311</b>	<b>(42,209)</b>
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<b>Average staffing level (number)</b>	<b>90</b>	<b>96</b>	<b>6</b>
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<sup>1</sup> This Program excludes National Partnership payments to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

<sup>2</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.<sup>3</sup>

<sup>3</sup> 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.

# Appendix 2: Workforce Statistics

The following tables show workforce statistics for the Department of Health and Aged Care for 2023–24. 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.

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Table 1: All Ongoing Employees (2023–24)

State/Territory	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
Australian Capital Territory	1,253	68	1,321	2,692	608	3,300	12	3	15	-	-	-	-	-	-	4,636
New South Wales	151	12	163	301	63	364	4	1	5	-	-	-	-	-	-	532
Northern Territory	3	0	3	24	4	28	0	0	0	-	-	-	-	-	-	31
Queensland	106	7	113	289	64	353	1	0	1	-	-	-	-	-	-	467
South Australia	67	1	68	123	29	152	1	0	1	-	-	-	-	-	-	221
Tasmania	29	5	34	40	20	60	0	0	0	-	-	-	-	-	-	94
Victoria	157	14	171	286	60	346	1	1	2	-	-	-	-	-	-	519
Western Australia	27	3	30	62	18	80	0	0	0	-	-	-	-	-	-	110
External Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	1	1	2	2	1	3	-	-	-	-	-	-	-	-	-	5
<b>Total</b>	<b>1,794</b>	<b>111</b>	<b>1,905</b>	<b>3,819</b>	<b>867</b>	<b>4,686</b>	<b>19</b>	<b>5</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,615</b>

Table 2: All Non-Ongoing Employees (2023–24)

State/ Territory	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
Australian Capital Territory	88	19	107	178	51	229	1	1	2	-	-	-	-	-	-	338
New South Wales	12	2	14	19	3	22	0	0	0	-	-	-	-	-	-	36
Northern Territory	2	0	2	3	0	3	0	0	0	-	-	-	-	-	-	5
Queensland	16	2	18	26	6	32	0	1	1	-	-	-	-	-	-	51
South Australia	2	0	2	12	3	15	0	0	0	-	-	-	-	-	-	17
Tasmania	2	2	4	5	0	5	0	0	0	-	-	-	-	-	-	9
Victoria	15	4	19	29	7	36	0	0	0	-	-	-	-	-	-	55
Western Australia	1	0	1	6	2	8	0	0	0	-	-	-	-	-	-	9
External Territories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>138</b>	<b>29</b>	<b>167</b>	<b>278</b>	<b>72</b>	<b>350</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520</b>

Table 3: Australian Public Service Act Ongoing Employees (2023–24)<sup>1</sup>

Classification	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	5	0	5	2	0	2	0	0	0	-	-	-	-	-	-	7
SES 2	13	0	13	29	0	29	0	0	0	-	-	-	-	-	-	42
SES 1	59	2	61	106	6	112	0	0	0	-	-	-	-	-	-	173
Holder of Public Office	1	0	1	1	0	1	0	0	0	-	-	-	-	-	-	2
EL 2 <sup>3</sup>	282	7	289	530	69	599	2	0	2	-	-	-	-	-	-	890
EL 1	603	37	640	1,156	339	1,495	5	2	7	-	-	-	-	-	-	2,142
APS 6	457	28	485	1,085	261	1,346	8	2	10	-	-	-	-	-	-	1,841
APS 5	186	5	191	480	100	580	3	0	3	-	-	-	-	-	-	774
APS 4	53	4	57	182	28	210	1	0	1	-	-	-	-	-	-	268
APS 3	14	1	15	26	8	34	0	0	0	-	-	-	-	-	-	49
APS 2	6	4	10	6	2	8	0	0	0	-	-	-	-	-	-	18
APS 1	3	2	5	1	2	3	0	0	0	-	-	-	-	-	-	8
Health Entry Level Broadband	42	4	46	90	1	91	0	1	1	-	-	-	-	-	-	138
Legal 2	11	1	12	17	5	22	0	0	0	-	-	-	-	-	-	34
Legal 1	17	2	19	51	5	56	0	0	0	-	-	-	-	-	-	75
Chief Medical Officer	1	0	1	0	0	0	0	0	0	-	-	-	-	-	-	1
Medical Officer 6	1	0	1	0	1	1	0	0	0	-	-	-	-	-	-	2
Medical Officer 5	9	1	10	7	2	9	0	0	0	-	-	-	-	-	-	19
Medical Officer 4	13	3	16	17	9	26	0	0	0	-	-	-	-	-	-	42
Medical Officer 3	12	10	22	17	21	38	0	0	0	-	-	-	-	-	-	60
Medical Officer 2	2	0	2	2	3	5	0	0	0	-	-	-	-	-	-	7

Classification	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
Senior Public Affairs 1	0	0	0	1	0	1	0	0	0	-	-	-	-	-	-	1
Senior Public Affairs 2	1	0	1	4	0	4	0	0	0	-	-	-	-	-	-	5
Public Affairs 3	1	0	1	5	4	9	0	0	0	-	-	-	-	-	-	10
Principal Research Scientist	0	0	0	4	1	5	0	0	0	-	-	-	-	-	-	5
Research Scientist	1	0	1	0	0	0	0	0	0	-	-	-	-	-	-	1
Other <sup>4</sup>	1	0	1	0	0	0	0	0	0	-	-	-	-	-	-	1
<b>Total</b>	<b>1,794</b>	<b>111</b>	<b>1,905</b>	<b>3,819</b>	<b>867</b>	<b>4,686</b>	<b>19</b>	<b>5</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,615</b>

Notes:

- <sup>1</sup> Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2024.
- <sup>2</sup> SES are defined as Senior Executive Service staff.
- <sup>3</sup> EL are defined as Executive Level staff.
- <sup>4</sup> 'Other' includes Secretary.

Table 4: Australian Public Service Act Non-Ongoing Employees (2023–24)<sup>1</sup>

Classification	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
SES 3	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
SES 2	0	0	0	1	0	1	0	0	0	-	-	-	-	-	-	1
SES 1	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Holder of Public Office	0	0	0	3	0	3	0	0	0	-	-	-	-	-	-	3
EL 2	8	3	11	11	2	13	0	0	0	-	-	-	-	-	-	24
EL 1	29	9	38	40	19	59	0	1	1	-	-	-	-	-	-	98
APS 6	41	5	46	68	24	92	0	0	0	-	-	-	-	-	-	138
APS 5	19	2	21	52	9	61	0	0	0	-	-	-	-	-	-	82
APS 4	14	1	15	69	3	72	1		1	-	-	-	-	-	-	88
APS 3	8	2	10	14	0	14	0	1	1	-	-	-	-	-	-	25
APS 2	7	0	7	11	4	15	0	0	0	-	-	-	-	-	-	22
APS 1	3	3	6	0	1	1	0	0	0	-	-	-	-	-	-	7
Health Entry Level Broadband	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Legal 2	0	0	0	1	0	1	0	0	0	-	-	-	-	-	-	1
Legal 1	3	0	3	3	0	3	0	0	0	-	-	-	-	-	-	6
Chief Medical Officer	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Medical Officer 6	0	0	0	0	2	2	0	0	0	-	-	-	-	-	-	2
Medical Officer 5	2	1	3	0	1	1	0	0	0	-	-	-	-	-	-	4
Medical Officer 4	0	0	0	0	2	2	0	0	0	-	-	-	-	-	-	2
Medical Officer 3	4	1	5	4	4	8	0	0	0	-	-	-	-	-	-	13
Medical Officer 2	0	1	1	1	1	2	0	0	0	-	-	-	-	-	-	3

**Table 4: Australian Public Service Act Non-Ongoing Employees (2023–24)<sup>1</sup> (continued)**

Classification	Man/Male			Woman/Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total	
Senior Public Affairs 1	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Senior Public Affairs 2	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Public Affairs 3	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Senior Principal Research Scientist	0	1	1	0	0	0	0	0	0	-	-	-	-	-	-	1
Principal Research Scientist	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Research Scientist	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
Other	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	0
<b>Total</b>	<b>138</b>	<b>29</b>	<b>167</b>	<b>278</b>	<b>72</b>	<b>350</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>520</b>

Notes:

<sup>1</sup> Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2024.

**Table 5: Australian Public Service Act Employment type by location (2023–24)**

State/Territory	Ongoing	Non-Ongoing	Total
Australian Capital Territory	4,636	338	4,974
New South Wales	532	36	568
Northern Territory	31	5	36
Queensland	467	51	518
South Australia	221	17	238
Tasmania	94	9	103
Victoria	519	55	574
Western Australia	110	9	119
External Territories	-	-	-
Overseas	5	-	5
<b>Total</b>	<b>6,615</b>	<b>520</b>	<b>7,135</b>

**Table 6: Australian Public Service Act Indigenous Employment (2023–24)**

Employment status	Total
Ongoing	155
Non-Ongoing	9
<b>Total</b>	<b>164</b>

**Table 7: Number of SES staff covered by Individual Agreements**

Nominal Classification	Number of SES staff with Individual Agreements					Total
	Woman/ Female	Man/Male	Non- binary	Prefers not to answer	Uses a different term	
SES 3	2	5	-	-	-	7
SES 2	27	12	-	-	-	39
SES 1	99	55	-	-	-	154
Chief Medical Officer	0	1	-	-	-	1
Medical Officer 6	3	1	-	-	-	4
Medical Officer 5	8	13	-	-	-	21
<b>Total</b>	<b>139</b>	<b>87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226</b>

**Table 8: Key management personnel (KMP) length of term at 30 June 2024**

During the 2023–24 financial year, the department had 14 executives who met the definition of KMP.

Name	Position title	Term as KMP
Blair Comley	Secretary	Commenced 17 July 2023
Brendan Murphy	Secretary	Terminated 7 July 2023
Paul Kelly	Chief Medical Officer	Full year
Anthony Lawler	Deputy Secretary	Full year
Penny Shakespeare	Deputy Secretary	Full year
Michael Lye	Deputy Secretary	Full year
Charles Wann	Chief Operating Officer	Full year
Blair Exell	Deputy Secretary	Full year
Elizabeth Develin	Deputy Secretary	Commenced 22 January 2024
Tania Rishniw	Deputy Secretary	Terminated 19 September 2023
Daniel McCabe	Deputy Secretary (acting/part time)	Part year (acting > 20 days)
Celia Street	Deputy Secretary (acting)	Part year (acting > 20 days)
Andrew Singer	Deputy Secretary (acting)	Part year (acting > 20 days)
Helen Grinbergs	Deputy Secretary (acting)	Part year (acting > 20 days)

**Table 9: Information about remuneration for key management personnel<sup>1</sup>**

In the notes to the financial statements (Note 4.2 key management personnel remuneration), the department disclosed \$5.1 million in KMP expenses during 2023–24. In accordance with the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), this information is disaggregated as follows:

Name	Position title	Short-term benefits \$				Post-employment benefits \$	Other long-term benefits \$		Termination benefits \$	Total remuneration \$
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions		Long service leave	Other long-term benefits		
Blair Comley	Secretary	871,305	-	35,513	26,261	11,787	-	-	944,866	
Brendan Murphy	Secretary	13,067	-	53	547	-	-	-	13,667	
Paul Kelly	Chief Medical Officer	489,046	-	21,264	77,185	24,524	-	-	612,019	
Anthony Lawler	Deputy Secretary	452,310	-	20,733	68,033	11,686	-	-	552,762	
Penny Shakespeare	Deputy Secretary	411,740	-	21,264	69,067	42,269	-	-	544,340	
Michael Lye	Deputy Secretary	423,706	-	3,436	78,375	33,244	-	-	538,761	
Charles Wann	Chief Operating Officer	382,523	-	21,264	66,349	53,276	-	-	523,412	
Blair Exell	Deputy Secretary	411,246	-	3,436	74,219	30,666	-	-	519,567	
Elizabeth Develin	Deputy Secretary	209,382	-	14,007	29,870	2,776	-	-	256,035	
Tania Rishniw	Deputy Secretary	77,523	-	8,296	13,214	1,944	-	-	100,977	
Daniel McCabe	Deputy Secretary (acting/part time) <sup>1</sup>	173,853	-	10,676	30,037	21,314	-	-	235,880	
Celia Street	Deputy Secretary (acting) <sup>1</sup>	72,786	-	6,707	16,175	8,557	-	-	104,225	
Andrew Singer	Deputy Secretary (acting) <sup>1</sup>	61,847	-	2,744	10,514	3,833	-	-	78,938	
Helen Grinbergs	Deputy Secretary (acting) <sup>1</sup>	56,465	-	7,566	7,913	3,653	-	-	75,597	

Notes:

<sup>1</sup> 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 senior executives**

Total remuneration bands	Number of senior executives	Short-term benefits \$			Post-employment benefits \$		Other long-term benefits \$		Termination benefits \$		Total remuneration \$
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration		
\$0 - \$220,000	65	96,709	-	6,592	17,631	5,233	-	5,829	131,994		
\$220,001 - \$245,000	4	184,878	-	8,333	29,606	10,972	-	-	233,789		
\$245,001 - \$270,000	14	189,235	-	12,019	33,088	10,532	-	15,280	260,154		
\$270,001 - \$295,000	34	210,741	-	15,293	36,327	19,341	-	-	281,702		
\$295,001 - \$320,000	39	232,892	-	14,233	38,856	18,938	-	-	304,919		
\$320,001 - \$345,000	29	253,076	-	15,112	41,737	22,101	-	-	332,026		
\$345,001 - \$370,000	18	269,424	-	18,318	44,449	22,696	-	-	354,887		
\$370,001 - \$395,000	12	282,729	-	17,285	46,450	22,736	-	11,945	381,145		
\$395,001 - \$420,000	7	318,597	-	15,795	49,160	24,069	-	-	407,621		
\$420,001 - \$445,000	4	334,727	-	18,396	57,228	19,218	-	-	429,569		
\$445,001 - \$470,000	2	343,679	-	19,300	54,400	34,413	-	-	451,792		

**Notes:**

- 1 Any employee who held a substantive SES or equivalent position during 2023–24 is represented as one. This excludes those executives who have been disclosed in Table 9.
- 2 Excludes bond rate impacts on long service leave.
- 3 Termination payments (excluding employee leave entitlement payments) were made to five (5) senior executives or equivalent employees during 2023–24.
- 4 The table includes the part year impact of senior executives who either commenced or separated during the year, including four (4) senior executives who were partially reported in Table 9.
- 5 The table excludes four (4) senior executive or equivalent employees who were on leave without pay for the entire financial year, or until their termination.

**Table 11: Information about remuneration for other highly paid staff**

Total remuneration bands	Number of other highly paid staff	Short-term benefits \$				Post-employment benefits \$		Other long-term benefits \$		Termination benefits \$	Total remuneration \$
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration		
\$250,000- \$270,000	14	203,714	-	13,737	33,246	7,378	-	-	258,075		
\$270,001- \$295,000	4	217,880	-	15,812	32,677	8,413	-	-	274,782		
\$295,001- \$320,000	1	199,636	-	54,134	33,302	8,942	-	-	296,014		

Notes:

- 1 Excludes bond rate impacts on long service leave.
- 2 No termination payments were paid to relevant employees who ceased during 2023-24.
- 3 The table includes the part year impact of some employees who have temporarily filled a SES position during 2023-24.

**Table 12: Australian Public Service Act Employment salary ranges by classification level (Minimum/Maximum) (2023–24)**

Classification	Minimum Salary \$	Maximum Salary \$
SES 3	378,628	439,920
SES 2	275,714	334,674
SES 1	217,032	261,843
EL 2	138,897	164,446
EL 1	116,418	132,777
APS 6	94,736	106,876
APS 5	84,627	91,520
APS 4	78,954	83,424
APS 3	69,688	77,244
APS 2	60,303	65,806
APS 1	52,165	57,948
Other	-	-
Minimum/Maximum range	52,165	439,920

Notes:

<sup>1</sup> '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 2024**

Number of staff covered by the:		Total
EA	EA and an approved Individual Flexibility Arrangement	
6,865	57	6,922

**Disclaimer:** To ensure all current Individual Flexibility Arrangements (IFAs) are captured, the information in Table 13 is based on the nominal position occupied by the staff member as at 30 June 2024. While IFAs are not applied during periods of higher duties, IFA entitlements are reinstated upon return to the nominal position.

**Table 14: Non-salary benefits**

<b>Non-SES staff</b>
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 vaccinations at no cost and reasonable worktime for particular conditions when department requires employee to perform a role.
Access to the Employee Assistance Program
Additional cultural and ceremonial leave for First Nations employees
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
Cultural leave
Defence reservist leave
Defence service sick leave
Disaster Support
Emergency Response leave
Family and Domestic Violence support
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
Jury Duty - considered worktime
Lactation and breastfeeding support
Leave to attend proceedings (witness leave)
Multi-faith room
Miscellaneous leave with or without pay
Parental leave – includes: Primary and Secondary caregivers, adoption, long term foster care, stillbirth, pregnancy loss and premature birth leave
Personal/carers leave
Provision of eyesight testing and reimbursement of prescription eyewear costs
Purchased and extended purchased leave
Recognition of travel time
Relocation assistance
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
Development assistance

**Table 15: Health Entry Level Broadband**

Local title	APS classification	Salary ranges at 30 June 2024 \$
Health Entry-Level (A, C, or T) <sup>1</sup>	APS 4	\$83,424
		\$81,126
		\$78,954
	APS 3	\$77,244
		\$73,740
		\$71,661
		\$69,688
	APS 2	\$65,806
		\$63,979
		\$62,113
		\$60,303
	APS 1	\$57,948
		\$55,251
\$53,422		
		\$52,165

Notes:

<sup>1</sup> (A) = Apprentice, (C) = Cadet and (T) Trainee.

**Table 16: Health and Aged Care Graduate Broadband**

Local Title	APS Classification	Salary ranges at 30 June 2024 \$
Health and Aged Care Graduate	APS 5	\$91,520
		\$86,928
		\$84,627
<b>Soft barrier</b>		
Health and Aged Care Graduate	APS 4	\$83,424
		\$81,126
		\$78,954

**Table 17: Professional 1 salary structure**

Local title	APS classification	Salary ranges at 30 June 2024 \$
Professional 1	APS 5	\$91,520
	APS 5	\$86,928
	APS 4	\$81,127
	APS 4 <sup>1</sup>	\$78,955
	APS 3 <sup>2</sup>	\$73,740
	APS 3	\$71,661

Notes:

<sup>1</sup> Salary on commencement for a professional with a 4 year degree (or higher).

<sup>2</sup> Salary on commencement for a professional with a 3 year degree.

**Table 18: Medical Officer salary structure**

Local title	Salary ranges at 30 June 2024 \$
Medical Officer Class 6	\$334,674
	\$318,952
	\$303,230
	\$287,506
Medical Officer Class 5	\$285,426
	\$274,420
	\$263,414
	\$252,409
Medical Officer Class 4	\$197,532
	\$186,450
	\$179,460
Medical Officer Class 3	\$172,299
	\$164,563
Medical Officer Class 2	\$155,071
	\$147,177
Medical Officer Class 1	\$134,495
	\$121,838
	\$113,207
	\$104,502

**Table 19: Legal salary structure**

Local title	Classification	Salary ranges at 30 June 2024 \$
Legal 2	EL 2	\$170,205
		\$162,816
		\$157,553
Legal 1	EL 1	\$144,064
		\$132,624
		\$121,484
	APS 6	\$104,537
		\$99,331
		\$94,736
		\$87,684
APS 5	\$87,684	
APS 4	\$82,204	

**Table 20: Public Affairs salary structure**

Local title	Classification	Salary ranges at 30 June 2024 \$
Senior Public Affairs 2	EL 2	\$171,027
		\$164,379
Senior Public Affairs 1	EL 2	\$156,552
Public Affairs 3	EL 1	\$142,734
		\$135,812
		\$127,556
Public Affairs 2	APS 6	\$106,986
		\$99,331
		\$94,736
	APS 5	\$91,520
		\$86,928
		\$83,424
APS 4 <sup>1</sup>	\$78,955	

Notes:

<sup>1</sup> This level is generally reserved for staff with less than 2 years' experience.

**Table 21: Research Scientist salary structure**

Local title	Classification	Salary ranges at 30 June 2024 \$
Senior Principal Research Scientist	EL 2	\$208,849
		\$187,867
Principal Research Scientist	EL 2	\$184,181
		\$178,473
		\$171,189
		\$166,675
		\$160,494
		\$167,243
Senior Research Scientist	EL 2	\$156,552
		\$151,495
		\$138,897
		\$125,101
Research Scientist	EL 1	\$116,418
		\$99,513
	APS 6	\$94,318
		\$91,753

# Appendix 3: Processes Leading to PBAC Consideration – Annual Report for 2023–24

## Introduction

This is the 15th 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.<sup>84</sup>

When considering a medicine for listing, the PBAC considers the medical condition(s) for which the medicine was registered for use in Australia and the clinical effectiveness, safety and cost-effectiveness of the medicine 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

<sup>84</sup> 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.

- 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.

## Requirements of Section 99YBC of the Act

### a) Extent and timeliness of the provision of relevant documents to responsible persons<sup>85</sup>

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 7 weeks before the applicable PBAC meeting. These documents are referred to as commentaries.

The PBAC Secretariat receives applicants' pre-subcommittee response(s) 6 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.

### b) Extent to which responsible persons comment on their commentaries

During 2023–24, the PBAC held 3 ordinary meetings. Of the 93 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications that were lodged for consideration by the PBAC in 2023–24 and proceeded to evaluation, all applicants responded to their commentaries. Two lodged applications were withdrawn before evaluation. In 2023–24, the PBAC considered 88 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications at its 3 ordinary meetings. This is a lesser number due to withdrawals or applications being considered at a different meeting. For the:

- **July 2023 PBAC meeting**, 29 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. One submission was withdrawn by the sponsor before evaluation. Therefore, a total of 28 responses were received for the commentaries. One application was held over before the PBAC meeting to a future meeting. Therefore, 27 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered. Fourteen responsible persons appeared before the PBAC.
- **November 2023 PBAC meeting**, 25 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. A total of 25 responses were received for the commentaries. One application was held over before the PBAC meeting to a future meeting. Therefore, 24 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered. Twelve responsible persons appeared before the PBAC.
- **March 2024 PBAC meeting**, 41 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. One submission was withdrawn by the sponsor before evaluation. Therefore, a total of 40 responses were received for the commentaries, including one application that was held over from a previous meeting. Three submissions were held over before the PBAC meeting to a future meeting. Therefore, 37 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered. Sixteen responsible persons appeared before the PBAC.

### c) Number of responsible persons seeking a review of PBAC recommendations

During the 2023–24 financial year, there were no requests to the PBAC for an Independent Review.

<sup>85</sup> 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 2023–24<sup>86</sup>

### July 2023 PBAC Meeting

Category	Number
1	6
2	16
3	6
4	2
Committee Secretariat	0
Early resolution	1
Early re-entry	3
Facilitated resolution	0
Standard re-entry	7
<b>Total</b>	<b>41</b>

### November 2023 PBAC Meeting

Category	Number
1	5
2	14
3	2
4	8
Committee Secretariat	1
Early resolution	0
Early re-entry	4
Facilitated resolution	0
Standard re-entry	6
<b>Total</b>	<b>40</b>

<sup>86</sup> The categories for applications are prescribed by the National Health (Pharmaceuticals and Vaccines—Cost Recovery) Regulations 2022. Further information on the categories of submissions is available at: [www.legislation.gov.au/F2022L00118](http://www.legislation.gov.au/F2022L00118)

## March 2024 PBAC Meeting

Category	Number
1	3
2	31
3	7
4	10
Committee Secretariat	2
Early resolution	0
Early re-entry	5
Facilitated resolution	1
Standard re-entry	6
<b>Total</b>	<b>65</b>

## Number and category of withdrawn applications for each PBAC meeting in 2023–24

### July 2023 PBAC Meeting

Category	Number	Reasons for withdrawal
1	0	N/A
2	1	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 2023 PBAC Meeting

Category	Number	Reasons for withdrawal
1	0	N/A
2	0	N/A
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

## March 2024 PBAC Meeting

Category	Number	Reasons for withdrawal
1	1	Determined by applicant, reason not available
2	0	N/A
3	2	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	0	N/A

## Number of responsible persons that responded to their commentaries, including appearing before PBAC meetings.

All except 2 of the responsible persons who submitted a Category 1, Category 2, facilitated resolution pathway, and standard re-entry submission to the PBAC during 2023–24 responded to their commentary.

Responsible persons can appear before the PBAC by attending the meeting (either live or virtually) or via a pre-recorded or written mechanism.

## July 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	
		Live/Virtual	Pre-recorded/ Written
29	28	5	9

## November 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	
		Live/Virtual	Pre-recorded/ Written
25	25	5	7

## March 2024 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	
		Live/Virtual	Pre-recorded/ Written
41	40	5	11

## Number of pre-submission meetings held in 2023–24

Pre-submission meetings per month	Meetings held
<b>2023</b>	
July	0
August	4
September	4
October	3
November	0
December	5
<b>2024</b>	
January	2
February	5
March	3
April	2
May	8
June	1
<b>Total</b>	<b>37</b>

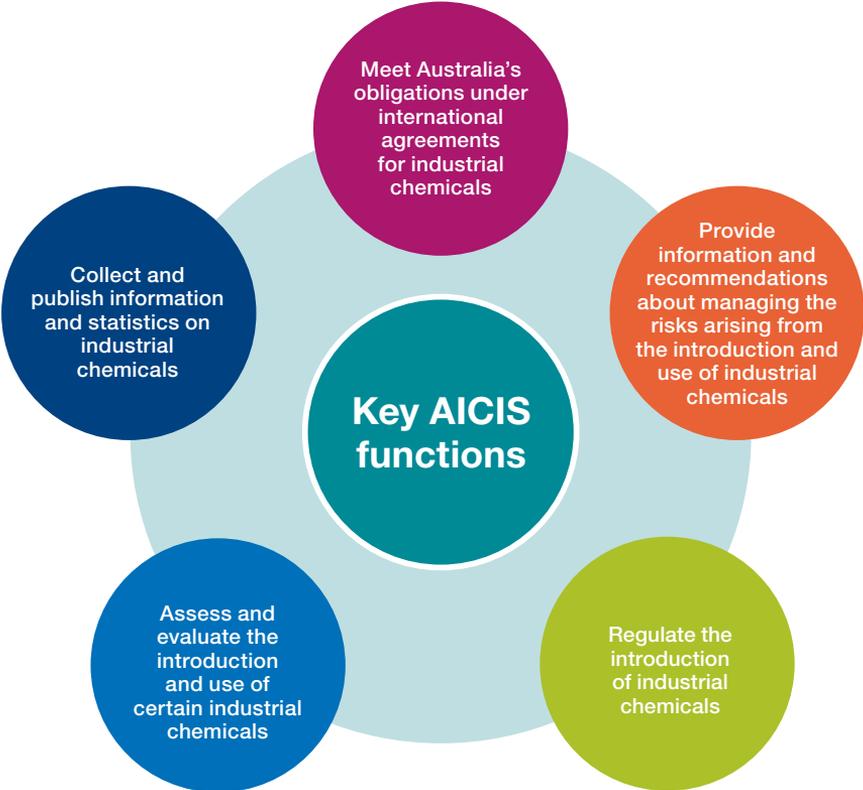
# Appendix 4: Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2023–24

## 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 is responsible for assessing, evaluating and monitoring industrial chemicals as defined by the IC Act. 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



Under the Regulator Performance Guide (RPG), AICIS is required to report against 3 principles of regulator best practice:

**Figure 2. Regulator Performance (RMG 128) principles**



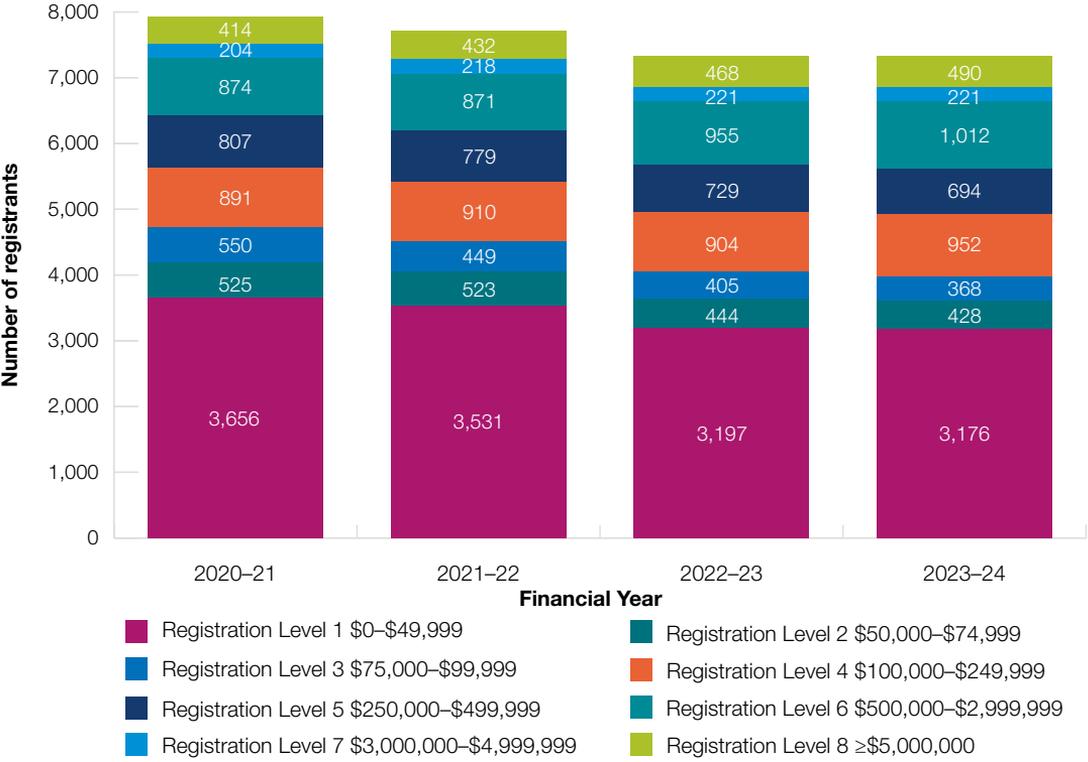
These principles have informed and supported AICIS's organisational vision: '*AICIS is a trusted regulator that encourages safe and sustainable use of industrial chemicals*'.

## Registration

Introducers (importers and manufacturers) of industrial chemicals into Australia must be registered on the AICIS Register of Industrial Chemical Introducers (Register) before they can introduce. To register, introducers pay a low, flat fee (all registrants) and an annual charge (levy) based on the value of relevant industrial chemicals introduced in the previous financial year. The revenue from registration funds post-market evaluations of industrial chemicals, compliance monitoring and management of contraventions of relevant laws, and provides scheme support and communication activities.

There are 8 levels of registration. Level 1 registrants (3,176 registrants introducing relevant industrial chemicals to a value less than \$50,000 per financial year) pay the flat fee, but do not pay a charge (Figure 3). In 2023–24, 7,341 introducers were registered with AICIS compared to 7,323 in the previous financial year. A total of 1,347 introducers that registered in 2023–24 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. There appears to be a downward trend in the registrants below \$100,000 (Levels 1 to 3) and a general increase in the number of registrants in the levels above, potentially indicating bracket creep due to inflationary pressures. AICIS will continue to monitor registration trends in 2024–25.

**Figure 3: Number of registrants by registration level for 2023–24 compared to 2022–23, 2021–22 and 2020–21**



Source: AICIS internal data

While the number of renewed registrants continues on a downward trend, the number of new registrants for 2023–24 has increased by greater than 24%. Approximately 81% of new registrations are level 1 registrants.

Figure 4: Number of new registrants and registration renewals for 2023–24 compared to 2022–23, 2021–22 and 2020–21



Source: AICIS internal data

## Risk Proportionate Introduction Categories under AICIS

**RPG2:**  
Risk based and  
data driven

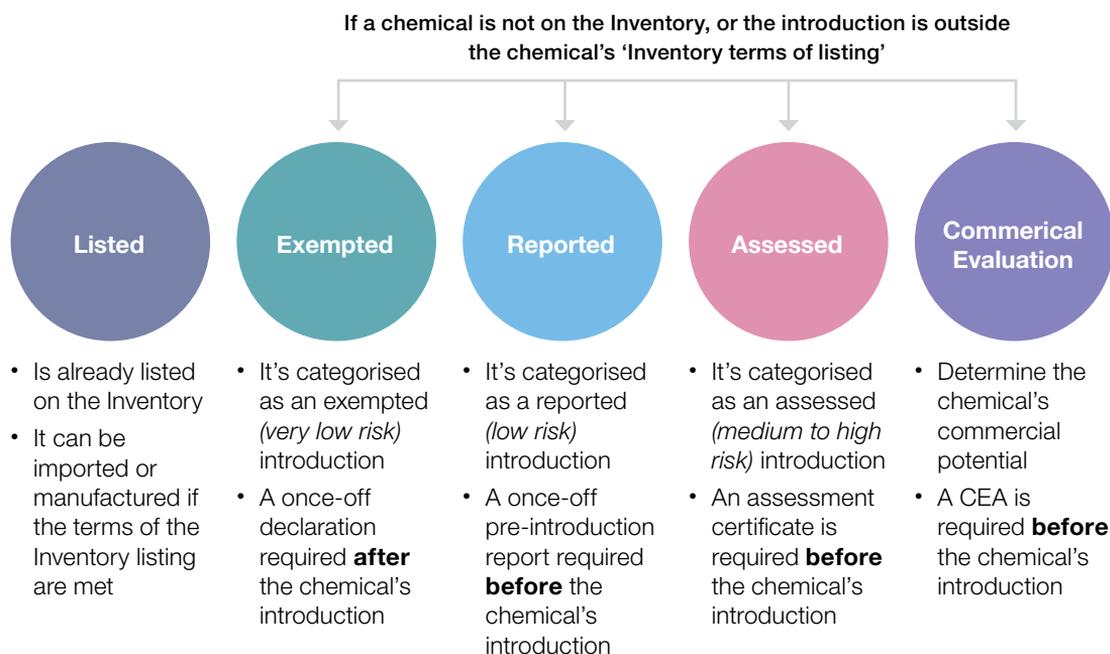
**The scheme’s introduction categories are based on the level of risk associated with the industrial chemical introduction.**

Introducers of industrial chemicals into Australia must comply with the requirements of a category of introduction, which are based on the level of risk to human health and the environment from the introduction.

Industrial chemicals listed on the Australian Inventory of Industrial Chemicals (Inventory) can be introduced as ‘listed introductions’ by registered introducers. Listed introductions must comply with any regulatory obligations and restrictions stipulated in an industrial chemical’s Inventory 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.

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 5). *Very low to low risk* introductions (exempted and reported) can be made without pre-market assessment, while *medium to high risk* introductions must be authorised under an assessment certificate issued by the Executive Director of AICIS.

Figure 5: AICIS's Risk Proportionate Introduction Categories



## Listed Introductions

Listed introductions cover the domestic manufacture and importation of industrial chemicals that are listed on the Inventory and where the introducer meets the industrial chemical's terms of Inventory listing according to the IC Act. Industrial 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 2023–24, 99 industrial chemicals (Figure 6) were added to the Inventory. These industrial chemicals can now be imported and domestically manufactured by any registered introducer if the terms of the Inventory listing are met. Inventory listings for 3 industrial chemicals became publicly searchable following revocation of continued protection of confidential business information (CBI) approval.

An introducer can also apply for early listing any time after they receive their assessment certificate and before the 5-year non-listing period expires (Figure 6). An increase in early listing applications was observed during 2023–24 compared to previous years.

An application can also be made to vary the terms of an inventory listing; such terms were varied for 3 industrial chemicals after relevant applications were made and assessed.

Figure 6: Industrial chemicals added to the Inventory by listing type in 2023–24 compared to 2022–23, 2021–22 and 2020–21

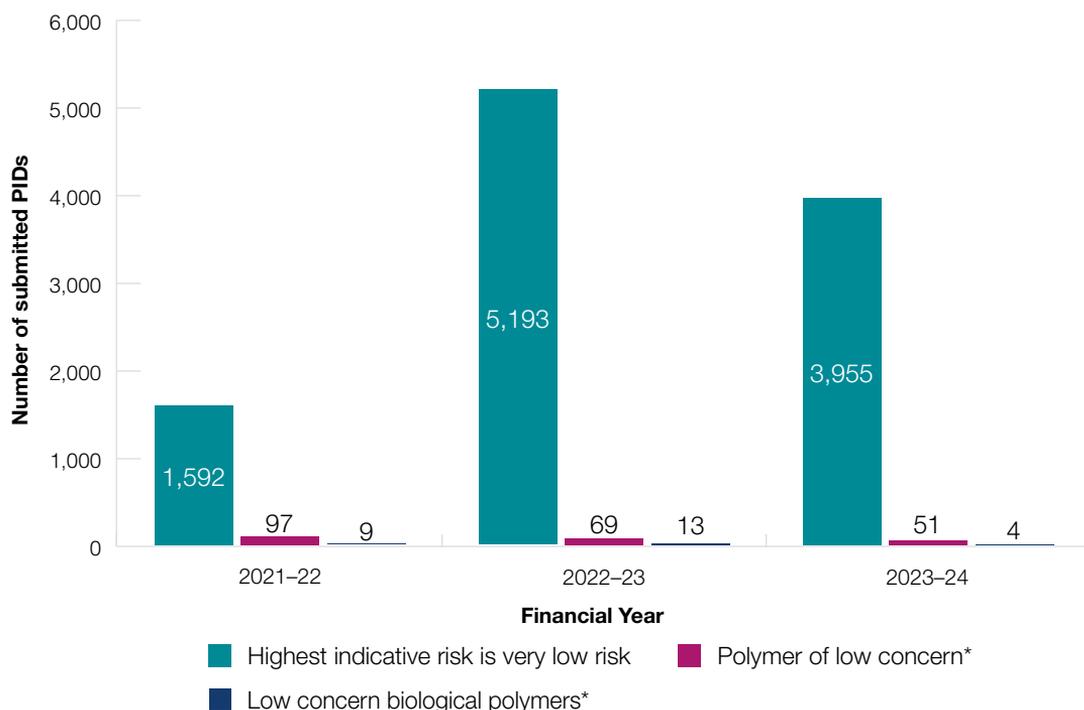


Source: AICIS internal data

### Exempted Introductions

The Exempted Introduction category encourages innovation by providing a no-cost, fast option to introduce *very low* indicative risk industrial chemicals. Regulatory requirements are proportionate to risk, where introducers using this introduction pathway maintain records and in prescribed circumstances submit a once-off post-introduction declaration (PID) after the industrial chemical's introduction. During 2023–24, 4,010 PIDs were submitted. This is a decrease from the 5,275 PIDs for the 2022–23 financial year which saw a significant increase and is likely due to the end of the National Industrial Chemicals Notification and Assessment Scheme transitional provisions. A PID remains in effect in future financial years.

**Figure 7: Submitted PIDs by type of exempted introduction for 2023–24 compared to 2022–23 and 2021–22**



\* A single PID of this type can be submitted for multiple industrial chemicals

Source: AICIS internal data

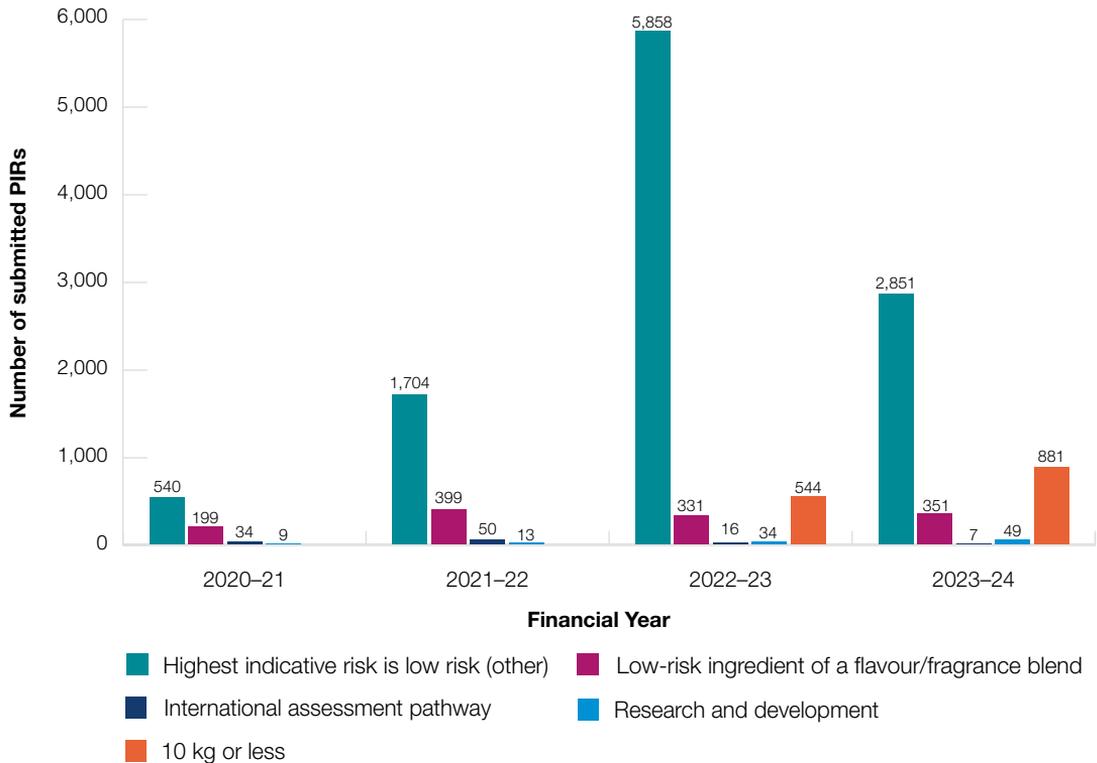
Taking a risk proportionate compliance approach, all PIDs submitted in 2023–24 with chemical identity information underwent rapid pre-screening; 493 submitted PIDs were identified for review of potential miscategorisation. This monitoring activity identified that 71 PIDs required information from the introducer to support correct categorisation. Sixty instances of non-compliance were referred for case management with stakeholder education provided.

## Reported Introductions

The Reported Introduction category encourages innovation by providing a no-cost option to introduce *low* indicative risk industrial chemicals. Regulatory rigor is proportionate to risk, where introducers using this introduction pathway maintain records and provide a once-off pre-introduction report (PIR) prior to the industrial chemical's introduction. Once a PIR is submitted, an introducer can commence importing or manufacturing their industrial chemical. Figure 8 provides the number of PIRs received over the first 4 years of the scheme. During 2023–24, a total of 4,139 PIR applications were received. A peak in submissions (6,783 PIRs) was observed in 2022–23, aligned to the closing of the transition period.

The Reported introduction type of '10 kg or less', was introduced in November 2022 to align reporting and record keeping obligations with the low volume of introduction, compared to other Reported introduction types. Figure 8 demonstrates continued uptake of this reform.

Figure 8: Submitted PIRs by type of reported introduction for 2023–24 compared to 2022–23, 2021–22 and 2020–21



Source: AICIS internal data

**RPG1:**  
Continuous improvement and building trust

**RPG2:**  
Risk based and data driven

**RPG3:**  
Collaboration and engagement

The reported introduction type of ‘10 kg or less’, represented 21% of all PIRs submitted in 2023–24, compared to 8% in 2022–23 when this type was introduced. The increased utility of this reported introduction type indicates the implementation was successful in reducing regulatory burden.

Submitted PIRs undergo rapid, pre-screening to select reports for further analysis. Of the PIRs submitted, 301 were further reviewed for miscategorisation. At the end of 2023–24, this monitoring activity identified that 35 PIRs required information from the introducer to support correct categorisation, 40 PIRs were identified as miscategorised and are being case managed.

## Assessed Introductions

**RPG1:**  
Continuous improvement and building trust

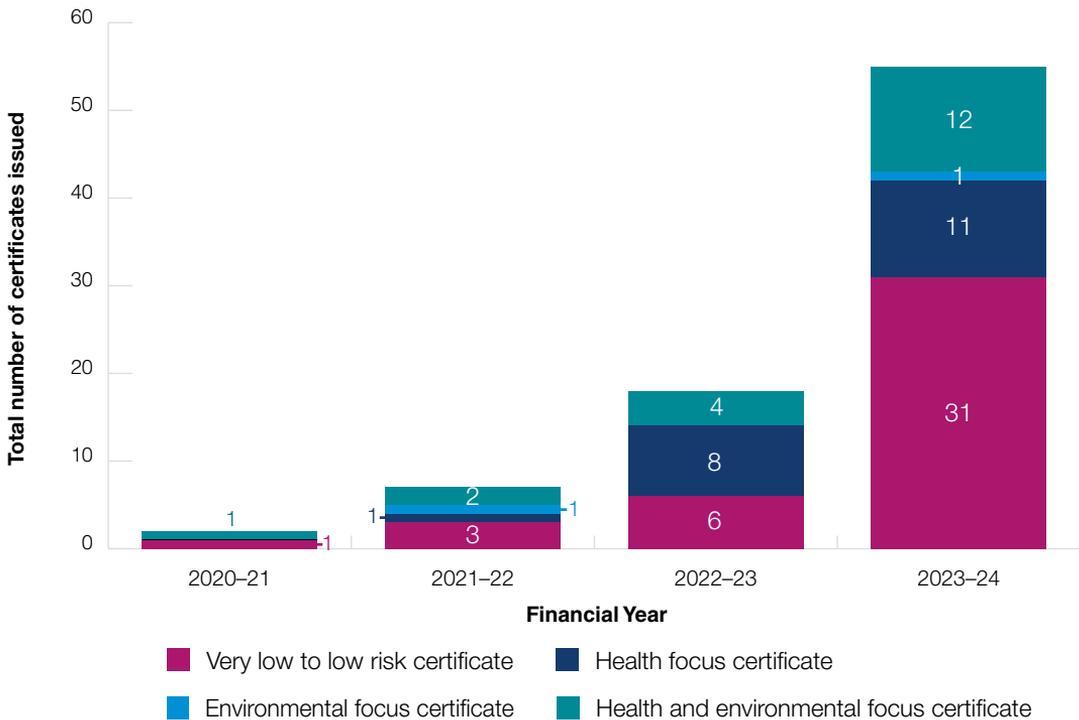
**RPG2:**  
Risk based and data driven

**RPG3:**  
Collaboration and engagement

AICIS completed 100% of industrial chemical risk assessments within statutory timeframes, ensuring timely provisions of information and recommendations, while providing assurance to businesses and confidence in safe introduction to all Australians.

Assessed introductions are those with a *medium to high* indicative risk. Introducers must apply for and be issued 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 risk-management recommendations are referred to the relevant Australian standard-setting bodies and/or states and territories risk-management agencies. There are 5 main types of applications for assessment certificates: health and environmental focus, health focus, environmental focus, *very low to low risk*, and comparable hazard assessments. The number of assessment certificates issued by AICIS has increased year on year since the scheme commenced, suggesting that a steady state has yet to be reached (Figure 9). A total of 55 assessment certificates were issued in 2023–24 compared to 18 issued in 2022–23.

**Figure 9: Certificates issued by type for 2023–24 compared to 2022–23, 2021–22 and 2020–21**



Source: AICIS internal data

In 2023–24, of the 31 assessment certificates issued for industrial chemical introductions with *very low to low indicative risk*, 24 had applications approved for early listing on the Inventory before the 5-year non-listing period expired. Out of the 24 early listed, 16 of them have use as fragrance ingredients. These introductions could be authorised as reported introductions (including *low-risk flavour or fragrance blend introductions*) or exempted introductions, neither of which attract a fee. However, it appears some introducers find value in applying for assessment certificates and early listing the industrial chemicals onto the Inventory, which allows suppliers to utilise the listed introduction category to broaden their supply chain.

There were no comparable hazard assessment applications in 2023–24.

## Commercial Evaluation Introductions

The commercial evaluation introduction category encourages innovation by providing a fast, cost-effective option to evaluate an industrial chemical's commercial potential. Introducers must apply for and be authorised by a commercial evaluation authorisation (CEA) prior to introduction. The annual number of CEAs issued has increased year on year since the Scheme commenced suggesting that a steady state has yet to be reached (Figure 10). A total of 17 CEAs were issued in 2023–24 compared to 4 in 2022–23.

Monitoring activity identified one CEA that required additional information from the introducer to support correct terms of the authorisation.

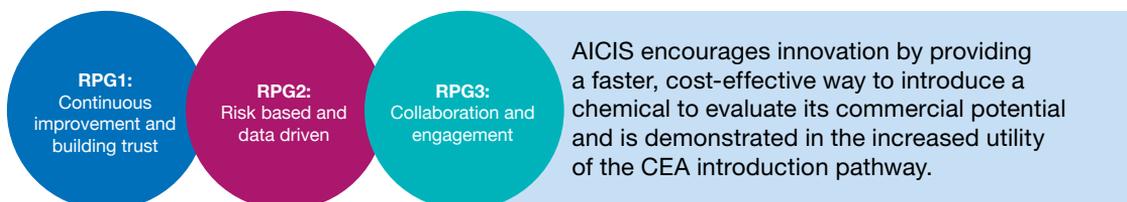
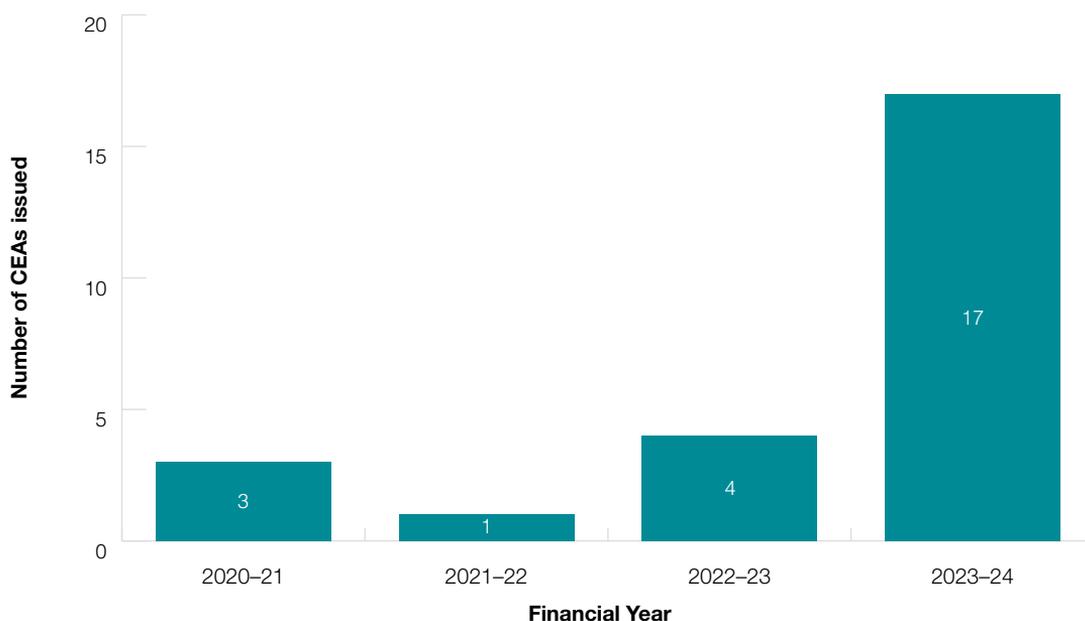


Figure 10: Commercial evaluation authorisations issued for 2023–24 compared to 2022–23, 2021–22 and 2020–21



Source: AICIS internal data

## Giving effect to Australia's obligations under international agreements for import and export of restricted industrial chemicals

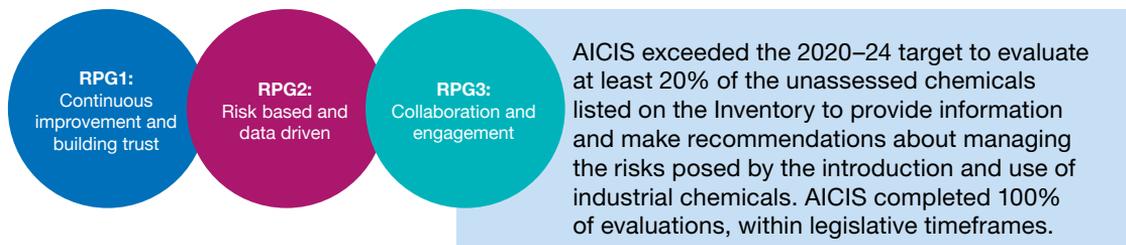
AICIS can approve, restrict or prohibit applications to introduce or export industrial chemicals listed in international conventions and assists Australia to meet its obligations by undertaking compliance monitoring relating to industrial chemicals under the Rotterdam and Minamata Conventions.

Anyone seeking to import or export certain banned or severely restricted industrial 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. Thirteen annual export Rotterdam authorisations and 2 annual import Rotterdam authorisations were granted in 2023–24. Three export and one import

applications were rejected. One Minamata authorisation application to import mercury was received and approved in 2023–24.

Imports and exports relating to all active Rotterdam authorisations were monitored to ensure the terms of these authorisations were met, and an additional 11 monitoring activities were undertaken on specific import and export transactions to ensure the AICIS authorisation requirements were being met.

## Evaluations of industrial chemicals and matters relating to industrial chemicals



AICIS may initiate, at any time, evaluations of industrial chemicals and matters relating to industrial chemicals. These post-market evaluations can address industrial chemicals listed on the Inventory, industrial chemicals authorised by assessment certificates, industrial chemicals introduced under reported or exempted introduction categories, and those excluded from other parts of the IC Act.

AICIS prioritises industrial chemicals for evaluation using technological tools and expert judgement drawing on hazard and exposure information to estimate relative risk and with consideration of available resources, data, and information. Prioritisation ensures that initiated evaluations are risk proportionate, timely and targeted, with a strong likelihood that the published period within which the evaluation will be conducted will be met.

In 2023–24, 868 submissions were received in relation to specific information requirements. Information from these submissions was utilised to determine if an evaluation was needed and should be prioritised.

In 2023–24, a total of 34 evaluations for human health and/or the environment were completed for 4,111 unique industrial chemicals.

Between 1 July 2020 and 30 June 2024, AICIS completed 152 evaluations covering 9,753 of the industrial chemicals listed on the Inventory. As at 30 June 2024, AICIS had exceeded its target to evaluate at least 20% of the remaining unassessed chemicals on the Inventory by 30 June 2024. Industrial chemicals on the Inventory without a current risk assessment continue to be targeted for evaluation using established criteria.

After evaluations in 2023–24, the Executive Director concluded that a variation to the Inventory terms of listing for 3 chemicals was necessary to manage the risks from the introduction of these chemicals into Australia.

Evaluations produce information to support the risk management of chemicals where required.

## Providing information and recommendations about the risks and uses of industrial chemicals



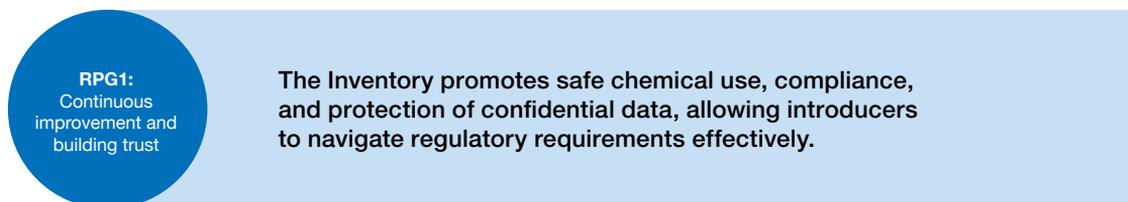
Risk assessments of pre-market introductions (assessment statements) and post-market introductions (evaluation statements) are published on the AICIS website for use by all stakeholders, including other Australian Government and state and territory regulatory agencies such as public health, worker health and safety, environmental, transport and consumer product safety agencies.

AICIS makes risk management recommendations to relevant risk management agencies when risks requiring management are identified. These recommendations are made to assist risk managers ensure appropriate controls are in place for industrial chemicals introduced into Australia.

AICIS maintains the Risk Management Recommendations Register, which provides a convenient central repository of all AICIS's risk management recommendations, to provide transparency to all stakeholders about the implementation status of AICIS recommendations made to these risk management agencies. AICIS does not have any statutory oversight over the processes or decisions of the risk managers to whom recommendations are made.

During 2023–24, AICIS made a total of 221 risk management recommendations to risk managers: 149 to Safe Work Australia (hazard classification for worker safety) and 72 to the Department of Health and Aged Care (Standard for the Uniform Scheduling of Medicines and Poisons).

## Australian Inventory of Industrial Chemicals

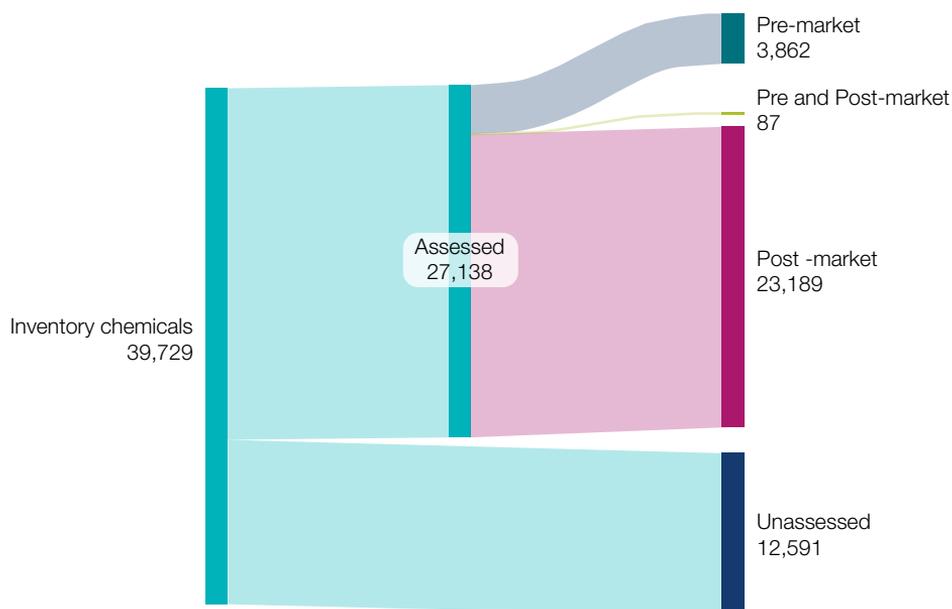


AICIS manages the Australian Inventory of Industrial Chemicals (Inventory), a database of industrial chemicals available for industrial use in Australia, containing chemical identity details, regulatory obligations or conditions relating to the importation and manufacture of industrial chemicals. The Inventory was established from the former Australian Inventory of Industrial Chemicals, under the predecessor to AICIS, the National Industrial Chemical Notification and Assessment Scheme (NICNAS), which operated from 1990 to 30 June 2020.

### Status of the Inventory

At the commencement of AICIS, approximately 47% of the Inventory had been assessed. By 30 June 2024, AICIS raised this to 68% through risk proportionate pre-market assessments and post-market evaluations. Figure 11 breaks down the Inventory according to the number of industrial chemicals on the Inventory and whether and how they have been assessed as at 30 June 2024.

**Figure 11: Assessment status of industrial chemicals on the Inventory as at 30 June 2024**



Inventory chemicals	Chemicals listed on the Inventory
Pre-market	NC Assessment, Assessment (Certificate), Assessment (variation)
Pre and Post	Pre-market assessments and subsequent post market assessments
Post market	Evaluation statements, IMAP statements, PEC/Secondary Notifications/Other
Unassessed	Never been assessed

Source: AICIS internal data

### Protecting confidential information

Industrial chemicals can be listed on the Inventory with Confidential Business Information (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. As at 30 June 2024, 11 industrial chemicals were listed with an AICIS Approved Chemical Name (AACN). Seven of these 11 were listed in 2023–24. In the same period, 20 applications for continued protection of CBI were approved.

### Minor variations for accuracy

During 2023–24, AICIS updated 37 industrial chemical names on the Inventory to reflect the Chemical Abstract Services (CAS) name (the CAS name is a mandatory inclusion in an industrial chemicals Inventory listing). The corrections increased the accuracy of the chemical identity and did not change the identity of the chemical substances. Accurate chemical identity ensures safe handling, reliable research, and effective quality control in applications.

## Public availability of the Inventory

The Inventory is publicly available and searchable (excluding protected information). To support industry stakeholders in particular, a downloadable copy of the publicly available information on the Inventory (latest snapshot<sup>87</sup> as at 2 January 2024) was made available twice a year, allowing stakeholders the ability to search multiple industrial chemicals at once.

## Monitoring compliance with and investigating contraventions of the IC Act



Compliance monitoring and enforcement activities are proportionate to risk, with an initial focus on fostering voluntary compliance through education and awareness raising activities to assist introducers' understanding of their regulatory obligations under the IC Act.

AICIS assessment and prioritisation of non-compliance includes determining the risk posed by the introduction of the subject industrial chemical, the offending entity's willingness to comply, the compliance history of the entity involved and how the issue relates to the objects and intent of the IC Act.

AICIS uses a range of data sources to inform our compliance strategy. Compliance monitoring activities utilise Customs data to detect unregistered introducers and confirm their appropriate level of registration. Using this information, 1,938 new businesses registered with AICIS during 2023–24. The registration levels of 622 introducers were also adjusted as a result of AICIS audits.

AICIS monitors introducers' self-categorisation and record keeping obligations under the IC Act. During 2023–24, these activities identified 68 unauthorised industrial chemical introductions in contravention of the IC Act, each of which is being case managed.

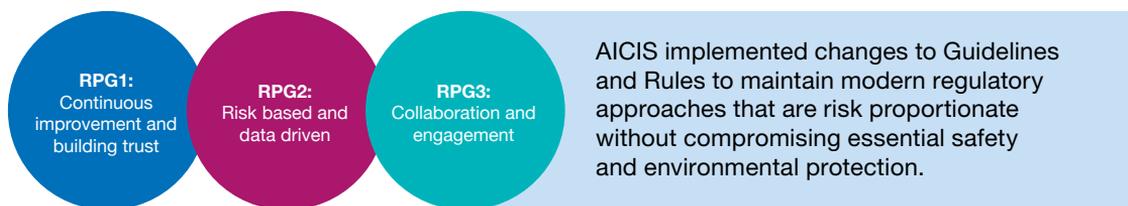
During 2023–24, 5,153 annual declarations were received for the previous registration year (up 5.3% compared to the same time last year). Low level registrants (<\$100k registration value) account for the largest proportion of overdue annual declarations. All instances of non-compliance with reporting obligations are managed in accordance with AICIS' published risk proportionate compliance approach.

During 2023–24, a total of 521 referrals of non-compliance were received, of which 98% were screened and prioritised for response and 563 cases were resolved - some of which may have been referred prior to 2023–24. Case management includes formal evidence-gathering and information collation activities where serious non-compliance is suspected or identified, and formal enforcement outcomes are possible.

Enforcement powers under the IC Act and the *Regulatory Powers (Standard Provisions) Act 2014* were used to issue 4 infringement notices during 2023–24.

<sup>87</sup> Inventory snapshot [www.industrialchemicals.gov.au/news-and-notice/available-now-download-latest-inventory-snapshot-2-january-2024](http://www.industrialchemicals.gov.au/news-and-notice/available-now-download-latest-inventory-snapshot-2-january-2024).

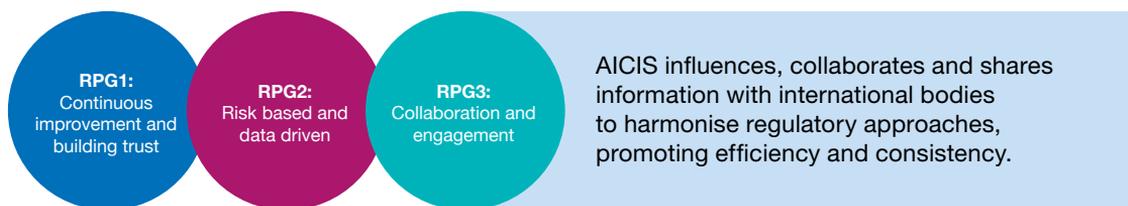
## Regulatory stewardship



AICIS implemented legislative amendment to the Rules that support the Scheme and contain the technical and operational details of AICIS. These changes help the Scheme remain contemporary and fit for purpose within existing policy settings. During 2023–24, AICIS undertook a significant project that drew on data and the experiences of the regulated industry to consider the risk proportionality of certain requirements of the Rules. It also considered ways to strengthen requirements so that they were fit for their protective purposes.

Commencing 24 April 2024, changes to AICIS categorisation, reporting and record keeping followed extensive engagement and consultation with stakeholders to reduce risks of non-compliance by replacing disproportionately burdensome mechanisms and less flexible requirements with simpler and more flexible ones. Also commencing at that date were strengthened criteria and/or reporting requirements for health and environmental protection, such as preventing persistent organic pollutants (POPs) from being categorised as exempted or reported introductions.

## International harmonisation of regulatory approaches



Under the IC Act, the promotion of international harmonisation of regulatory controls or standards for industrial chemicals is a function of the Executive Director. During 2023–24, AICIS participated in international activities to harmonise, develop, and adopt international standards and methods, horizon scanning and scientific development.

During 2023–24, AICIS actively collaborated with international counterparts on regulatory and scientific matters via regular teleconferences and participation in international working groups and relevant conferences. The Organisation for Economic Co-operation and Development's (OECD) Chemicals and Biotechnology Committee (CBC) and its key subsidiary committees are the principal mechanisms through which AICIS engages multilaterally. AICIS staff attended 16 meetings of the OECD working parties and technical groups and provided input to 97 requests on various topics of interest. AICIS contributed to regulatory approaches and methodologies developed by the OECD for use in regulatory decision making. This included an Australian case study for the OECD-hosted Inter-Organization Programme for the Sound Management of Chemicals (IOMC) Toolbox for Decision-Making in Chemicals Management. The IOMC Toolbox is a resource that assists countries and other relevant jurisdictions to develop chemical management schemes for their purposes, but with potential for harmonisation with other international approaches.

The Executive Director presented AICIS as the Australian approach to regulating the introduction of industrial chemicals at the annual Helsinki Chemicals Forum (HCF) and participated in a panel that discussed what the European Union could learn from changes to chemicals legislation elsewhere. The HCF is an independent forum aimed at promoting chemicals safety and chemicals management globally.

Formal bilateral cooperative arrangements and memoranda of understanding are in place with counterpart agencies in Europe, the United States of America, Canada, South Korea, and New Zealand. Regular dialogue was maintained with these agencies during 2023–24 on emerging topics of interest, such as the

use of New Approach Methodologies (NAMs) for regulatory purposes, prioritisation and chemical grouping, and evaluations of industrial chemicals. AICIS liaised with European Chemicals Agency (ECHA) and Health Canada on issues related to technical cooperation and sharing of industrial chemical information that facilitates international harmonisation, such as information exchange on technical and chemical assessment matters. Continued collaboration with our bilateral and multilateral partners enhances our awareness of international developments in chemicals risk assessment and increases in-house understanding in use and interpretation of non-animal test methodologies in risk assessment. Evaluations benefited from the use of international assessment materials, chemical intelligence, and use of information from stakeholders.

## Capability building

**RPG1:**  
Continuous  
improvement and  
building trust

**AICIS encourages capability building to enhance performance, foster innovation and authentically contribute to the Scheme being a trusted regulator that encourages safe and sustainable use of industrial chemicals.**

Capability building continued across the organisation during 2023–24.

AICIS developed the AICIS Regulatory Science Strategy 2023–2026 containing an implementation plan.

A range of in-house guidance materials were developed to facilitate staff technical capability. These relate to (but are not limited to): Bodyweight defaults used in cosmetic risk assessments, Toxicological Threshold of Concern (TTC) approach for industrial chemicals with no systemic toxicity data and Consumer exposure estimation models.

AICIS continued to maintain and enhance the AICIS Learning Centre, a learning management system established by AICIS to facilitate self-directed computer-based learning in 2023–24 by developing peer review online learning and guidance.

AICIS supported the quality of regulatory and technical decision making by providing 137 journal articles as part of literature search requests during 2023–24.

AICIS proactively cultivated relationships with national and international experts, regulators, academia, and industry by hosting 11 staff forums on a diverse range of scientific and non-scientific topics.

AICIS participated in the Australian Government Regulatory Science Network's Annual Symposium and interagency webinars.

## Stakeholder engagement and communication

**RPG3:**  
Collaboration and  
engagement

**AICIS continues to engage genuinely and regularly with stakeholders to assist with education of compliance obligations, improve and consult on regulatory practices, obtain feedback on evaluations, and provide guidance and information that is clear, concise and easily accessible.**

During 2023–24, active engagement continued via a range of mechanisms with: government entities, the industrial chemicals industry, community groups and academia.

AICIS had 31 meetings with registrants and industry associations, to help these stakeholders understand regulatory requirements, compliance obligations and to share operational experience of the Scheme.

During 2023–24, AICIS received and addressed 4,672 stakeholder phone enquiries and 2,123 written

enquiries. AICIS used public webinars to engage with its stakeholders concerning proposals to change categorisation, reporting and record keeping requirements of the Rules. Three webinars were attended by over 400 stakeholders. Survey feedback indicated a high level of satisfaction among attendees.

AICIS held a workshop with 3 industry associations during 2023–24 to explore options to address issues raised by the industry regarding their ability to meet the specific information requirement (SIR) obligations. Work will continue during 2024–25.

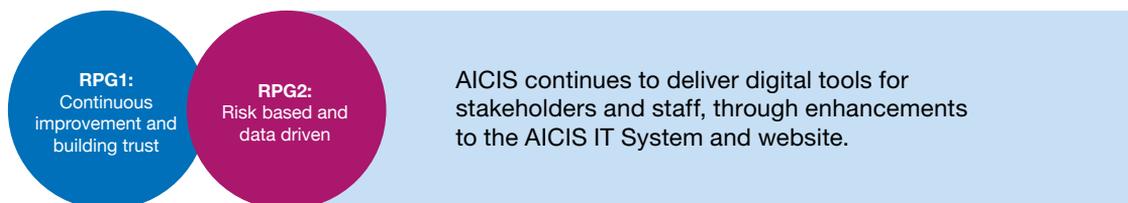
AICIS collaborated with government departments and agencies (including the National Health and Medical Research Council, DCCEEW, the Department of Health and Aged Care, the Therapeutic Goods Administration, and Safe Work Australia) during 2023–24 and provided technical input into 19 requests related to industrial chemicals.

The AICIS Strategic Engagement Committee (SEC), with representatives drawn from peak industry and community groups, continued as the primary stakeholder consultation mechanism. Two meetings of the SEC and one education session were held in 2023–24.

AICIS issued 12 stakeholder newsletters to over 2,400 subscribed stakeholders. The newsletters contained information for stakeholders on a range of matters including changes to categorisation, record keeping and reporting, online forms, guidance materials and consultation opportunities.

AICIS published 73 news items and announcements on its website, including information on upcoming consultations, updated guidance and regulatory changes. Guidance videos were introduced to provide accessible information on proposed changes to AICIS Rules and Guidelines on categorisation, reporting and record keeping changes.

## Digital transformation



**RPG1:**  
Continuous improvement and building trust

**RPG2:**  
Risk based and data driven

AICIS continues to deliver digital tools for stakeholders and staff, through enhancements to the AICIS IT System and website.

The AICIS IT System is a comprehensive platform that manages information efficiently and standardises workflow for consistent reporting. The IT System facilitates digital interactions between AICIS staff and industrial chemical introducers, applicants, and their representatives. It also offers transparency to industry stakeholders by allowing them to track their applications and payments made via a personalised dashboard.

The Portal is connected to Microsoft Dynamics Customer Relationship Management (CRM) and the International Uniform Chemical Information Database (IUCLID). The CRM is a platform used in several business areas in the Department of Health and Aged Care and IUCLID is 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 2023–24, 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 2023–24, a Customs data storage solution was put into production, reducing data storage costs and improving CRM speeds. System enhancement and updates were implemented within the business service portal to support implementation of changes to the Rules. A new application was added to CRM to enable internal efficiencies and insights to business processes, optimise resource allocations and recognise emerging trends.

On the AICIS website, 2 new online tools were released to help businesses calculate their introduction's human health categorisation volume and environment categorisation volume. A new search hub was piloted in June 2024, to give users quicker access to industrial chemicals searches on the Inventory, industrial chemical assessments and evaluations, guidance, content, news and notices, registered businesses and the risk-management recommendations register.

## Financial performance

Compared with 2022–23, total revenue was lower in 2023–24 by \$0.5 million and expenses higher by \$2.4 million.

Revenue recovered from the regulated industry was \$23.1 million, which was \$1.2 million lower than the previous financial year. Revenue reflected AICIS charging arrangements set out in the 2023–24 Cost Recovery Implementation Statement agreed by the Government, for which reduced revenues was a goal. Net revenue from other sources was \$0.7 million.

Total expense was \$24.1 million, which is \$2.4 million higher than the previous financial year. This was due to an increase in operational costs associated with AICIS's contribution of \$2.7 million towards the department's New Ways of Working (NWOW) program to replace the Surry Hills office fit-out, which has reached the end of its useful life.

The AICIS final net result for 2023–24 is a deficit of \$0.2 million, which has been factored into the overall departmental result.

**Table 1. AICIS financial results for 2023–24 compared to 2022–23**

	2023–24 \$'000	2022–23 \$'000
Industry cost recovered revenue	23,091	24,323
Other revenue	760	34
Total revenue	23,851	24,357
Total expenses	24,069	21,650
Operating surplus/deficit	-219	2,707

## Acknowledgements

The Executive Director of AICIS is an independent statutory office holder grateful for the assistance of staff from 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

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# Appendix 5: Australian National Preventive Health Agency Financial Statements



## 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 2024:

- comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- present fairly the financial position of the Entity as at 30 June 2024 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 2024 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 material accounting policy information 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 their 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.

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38 Sydney Avenue, Forrest ACT 2603  
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### **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



Sally Bond

Executive Director

Delegate of the Auditor-General

Canberra

17 October 2024

## Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the period 1 July 2023 to 30 June 2024:

- 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

Date: 17/10/24

Signed



David Hicks  
Chief Financial Officer  
Department of Health and Aged Care

Date: 17/10/24

## Statement of Comprehensive Income

for the period ended 30 June 2024

	2024	2023
	\$	\$
<b>Net Cost of Services</b>		
<b>Expenses</b>		
Expenses incurred <sup>88</sup>	16,452	16,404
<b>Total expenses</b>	16,452	16,404
<b>Revenue</b>		
Resources received free of charge <sup>1</sup>	16,452	16,404
<b>Total own-source income</b>	16,452	16,404
<b>Net cost of services</b>	-	-
<b>Surplus attributable to the Australian Government</b>	-	-

The above statements should be read in conjunction with the accompanying notes.

## Administered Schedule of Assets and Liabilities

as at 30 June 2024

	2024	2023
	\$	\$
<b>Assets</b>		
<b>Financial assets</b>		
Cash in special accounts	12,382,827	12,382,827
<b>Total assets administered on behalf of Government</b>	12,382,827	12,382,827
<b>Net assets</b>	12,382,827	12,382,827

## Administered Reconciliation Schedule

	2024	2023
	\$	\$
<b>Net Administered assets as at 30 June</b>	12,382,827	12,382,827

The above schedules should be read in conjunction with the accompanying notes.

<sup>88</sup> 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.

## Administered Schedule of Assets and Liabilities

as at 30 June 2024

	2024	2023
	\$	\$
<b>Assets</b>		
<b>Financial assets</b>		
Cash in special accounts	12,382,827	12,382,827
<b>Total assets administered on behalf of Government</b>	<b>12,382,827</b>	<b>12,382,827</b>
<b>Net assets</b>	<b>12,382,827</b>	<b>12,382,827</b>

## Administered Reconciliation Schedule

	2024	2023
	\$	\$
<b>Net Administered assets as at 30 June</b>	<b>12,382,827</b>	<b>12,382,827</b>

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 2024, 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:

Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and

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 2023-24 or in the comparative year.

### *New Australian Accounting Standards*

ANPHA adopted all new, revised and amending standards and interpretations that were issued by the AASB prior to the sign-off date and are applicable to the current reporting period. The adoption of these standards and interpretations did not have a material effect, and are not expected to have a future material effect on the department's financial statements.

No accounting standard has been adopted earlier than the application date as stated in the standard.

## 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)<sup>1,2,3</sup>

	2024	2023
	\$	\$
<b>Special account balance</b>	<b>12,382,827</b>	12,382,827

No transactions were recorded against the ANPHA special account in the reporting period.

<sup>1</sup> Appropriation: *Public Governance, Performance and Accountability Act 2013*, Section 80.

<sup>2</sup> Establishing Instrument: *Australian National Preventive Health Agency Act 2010*, Section 50.

<sup>3</sup> Purposes of the Account:

- paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Chief Executive Officer's functions;
- paying any remuneration and allowances payable to any person under the Australian National Preventive Health Agency Act 2010; and
- meeting the expenses of administering the Account.

# Appendix 6: Report on the operation of the National Sports Tribunal for 2023–24

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.

## About the NST

### Vision, mission and values

The NST's **vision** is to be accessible and the forum of choice for sports dispute resolution in Australia and represent best practice.

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:

- be respectful and supportive
- act with integrity and professionalism
- strive for excellence
- be inclusive and responsive
- be collaborative.

### 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 other 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' 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.

## 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 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 2024, there were 72 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 including a nominated Chair.

National Sports Tribunal Members (as at 30 June 2024)		
Prof. Jack Anderson	Ms Jen Halbert	Mr Anthony Nolan KC
Ms Joanna Andrew	Prof. David Handelsman AO	Ms Bridie Nolan
Prof. Lise Barry	Prof. Deborah Healey	Ms Rebecca Ogge
Ms Elizabeth Bennett	Mr Robert Heath KC	Dr Catherine Ordway
Ms Venetia Bennett	Ms Elisa Holmes	Mr Anthony O'Reilly
Dr Carolyn Broderick	Mr Nicolas Humzy-Hancock	Mr Nicholas Pane KC
Ms Eugenie Buckley	Ms Danielle Huntersmith	Mr Sal Perna AM
Mr Sean Carroll	Mr Anthony Jarvis	Mr Simon Philips
Mr Adam Casselden SC	Mr Christopher Johnstone	Mr Richard Redman
Prof. Andrew Christie	Mr Darren Kane	Ms Chris Ronalds AO SC
Mr Bruce Collins KC	Dr Dominic Katter	Mr Martin Ross
Ms Sarah Cook OLY	Mr Marcus Katter	Ms Michelle Royal-Hebblewhite
Mr Philip Corbett KC	Dr Caroline Kenny KC	Ms Tracey Scott
Mr Paul Czarnota	Mr Peter Kerr AM	Ms Jane Seawright
Mrs Fiona de Jong	Miss Bronwen Knox OLY	Mr Andrew Sinclair
Dr Maria Dudycz	Mr Andrzej Kudra	Dr June Smith
Mr Scott Ellis	Ms Jessica Lambert	Mr Mark Stevens
Mr Christopher Emzin	Mr Stephen John Lancken	The Hon Steven Strickland KC
Mr Jon Erbacher	Ms Judith Levine	Mrs Renee Toy
Mr David Flynn	Mr Anthony Lo Surdo SC	Dr Larissa Trease
Dr Peter Fricker OAM	Ms Carolyn Manning	Ms Ann West
Mr David Grace AM KC	Mrs Claire McLean PLY	Mr Ian White
Dr Kenneth Graham	Prof. Jenni Millbank	Mrs Annabelle Williams OAM
Mr Craig Green	Mr Michael Mitchell	Dr Rebecca Wilson

## NST Members – Gender Balance

As at 30 June 2024	Male	Female
Number of Members	39	33

## Chief Executive Officer (CEO) and NST staff

Dr Michelle Gallen commenced as CEO of the NST in September 2023. Dr Gallen holds a PhD in international sports law and has been a leader in both government and sport, including as a senior executive within government and as President of Swimming Australia. Dr Gallen has held roles within the Australian Sports Commission, Melbourne and Olympic Parks Trust and the Australian Sports Anti-Doping Authority. Dr Gallen has also been a member of the Australian Anti-Doping Rule Violation Committee, the World Aquatics Masters Technical Committee, Chair of Selectors, a Director of Triathlon Australia and Chair of the ACT Minister's Sport and Recreation Advisory Council.

The NST's Deputy CEO, Ms Kitty Chiller AM OLY, 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 – 2023–24 in review

### NST Policy Adoption Program

The NST supports sports to adopt best-practice policies developed by the NST to sit within the sport's broader integrity policy framework.

The 2023–24 NST Policy Adoption Program (PAP) assisted sporting organisations to access sport policy experts to help implement template policies or update existing policies and, where necessary, adjust policy frameworks. The focus was on implementing a template Selection Appeals Policy and updating or implementing the revised dispute resolution template policies for non-National Integrity Framework (NIF) matters.

36 sporting bodies participated in the PAP in 2023–24.

### NST Legal Assistance Panel

The NST Legal Assistance Panel (NSTLAP) has been established consistent with the obligation of the CEO under the *National Sports Tribunal Act 2019* to maintain 'a panel of legal practitioners who are willing to provide free legal assistance to the parties or participants in relation to a dispute before the Tribunal'.

The NSTLAP is available to parties (or participants in alternative dispute resolution) with a matter currently before, or with a clear intention to bring a matter before the NST. Practitioners on the NSTLAP are required to consider all requests to provide *pro bono* or substantially discounted advice.

In 2023–24, the NST refreshed the NSTLAP by calling for expressions of interest from qualified legal practitioners with experience or interest in sports law to be included on the panel. As at 30 June 2024, a total of 36 practitioners are on the NSTLAP.

### Increasing number of cases

The number of cases brought to the NST continued to increase in 2023–24, with 48 cases finalised in the 12 months to 30 June 2024 – this included a number of non-nomination appeals for the 2024 Paris Olympic and Paralympic Games. This compares to 18 cases in 2020–21, 26 cases in 2021–22, and 43 cases in 2022–23. A breakdown of the case statistics for 2023–24 is presented below.

In 2023–24, the Australian Olympic Committee and Paralympics Australia agreed that the NST would provide an independent forum to hear non-nomination appeals to the 2024 Paris Olympic and Paralympic Games. Up until 30 June 2024, the NST heard 7 non-nomination appeals from athletes for the Olympics. Two non-nomination appeals have been heard for the Paralympics.

### Review of the NST Charging Policy

The NST operates under a partial cost-recovery charging framework, with funding provided in part by Australian Government and in part on a user-pay basis. This is consistent with recommendation 30 of the Wood Review.

The NST updated its Charging Policy in August 2023. A further review was undertaken during the financial year, with a decision not to increase fees and charges in 2024–25. This is consistent with the NST's charter to continue to position itself as a low cost, efficient and independent dispute resolution tribunal for the sports sector in Australia.

## Stakeholder engagement

The NST continued to collaborate with the sports sector, including peak bodies (Australian Olympic Committee and Paralympics Australia), National Sporting Organisations, and other sport portfolio agencies (Sport Integrity Australia and the Australian Sports Commission). The NST also engaged with the sector through the Jurisdictional Sport Integrity Network, various national and state/territory based integrity forums, the Australian and New Zealand Sports Law Association, and experts and academics in sports law.

Since commencing in September 2023, the CEO has met with a range of stakeholders and Members about how the NST can best support the sector - through best practice dispute resolution, growth in cases, and broader engagement in the Pacific region. These discussions will inform the development of the NST Strategic Plan for the next 3 years.

## International engagement

In March 2024, the CEO attended the World Anti-Doping Agency (WADA) Symposium in Lausanne, Switzerland. The trip also included opportunities to meet with international sporting federations, the Court of Arbitration for Sport (CAS), the International Olympic Committee (IOC) Safe Sport Unit, and experts in sports law and integrity matters.

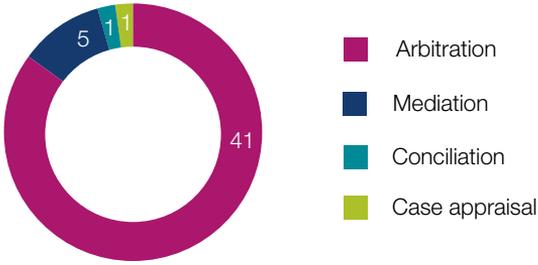
Building on this engagement, the NST will continue to explore opportunities to be part of a network of international sporting tribunals to ensure that jurisprudence and updates are shared in a systematic way, promoting shared learning and consistency of decision-making.

## Statistics – 2023–24

Cases	National	State/Territory	Club	Total
Number of cases finalised in 2023–24	35	7	6	<b>48</b>
Number of active cases as at 30 June 2024	8	2	0	<b>10</b>

Cases finalised in 2023–24 – Division and type of matter	
General Division – Eligibility and/or selection dispute	17
General Division – Disciplinary matter	21
General Division – Bullying/harassment matter	6
General Division – Intra-sport dispute	2
Appeal Division – Disciplinary matter	1
Appeal Division – Eligibility and/or selection dispute	1
<b>Total</b>	<b>48</b>

Figure 1 Cases finalised in 2023–24



Cases finalised by the NST to 30 June 2024

Case duration *	Case length (days)
Mean	52
Median	41

\* Total of 128 cases. Excludes 9 outlier cases with a duration greater than 180 days.



# Appendix 7: Work Health and Safety

This report is made under schedule 2 part 4 of the *Work Health and Safety Act 2011* (WHS Act).<sup>89</sup>

In 2023–24, the department continued its commitment to promoting and maintaining a comprehensive safety and wellbeing culture by prioritising physical and psychological health and safety. The department has a network of Health and Safety Representatives, the National Work Health Safety Committee, and Family and Domestic Violence Officers.

The department offered a number of preventive, early intervention and rehabilitation initiatives and services to support employee health and wellbeing, reduce the impact of injury or illness and maintain a healthy and productive workforce. This included:

- The department's annual influenza vaccination program. In 2023–24 this program was expanded to include COVID-19 vaccinations. Staff were able to access onsite clinics and vouchers for free vaccination at participating pharmacies. A total of 4,306 individual vaccinations were completed onsite, while 1,610 employees and contractors downloaded a voucher for an influenza vaccination.
- Participation in a Psychosocial Hazard Risk Management audit to assess the department's compliance against the Safe Work Australia (SWA) Model Code of Practice. The audit evaluated the operational effectiveness of the department's procedures, guidance, and training materials to support proactive psychosocial risk identification and management. The audit noted the department has implemented systems and processes to support ongoing compliance with the principles of the model Code of Practice and WHS legislation. Feedback from the field audits was primarily positive, with particular emphasis made on the availability and effectiveness of the WHS Section in supporting staff during psychosocial related incidents. Overall, the department's approach to Psychosocial Hazard Risk Management was rated as Satisfactory.
- Continued access to an Employee Assistance Program (EAP) for employees and their families, including unlimited access during significant local, social and global events.
- An extensive catalogue of webinars for both personal and workplace issues. Topics included mental health awareness, growth mindset, sleep and our health, thriving under pressure, building resilience, maintaining motivation and compassion burnout.
- Tailored interventions and support for high-risk roles.
- In person and virtual workstation assessments led by an occupational therapist providing access to evidence-based reasonable adjustments to support employee wellbeing including when working remotely.
- Early intervention and rehabilitation case to support recovery and a safe and durable return to work.
- Safety audits of our workplaces.
- Developing new risk registers to support us in mitigating risks identified via annual inspections, hazards and incident notifications, and consultation with Health and Safety Representatives.

The department's workers' compensation premium rate was lower in 2023–24 (0.63%) compared to the previous reporting period (0.81%).

The department has a small number of accepted Comcare claims each year. Comcare accepted 11 claims in 2023–24, a slight increase from the 10<sup>90</sup> accepted claims in 2022–23. The department's incidence of accepted claims per 1,000 FTE remains lower than the Commonwealth average at 2.3, compared to 4.7. The department's most common mechanism of injury for accepted claims across the 2020–21 to 2023–24 period were mental stress, body stressing and falls, trips and slips. The department continues to enforce and review policies, procedures, and practices to appropriately protect workers from, and respond to, potential hazards.

<sup>89</sup> Available at: [www.legislation.gov.au/C2011A00137/latest/text](http://www.legislation.gov.au/C2011A00137/latest/text)

<sup>90</sup> In the 2022–23 Annual Report, it was reported 9 claims were accepted by Comcare. Claims can be reported against the year in which the injury/illness occurred after each reporting 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. The Strategy promotes self-care and supports 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.

**Figure 1: Number of accepted compensation claims from 2020–21 to 2023–24**



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 LGBTIQ+, disability and carers, eldercare, 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 Australian Public Service. The average utilisation for the department sits at 18.3%, while the rest of the Commonwealth has an average of 8%. Personal reasons are the dominant reason provided for employees accessing the program.

The department recognises the impact that family, domestic and sexual violence can have on safety, wellbeing, capacity to work and financial security. The department assists employees who are at risk of or impacted by family, domestic and sexual violence. This includes flexible working arrangements, access to leave, a dedicated family and domestic violence officer, and security measures. The department’s new Enterprise Agreement reflects changes to the National Employment Standards (*Fair Work Act 2009*), including access to a minimum 10 days of paid family and domestic violence leave per year. An e-learning module was implemented to raise awareness among managers and employees of how family and domestic violence can impact staff.

The department offers eyesight testing and eyewear reimbursement to eligible employees. In 2023–24, 178 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 266 incident and hazard reports in 2023–24. This is an increase from the 2022–23 financial year, where 126 incident and hazard reports were received. The increase is attributed to staff being educated on the importance of incident reporting and early identification of hazards.

Of the 266 incident and hazard reports, Comcare was notified of 4 incidents, which included one serious injury and 4 dangerous incidents.

The first incident was an employee experiencing chest pains resulting in them being admitted to hospital for treatment. The employee was provided with return-to-work support once well enough to return.

The second incident was due to an autoclave malfunction which led to a release of steam in the vicinity of an employee. A report from the manufacturer outlined the malfunction had been caused by the screen on the autoclave not performing correctly on some selections. The screen has since been replaced and no further incidents have occurred.

The third and fourth incidents resulted when the overhead magnetic door lock of an emergency evacuation door fell on the head of an employee. An investigation found the malfunction resulted from incorrect usage. The department has provided training to staff on the correct use of the door.

The WHS Section provide formal education sessions and lessons learnt quarterly to Health and Safety Representatives and First Aid Officers, in addition to staff education at division and branch meetings. The department is continuing to review and update both the online incident and hazard reporting tool and the guidance around the management of incidents and hazards to ensure our processes reflect best practice and align with the WHS Act.

# Appendix 8: Environment Protection and Biodiversity Conservation

## Property and Environment

### Property management and environmental impact

During 2023–24, the New Ways of Working (NWO) program continued to deliver better designed, flexible, inclusive, and accessible workspaces with improved technology to support staff to do their best work. These works included the delivery of 3 new floors in the Sirius Building (Canberra), and the implementation of an ‘early adoption’ model to support branches and divisions to shift to more flexible work practices in their traditional office environment, ahead of their move to an NWO environment. The NWO program continues to reduce the environmental impact of our property operations and embed cultural change across the department to ensure the full benefits of the program are realised.

The department is committed to following Our Path to Net Zero, the Australian Government’s pathway to achieve net zero greenhouse gas emissions from its operations by 2030. This includes seeking leases only in buildings that achieve and maintain minimum National Australian Built Environment Rating System (NABERS) star ratings, and targeting all-electric buildings where the Commonwealth pays or contributes to base building expenses. The department is well-positioned to implement the Commonwealth’s Environmentally Sustainable procurement policies, particularly through new commercial office fit-outs which support the department’s NWO strategy.

Further, the NWO strategy is, further reducing environmental impact through:

- increased digitisation and reduced paper use
- improved technologies supporting people to work remotely reducing transportation-related emissions
- a significant reduction in overall footprint of commercial office accommodation, resulting in:
  - decreased atmospheric emissions, particularly through Heating, Ventilation, and Air Conditioning (HVAC) systems
  - decreased electricity and water consumption (HVAC, lifts, hot water services and other services, plant and equipment)
  - decreased cleaning demand and waste disposal
  - omitting need to upgrade lighting
  - decreased impact of minor works, repairs and maintenance, eventual full refit, and associated waste.

The department continues its focus on the Commonwealth Government’s Net Zero emissions policy for the APS, including working with the Department of Finance towards transparent emissions reporting. Further detail is provided in the department’s Commonwealth Climate Disclosure. Further detail is provided in the department’s Commonwealth Climate Disclosure section of this Appendix.

### 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.

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.

## **Commonwealth Climate Disclosure**

Commonwealth Climate Disclosure is the Government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them. This is the department's first Annual Report which includes climate-related disclosures in accordance with the criteria in the Commonwealth Climate Disclosure Pilot Guidance.<sup>91</sup>

## **Governance**

The department has implemented interim governance arrangements, supported by our existing enterprise risk management framework, to oversee our obligations under the Commonwealth Climate Disclosure policy.

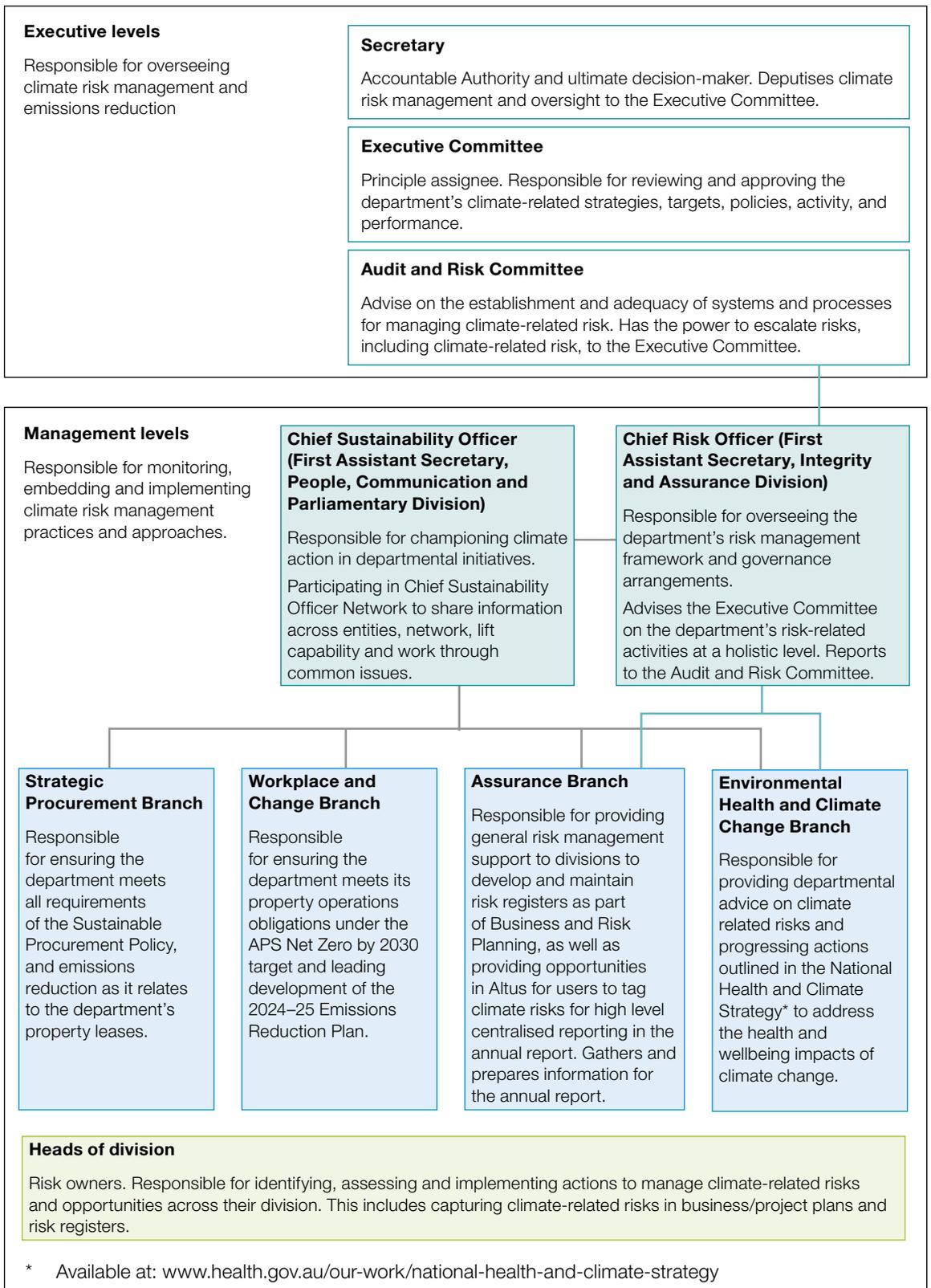
These arrangements support current activities and drive improved risk identification, quality of data and reporting capability. As the initial focus over the first 2 years is on emissions reduction within the department's operations, the role of Chief Sustainability Officer resides within the Corporate Operations Group.

We use our existing governance and risk systems, policies and tools to manage risks, including climate-related risks and opportunities. We see climate-related risk as a priority action area, and climate-related risk and opportunity reporting has been included in existing risk reporting arrangements and key corporate documentation (such as corporate plans).

The interim governance structure associated with climate risk management is outlined in Figure 1 below. These arrangements will be reviewed in the next reporting period. Any changes will be reported in our next disclosure.

<sup>91</sup> Available at: [www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-pilot](http://www.finance.gov.au/government/climate-action-government-operations/commonwealth-climate-disclosure-pilot)

Figure 1



## Risk Management

Across the 2023–24 financial year the department engaged the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to conduct an organisation-wide climate risk scan to identify the broad range of risks and opportunities climate change poses to the department's policies and operations. An internal audit of the department's readiness for Net Zero requirements is also underway.

The department is also in the process of implementing the National Health and Climate Strategy. This Strategy sets out a whole of-government plan for addressing the health and wellbeing impacts of climate change and reducing greenhouse gas emissions from the Australian health system. The Strategy's vision is 'Healthy, climate-resilient communities, and a sustainable, resilient, high-quality, net zero health system'.

These activities will feed into further work by the department to establish a framework for ongoing identification and mitigation of climate related risks across the department.

## Summary of progress

This reporting year, we focused on the first 3 steps of the Climate Risk and Opportunity Management Program's organisation-wide climate risk and opportunity assessment:

<b>Step 1 - Scope the assessment.</b>	<ul style="list-style-type: none"> <li>Decide what is being assessed, why and by whom.</li> <li>Establish governance arrangements for the assessment.</li> </ul>
<b>Step 2 - Consider current and future state.</b>	<ul style="list-style-type: none"> <li>Identify past climate impacts of relevance.</li> <li>Review how the climate may change in future.</li> <li>This step provides background knowledge needed to support identification of risks and opportunities in future steps.</li> </ul>
<b>Step 3 - Identify your risks and opportunities.</b>	<ul style="list-style-type: none"> <li>Develop a long list of how climate change could affect your organisation, policy, program, project or new policy proposals, and the resulting consequences.</li> </ul>

In the next reporting year, we aim to complete all 6 steps of the organisation-wide climate risk and opportunity assessment,<sup>92</sup> including an internal audit of the department's readiness for Net Zero requirements.

<b>Step 4 - Prioritise risks and opportunities.</b>	<ul style="list-style-type: none"> <li>Narrow the focus to the most important:             <ul style="list-style-type: none"> <li>Risks where additional treatment is needed.</li> <li>Opportunities where proactive action is required to realise the potential benefits.</li> </ul> </li> <li>Align this with our enterprise risk management framework.</li> </ul>
<b>Step 5 - Plan and act.</b>	<ul style="list-style-type: none"> <li>Identify options to manage priority climate risks and opportunities.</li> <li>Decide which risks and opportunities to pursue.</li> <li>Develop an implementation action plan.</li> </ul>
<b>Step 6 - Monitor, evaluate and communicate.</b>	<ul style="list-style-type: none"> <li>Monitor the progress of actions identified in the previous step.</li> <li>Develop processes to regularly review priority climate risks and opportunities.</li> <li>Ensure senior stakeholders are aware of how risks and opportunities are being managed.</li> </ul>

<sup>92</sup> Step 7 – Disclose

- Disclosure applies to whole of organisation assessments only.
- This step describes how to develop the necessary materials to disclose climate risks and opportunities in a Commonwealth entity's Annual Report.

## Metrics and Targets

Greenhouse gas emissions for 2023–24 are calculated in line with the APS Net Zero Emissions Reporting Framework provided by Department of Finance. This approach is consistent with the whole-of-Australian Government approach as part of the APS Net Zero by 2030 policy.

The first reporting period, 2022–23, focused on emissions associated with the following activities or emissions sources:

- electricity
- natural gas
- fleet vehicles
- domestic flights, and
- other energy (not gas or electricity).

In the 2023–24 reporting period, this has been expanded to include emissions from:

- refrigerants (optional and reported as scope 1).
- solid waste disposal and treatment (reported as scope 3).
- employee domestic business travel (hire car and accommodation, reported as scope 3).

The emissions data below presents greenhouse gas emissions for the 2023–24 period. Results are presented as carbon dioxide equivalent (CO<sub>2</sub>-e) emissions and are based on the best available data at the time of reporting. Compared to emissions data for 2022–23, there has been a decrease in total CO<sub>2</sub>-e emissions for location-based electricity and natural gas, while emissions from fleet and domestic flights have increased.

The following qualifications should be considered when reviewing the data:

- Emissions include portfolio agencies located in departmental tenancies including the Office of the Gene Technology Regulator, the Australian Industrial Chemicals Introduction Scheme, the Australian Digital Health Agency and the Office of the Inspector General of Aged Care.
- While efforts have been made to separate data in relation to domestic travel, the department's emissions data may contain some emissions from other entities in the portfolio for which the department provides corporate services.
- Flights related to departmental staff seconded to the Independent Health and Aged Care Pricing Authority are included in the department's reporting.
- Emissions from electricity consumed by electric and plug-in hybrid vehicles has only been reported for electricity directly purchased by the department. Emissions associated with electricity consumption from public charging stations has not been reported for 2023–24.
- Emissions from accommodation and hire cars for 2023–24 may be incomplete due to a lack of robust data. The quality of data is expected to improve over time as emissions reporting matures.
- Amendments to data may be required in future reports to reflect improved reporting.

## 2023–24 Greenhouse gas emissions inventory–location-based method

Emission Source	Scope 1 t CO <sub>2</sub> -e	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total t CO <sub>2</sub> -e
Electricity (Location-Based Approach)	N/A	3,805.497	324.680	4,130.177
Natural Gas	477.698	N/A	121.441	599.139
Solid Waste*	N/A	N/A	225.206	225.206
Refrigerants*†	0.000	N/A	N/A	0.000
Fleet and Other Vehicles	20.890	N/A	5.297	26.188
Domestic Commercial Flights	N/A	N/A	2,120.090	2,120.090
Domestic Hire Car*	N/A	N/A	14.648	14.648
Domestic Travel Accommodation*	N/A	N/A	1,077.215	1,077.215
Other Energy	0.000	N/A	0.000	0.000
<b>Total t CO<sub>2</sub>-e</b>	<b>498.589</b>	<b>3,805.497</b>	<b>3,888.578</b>	<b>8,192.663</b>

**Note:** the table above presents emissions related to electricity usage using the location-based accounting method. CO<sub>2</sub>-e = carbon dioxide equivalent.

\* indicates emission sources collected for the first time in 2023–24. The quality of data is expected to improve over time as emissions reporting matures.

† indicates optional emission source for 2023–24 emissions reporting.

## 2023–24 Electricity greenhouse gas emissions

	Scope 2 t CO <sub>2</sub> -e	Scope 3 t CO <sub>2</sub> -e	Total t CO <sub>2</sub> -e	Percentage of electricity use
Location-based electricity emissions	3,805.497	324.680	4,130.177	100%
Market-based electricity emissions	832.873	102.824	935.697	17.86%
Total renewable electricity	—	—	—	82.14%
Mandatory renewables <sup>1</sup>	—	—	—	18.72%
Voluntary renewables <sup>2</sup>	—	—	—	63.42%

**Note:** the table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO<sub>2</sub>-e = Carbon Dioxide Equivalent.

<sup>1</sup> Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

<sup>2</sup> Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

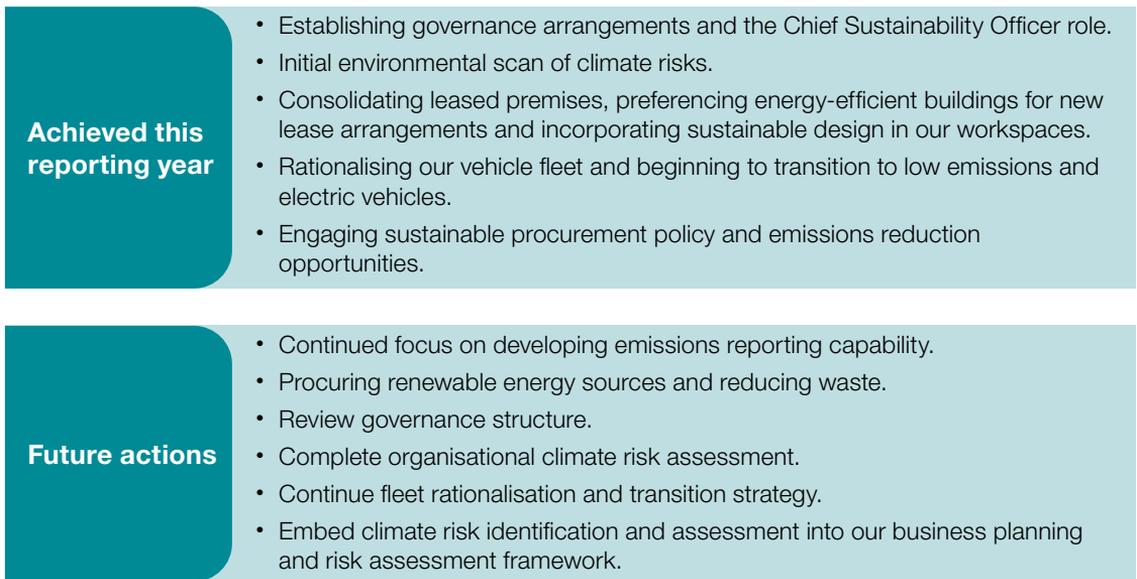
## Emissions Reduction Plan

The department's Emissions Reduction Plan sets out proposed activities to reduce emissions to net zero by 2030 and includes both initiatives underway and planned new initiatives to reduce emissions. The initiatives and targets within the plan are signed off by the Chief Sustainability Officer. The department's Emissions Reduction Plan is available on our website ([health.gov.au](http://health.gov.au)).

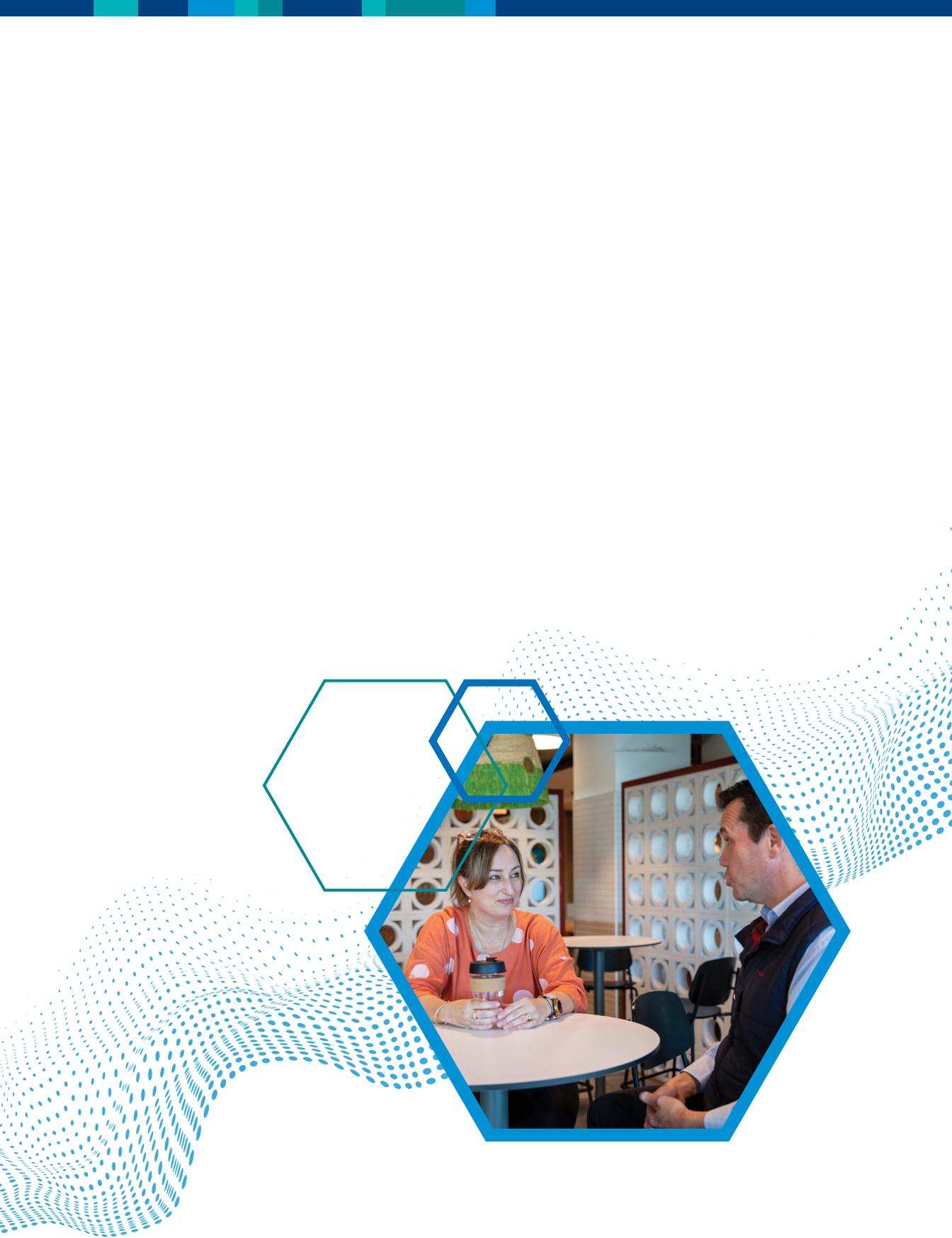
The department is also developing a range of interim goals and metrics for tracking our performance against the plan and APS Net Zero by 2030 targets as part of our broader climate-related strategy.

Figure 2 below summarises Emissions Reduction Plan Actions:

**Figure 2**



We will continue to monitor our progress towards net zero and report additional measures, if required.





# Part 5: Financial Statements

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# Chief Financial Officer's Report

**David Hicks**

## Departmental operating result

In 2023–24 the department recorded a consolidated operating loss of \$110.8 million, which after adjusting for unfunded depreciation is a net cash operating loss of \$60.3 million.

Through the federal budget, the department received capital appropriation funding to deliver ICT digital transformation infrastructure that creates a better-connected aged care sector by simplifying, digitising, and automating points of contact between clients, providers, the software industry, and government. Following a review during the year of the accounting treatment and classification of ICT projects, the department assessed that although the funds had been spent in line with the intent of the appropriation, \$115.9m of expenditure appropriated as capital should be recognised as operating expenses. The consolidated operating loss is due to this accounting reclassification, and is technical in nature.

During 2023–24, revenue from government increased by 24.2% to \$1,325.1 million (\$1,066.6 million in 2022–23). Revenue from other sources, including fees charged to industry by the Therapeutic Goods Administration (TGA) and the Australian Industrial Chemicals Introduction Scheme (AICIS), decreased by one percent to \$232.5 million (\$236.0 million in 2022–23).

During 2023–24, departmental operating expenses increased by 23.7% to \$1,677.9 million (\$1,455.8 million in 2022–23). Employee ASL grew by 773 ASL during the year as the department continued to invest in aged care and mental health reform, TGA Public Good Activities, Vaping Reform and strengthening Medicare.

## Departmental assets and liabilities

The department's total assets increased by \$147.4 million to \$1,364.1 million (\$1,216.7 million in 2022–23). Trade and other receivables increased by \$119.3 million to \$306.7 million (\$187.4 million in 2022–23), with all receivable balances expected to be settled within 12 months of the reporting date. Computer software increased by \$36.9 million to \$307.8 million, primarily driven by the additions of new internally developed software.

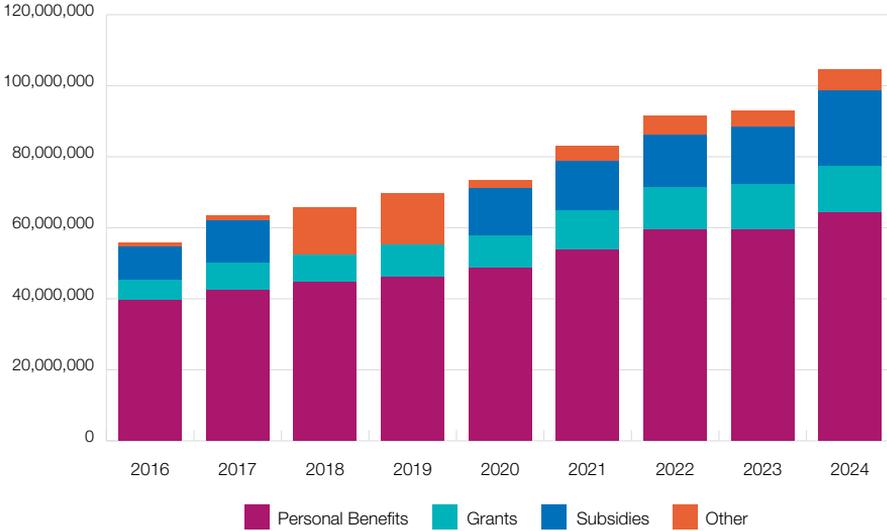
The department's total liabilities also increased by \$16.3 million to \$974.6 million. This increase was primarily due to increases in supplier payables and employee provisions offset by a decrease in lease liabilities.

# Administered revenue

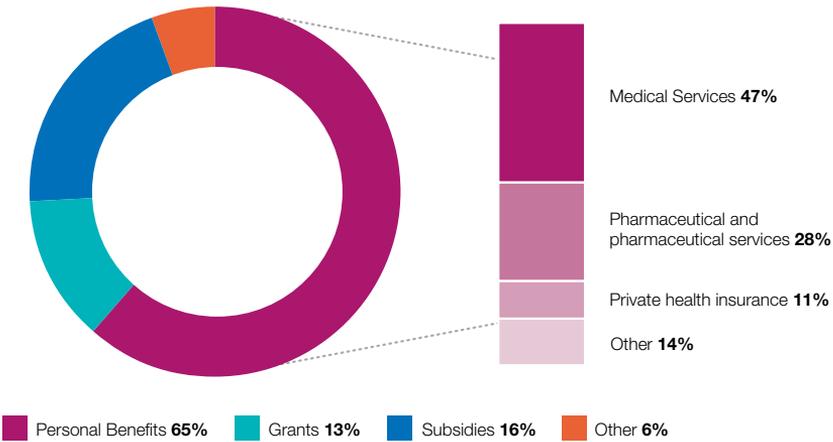
In 2023–24 total administered revenue was \$55.5 billion, compared to \$53.7 billion in the prior year. Major items include:

- special accounts revenue, which primarily comprises revenue appropriated via special account to facilitate payments in relation to the Medicare Guarantee Fund (\$47.5 billion) and the Medical Research Future Fund (\$0.6 billion), and
- recoveries, including \$5.3 billion recovered under cost sharing arrangements with pharmaceutical companies and \$0.77 billion recovered from aged care activities.

**Figure 1: Breakdown of administered expenditure**



**Figure 2: Administered expenditure by category**



## Administered expenses

During 2023–24, the department administered expenses on behalf of the Commonwealth of \$104.5 billion, an increase of 11.6% compared to expenses in the prior year of \$93.6 billion. Major items include:

- Personal benefits expenses, which primarily related to the Medicare Benefits Scheme and the Pharmaceutical Benefits Scheme, private health insurance rebates, and home care packages for senior Australians (\$64.3 billion)
- Subsidies expenses, which primarily related to residential aged care places for senior Australians (\$21.2 billion)
- Grants expenses attributable to increased investments in Health Research, Mental Health, First Nation Health, Health Protection, Aged Care Services, Aged Care Quality, and Sport and Physical Activity programs (\$13.2 billion), and
- Supplier expenses, which primarily related to inventory consumption (deployments from the National Medical Stockpile) (\$2.8 billion).

The department also recognised an additional \$1.4 billion impairment to the balance of non-financial assets (\$1.2 billion in 2023–24), which reflected the value of expired stock.

Key administered expenditure is illustrated in Figures 1 and 2.

## Administered assets and liabilities

Total administered assets decreased to \$11.2 billion, from \$11.8 billion in the prior year. Trade and other receivables increased by \$0.6 billion to \$1.5 billion (\$0.9 billion in 2022–23) largely related to PBS drugs recoveries with all recoverable balances expected to be settled within 12 months of the reporting date. Cash holdings increased to \$6.1 billion (\$5.8 billion in 2022–23) largely attributable to the sales of PBS-sponsored Paxlovid. These increases offset by a decrease in inventory balance for the National Medical Stockpile and COVID-19 vaccines (decreased to \$1.1 billion from \$3.0 billion in 2022–23).

Total administered liabilities remained steady at \$4.7 billion, compared to \$4.5 billion in 2022–23.

# Part 5.1: 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 2023–24 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 2023–24 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 5.2: 2023–24 Financial Statements

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- Statement of Financial Position
- Statement of Changes in Equity
- Cash Flow Statement
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- Administered Schedule of Assets and Liabilities
- Administered Reconciliation Schedule
- Administered Cash Flow Statement

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## 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 2024:

- (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 2024 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 2024 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 material accounting policy information 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 their 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.

<p><b>Key audit matter</b></p> <p><b>Accuracy of personal benefits</b></p> <p><i>Refer to Note 2.1B 'Personal benefits'</i></p> <p>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:</p> <ul style="list-style-type: none"> <li>• calculated by multiple, complex information technology systems; and</li> <li>• 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.</li> </ul> <p>During the 2023–24 financial year, the Entity recognised personal benefits' expenses of \$64.3 billion.</p>	<p><b>How the audit addressed the matter</b></p> <p>I applied the following audit procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• assessed the design, implementation and operating effectiveness of internal controls related to the accreditation and registration of medical providers and pharmacies;</li> <li>• evaluated the quality assurance and compliance processes within the Entity that support the integrity of payments; and</li> <li>• 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.</li> </ul>
<p><b>Key audit matter</b></p> <p><b>Accuracy of subsidies</b></p> <p><i>Refer to Note 2.1C 'Subsidies'</i></p> <p>The Entity reported \$21.1 billion of subsidies in connection with aged care.</p> <p>I considered the accuracy of subsidies in connection with aged care to be a key audit matter due to an increased risk of error as the payments are based on complex regulatory requirements which are calculated by complex information technology systems.</p> <p>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.</p>	<p><b>How the audit addressed the matter</b></p> <p>I performed the following procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>• performed testing of information technology general and application controls implemented by Services Australia to process subsidies in accordance with the <i>Aged Care Act 1997</i>;</li> <li>• tested the design, implementation and operating effectiveness of internal controls related to confirm payments are made in accordance with legislative requirements;</li> <li>• 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</li> <li>• evaluated the quality assurance and compliance processes that support the integrity of payments.</li> </ul>
<p><b>Key audit matter</b></p> <p><b>Valuation of personal benefits' provisions</b></p> <p><i>Refer to Note 5.4B 'Personal benefits'</i></p> <p>I considered this area a key audit matter due to the significant actuarial assumptions and judgements involved in estimating the personal benefits' provisions.</p> <p>The significant judgements relate to the amount and timing of future claims, estimating the period over which these provisions are expected to be settled by</p>	<p><b>How the audit addressed the matter</b></p> <p>I applied the following audit procedures to address this key audit matter:</p> <ul style="list-style-type: none"> <li>• 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 provision;</li> <li>• evaluated the appropriateness of the methodology used to estimate the outstanding</li> </ul>

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the Entity. These judgements rely on the completeness and accuracy of the underlying historical data used in the estimation process.

As at 30 June 2024, the personal benefits' provisions were \$1.2 billion.

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.

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### Key audit matter

#### Valuation of inventories

*Refer to Note 5.2B 'Inventories'*

The Entity had a balance of \$1.1 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.

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## 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 October 2024

## STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2024 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:

17/10/24

Signed:



David Hicks  
Chief Financial Officer

Date:

17/10/24

**Statement of Comprehensive Income**  
for the period ended 30 June 2024

		Restated 2023 \$'000	Original Budget \$'000
	Notes	2024 \$'000	2023 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	1.1A	875,096	721,418
Suppliers	1.1B	671,095	648,647
Depreciation and amortisation	3.2A	109,751	94,988
Grants paid to portfolio agencies		-	20,056
Finance costs	1.1C	10,420	11,054
Impairment loss on financial instruments		1,702	1,904
Write-down and impairment of other assets	1.1D	9,828	16,496
Other expenses	1.1E	-	11
<b>Total expenses</b>		<b>1,677,892</b>	<b>1,455,832</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Revenue from contracts with customers	1.2A	218,862	220,841
Rental income	1.2B	4,368	4,635
Other revenue	1.2C	9,261	10,532
<b>Total own-source revenue</b>		<b>232,491</b>	<b>236,008</b>
<b>Gains</b>			
Other gains		669	9,810
<b>Total gains</b>		<b>669</b>	<b>9,810</b>
<b>Total own-source income</b>		<b>233,161</b>	<b>245,818</b>
<b>Net cost of services</b>		<b>(1,444,731)</b>	<b>(1,210,014)</b>
Revenue from government	1.2D	1,325,135	1,066,637
<b>Deficit attributable to the Australian Government</b>		<b>(119,596)</b>	<b>(143,377)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not subject to subsequent reclassification to net cost of services</b>			
Changes in asset revaluation reserve		8,761	4,624
<b>Total other comprehensive income</b>		<b>8,761</b>	<b>4,624</b>
<b>Total comprehensive loss attributable to the Australian Government</b>		<b>(110,835)</b>	<b>(138,753)</b>

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**Statement of Financial Position**  
as at 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3.1A	139,929	118,485	130,082
Trade and other receivables	3.1B	306,737	187,353	206,904
Other financial assets	3.1C	11,965	6,892	10,582
<b>Total financial assets</b>		<b>458,631</b>	<b>312,730</b>	<b>347,568</b>
<b>Non-financial assets<sup>1</sup></b>				
Land and buildings	3.2A	555,086	601,009	725,170
Plant and equipment	3.2A	6,465	4,967	7,876
Computer software	3.2A	307,816	270,901	515,081
Other non-financial assets	3.2B	36,054	27,145	23,606
<b>Total non-financial assets</b>		<b>905,421</b>	<b>904,022</b>	<b>1,271,733</b>
<b>Total assets</b>		<b>1,364,052</b>	<b>1,216,752</b>	<b>1,619,301</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	145,655	113,919	81,990
Employees	3.3B	25,795	23,779	19,524
Other payables	3.3C	8,997	218	47,280
<b>Total payables</b>		<b>180,446</b>	<b>137,917</b>	<b>148,794</b>
<b>Interest bearing liabilities</b>				
Leases	3.4A	548,160	598,888	751,677
<b>Total interest bearing liabilities</b>		<b>548,160</b>	<b>598,888</b>	<b>751,677</b>
<b>Provisions</b>				
Employee provisions	4.1A	233,726	207,142	208,313
Other provisions	3.5A	12,261	14,330	17,260
<b>Total provisions</b>		<b>245,988</b>	<b>221,472</b>	<b>225,573</b>
<b>Total liabilities</b>		<b>974,594</b>	<b>958,277</b>	<b>1,126,044</b>
<b>Net assets</b>		<b>389,458</b>	<b>258,474</b>	<b>493,257</b>
<b>EQUITY</b>				
Contributed equity		976,744	734,925	707,323
Reserves		40,803	32,042	28,984
Accumulated deficit		(628,089)	(508,493)	(243,050)
<b>Total equity</b>		<b>389,458</b>	<b>258,474</b>	<b>493,257</b>

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

<sup>1</sup> 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 2024

	Notes	2024 \$'000	Restated 2023 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening balance as at 1 July</b>				
Balance carried forward from previous period		734,925	590,772	572,436
<b>Adjusted opening balance</b>		<b>734,925</b>	<b>590,772</b>	<b>572,436</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection - Appropriations		227,405	180,271	119,974
Departmental capital budget		19,870	14,517	14,913
<b>Distributions to owners</b>				
Return of capital		-	(48,400)	-
Restructuring	8.2	(5,456)	-	-
<b>Total transactions with owners</b>		<b>241,819</b>	<b>146,388</b>	<b>134,887</b>
Lapsing appropriations		-	(2,235)	-
<b>Closing balance as at 30 June</b>		<b>976,744</b>	<b>734,925</b>	<b>707,323</b>
<b>ACCUMULATED DEFICIT</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		(508,493)	(335,490)	(194,191)
Adjustment for errors		-	(21,291)	-
<b>Adjusted opening balance</b>		<b>(508,493)</b>	<b>(356,781)</b>	<b>(194,191)</b>
<b>Comprehensive income</b>				
Deficit for the period		(119,596)	(143,377)	(48,859)
<b>Total comprehensive income</b>		<b>(119,596)</b>	<b>(143,377)</b>	<b>(48,859)</b>
<b>Transactions with owners</b>				
<b>Distributions to owners</b>				
Return of appropriation - prior year		-	(8,335)	-
<b>Total transactions with owners</b>		<b>-</b>	<b>(8,335)</b>	<b>-</b>
<b>Closing balance as at 30 June</b>		<b>(628,089)</b>	<b>(508,493)</b>	<b>(243,050)</b>
<b>ASSET REVALUATION RESERVE</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		32,042	27,418	28,984
<b>Comprehensive income</b>				
Other comprehensive income		8,761	4,624	-
<b>Total comprehensive income</b>		<b>8,761</b>	<b>4,624</b>	<b>-</b>
<b>Closing balance as at 30 June</b>		<b>40,803</b>	<b>32,042</b>	<b>28,984</b>

**Statement of Changes in Equity**  
for the period ended 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000	Original Budget \$'000
<b>TOTAL EQUITY</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		258,474	282,700	407,229
Adjustment for errors		-	(21,291)	-
<b>Adjusted opening balance</b>		<b>258,474</b>	<b>261,409</b>	<b>407,229</b>
<b>Comprehensive income</b>				
Deficit for the period		(119,596)	(143,377)	(48,859)
Other comprehensive income		8,761	4,624	-
<b>Total comprehensive income</b>		<b>(110,835)</b>	<b>(138,753)</b>	<b>(48,859)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection - Appropriations		227,405	180,271	119,974
Departmental capital budget		19,870	14,517	14,913
<b>Distributions to owners</b>				
Return of capital		-	(48,400)	-
Return of appropriation - prior year		-	(8,335)	-
Restructuring	8.2	(5,457)	-	-
<b>Total transactions with owners</b>		<b>241,818</b>	<b>138,053</b>	<b>134,887</b>
Lapsing appropriations		-	(2,235)	-
<b>Closing balance as at 30 June</b>		<b>389,458</b>	<b>258,474</b>	<b>493,257</b>

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**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.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

**Cash Flow Statement**  
for the period ended 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		1,450,196	1,266,345	1,342,806
Sale of goods and rendering of services		231,559	217,439	247,566
GST received		45,611	66,822	47,008
Sublease rental income		4,742	5,282	1,406
<b>Total cash received</b>		<b>1,732,108</b>	<b>1,555,888</b>	<b>1,638,786</b>
<b>Cash used</b>				
Employees		843,178	722,366	704,233
Suppliers		638,056	582,035	663,400
Grants paid to portfolio agencies		-	20,056	-
GST paid		54,781	66,429	47,008
Section 74 receipts transferred to the Official Public Account (OPA)		204,763	212,963	137,599
Interest payments on lease liabilities		10,420	11,054	5,119
Other		-	-	2,500
<b>Total cash used</b>		<b>1,751,197</b>	<b>1,614,903</b>	<b>1,559,859</b>
<b>Net cash used by operating activities</b>		<b>(19,089)</b>	<b>(59,015)</b>	<b>78,927</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment and intangibles		111,454	85,547	155,681
<b>Total cash used</b>		<b>111,454</b>	<b>85,547</b>	<b>155,681</b>
<b>Net cash used by investing activities</b>		<b>(111,454)</b>	<b>(85,547)</b>	<b>(155,681)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations - Equity injection		186,123	149,160	123,591
Appropriations - Departmental capital budget		16,618	19,294	12,870
<b>Total cash received</b>		<b>202,741</b>	<b>168,454</b>	<b>136,461</b>
<b>Cash used</b>				
Principal payments of lease liabilities		50,753	41,825	57,943
<b>Total cash used</b>		<b>50,753</b>	<b>41,825</b>	<b>57,943</b>
<b>Net cash from financing activities</b>		<b>151,988</b>	<b>126,629</b>	<b>78,518</b>
<b>Net increase/(decrease) in cash held</b>		<b>21,445</b>	<b>(17,934)</b>	<b>1,764</b>
Cash and cash equivalents at the beginning of the reporting period		118,484	136,418	121,412
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<b>139,929</b>	<b>118,484</b>	<b>123,176</b>

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**Administered Schedule of Comprehensive Income**  
for the period ended 30 June 2024

		2024	Restated 2023	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Grants	2.1A	<b>13,231,390</b>	12,751,415	14,032,145
Personal benefits	2.1B	<b>64,279,624</b>	59,471,991	65,122,985
Subsidies	2.1C	<b>21,215,788</b>	16,246,880	20,908,895
Suppliers	2.1D	<b>2,847,723</b>	2,980,680	1,962,831
Payments to corporate Commonwealth entities	2.1E	<b>673,387</b>	601,516	665,226
Impairment loss on financial instruments	2.1F	<b>818,916</b>	415,143	-
Write-down and impairment of assets	2.1G	<b>1,408,461</b>	1,181,244	17,060
Depreciation and amortisation	5.2A	<b>1,703</b>	1,703	1,711
Other expenses	2.1H	<b>3</b>	7	583,667
<b>Total expenses</b>		<b>104,476,994</b>	93,650,578	103,294,520
<b>Income</b>				
<b>Revenue</b>				
<b>Non-taxation revenue</b>				
Revenue from contracts with customers	2.2A	<b>31,809</b>	31,486	27,826
Special accounts revenue	2.2B	<b>48,412,547</b>	47,382,364	48,171,044
Recoveries	2.2C	<b>6,685,328</b>	5,825,963	5,860,828
Other revenue	2.2D	<b>410,036</b>	442,848	468,336
<b>Total non-taxation revenue</b>		<b>55,539,720</b>	53,682,661	54,528,034
<b>Total revenue</b>		<b>55,539,720</b>	53,682,661	54,528,034
<b>Total income</b>		<b>55,539,720</b>	53,682,661	54,528,034
<b>Net cost of services</b>		<b>(48,937,275)</b>	(39,967,917)	(48,766,486)
<b>Deficit</b>		<b>(48,937,275)</b>	(39,967,917)	(48,766,486)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in administered investment reserves		<b>50,148</b>	15,540	-
<b>Total comprehensive loss</b>		<b>(48,887,127)</b>	(39,952,377)	(48,766,486)

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**Administered Schedule of Assets and Liabilities**  
as at 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5.1A	6,111,083	5,771,376	3,404,760
Accrued recoveries revenue	5.1B	612,640	775,854	517,838
Trade and other receivables	5.1C	1,453,745	891,814	482,544
Investments in portfolio entities	5.1D	626,522	536,750	781,699
Other investments	5.1E	195,208	184,659	-
<b>Total financial assets</b>		<b>8,999,197</b>	<b>8,160,453</b>	<b>5,186,841</b>
<b>Non-financial assets</b>				
Plant and equipment	5.2A	1,457	3,161	1,442
Inventories	5.2B	1,135,543	2,977,592	2,000,268
Other non-financial assets	5.2C	1,040,694	672,427	-
<b>Total non-financial assets</b>		<b>2,177,694</b>	<b>3,653,180</b>	<b>2,001,710</b>
<b>Total assets administered on behalf of Government</b>		<b>11,176,891</b>	<b>11,813,633</b>	<b>7,188,551</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	5.3A	214,436	189,952	658,732
Subsidies	5.3B	109,249	97,824	153,456
Personal benefits	5.3C	1,998,612	1,822,374	2,083,855
Grants	5.3D	559,793	632,066	211,234
<b>Total payables</b>		<b>2,882,090</b>	<b>2,742,215</b>	<b>3,107,277</b>
<b>Provisions</b>				
Subsidies	5.4A	600,200	603,900	673,612
Personal benefits	5.4B	1,204,819	1,123,106	3,026,343
<b>Total provisions</b>		<b>1,805,019</b>	<b>1,727,006</b>	<b>3,699,955</b>
<b>Total liabilities administered on behalf of Government</b>		<b>4,687,109</b>	<b>4,469,222</b>	<b>6,807,232</b>
<b>Net assets</b>		<b>6,489,782</b>	<b>7,344,411</b>	<b>381,319</b>

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**Administered Reconciliation Schedule**  
for the period ended 30 June 2024

	Notes	2024 \$'000	Restated 2023 \$'000
<b>Opening assets less liabilities as at 1 July</b>		<b>7,344,411</b>	3,896,868
Adjustment for errors		-	244,711
<b>Adjusted opening assets less liabilities</b>		<b>7,344,411</b>	4,141,579
<b>Net cost of services</b>			
Income		<b>55,539,720</b>	53,682,661
Expenses			
Payments to entities other than corporate Commonwealth entities		<b>(103,803,607)</b>	(93,049,062)
Payments to corporate Commonwealth entities		<b>(673,387)</b>	(601,516)
<b>Other comprehensive income</b>			
Revaluations transferred to/(from) reserves		<b>50,148</b>	15,540
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account (OPA)			
Administered assets and liabilities appropriations			
Payments to entities other than corporate Commonwealth entities		<b>125,783</b>	438,113
Payments to corporate Commonwealth entities		<b>36,203</b>	28,740
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		<b>14,977,492</b>	16,660,119
Payments to corporate Commonwealth entities		<b>673,387</b>	601,516
Special appropriations (limited)			
Refund of receipts (section 77 of the PGPA Act)		<b>3,283</b>	1,953
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		<b>37,961,666</b>	30,431,729
Net GST appropriations		<b>(42,018)</b>	41,546
Appropriation transfers to OPA			
Transfers to OPA		<b>(5,703,299)</b>	(5,048,508)
<b>Closing assets less liabilities as at 30 June</b>		<b>6,489,782</b>	7,344,411

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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**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 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 2024

	Notes	2024 \$'000	2023 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Recoveries		6,360,924	5,233,124
GST received		973,360	1,226,391
Special accounts receipts		48,412,547	47,382,364
Other		438,060	303,093
<b>Total cash received</b>		<b>56,184,891</b>	<b>54,144,971</b>
<b>Cash used</b>			
Grants		14,240,101	13,468,163
Subsidies		21,471,531	16,328,129
Personal benefits		64,702,818	59,457,202
Suppliers		2,758,106	5,051,240
Payments to corporate Commonwealth entities		673,387	601,516
<b>Total cash used</b>		<b>103,845,944</b>	<b>94,906,251</b>
<b>Net cash used by operating activities</b>		<b>(47,661,053)</b>	<b>(40,761,279)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Repayments of advances and loans		18,434	31,009
<b>Total cash received</b>		<b>18,434</b>	<b>31,009</b>
<b>Cash used</b>			
Equity injections to corporate Commonwealth entities		36,203	28,740
Investments		13,970	29,580
<b>Total cash used</b>		<b>50,173</b>	<b>58,320</b>
<b>Net cash used by investing activities</b>		<b>(31,738)</b>	<b>(27,311)</b>
<b>Net decrease in cash held</b>		<b>(47,692,791)</b>	<b>(40,788,590)</b>
<b>Cash from Official Public Account</b>			
Appropriations		53,615,829	47,695,317
Capital appropriations		161,986	466,853
Administered GST appropriations		936,631	1,224,028
<b>Total cash from Official Public Account</b>		<b>54,714,446</b>	<b>49,386,198</b>
<b>Cash to Official Public Account</b>			
Return of GST appropriations to the Official Public Account		978,649	1,182,482
Other		5,703,299	5,048,508
<b>Total cash to Official Public Account</b>		<b>6,681,948</b>	<b>6,230,990</b>
Cash and cash equivalents at the beginning of the reporting period		5,771,376	3,404,758
<b>Cash and cash equivalents at the end of the reporting period</b>	5.1A	<b>6,111,083</b>	<b>5,771,376</b>

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 2023-2024 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 Physical Activity

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*

The Department adopted all new, revised and amending standards and interpretations that were issued by the AASB prior to the sign-off date and are applicable to the current reporting period. The adoption of these standards and interpretations did not have a material effect, and are not expected to have a future material effect on the Department's financial statements.

No 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 2023-24 payments totalling approximately \$86.5 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 occurred 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 2023-24 the Department:

- a) assessed the risk of program compliance with relevant legislation,
- b) included consideration of processes to minimise the risk of section 83 breaches as part of any review of legislation or administrative processes,
- c) received assurance from Services Australia that action had been undertaken to detect and prevent any potential breaches of section 83,
- d) obtained legal advice, as appropriate, to resolve questions of potential non-compliance, and
- e) 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.

During 2023-24, Services Australia moved to a monthly review process which reduces the occurrence of breaches, however does not prevent all breaches. At present, the aggregate value of all historic and current overpayments of aged care subsidies to approved providers is estimated at \$284.9 million. The Department is working with Services Australia to consider further mitigation strategies.

### *National Health Act 1953*

#### National Health (Take Home Naloxone) Special Arrangement 2019

During 2023-24, an internal review identified an inconsistency with the claiming portal setup and the Take Home Naloxone Special Arrangement. Due to this inconsistency, some dispensing pharmacies have claimed and have been paid two dispensing fees for the supply of two units of the same Naloxone products or formulations on any one occasion. This is contrary to the *National Health (Take Home Naloxone) Special Arrangement 2019*, an Instrument under the *National Health Act 1953*.

The value of duplicated dispensing fees paid since the program commenced in December 2019 is \$991,404.72. Action has been taken to ensure the claiming portal is consistent with the *National Health (Take Home Naloxone) Special Arrangement 2019* and prevent future breaches.

#### Opioid Dependence Treatment Program

In July 2023, opioid dependence treatment reforms significantly changed the way patients accessed their opioid dependence treatment medicines. To support the reforms, transitional arrangements were in place to provide jurisdictions time to adjust to the reforms and ensure minimal disruption for patients. The transitional arrangements, underpinned by a legislative instrument, enabled the Department to pay responsible persons directly for opioid dependence treatment medicines supplied to eligible sites.

During 2023-24, an internal review identified that the Department paid responsible persons for opioid dependence treatment medicines supplied to ineligible sites. These payments were not supported by a valid appropriation. The value of relevant payments was estimated at \$328,538.38.

### *Remuneration Tribunal Act 1983*

#### Remuneration of certain National Sports Tribunal members

Members of the National Sports Tribunal are statutory appointments performing the duties of public office on a part-time basis. Members are remunerated by the tribunal on a sessional basis for their work in hearing cases / resolving disputes brought to the tribunal. Members were paid in reliance on the *National Sports Tribunal Act 2019*. The *Remuneration Tribunal Act 1983* prohibits payments for part time office holders who also hold office or employment on full-time basis with the Commonwealth, unless an exception applies. The National Sports Tribunal acted on the mistaken understanding that an exception applied, which has since been corrected by legal advice.

Four payments with a total value of \$4,694 made to two National Sports Tribunal members were in breach of the *Remuneration Tribunal Act 1983*.

## *Private Health Insurance Act 2007*

### Payment of private health insurance rebates

During 2023-24 the Department became aware that payments of private health insurance rebates to insurers under the *Private Health Insurance Act 2007* could under certain circumstances result in section 83 breaches. The Department and Services Australia are reviewing whether there is a need to enhance IT systems or amend the legislation, particularly regarding data submission by insurers in support of claims.

## **Special Accounts**

### *Health Insurance Act 1973*

#### Medicare Easyclaim program

Services Australia have advised that during 2023-24, 162 instances have been identified with a total value of \$23,449.90 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 (e.g. to the healthcare provider). Consultation continues with stakeholders on reform of assignment of Medicare benefit processes and record-keeping requirements.

Amendments to the *Health Insurance Act 1973* made by the *Health Insurance Legislation Amendment (Assignment of Medicare Benefits) Act 2024* will reform arrangements for the assignment of Medicare benefits to align with industry practice and allow the use of modern technologies. These amendments will commence on or before 9 January 2026, enabling time for necessary technical change.

#### 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. The value of resulting overpayments of Medicare benefits was quantified during 2023-24 at approximately \$2.9 million.

## **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.

## Prior Period Errors

The following prior period errors have been restated in the 2023-24 financial statements:

### Departmental Non-financial assets - computer software

AASB 116 *Property, Plant, and Equipment*, and AASB 138 *Intangible Assets* include the recognition and measurement criteria for computer software. In 2023-24, the Department reviewed the application of these standards against its internally developed computer software. The review identified that the Department spent the relevant funds in accordance with the appropriated funding source, however some of the spending incurred on computer software developed through Software as a Service arrangements did not meet the capitalisation criteria.

The Department has corrected the prior period error by restating the comparative figures for the 2022-23 financial year. The restatement resulted in an increase in Suppliers expenses and a decrease in Computer software in 2022-23, as well as an adjustment to opening equity (Accumulated deficit) in 2022-23 due to the cumulative effect of restatements affecting reporting periods before 2022-23.

The above prior period adjustment had the following impact on the 2022-23 departmental closing and comparative balances:

Financial Statement	Line item	Original \$'000	Adjustment \$'000	Closing and comparative balances \$'000
Statement of Comprehensive Income	Suppliers	471,080	105,768	576,848
	Total expenses	1,350,064	105,768	1,455,832
	Net cost of services	(1,104,246)	(105,768)	(1,210,014)
	Deficit attributable to the Australian Government	(37,609)	(105,768)	(143,377)
	Total comprehensive loss attributable to the Australian Government	(32,985)	(105,768)	(138,753)
Statement of Financial Position	Computer software	397,960	(127,059)	270,901
	Total non-financial assets	1,031,081	(127,059)	904,022
	Total assets	1,343,811	(127,059)	1,216,752
	Net assets	385,535	(127,059)	258,476
	Accumulated deficit	(381,434)	(127,059)	(508,493)
	Total equity	385,534	(127,060)	258,474
Statement of Changes in Equity	Accumulated deficit - Adjustment for errors	-	(21,291)	(21,291)
	Accumulated deficit - Adjusted opening balance	(335,490)	(21,291)	(356,781)
	Accumulated deficit - Deficit for the period	(37,609)	(105,768)	(143,377)
	Accumulated deficit - Total comprehensive income	(37,609)	(105,768)	(143,377)
	Accumulated deficit - Closing balance as at 30 June	(381,434)	(127,059)	(508,493)
	Total equity - Adjustment for errors	-	(21,291)	(21,291)
	Total equity - Adjusted opening balance	282,700	(21,291)	261,409
	Total equity - Deficit for the period	(37,609)	(105,768)	(143,377)

Financial Statement	Line item	Original \$'000	Adjustment \$'000	Closing and comparative balances \$'000
Statement of Changes in Equity	Total equity - Total comprehensive income	(32,985)	(105,768)	(138,753)
	Total equity - Closing balance as at 30 June	385,534	(127,059)	258,475
Cash Flow Statement	Cash used - Suppliers	476,267	105,768	582,035
	Total cash used - Operating activities	1,509,135	105,768	1,614,903
	Net cash from / (used by) operating activities	46,753	(105,768)	(59,015)
	Cash used - Purchase of property plant and equipment	191,315	(105,768)	85,547
	Total cash used - Investing activities	191,315	(105,768)	85,547
	Net cash used by investing activities	(191,315)	105,768	(85,547)

#### Administered Inventories

AASB 102 *Inventories* includes the recognition and measurement criteria for inventories, and applies to the Department's Covid-19 vaccines inventory. In 2023-24 the Department reviewed its inventory values and identified errors in the application of the standard.

The errors related to a variation to the contract for the supply of vaccines which was incorrectly applied to the unit price calculation, and the recognition of a delivery of vaccines, resulting in an overstatement of the Administered inventory balances and an understatement of the Other non-financial assets balance.

The Department has recalculated the Inventory and Other Non-Financial Assets balances and the financial value of deployments and impairment, and corrected the prior period by restating the amounts for the 2022-23 financial year. The restatement has resulted in increases in Personal benefits expenses and Other non-financial assets, and decreases in Write-down and impairment expenses, Inventory and Suppliers liabilities in 2022-23, as well as an adjustment to Opening assets less liabilities in 2022-23 due to the cumulative effect of restatements affecting reporting periods before 2022-23.

#### Administered Accrued recoveries revenue

AASB *Conceptual Framework for Financial Reporting* provides the definition and recognition criteria for assets, and applies to the Department's debts and receivables, including Accrued recoveries. In 2023-24 the Department identified a new class of recovery debts in one of its programs. The amounts in question were not previously recognised due to a misinterpretation of the underlying legislation. This resulted in an understatement of Accrued recoveries revenue (asset) and Recoveries (income).

The Department has corrected the prior period by restating the amounts for the 2022-23 financial year. The restatement has resulted in an increase in Accrued recoveries revenue (asset) and Recoveries (income). Once recognised, the Accrued recoveries were fully impaired, which resulted in increases in the Impairment expenses and Impairment loss allowance in the current period and prior period. There was no net impact on the Opening assets less liabilities in 2022-23, as the cumulative effect of restatements of Accrued recoveries, Recoveries income, Impairment expenses and Impairment losses affecting reporting periods before 2022-23 were mutually offsetting.

The above prior period adjustments had the following impact on the 2022-23 administered closing and comparative balances:

Financial Statement	Line item	Original \$'000	Administered inventories adjustment \$'000	Accrued revenues adjustment \$'000	Closing and comparative balances \$'000
Administered Schedule of Comprehensive Income	Personal benefits	59,263,843	208,148	-	59,471,991
	Impairment loss on financial instruments	55,265		359,878	415,143
	Write-down and impairment of assets	1,222,297	(41,053)	-	1,181,244
	Total expenses	93,123,605	167,095	359,878	93,650,578
	Recoveries	5,466,085	-	359,878	5,825,963
	Total income	53,322,783	-	359,878	53,682,661
	Net cost of services	(39,800,822)	(167,095)	-	(39,967,917)
	Deficit	(39,800,822)	(167,095)	-	(39,967,917)
	Total comprehensive loss	(39,785,281)	(167,096)	-	(39,952,377)
Administered Schedule of Assets and Liabilities	Accrued recoveries revenue (Gross)	775,854	-	1,065,563	1,841,417
	Impairment loss allowance	-	-	(1,065,563)	(1,065,563)
	Accrued recoveries revenue (Net)	775,854	-	-	775,854
	Inventories	3,080,003	(102,411)	-	2,977,592
	Other non-financial assets (Prepayment)	514,623	157,804	-	672,427
	Total non-financial assets	3,597,787	55,393	-	3,653,180
	Total assets administered on behalf of Government	11,758,240	55,393	-	11,813,633
	Suppliers	212,175	(22,223)	-	189,952
	Total payables	2,764,438	(22,223)	-	2,742,215
	Total liabilities administered on behalf of Government	4,491,445	(22,223)	-	4,469,222
	Net assets	7,266,795	77,616	-	7,344,411
Administered Reconciliation Schedule	Adjustment for errors	-	244,711	705,685	244,711
				(705,685)	
	Adjusted opening assets less liabilities	3,896,868	244,711	705,685	4,141,579
				(705,685)	
	Payments to entities other than corporate Commonwealth entities	(92,522,089)	(526,973)	-	(93,049,062)
	Closing assets less liabilities as at 30 June	7,266,795	77,616	-	7,344,411

## Financial Performance

This section analyses the financial performance of the Department for the year ended 2024.

### 1.1 Expenses

	2024 \$'000	Restated 2023 \$'000
<b>1.1A: Employee benefits</b>		
Wages and salaries	624,402	523,868
Superannuation		
Defined contribution plans	82,074	65,706
Defined benefit plans	37,946	41,552
Leave and other entitlements	128,264	101,404
Separation and redundancies	2,410	1,946
<b>Total employee benefits</b>	<b>875,096</b>	<b>734,476</b>

#### 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	200,627	274,285
IT services	153,631	157,362
Contracted services	185,848	43,909
Property	19,299	29,837
Travel	15,456	8,254
Training and other staff related expenses	8,980	6,793
Legal	12,452	8,953
Committees	4,037	4,093
Other	64,987	34,904
<b>Total goods and services supplied or rendered</b>	<b>665,317</b>	<b>568,392</b>

Goods supplied	84,286	64,742
Services rendered	581,031	503,650
<b>Total goods and services supplied or rendered</b>	<b>665,317</b>	<b>568,392</b>

#### Other suppliers

Workers compensation expenses	4,700	5,101
Short-term leases	360	2,713
Low value leases	569	470
Variable lease payments	149	173
<b>Total other suppliers</b>	<b>5,778</b>	<b>8,456</b>
<b>Total suppliers</b>	<b>671,095</b>	<b>576,848</b>

The Department has no short-term lease commitments as at 30 June 2024 (2023: 5).

The above lease disclosures should be read in conjunction with the accompanying notes 1.2B, 3.2A and 3.4A.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

**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.

<b>2024</b>	2023
<b>\$'000</b>	\$'000

**1.1C: Finance costs**

Interest on lease liabilities

<b>10,420</b>	11,054
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**Total finance costs**

<b>10,420</b>	11,054
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The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

**Accounting Policy**

All borrowing costs are expensed as incurred.

**1.1D: Write-down and impairment of other assets**

Impairment of property, plant and equipment and land and buildings

<b>3,589</b>	820
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Impairment of intangible assets

<b>6,239</b>	15,676
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**Total write-down and impairment of other assets**

<b>9,828</b>	16,496
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**1.1E: Other expenses**

Act of Grace payments

-	11
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**Total other expenses**

-	11
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## 1.2 Own-Source Revenue and Gains

	2024	2023
	\$'000	\$'000
<b>Own-Source Revenue</b>		
<b>1.2A: Revenue from contracts with customers</b>		
Sale of goods	1,725	2,082
Rendering of services	217,136	218,759
<b>Total revenue from contracts with customers</b>	<b>218,862</b>	<b>220,841</b>
<b>Disaggregation of revenue from contracts with customers</b>		
Activity / service line:		
Annual charges / licence fees	112,828	112,109
Application fees	30,380	31,409
Evaluation / assessment fees	48,191	48,230
Service delivery	27,463	29,093
	<b>218,862</b>	<b>220,841</b>
Timing of transfer of goods and services:		
Over time	175,072	170,831
Point in time	43,790	50,010
	<b>218,862</b>	<b>220,841</b>

### 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 financial 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.

	2024	2023
	\$'000	\$'000

#### **1.2B: Rental income**

Subleasing right-of-use assets	4,368	4,635
<b>Total rental income</b>	<b>4,368</b>	<b>4,635</b>

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	6,878	1,591
Resources received free of charge		
Remuneration of auditors	1,220	920
Recovery of costs	1,089	992
Other revenue	74	7,028
<b>Total other revenue</b>	<b>9,261</b>	<b>10,532</b>

#### **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.

	2024	2023
	\$'000	\$'000

**1.2D: Revenue from government**

Appropriations		
Departmental appropriations	1,325,135	1,066,637
<b>Total revenue from government</b>	<b>1,325,135</b>	<b>1,066,637</b>

**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

	2024 \$'000	Restated 2023 \$'000
<b>2.1A: Grants</b>		
Public sector		
Australian Government entities (related parties)	1,111,396	1,033,330
Private sector		
Profit and Not-for-profit organisations	12,119,802	11,631,638
Overseas	192	86,447
<b>Total grants</b>	<b>13,231,390</b>	<b>12,751,415</b>

#### 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	7,078,141	6,744,106
Other	5,533	8,137
Indirect		
Medical services	29,923,617	27,868,371
Pharmaceuticals and pharmaceutical services	18,506,238	18,021,472
Primary care practice incentives	436,622	446,434
Hearing services	508,944	489,086
Targeted assistance	117,913	117,106
Aged care	7,600,257	5,721,209
Other	102,359	56,070
<b>Total personal benefits</b>	<b>64,279,624</b>	<b>59,471,991</b>

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

#### 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.

	2024	2023
	\$'000	\$'000

### **2.1C: Subsidies**

#### **Subsidies in connection with**

Aged care	21,058,279	16,099,239
Medical indemnity	149,811	143,729
Other	7,698	3,912
<b>Total subsidies</b>	<b>21,215,788</b>	<b>16,246,880</b>

### **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	46,908	43,667
Contract for services	2,187,008	1,932,199
Travel	1,029	1,126
Inventory consumed	497,406	829,962
Communications and publications	18,962	31,919
Committee related expenses	5,083	3,859
Other	91,327	137,948
<b>Total goods and services supplied or rendered</b>	<b>2,847,723</b>	<b>2,980,680</b>
Goods supplied	611,853	1,003,396
Services rendered	2,235,870	1,977,284
<b>Total goods and services supplied or rendered</b>	<b>2,847,723</b>	<b>2,980,680</b>

### **2.1E: Payments to corporate Commonwealth entities**

Australian Digital Health Agency	269,304	211,125
Australian Institute of Health and Welfare	35,544	34,846
Australian Sports Commission	351,081	337,870
Foods Standards Australia New Zealand	17,458	17,675
<b>Total payments to corporate Commonwealth entities</b>	<b>673,387</b>	<b>601,516</b>

**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.

	2024 \$'000	Restated 2023 \$'000
<b><u>2.1F: Impairment loss on financial instruments</u></b>		
Impairment of trade and other receivables	<b>818,916</b>	415,143
<b>Total impairment loss on financial instruments</b>	<b>818,916</b>	415,143
<b><u>2.1G: Write-down and impairment of assets</u></b>		
Impairment due to the write-off of inventory	<b>1,408,461</b>	1,181,244
<b>Total write-down and impairment of assets</b>	<b>1,408,461</b>	1,181,244
<b><u>2.1H: Other expenses</u></b>		
Other	<b>3</b>	7
<b>Total other expenses</b>	<b>3</b>	7

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

## 2.2 Administered - Income

	2024 \$'000	Restated 2023 \$'000
<b>Revenue</b>		
<b>Non-Taxation Revenue</b>		
<b>2.2A: Revenue from contracts with customers</b>		
Rendering of services	31,809	31,486
<b>Total revenue from contracts with customers</b>	<b>31,809</b>	<b>31,486</b>
<b>Disaggregation of revenue from contracts with customers</b>		
Activity / Service line		
Evaluation / assessment fees	20,161	20,488
Application fees	9,374	9,608
Listing fee / annual charge	2,269	1,376
Recovery of costs	4	13
	<b>31,809</b>	<b>31,486</b>
Timing of transfer of goods and services		
Over time	26,828	27,348
Point in time	4,981	4,138
	<b>31,809</b>	<b>31,486</b>
<b>2.2B: Special accounts revenue</b>		
Medicare Guarantee Fund (Health) special account	47,521,044	46,467,038
Medical Research Future Fund special account	650,000	598,017
Other special accounts	241,503	317,309
<b>Total special account revenue</b>	<b>48,412,547</b>	<b>47,382,364</b>
<b>2.2C: Recoveries</b>		
Medical and pharmaceutical benefits and health rebate schemes	580,750	475,134
Pharmaceutical Benefits Scheme (PBS) drug recoveries	5,332,544	4,651,646
Aged care recoveries, cross-billings and budget neutrality adjustments	771,792	699,062
Other	242	121
<b>Total recoveries</b>	<b>6,685,328</b>	<b>5,825,963</b>
Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.		
<b>2.2D: Other revenue</b>		
Levies	7,699	6,424
Interest from loans	12,728	8,604
Recovery of unspent grant funding	192,756	82,724
Inventory received free of charge	-	174,230
Debts due to the Commonwealth	105,767	78,990
Other	91,086	91,876
<b>Total other revenue</b>	<b>410,036</b>	<b>442,848</b>

### 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

	2024	2023
	\$'000	\$'000

#### 3.1A: Cash and cash equivalents

Cash in special accounts	128,371	117,273
Cash on hand or on deposit	11,558	1,212
<b>Total cash and cash equivalents</b>	<b>139,929</b>	<b>118,485</b>

#### 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	32,485	38,260
GST receivable from the Australian Taxation Office	15,319	6,150
Other	-	893
<b>Total goods and services receivable</b>	<b>47,804</b>	<b>45,303</b>

##### Appropriations receivable

Appropriations receivable	262,944	125,047
<b>Total appropriations receivable</b>	<b>262,944</b>	<b>125,047</b>

##### Other receivables

Receivable from Government	-	20,056
<b>Total other receivables</b>	<b>-</b>	<b>20,056</b>

##### Total trade and other receivables (gross)

<b>310,748</b>	<b>190,406</b>
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##### Less expected credit loss allowance

<b>(4,011)</b>	<b>(3,053)</b>
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##### Total trade and other receivables (net)

<b>306,737</b>	<b>187,353</b>
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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 (2023: 30 days), the TGA - within 28 days (2023: 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).

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
<b>3.1C: Other financial assets</b>		
Contract assets	<b>11,965</b>	6,892
<b>Total other financial assets</b>	<b>11,965</b>	6,892

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 2024

	Land and buildings \$'000	Plant and equipment \$'000	Computer Software <sup>1</sup> \$'000	Total \$'000
<b>As at 1 July 2023</b>				
Gross book value - restated	850,367	7,143	555,309	1,412,819
Accumulated depreciation, amortisation and impairment	(249,358)	(2,176)	(284,408)	(535,942)
<b>Total as at 1 July 2023</b>	<b>601,009</b>	<b>4,967</b>	<b>270,901</b>	<b>876,877</b>
Additions:				
Purchase	16,766	2,276	-	19,042
Internally developed	-	-	84,534	84,534
Right-of-use assets	-	20	-	20
Revaluations and impairments recognised in other comprehensive income	8,484	277	-	8,761
Impairments recognised in net cost of services <sup>2</sup>	(3,577)	(12)	(6,239)	(9,828)
Depreciation and amortisation	(8,743)	(1,017)	(43,151)	(52,910)
Depreciation of right-of-use assets	(56,793)	(48)	-	(56,841)
Other movements	(2,059)	-	1,771	(288)
<b>Total as at 30 June 2024</b>	<b>555,086</b>	<b>6,465</b>	<b>307,816</b>	<b>869,367</b>

##### Total as at 30 June 2024 represented by

	Land and buildings \$'000	Plant and equipment \$'000	Computer Software \$'000	Total \$'000
Gross book value	808,675	6,771	626,801	1,442,247
Accumulated depreciation, amortisation and impairment	(253,589)	(306)	(318,985)	(572,880)
<b>Total as at 30 June 2024</b>	<b>555,086</b>	<b>6,465</b>	<b>307,816</b>	<b>869,367</b>
Carrying amount of right-of-use assets	<b>481,054</b>	<b>54</b>	<b>-</b>	<b>481,108</b>

1. The carrying amount of computer software included \$179.52m of internally generated software and \$0.487m of purchased software. Of the total computer software balance at 30 June 2024, \$134.62m relates to work-in-progress assets not yet available for use (2023: \$185.193m).

2. Impairment of land and buildings mainly relates to write-down and subsequent disposal of Sirius Building fit-outs. Impairment of computer software is the result of the annual impairment review conducted across the Department's portfolio of intangible assets.

In 2024 the carrying amount of property, plant and equipment included \$16.93m (2023: \$0.197m) which relates to expenditure incurred in the course of construction. \$74.032m (2023: \$63.158m) of total leasehold improvements refers to fit-out assets which may not be disposed of without prior Ministerial approval.

**Revaluations of non-financial assets**

All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4 as at 30 June 2024 by an independent valuer (Jones Lang LaSalle Public Sector Valuations Pty Ltd (JLL)).

**Contractual commitments for the acquisition of property, plant, equipment and intangible assets**

In 2024, the Department had no significant contractual commitments (2023: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 material 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 JLL as at 30 June 2024 to assess the fair value at this date. This review included qualitative, quantitative and uncertainty analysis.

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 (2023: 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 (2023: 3 to 20 years), and
- d) right-of-use assets: 2 to 15 years (2023: 2 to 15 years).

### *Impairment*

All assets were assessed for impairment as at 30 June 2024. 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 (2023: 2 to 10 years), and
- b) purchased software: 2 to 7 years (2023: 2 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2024.

	2024	2023
	\$'000	\$'000
<b>3.2B: Other non-financial assets</b>		
Prepayments	35,507	26,260
Investment in sublease	547	885
<b>Total other non-financial assets</b>	<b>36,054</b>	<b>27,145</b>
<b>Other non-financial assets expected to be recovered</b>		
No more than 12 months	35,892	26,597
More than 12 months	162	548
<b>Total other non-financial assets</b>	<b>36,054</b>	<b>27,145</b>

No indicators of impairment were found for other non-financial assets.

### 3.3 Payables

	2024	2023
	\$'000	\$'000
<b>3.3A: Suppliers</b>		
Trade creditors and accruals	108,008	83,033
Contract liabilities	37,647	30,886
<b>Total suppliers</b>	<b>145,655</b>	<b>113,919</b>

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 (2023: 20 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	20,617	16,482
Superannuation	5,178	7,297
<b>Total employees</b>	<b>25,795</b>	<b>23,779</b>

All employee payables are expected to be settled within 12 months of the balance date.

#### **3.3C: Other payables**

Other	8,997	218
<b>Total other payables</b>	<b>8,997</b>	<b>218</b>

All other payables are expected to be settled within 12 months of the balance date.

### 3.4 Interest Bearing Liabilities

	2024	2023
	\$'000	\$'000
<b>3.4A: Leases</b>		
Lease liabilities	548,160	598,888
<b>Total leases</b>	<b>548,160</b>	<b>598,888</b>

Total cash outflow for leases for 2024 was \$61.2m (2023: \$52.9m).

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	56,259	55,269
Between 1 to 5 years	280,045	285,062
More than 5 years	277,554	332,324
<b>Total undiscounted leases</b>	<b>613,858</b>	<b>672,655</b>
Discount	(65,698)	(73,767)
<b>Total leases</b>	<b>548,160</b>	<b>598,888</b>

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 2024 was 1.84% (2023: 1.79%).

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 2023	14,330	14,330
Amounts used	(2,059)	(2,059)
Amounts reversed	(10)	(10)
<b>Total as at 30 June 2024</b>	<b>12,261</b>	<b>12,261</b>

All provisions are expected to be settled more than 12 months from the balance date.

The Department currently has 6 (2023: 7) 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 2023-24 includes an estimate for annual charges.

	2024	2023
	\$'000	\$'000
<b>3.6A: Therapeutic Goods Administration</b>		
<b>TGA Comprehensive Income</b>		
<b>Expenses</b>		
Employee benefits	144,954	107,619
Contractors and consultants	13,020	31,569
Corporate services	41,786	43,996
Other	21,125	21,762
Depreciation and amortisation	5,689	5,402
Write-down and impairment of assets	1,994	6,150
<b>Total expenses</b>	<b>228,568</b>	<b>216,497</b>
<b>Revenues</b>		
Sale of goods and rendering of services	188,701	186,425
Other revenues and gains	1,856	10,882
<b>Total own-source revenue</b>	<b>190,556</b>	<b>197,306</b>
Revenue from Government	34,777	21,442
<b>Surplus/(Deficit) on continuing operations</b>	<b>(3,235)</b>	<b>2,251</b>
<b>TGA Financial Position</b>		
<b>Assets</b>		
Financial assets	83,771	79,680
Non-financial assets	50,457	43,455
<b>Total assets</b>	<b>134,228</b>	<b>123,135</b>
<b>Liabilities</b>		
Payables	50,176	40,706
Provisions	34,563	29,920
<b>Total liabilities</b>	<b>84,740</b>	<b>70,626</b>
<b>Net assets</b>	<b>49,488</b>	<b>52,509</b>
<b>Equity</b>		
Contributed equity	2,029	2,029
Asset revaluation reserve	7,388	7,173
Retained surplus	40,071	43,307
<b>Total equity</b>	<b>49,488</b>	<b>52,509</b>

# 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

	2024	2023
	\$'000	\$'000

### 4.1A: Employee provisions

Leave	233,458	207,142
Separations and redundancies	268	-
<b>Total employee provisions</b>	<b>233,726</b>	<b>207,142</b>

#### 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:

	2024 \$'000	2023 \$'000
Short-term employee benefits	4,284	3,818
Post-employment benefits	568	545
Other long-term employee benefits	250	220
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>5,101</b>	<b>4,583</b>

The total number of key management personnel that are included in the above table is 14 (2023: 14).

Remuneration information for executives and other highly paid officials is included in the annual report in part 3.4: People and Appendix 1: Workforce Statistics.

<sup>1</sup> The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Ministers. The Portfolio Ministers' 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

	2024	Restated 2023
	\$'000	\$'000
<b>5.1A: Cash and cash equivalents</b>		
Cash in special accounts	5,962,558	5,732,627
Cash on hand or on deposit	148,524	38,750
<b>Total cash and cash equivalents</b>	<b>6,111,083</b>	<b>5,771,376</b>
<b>5.1B: Accrued recoveries revenue</b>		
Personal benefits		
Pharmaceutical benefits	2,016,165	1,624,855
Aged care	131,958	134,757
Medicare benefits	10,386	9,445
Other personal benefits	453	480
Subsidies		
Medical indemnity	5,769	5,769
Aged care	329,530	66,062
Other subsidies	49	49
<b>Total accrued recoveries revenue (gross)</b>	<b>2,494,310</b>	<b>1,841,417</b>
<b>Less impairment loss allowance</b>	<b>(1,881,670)</b>	<b>(1,065,563)</b>
<b>Total accrued recoveries revenue (net)</b>	<b>612,640</b>	<b>775,854</b>

All accrued recoveries are expected to be recovered within 12 months of the balance date.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

### 5.1C: Trade and other receivables

#### Goods and services

Goods and services receivable	1,250,569	640,059
GST receivable from the Australian Taxation Office	48,186	84,914
Contract assets	7,045	3,838
<b>Total goods and services receivables</b>	<b>1,305,800</b>	<b>728,812</b>

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	172,066	190,501
Less: Unexpired discount	(13,776)	(17,561)
<b>Total advances and loans</b>	<b>158,290</b>	<b>172,939</b>
<b>Total trade and other receivables (gross)</b>	<b>1,464,090</b>	<b>901,751</b>
<b>Less expected credit loss allowance</b>	<b>(10,345)</b>	<b>(9,937)</b>
<b>Total trade and other receivables (net)</b>	<b>1,453,745</b>	<b>891,814</b>

Credit terms for goods and services were within 30 days (2023: 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.

	2024	2023
	\$'000	\$'000
<b>5.1D: Investments in portfolio entities</b>		
Australian Commission on Safety and Quality in Health Care	7,048	6,012
Australian Digital Health Agency	165,833	100,238
Australian Institute of Health and Welfare	37,594	36,000
Australian Sports Commission	353,186	348,767
Australian Sports Foundation Ltd	5,942	5,898
Food Standards Australia New Zealand	9,274	9,242
Independent Health and Aged Care Pricing Authority	47,645	30,593
<b>Total investments in portfolio entities</b>	<b>626,522</b>	<b>536,750</b>

The principal activities of each of the Department's administered investments in portfolio entities were as follows:

- a) 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.
- b) 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.
- c) 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.
- d) 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) 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.
- g) 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.

	2024	2023
	\$'000	\$'000
<b>5.1E: Other investments</b>		
Biomedical Translation Fund - Brandon Capital Partners	127,319	112,012
Biomedical Translation Fund - OneVentures Management	28,543	37,475
Biomedical Translation Fund - BioScience Managers	39,346	35,172
<b>Total other investments</b>	<b>195,208</b>	<b>184,659</b>

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.

Funding for the BTF Program is secured through the Biomedical Translation Fund Special Account. The above disclosures should be read in conjunction with note 6.2.

#### **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 2024. 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
<b>As at 1 July 2023</b>	
Gross book value	8,555
Accumulated depreciation, amortisation and impairment	(5,394)
<b>Total as at 1 July 2023</b>	<b>3,161</b>
Depreciation and amortisation	(1,703)
<b>Total as at 30 June 2024</b>	<b>1,457</b>

	Total \$'000
<b>Total as at 30 June 2024 represented by</b>	
Gross book value	8,555
Accumulated depreciation, amortisation and impairment	(7,098)
<b>Total as at 30 June 2024</b>	<b>1,457</b>

## 5.2 Administered - Non-Financial Assets

	2024	Restated 2023
	\$'000	\$'000

### 5.2B: Inventories

#### Inventories held for distribution

National Medical Stockpile (NMS) and COVID-19 vaccines & consumables

Opening balance	2,977,592	2,764,500
Add: Purchases	474,608	3,003,454
Add: Stock received free of charge	-	174,230
Less: Deployments	(915,396)	(1,751,846)
Less: Stock sold to other jurisdictions	-	(27,548)
Less: Grants to overseas	(192)	(3,659)
Less: Write down & impairment	(1,408,461)	(1,181,244)
Add: Other adjustments	7,392	(295)
<b>Total Inventories held for distribution</b>	<b>1,135,543</b>	<b>2,977,592</b>

During 2024 \$2,324m of inventory held for distribution was recognised as an expense (2023: \$2,964.6m).

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

### 5.2C: Other non-financial assets

NMS and COVID-19 vaccines & consumables prepayments

	1,040,694	672,427
<b>Total other non-financial assets</b>	<b>1,040,694</b>	<b>672,427</b>

All other non-financial assets are expected to be recovered within 12 months of the balance date.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

#### Accounting Policy

The Department's administered inventories relate to:

- 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.
- 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

	2024 \$'000	Restated 2023 \$'000
<b>5.3A: Suppliers</b>		
Trade creditors and accruals	207,309	184,535
Contract liabilities	7,128	5,418
<b>Total suppliers</b>	<b>214,436</b>	<b>189,952</b>

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 (2023: 20 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.

Financial year 2023 numbers have been restated as per prior period error noted in the Overview section.

#### **5.3B: Subsidies**

Aged care	95,050	86,864
Medical indemnity	14,199	10,960
<b>Total subsidies</b>	<b>109,249</b>	<b>97,824</b>

All subsidies are expected to be settled within 12 months of the balance date.

#### **5.3C: Personal benefits**

Direct personal benefits		
Private health insurance	561,739	554,150
Indirect personal benefits		
Medical services	652,652	525,446
Pharmaceuticals and pharmaceutical services	33,882	103,003
Aged care	667,603	558,573
Other	82,736	81,202
<b>Total personal benefits</b>	<b>1,998,612</b>	<b>1,822,374</b>

All personal benefits are expected to be settled within 12 months of the balance date.

#### **5.3D: Grants**

Australian Government entities (related entities)	5,591	262
Profit and non-profit organisations	554,202	631,804
<b>Total grants</b>	<b>559,793</b>	<b>632,066</b>

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 2023	Claims paid	Schedule of Administered items impact	Balance as at 30 June 2024
	\$'000	\$'000	\$'000	\$'000
<b>Medical Indemnity Liabilities</b>				
Incurred but not reported scheme	6,000	(2,429)	1,429	5,000
High cost claims scheme	337,000	(62,727)	79,727	354,000
Run-off cover scheme	171,000	(18,700)	54,700	207,000
<b>Total Medical Indemnity Liabilities</b>	<b>514,000</b>	<b>(83,856)</b>	<b>135,856</b>	<b>566,000</b>
<b>Midwife Professional Indemnity Liabilities</b>	<b>6,200</b>	<b>-</b>	<b>500</b>	<b>6,700</b>
<b>COVID-19 Vaccine Claims Liabilities</b>	<b>83,700</b>	<b>(11,570)</b>	<b>(44,630)</b>	<b>27,500</b>
<b>Total</b>	<b>603,900</b>	<b>(95,426)</b>	<b>91,726</b>	<b>600,200</b>

### Accounting Policy

#### Medical Indemnity Schemes

The Department administers the following medical indemnity schemes under the *Medical Indemnity Act 2002*:

- Incurred But Not Reported Scheme (IBNRS)
- High Cost Claims Scheme (HCCS)
- Exceptional Claims Scheme (ECS)
- Run-Off Cover Scheme (ROCS)
- Premium Support Scheme (PSS)
- Allied Health High Costs Claims Scheme (AHHCCS), and
- 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 (MIs) 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 MIIIs.

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 2024, the AGA has relied on the projections from the actuary of each of the MIIIs, 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 MIIIs 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 4.1% 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 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 3.5% (\$20m) less than the base estimate. On the other hand, decreasing the discount rate to 3% would result in a liability estimate which is about 4.8% (\$27m) higher than the base estimate.

	2023-24			2022-23
	discounted 3.0%	discounted 4.1%	discounted 5.0%	discounted 4.0%
	\$m	\$m	\$m	\$m
Incurred But Not Reported Scheme	5	5	5	6
High Cost Claims Scheme	366	354	345	337
Run-Off Cover Scheme	222	207	196	171
<b>Total</b>	<b>593</b>	<b>566</b>	<b>546</b>	<b>514</b>

1. 4% was used as the basis of the estimation in 2022-23.

### **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 4.1% 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 losses 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:

<u>Scenario</u>	<u>Liability Estimate (\$'m)</u>	<u>Change</u>
Baseline (excluding prudential margin)	27.5	
Increase Tier 2 acceptance rate by 10%	38.5	40.2%
Decrease Tier 2 acceptance rate by 10%	16.1	-41.4%
Double applications for the period July to September 2024	28.6	4.2%
Halve applications for the period July to September 2024	26.9	-2.0%

2024	2023
\$'000	\$'000

### 5.4B: Personal benefits

Outstanding claims

Medical services

911,034 976,705

Pharmaceuticals and pharmaceutical services

293,785 146,401

**Total personal benefits**

**1,204,819 1,123,106**

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 2024

	Appropriation <sup>1</sup> \$'000	Annual Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2024 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	1,351,987	198,455	1,550,442	1,440,139	110,303
Capital Budget <sup>4</sup>	19,870	-	19,870	16,618	3,252
Other services					
Equity Injections	239,832	(3,331)	236,501	186,123	50,378
<b>Total departmental</b>	<b>1,611,689</b>	<b>195,124</b>	<b>1,806,813</b>	<b>1,642,880</b>	<b>163,933</b>
<b>Administered</b>					
Ordinary annual services					
Administered items	16,949,177	-	16,949,177	14,937,005	2,012,172
Payments to corporate Commonwealth entities	673,387	-	673,387	673,387	-
Other services					
Administered assets and liabilities	43,887	-	43,887	125,783	(81,896)
Payments to corporate Commonwealth entities	36,203	-	36,203	36,203	-
<b>Total administered</b>	<b>17,702,654</b>	<b>-</b>	<b>17,702,654</b>	<b>15,772,378</b>	<b>1,930,276</b>

<sup>1</sup> In 2024 departmental appropriations, \$0.488m relating to ordinary annual services appropriations and \$9.096m relating to equity injections appropriations were permanently withheld under Section 51 of the PGPA Act. In 2024 administered appropriations, \$272.292m relating to ordinary annual services appropriations was permanently withheld under Section 51 of the PGPA Act and \$32m was temporarily quarantined for administrative purposes.

<sup>2</sup> Departmental: adjustments to appropriations for ordinary annual services are a net result of PGPA Act Section 74 receipts of \$204.763m and Section 75 transfer of appropriation to OIGAC of \$6.308m; adjustments to appropriations for other annual services relate entirely to Section 75 transfer of appropriations to OIGAC.

<sup>3</sup> The aggregate variance of \$113.555m for departmental ordinary annual services and capital budget primarily represents the timing difference of payments to suppliers and employees. The variance of \$50.378m for departmental equity reflects the timing of payments for capital projects. The variance in administered ordinary annual services of \$2,012.172m reflects delays in granting activities experienced across a range of programs. The variance in administered assets and liabilities of (\$81.896m) is due to utilisation of prior years' appropriations for inventory purchasing.

<sup>4</sup> 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.

<sup>5</sup> 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 2023

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to appropriation <sup>2</sup> \$'000	Total appropriation \$'000	Appropriation applied in 2023 \$'000	Variance <sup>3</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	1,047,755	212,963	1,260,718	1,269,246	(8,528)
Capital Budget*	14,517	-	14,517	19,294	(4,777)
Other services	180,271	-	180,271	149,160	31,111
Equity Injections	1,242,543	212,963	1,455,506	1,437,700	17,806
<b>Total departmental</b>					
<b>Administered</b>					
Ordinary annual services	19,471,417	1,133	19,472,550	16,556,471	2,916,079
Administered items	601,516	-	601,516	601,516	-
Payments to corporate Commonwealth entities	1,006,137	271	1,006,408	438,384	568,024
Other services	28,740	-	28,740	28,740	-
Administered assets and liabilities	21,107,810	1,404	21,109,214	17,625,111	3,484,104
Payments to corporate Commonwealth entities					
<b>Total administered</b>					

<sup>1</sup> 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. In 2023 administered appropriations, \$219.451m relating to ordinary annual services appropriations was withheld under Section 51 of the PGPA Act.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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')**

	2024	2023
	\$'000	\$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2020-2021 - Departmental Capital Budget <sup>1</sup>	-	2,235
Appropriation Act (No. 1) 2021-2022 <sup>2,16</sup>	8,335	8,335
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 <sup>3</sup>	500	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 <sup>4</sup>	48,400	61,701
Appropriation Act (No. 3) 2022-23	121	5,208
Appropriation Act (No. 4) 2022-23	-	10,380
Appropriation Act (No. 1) 2023-24	189,366	-
Appropriation Act (No. 1) 2023-24 - Cash at Bank	11,558	-
Appropriation Act (No. 3) 2023-24	240	-
Appropriation Act (No. 4) 2023-24	76,033	-
Appropriation Act (No. 5) 2023-24 <sup>5</sup>	3,253	-
Appropriation Act (No. 5) 2023-24 - Departmental Capital Budget (DCB)	3,515	-
<b>Total departmental</b>	<b>341,321</b>	<b>185,729</b>
<b>Administered</b>		
Supply Act (No. 1) 2020-2021 <sup>1</sup>	-	6,639
Appropriation Act (No. 1) 2020-2021 <sup>1</sup>	-	384,440
Appropriation Act (No. 2) 2020-2021 <sup>1</sup>	-	36,755
Appropriation Act (No. 3) 2020-2021 <sup>1</sup>	-	273,308
Appropriation Act (No. 1) 2021-2022 <sup>6,12</sup>	214,659	219,565
Appropriation (COVID-19 Assistance) Act (No. 1) 2021-2022 <sup>16</sup>	935,671	935,671
Appropriation Act (No. 2) 2021-2022 <sup>12</sup>	24,287	24,287
Appropriation (COVID-19 Assistance) Act (No. 2) 2021-2022 <sup>7,16</sup>	2,036,373	2,036,373
Appropriation Act (No. 3) 2021-2022 <sup>8,16</sup>	1,826,851	1,834,051
Appropriation Act (No. 4) 2021-2022 <sup>9,16</sup>	2,414,091	2,414,091
Supply Act (No. 1) 2022-2023 <sup>10</sup>	747,005	747,005
Supply Act (No. 2) 2022-2023	271	271
Appropriation Act (No. 1) 2022-2023 <sup>11</sup>	1,438,370	1,450,279
Appropriation Act (No. 2) 2022-2023	532,498	654,033
Appropriation Act (No. 3) 2022-2023	613,995	614,481
Appropriation Act (No. 1) 2023-2024 <sup>12</sup>	999,524	-

	39,638
	929,435
	67,226
<b>Total administered</b>	<b>11,631,249</b>

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) 2020-2021 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 \$0.500m 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 \$0.488m which has been permanently withheld under Section 51 of the PGPA Act.

6. This amount includes \$12.725m which has been temporarily quarantined for administrative purposes.

7. This amount includes \$1,376.835m which has been temporarily quarantined for administrative purposes.

8. This amount includes \$16.855m which has been permanently withheld under Section 51 of the PGPA Act.

9. This amount includes \$1,622.742m which has been temporarily quarantined for administrative purposes.

10. This amount includes \$2.753m which has been permanently withheld under Section 51 of the PGPA Act.

11. This amount includes \$216.698 which has been permanently withheld under Section 51 of the PGPA Act.

12. This amount includes \$261,292m which has been permanently withheld under Section 51 of the PGPA Act and \$32m which has been temporarily quarantined for administrative purposes.

13. This amount includes \$11m which has been permanently withheld under Section 51 of the PGPA Act.

14. Prior years unspent departmental appropriations were adjusted by a total of \$0.124m under Section 74 of the PGPA Act.

15. Prior years unspent departmental appropriations were adjusted by a total of \$6.106m under Section 75 of the PGPA Act.

16. These balances will lapse on 1 July 2024.

**6.1C: Special appropriations ('recoverable GST exclusive')**

Authority	Appropriation applied	
	2024 \$'000	2023 \$'000
Aged Care (Accommodation Payment Security) Act 2006	-	-
Aged Care Act 1997	28,127,091	21,442,906
Health Insurance Act 1973	-	-
National Health Act 1953	2,378,717	1,934,782
Medical Indemnity Act 2002	66,544	101,686
Private Health Insurance Act 2007	7,071,154	6,730,839
Dental Benefits Act 2008	325,385	315,989
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	-	-
Public Governance, Performance and Accountability Act 2013 s.77	-	1,953
<b>Total special appropriations applied</b>	<b>2,931</b>	<b>1,953</b>
	<b>37,971,822</b>	<b>30,528,156</b>

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 <sup>1</sup>		Australian Immunisation Register Account <sup>2</sup>		Sport and Recreation Account <sup>3</sup>	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Balance brought forward from previous period</b>	<b>368,207</b>	58,894	<b>8,057</b>	7,675	<b>182</b>	182
<b>Increases</b>						
Appropriation credited to special account	7,736	9,896	551	5,044	-	-
Other increases	237,410	312,231	5,600	3,092	-	-
<b>Total increases</b>	<b>245,146</b>	322,128	<b>6,151</b>	8,136	-	-
<b>Available for payments</b>	<b>613,353</b>	381,022	<b>14,208</b>	15,811	<b>182</b>	182
<b>Decreases</b>						
<b>Administered</b>	<b>11,417</b>	12,815	<b>7,198</b>	7,754	-	-
<b>Total administered</b>	<b>11,417</b>	12,815	<b>7,198</b>	7,754	-	-
<b>Total decreases</b>	<b>11,417</b>	12,815	<b>7,198</b>	7,754	-	-
<b>Total balance carried to the next period</b>	<b>601,936</b>	368,207	<b>7,010</b>	8,057	<b>182</b>	182
<b>Balance represented by:</b>						
Cash held in entity bank accounts	164	6,941	7,010	8,057	-	-
Cash held in the Official Public Account	601,772	361,265	-	-	182	182
<b>Total balance carried to the next period</b>	<b>601,936</b>	368,207	<b>7,010</b>	8,057	<b>182</b>	182

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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 <sup>4</sup>		Gene Technology Account <sup>5</sup>		Industrial Chemicals Special Account <sup>6</sup>	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance brought forward from previous period</b>	<b>71,623</b>	<b>91,026</b>	<b>9,086</b>	<b>9,419</b>	<b>36,564</b>	<b>31,861</b>
<b>Increases</b>						
Appropriation credited to special account	34,777	21,442	9,997	8,576	760	34
Other increases	202,604	189,144	1,304	268	22,683	24,787
<b>Total increases</b>	<b>237,381</b>	<b>210,586</b>	<b>11,301</b>	<b>8,844</b>	<b>23,443</b>	<b>24,821</b>
<b>Available for payments</b>	<b>309,003</b>	<b>301,612</b>	<b>20,387</b>	<b>18,263</b>	<b>60,007</b>	<b>56,682</b>
<b>Decreases</b>						
Departmental	230,966	229,989	9,694	9,177	20,366	20,118
<b>Total departmental</b>	<b>230,966</b>	<b>229,989</b>	<b>9,694</b>	<b>9,177</b>	<b>20,366</b>	<b>20,118</b>
<b>Total decreases</b>	<b>230,966</b>	<b>229,989</b>	<b>9,694</b>	<b>9,177</b>	<b>20,366</b>	<b>20,118</b>
<b>Total balance carried to the next period</b>	<b>78,037</b>	<b>71,623</b>	<b>10,693</b>	<b>9,086</b>	<b>39,641</b>	<b>36,564</b>
<b>Balance represented by:</b>						
Cash held in entity bank accounts	6,028	5,481	4,802	3,195	658	681
Cash held in the Official Public Account	72,009	66,142	5,891	5,891	38,983	35,883
<b>Total balance carried to the next period</b>	<b>78,037</b>	<b>71,623</b>	<b>10,693</b>	<b>9,086</b>	<b>39,641</b>	<b>36,564</b>

<sup>4</sup> 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.

<sup>5</sup> 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.

<sup>6</sup> 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 <sup>7</sup>		Medicare Guarantee Account <sup>8</sup>		Biomedical Translation Fund Account <sup>9</sup>	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance brought forward from previous period</b>	<b>114,455</b>	2,031	<b>5,241,725</b>	3,271,472	-	-
<b>Increases</b>						
Statutory credits	650,000	598,000	47,521,044	46,467,038	-	-
Other increases	2,311	12,699	-	-	69,877	-
<b>Total increases</b>	<b>652,311</b>	610,699	<b>47,521,044</b>	46,467,038	<b>69,877</b>	-
<b>Available for payments</b>	<b>766,766</b>	612,730	<b>52,762,769</b>	49,738,510	<b>69,877</b>	-
<b>Decreases</b>						
<b>Administered</b>	<b>705,570</b>	498,275	<b>47,522,042</b>	44,496,785	<b>18,370</b>	-
<b>Total administered</b>	<b>705,570</b>	498,275	<b>47,522,042</b>	44,496,785	<b>18,370</b>	-
<b>Total decreases</b>	<b>705,570</b>	498,275	<b>47,522,042</b>	44,496,785	<b>18,370</b>	-
<b>Total balance carried to the next period</b>	<b>61,196</b>	114,455	<b>5,240,727</b>	5,241,725	<b>51,507</b>	-
<b>Balance represented by:</b>						
Cash held in the Official Public Account	61,196	114,455	5,240,727	5,241,725	51,507	-
<b>Total balance carried to the next period</b>	<b>61,196</b>	114,455	<b>5,240,727</b>	5,241,725	<b>51,507</b>	-

<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78  
Establishing Instrument: *Public Governance, Performance and Accountability Act*; section 78  
Purpose:

- a) to provide capital to promote the commercialisation of biomedical discoveries in accordance with the Biomedical Translation Fund Programme Guidelines;
- b) to carry out activities that are incidental to the purpose in paragraph a), including dealing with direct and indirect costs;
- c) to repay amounts where a court order, Act or other law requires or permits the repayment of an amount received; and
- d) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment.

The Biomedical Translation Fund Special Account became operational on 1 July 2023.

### 6.3 Regulatory Charging Summary

	2024 \$'000	2023 \$'000
<b>Amounts applied</b>		
Departmental		
Annual appropriations	39,978	40,162
Special appropriations (including special accounts)	208,758	206,814
Administered		
Annual appropriations	7,044	3,826
<b>Total amounts applied</b>	<b>255,780</b>	<b>250,802</b>
<b>Expenses</b>		
Departmental	254,067	251,596
Administered	15,100	11,380
<b>Total expenses</b>	<b>269,167</b>	<b>262,976</b>
<b>External Revenue</b>		
Departmental	208,758	211,397
Administered	37,891	35,178
<b>Total external revenue</b>	<b>246,650</b>	<b>246,575</b>
<b>Amounts written off</b>		
Departmental	669	4
<b>Total amounts written off</b>	<b>669</b>	<b>4</b>

#### Regulatory charging activities:

**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.

The **National Joint Replacement Registry** facilitates the collection of data that provides a prospective case series on all joint replacement surgery undertaken in Australia.

**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 **Prescribed List** details medical devices and human tissue products for which health insurers must pay benefits if the patient has an appropriate health insurance policy. Regulatory charging activities include evaluation, listing and management services provided by the Department.

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.

**Cost Recovery Implementation Statements for the above activities are available at:**

[AICIS: https://www.industrialchemicals.gov.au/2024-25-cost-recovery-implementation-statement-cris](https://www.industrialchemicals.gov.au/2024-25-cost-recovery-implementation-statement-cris)

[Medicinal Cannabis: https://www.odc.gov.au/resources/publications/cost-recovery-implementation-statement-cris-regulation-medicinal-cannabis-2024-25](https://www.odc.gov.au/resources/publications/cost-recovery-implementation-statement-cris-regulation-medicinal-cannabis-2024-25)

[National Joint Replacement Registry: https://www.health.gov.au/resources/collections/cost-recovery-implementation-statement-cris](https://www.health.gov.au/resources/collections/cost-recovery-implementation-statement-cris)

[Pharmacy Approvals: https://www.health.gov.au/resources/publications/cost-recovery-implementation-statement-2024-2025](https://www.health.gov.au/resources/publications/cost-recovery-implementation-statement-2024-2025)

[PBAC: https://www.pbs.gov.au/info/news/2024/06/2024-25-cost-recovery-implementation-statement](https://www.pbs.gov.au/info/news/2024/06/2024-25-cost-recovery-implementation-statement)

[Private Health Insurance second-tier default benefits: https://www.health.gov.au/resources/publications/cost-recovery-implementation-statement-cris-administration-of-private-health-insurance-second-tier-default-benefits](https://www.health.gov.au/resources/publications/cost-recovery-implementation-statement-cris-administration-of-private-health-insurance-second-tier-default-benefits)

[Prescribed List: https://www.health.gov.au/resources/collections/cost-recovery-implementation-statement-cris](https://www.health.gov.au/resources/collections/cost-recovery-implementation-statement-cris)

[TGA: https://www.tga.gov.au/resources/publication/publications/cost-recovery-implementation-statement-2024-2025](https://www.tga.gov.au/resources/publication/publications/cost-recovery-implementation-statement-2024-2025)

## 6.4 Net Cash Appropriation Arrangements

	2024 \$'000	2023 \$'000
<b>Total comprehensive loss - as per the Statement of Comprehensive Income</b>	<b>(110,835)</b>	(138,753)
<b>Plus</b> : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	<b>52,910</b>	38,166
<b>Plus</b> : depreciation of right-of-use assets	<b>56,841</b>	56,822
<b>Less</b> : cost recovered depreciation	<b>(8,418)</b>	(7,833)
<b>Less</b> : lease principal repayments	<b>(50,753)</b>	(41,178)
<b>Net Cash Operating Surplus / (Deficit)</b>	<b>(60,255)</b>	(92,777)

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 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.

3. Through the federal budget, the Department has been appropriated capital funding to deliver ICT digital transformation infrastructure that creates a better connected aged care sector by simplifying, digitising, and automating points of contact between clients, providers, the software industry, and government.

In 2024, the Department reviewed the accounting treatment and classification of its ICT projects. As a result of this review, \$115.9m of expenditure appropriated as capital was recognised as operating expenses, resulting in an operating deficit in 2023-24 (\$105.8m was reclassified in 2022-23). The operating deficit is solely due to this accounting reclassification, and is technical in nature.

## Managing Uncertainties

This section analyses how the Department manages financial risks within its operating environment.

### 7.1A: Departmental - contingent assets and liabilities

#### Quantifiable Contingencies

	Claims for		Total	
	costs & penalties			
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Contingent assets</b>				
Balance from previous period	-	-	-	-
New contingent assets recognised	23,273	-	23,273	-
Re-measurement	-	-	-	-
Assets realised	-	-	-	-
<b>Total contingent assets</b>	<b>23,273</b>	<b>-</b>	<b>23,273</b>	<b>-</b>
<b>Net contingent assets</b>			<b>23,273</b>	<b>-</b>

#### Unquantifiable Contingencies

At 30 June 2024, the Department was involved in a number of litigation cases before the courts, in which some cases may result 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 Secretary of the Department has initiated a number of civil penalty proceedings against persons alleged to have contravened the *Therapeutic Goods Act 1989 (Cth)*. If successful, those proceedings may result in a pecuniary penalty order requiring the respondents to pay an amount in penalties to the Commonwealth. 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 those 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 contingencies as at 30 June 2024 (2023: \$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		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Contingent assets</b>								
Balance from previous period	-	-	6,900	18,322	-	-	6,900	18,322
New contingent assets recognised	-	-	1,164	1,200	-	-	1,164	1,200
Re-measurement	-	-	1,000	-	-	-	1,000	-
Assets realised	-	-	(1,000)	-	-	-	(1,000)	-
Assets expired	-	-	(700)	(12,622)	-	-	(700)	(12,622)
<b>Total contingent assets</b>	-	-	7,364	6,900	-	-	7,364	6,900
<b>Contingent liabilities</b>								
Balance from previous period	75,000	53,000	8,022	19,468	2,180	-	85,202	72,468
New contingent liabilities recognised	-	-	1,178	1,243	-	2,180	1,178	3,423
Re-measurement	4,000	22,000	800	-	-	-	4,800	22,000
Liabilities realised	-	-	(200)	-	(2,180)	-	(2,380)	-
Obligations expired	-	-	(2,573)	(12,689)	-	-	(2,573)	(12,689)
<b>Total contingent liabilities</b>	79,000	75,000	7,227	8,022	-	2,180	86,227	85,202
<b>Net contingent liabilities</b>							<b>(78,863)</b>	<b>(78,302)</b>

### Quantifiable Administered Contingencies

The above table contains contingent liabilities in respect to:

- Indemnities: \$79.0m (2023: \$75.0m). The amount represents an estimate of the Department's liability in respect of medical indemnity payments under the High Cost Claims Scheme.
- Claims for costs: The table reports a contingent asset of up to \$7.4m (2023: \$6.9m) and a contingent liability of up to \$7.2m (2023: \$8.0m) in respect of claims for costs.

### Unquantifiable Administered Contingent Assets

At 30 June 2024, 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 Administrator will determine the data matching business rules, with consultation of the Parties, to identify services funded by the Commonwealth through both this Addendum and other Commonwealth programs. The relevant Commonwealth officer responsible for compliance will notify, consult and validate with the States and Territories prior to undertaking any compliance activity relating to duplicate payments.

### **Unquantifiable Administered Contingent Liabilities**

At 30 June 2024, 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 \$180.2 million (including interest) made to 541 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 2024 no claims have been made (2023: 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 2024, 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 2024 no claims have been made or notified (2023: Nil).

### *Medical Rural Bonded Scholarship Waivers*

The Department of Health and Aged Care is using debt waivers to address the creation of statutory debts by participants of the Medical Rural Bonded Scholarship Scheme who inadvertently breached contractual arrangements from 2020, when the reformed Bonded Medical Program was implemented. In 2022–23, the Department of Health and Aged Care waived \$51.8 million in statutory debts and further waivers may be required. The total value of the waivers cannot yet be quantified.

### *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 2024 no claims have been made (2023: 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 2024 no claims have been made (2023: 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 2024 no claims have been made (2023: 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 2024 no claims have been made (2023: Nil).

### *mRNA manufacturing facility*

The Commonwealth has entered into a strategic partnership with Moderna Australia Pty Ltd (Moderna) to establish domestic mRNA vaccine manufacturing capacity and capability in Australia. Under the agreement between the Commonwealth and Moderna, the Commonwealth may enter into a pandemic vaccine advance purchase agreement with Moderna for locally manufactured mRNA vaccines in certain circumstances where an infectious disease pandemic is declared. Moderna will also have the capacity to supply the Commonwealth with non pandemic vaccines through a non pandemic vaccine supply agreement.

The Commonwealth does provide indemnities to Moderna under these arrangements to cover certain liabilities that could result from the implementation of the arrangement.

There are also indemnities provided by Moderna in favour of the Commonwealth for certain liabilities, which reflect risk sharing between the parties and are intended to limit financial exposure to the Australian Government.

### *2032 Brisbane Olympic and Paralympics Games*

On 21 July 2021, the International Olympic Committee selected Brisbane to host the 2032 Olympic and Paralympic Games. On 17 February 2023, the Australian Government and the Queensland Government signed a bilateral agreement on matters of shared interest, including a capped capital contribution towards venue infrastructure by the Australian Government. The Australian Government has also provided a range of guarantees to the International Olympic Committee for provision of government services in support of Brisbane hosting the Games, at no cost to the Organising Committee of the Olympic Games. The financial implications of this support are not quantifiable at this time.

### *Rugby World Cup 2027 (Men's) and Rugby World Cup 2029 (Women's)*

On 12 May 2022, World Rugby selected Australia as the host of the 2027 Rugby World Cup and the 2029 Women's Rugby World Cup. In addition to the financial assistance provided in the 2022–23 March Budget to support event delivery and legacy programs, the Government has committed to provide services and support (such as security commitments and visa processing for participants and support staff). The financial implication of this additional support is not quantifiable at this time.

### **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. These agreements support access to vaccines from AstraZeneca Pty Ltd, Pfizer Inc, Moderna Switzerland GmbH and Novavax, Inc.

## 7.2 Financial Instruments

	2024	2023
	\$'000	\$'000
<b>7.2A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	139,929	118,485
Goods and services receivable	32,485	39,154
Less: Impairment allowance	(4,011)	(3,053)
Contract assets	11,965	6,892
<b>Total financial assets at amortised cost</b>	<b>180,368</b>	<b>161,478</b>
<b>Total financial assets</b>	<b>180,368</b>	<b>161,478</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	108,008	83,033
Contract liabilities	37,647	30,886
<b>Total financial liabilities measured at amortised cost</b>	<b>145,655</b>	<b>113,919</b>
<b>Total financial liabilities</b>	<b>145,655</b>	<b>113,919</b>

### 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:

- the financial asset is held in order to collect the contractual cash flows, and
- 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

<b>Financial assets at amortised cost</b>		
Impairment	(1,702)	(1,904)
<b>Net losses on financial assets at amortised cost</b>	<b>(1,702)</b>	<b>(1,904)</b>
<b>Net losses on financial assets</b>	<b>(1,702)</b>	<b>(1,904)</b>

## 7.3 Administered - Financial Instruments

	2024	2023
	\$'000	\$'000
<b>7.3A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	6,111,083	5,771,376
Accrued recoveries revenue	2,494,310	1,841,417
Goods and services receivables	1,250,569	640,059
Contract assets	7,045	3,838
Advances and loans	158,290	172,939
Less: Impairment allowance	(1,892,015)	(1,075,500)
<b>Total financial assets at amortised cost</b>	<b>8,129,282</b>	<b>7,354,130</b>
<b>Financial assets at fair value through other comprehensive</b>		
Other investments	195,208	184,659
<b>Total financial assets at fair value through other</b>	<b>195,208</b>	<b>184,659</b>
<b>Total financial assets</b>	<b>8,324,490</b>	<b>7,538,789</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	207,309	184,535
Contract liabilities	7,128	5,418
Grants payable	559,793	632,066
<b>Total financial liabilities measured at amortised cost</b>	<b>774,229</b>	<b>822,018</b>
<b>Total financial liabilities</b>	<b>774,229</b>	<b>822,018</b>
<b>7.3B: Net gains or losses on financial assets</b>		
<b>Financial assets at amortised cost</b>		
Interest revenue	12,728	8,604
Impairment	(818,916)	(415,143)
<b>Net gains / (losses) on financial assets at amortised cost</b>	<b>(806,188)</b>	<b>(406,539)</b>
<b>Net gains / (losses) on financial assets</b>	<b>(806,188)</b>	<b>(406,539)</b>

## 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	Fair value measurements at the end of the reporting period	
		2024 \$'000	2023 \$'000
<b>Non-financial assets</b>			
Land and Buildings	3.2A	57,099	62,960
Plant and equipment	3.2A	6,410	4,918
<b>Total non-financial assets</b>		<b>63,510</b>	<b>67,878</b>

### 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 2024. 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 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

	2024	2023
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	139,929	118,485
Trade and other receivables	306,737	187,353
Land and buildings	8,251	10,232
Plant and equipment	1,158	783
Computer software	43,101	32,407
Other financial assets	11,965	6,892
Other non-financial assets	35,892	26,597
<b>Total no more than 12 months</b>	<b>547,034</b>	<b>382,750</b>
<b>More than 12 months</b>		
Land and buildings	546,834	590,777
Plant and equipment	5,307	4,182
Computer software	264,715	365,553
Other non-financial assets	162	548
<b>Total more than 12 months</b>	<b>817,018</b>	<b>961,060</b>
<b>Total assets</b>	<b>1,364,053</b>	<b>1,343,810</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	145,655	113,919
Employee payables	25,795	23,779
Other payables	8,997	218
Leases	47,293	45,743
Employee provisions	57,758	50,080
<b>Total no more than 12 months</b>	<b>285,497</b>	<b>233,740</b>
<b>More than 12 months</b>		
Leases	500,867	553,145
Employee provisions	175,969	157,062
Other provisions	12,261	14,330
<b>Total more than 12 months</b>	<b>689,097</b>	<b>724,537</b>
<b>Total liabilities</b>	<b>974,594</b>	<b>958,277</b>

## 8.1B: Administered - current/non-current distinction for assets and liabilities

	2024	2023
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	6,111,083	5,771,376
Accrued recoveries revenue	612,640	775,854
Trade and other receivables	1,310,952	734,927
Plant and equipment	1,457	1,703
Inventories	858,149	1,917,553
Other non-financial assets	1,040,694	672,427
<b>Total no more than 12 months</b>	<b>9,934,975</b>	<b>9,873,841</b>
<b>More than 12 months</b>		
Trade and other receivables	142,793	156,887
Investment in portfolio entities	626,522	536,750
Other investments	195,208	184,659
Plant and equipment	-	1,457
Inventories	277,394	1,060,039
<b>Total more than 12 months</b>	<b>1,241,916</b>	<b>1,939,793</b>
<b>Total assets</b>	<b>11,176,891</b>	<b>11,813,633</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers payable	214,436	189,952
Subsidies payable	109,249	97,824
Personal benefits payable	1,998,612	1,822,374
Grants payable	559,793	632,066
Subsidies provision	129,485	171,823
Personal benefits provision	1,204,819	1,123,106
<b>Total no more than 12 months</b>	<b>4,216,394</b>	<b>4,037,145</b>
<b>More than 12 months</b>		
Subsidies provision	470,715	432,077
<b>Total more than 12 months</b>	<b>470,715</b>	<b>432,077</b>
<b>Total liabilities</b>	<b>4,687,109</b>	<b>4,469,222</b>

## 8.2 Restructuring

### 8.2A: Restructuring

	2024
	Office of the Inspector-General of Aged Care <sup>1</sup>
	<b>\$'000</b>
<b>FUNCTIONS RELINQUISHED</b>	
<b>Assets relinquished</b>	
Appropriations receivable	<b>6,106</b>
<b>Total assets relinquished</b>	<b>6,106</b>
<b>Liabilities relinquished</b>	
Employee provisions	<b>650</b>
<b>Total liabilities relinquished</b>	<b>650</b>
<b>Net (assets)/liabilities relinquished</b>	<b>5,456</b>

<sup>1</sup>. Transfer of prior year appropriations for the cost of employee entitlement provisions and operational and ICT infrastructure funding to support the ongoing operations of the Office of the Inspector-General of Aged Care.

## 8.3 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 May 2023 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 2023-24 original budget was prepared before the 2022-23 final budget outcome was known. As a consequence, the opening balance of the statement of financial position was estimated, and in some cases variances between the 2022-23 final budget outcome and the 2023-24 original budget estimates can be attributable to unanticipated movements in prior year-end balances.
5. The original budget is not audited.

### Departmental budget variances

Variance explanation	Impacted line items
<p>The variance in the net cost of services was as a result of the following factors:</p> <p>(a) Higher than budgeted expenses for employee benefits reflect continuing growth in ASL during the year (773 ASL or 14%) which is attributable to further funding received in 2023-24 for the aged care reform, as well as funding measures for TGA public good activities, vaping reform and strengthening Medicare. Additionally, a significant number of contractors were converted to APS staff in 2022-23, and 2023-24 reflects the first full year impact of this conversion.</p> <p>(b) Finance costs relate to lease interest payments, and the expense is consistent with the value of lease liabilities and the implicit interest rates.</p> <p>(c) Write-down expenses are driven largely by impairment of capitalised software development costs, recognised as a result of the annual impairment review process, with impairment of leasehold improvements also a contributing factor.</p> <p>(d) Other revenue is an amalgamation of a range of minor receipts and recoveries accounts. These items can fluctuate widely with no predictable pattern.</p>	<p>Employee benefits</p> <p>Finance costs</p> <p>Write-down and impairment of other assets</p> <p>Other revenue</p>
<p>The variance in total assets was a result of the following factors:</p> <p>(a) A higher than expected trade and other receivables balance was driven by the value of unspent annual appropriations at the end of the year.</p>	<p>Trade and other receivables</p>

<p>(b) Debtor balances arising from the Department's cost recovered activities classified as revenue from contracts with customers. These balances fluctuate depending on the invoicing and payment cycles.</p>	<p>Other financial assets</p>
<p>(c) Lower than expected Right-of-Use assets values, which are consistent with the corresponding variance in lease liabilities compared to the original budget.</p>	<p>Land and buildings / Leases liabilities</p>
<p>(d) The value of computer software assets is the net result of asset capitalisations, the amortisation and impairment charges for the year, and the value of previously capitalised development costs reclassified to operating expenses during 2023-24. The reclassification was performed following a comprehensive review of the Department's portfolio of intangible assets by an independent service provider.</p>	<p>Computer software</p>
<p>(e) Other non-financial assets relate to prepaid expenses and are driven by the value of IT-related prepayments. These balances fluctuate from year to year with no predictable pattern.</p>	<p>Other non-financial assets</p>
<p>The variance in total liabilities was a result of the following factors:</p>	
<p>(a) The variances in supplier payables and other payables are due to the difference in classification of unearned revenue between the original budget and the actual figures.</p>	<p>Supplier payables / Other payables</p>
<p>(b) The increase in employee-related balances is consistent with a significant increase in employee benefits expenses compared to the original budget.</p>	<p>Employee payables / Employee provisions</p>
<p>(c) The variance in other provisions is due to a reassessment and a resulting decrease in the value of provisions for restoration costs in connection with the Department's leases.</p>	<p>Other provisions</p>
<p>There was no major variance in the Department's net assets position overall.</p>	

## Administered budget variances

Variance explanation	Impacted line items
<p>While overall there was no major variance for the net cost of services, the following items have been noted:</p> <p>(a) Supplier costs are largely driven by purchases under the demand-driven Immunisation program and inventory deployment costs from the NMS.</p> <p>(b) Impairment loss on financial instruments relates to historic debts first recognised in 2023-24 and fully impaired.</p> <p>(c) The write-off of inventory, including the NMS and COVID-19 vaccines, that has been identified as impaired on the basis that it has passed the 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.</p> <p>(d) Lower than anticipated recoveries of unspent grant funding and other miscellaneous receipts. These items can fluctuate with no predictable pattern.</p>	<p>Suppliers expenses / Other expenses</p> <p>Impairment loss on financial instruments</p> <p>Write-down and impairment of non-financial assets</p> <p>Other revenue</p>
<p>The variance in total assets was as a result of the following factors:</p> <p>(a) Accumulated balance in the Medicare Guarantee Fund special account due to the timing difference between the availability of funds and the payment of claims. The purpose of this special account is to secure the ongoing funding of the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS).</p> <p>(b) Variance in accrued recoveries revenue is mainly due to the timing differences between the billing cycle and collections for PBS drug recoveries and aged care recoveries from the National Disability Insurance Agency. These items can fluctuate depending on the demand for relevant PBS items and various medicines reaching the relevant thresholds to trigger recoveries.</p> <p>(c) Inventory and prepaid inventory balances are driven by the value of in-year purchasing, deployments and write-offs of NMS stock and COVID-19 vaccines and consumables. These balances are therefore heavily impacted by the modelled supply and demand and can fluctuate from year to year. Overall, the Department's inventory holdings continue to reduce, but at a lower than anticipated rate.</p>	<p>Cash and cash equivalents</p> <p>Accrued recoveries revenue / Trade and other receivables</p> <p>Inventories / Other non-financial assets (inventory prepayments)</p>
<p>The variance in total liabilities was as a result of the following factors:</p> <p>(a) Supplier liabilities can fluctuate from year to year and are driven by inventory accruals which depend on the timing of inventory deliveries and the associated invoicing.</p> <p>(b) Variance in the subsidies payable is within the expected range and represents less than 1% of the current year's subsidies expenses.</p> <p>(c) Grant liabilities vary from year to year depending on the timing of grant rounds and milestones.</p> <p>(d) Personal benefits provisions represent actuarial estimates of outstanding claims relating to the MBS and PBS schemes, and the variance represents approximately 3% of the current year's personal benefits expenses.</p> <p>(e) Variance in the subsidies provisions is due a significant decrease in the actuarial valuation of the COVID-19 vaccine claims liabilities. The relevant scheme is closing to new claims during 2024-25.</p>	<p>Supplier payables</p> <p>Subsidies payable</p> <p>Grants payable</p> <p>Personal benefits provisions</p> <p>Subsidies provisions</p>





# Navigation Aids

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# 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.

PGPA Rule Reference	Description	Requirement	Part	Page
<b>17AD(g)</b>	<b>Letter of Transmittal</b>			
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	Letter of Transmittal	1
<b>17AD(h)</b>	<b>Aids to access</b>			
17AJ(a)	Table of contents.	Mandatory	Contents	2
17AJ(b)	Alphabetical index of the contents of the report (including any appendices).	Mandatory	Navigation aids	325
17AJ(c)	Glossary of abbreviations and acronyms.	Mandatory	Navigation aids	318–320
17AJ(d)	List of requirements.	Mandatory	Navigation aids	312–317
17AJ(e)	Details of contact officer.	Mandatory	Publication details	ii
17AJ(f)	Entity's website address.	Mandatory	Publication details	ii
17AJ(g)	Electronic address of annual report published on Health and Aged Care's website.	Mandatory	Publication details	ii
<b>17AD(a)</b>	<b>Review by accountable authority</b>			
17AD(a)	A review by the accountable authority of the entity for the period.	Mandatory	Secretary's Review	5–7
<b>17AD(b)</b>	<b>Overview of the entity</b>			
17AE(1)(a)(i)	A description of the role and functions of the entity.	Mandatory	Part 1.3	20
17AE(1)(a)(ii)	A description of the organisational structure of the entity.	Mandatory	Part 3.3	108
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity during the period.	Mandatory	Part 1.4	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	Part 1.3	20
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority.	Mandatory	Part 1.2	18
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority.	Mandatory	Part 1.2	18
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Part 1.2	18
17AE(1)(b)	An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	Part 1.2	18

PGPA Rule Reference	Description	Requirement	Part	Page
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	Not applicable
<b>17AD(c)</b>	<b>Report on the performance of the entity</b>			
	<b>Annual Performance Statements</b>			
17AD(c)(i); 16F	Annual Performance Statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Part 2.1	24
<b>17AD(c)(ii)</b>	<b>Report on financial performance</b>			
17AF(1)(a)	A discussion and analysis of the entity's financial performance during the period.	Mandatory	Part 5	222
17AF(1)(b)	A table summarising the total resources of the entity, and the total payments made by the entity during the period.	Mandatory	Appendix 1	146–153
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	Part 5	222
<b>17AD(d)</b>	<b>Management and Accountability</b>			
	<b>Corporate governance</b>			
17AG(2)(a)	Information on compliance with section 10 (fraud systems).	Mandatory	Part 3.1	101–103
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Part 3.1	103
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	Part 3.1	103
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	Part 3.1	103
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Part 3.1	94
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	Mandatory	Part 3.1	103

PGPA Rule Reference	Description	Requirement	Part	Page
<b>Audit committee</b>				
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	Part 3.1	98
17AG(2A)(b)	The name of each member of the entity's audit committee during the period.	Mandatory	Part 3.1	98
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Part 3.1	98–99
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Part 3.1	98
17AG(2A)(e)	The remuneration of each member of the entity's audit committee.	Mandatory	Part 3.1	98
<b>External scrutiny</b>				
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	Part 3.6	133–135
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	Part 3.6	140
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	Part 3.6	140
17AG(3)(c)	Information on any capability reviews of the entity that were released during the period.	If applicable, Mandatory	Part 3.6	139
<b>Management of human resources</b>				
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Part 3.4	110–121
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and nonongoing basis, including the following: (a) statistics on fulltime employees; (b) statistics on parttime employees; (c) statistics on gender; (d) statistics on staff location.	Mandatory	Part 3.4 Appendix 2	110–111, 155–161
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following: <ul style="list-style-type: none"> <li>Statistics on staffing classification level;</li> <li>Statistics on fulltime employees;</li> <li>Statistics on parttime employees;</li> <li>Statistics on gender;</li> <li>Statistics on staff location;</li> <li>Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	Part 3.4 Appendix 2	110–111, 155–161
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 <i>Public Service Act 1999</i> .	Mandatory	Part 3.4 Appendix 2	111 – 112 161 & 166

PGPA Rule Reference	Description	Requirement	Part	Page
17AG(4)(c)(i)	Information on the number of SES and nonSES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory	Appendix 2	161 & 166
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level.	Mandatory	Appendix 2	166
17AG(4)(c)(iii)	A description of nonsalary benefits provided to employees.	Mandatory	Appendix 2	167
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay.	If applicable, mandatory	Not applicable	Not applicable
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level.	If applicable, mandatory	Not applicable	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	Not applicable
17AG(4)(d)(iv)	Information on aggregate amount of performance payments.	If applicable, mandatory	Not applicable	Not applicable
<b>Assets management</b>				
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	Part 3.5	122
<b>Purchasing</b>				
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	Part 3.5	123–125
<b>Reportable consultancy contracts</b>				
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	Part 3.5	124
17AG(7)(b)	A statement that <i>"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]."</i>	Mandatory	Part 3.5	124
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	Part 3.5	124

PGPA Rule Reference	Description	Requirement	Part	Page
17AG(7)(d)	A statement that <i>“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.”</i>	Mandatory	Part 3.5	124
<b>Reportable non-consultancy contracts</b>				
17AG(7A)(a)	A summary statement detailing the number of new reportable nonconsultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable nonconsultancy 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	Part 3.5	125
17AG(7A)(b)	A statement that <i>“Annual reports contain information about actual expenditure on reportable nonconsultancy contracts. Information on the value of reportable nonconsultancy contracts is available on the AusTender website.”</i>	Mandatory	Part 3.5	125
<b>17AD(daa)</b>	<b>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy contracts</b>			
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy contracts.	Mandatory	Part 3.5	125
<b>Australian National Audit Office Access clauses</b>				
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	Not applicable	Not applicable
<b>Exempt contracts</b>				
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	Part 3.5	126
<b>Small business</b>				
17AG(10)(a)	A statement that <i>“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.”</i>	Mandatory	Part 3.5	123

PGPA Rule Reference	Description	Requirement	Part	Page
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Part 3.5	123
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “ <i>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.</i> ”	If applicable, mandatory	Part 3.5	123
<b>Financial statements</b>				
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Part 5	226
<b>Executive remuneration</b>				
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	Part 3.5 Appendix 1	112 & 163–164
<b>17AD(f)</b>	<b>Other mandatory information</b>			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “ <i>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.</i> ”	If applicable, mandatory	Part 3.5	127
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	Not applicable
17AH(1)(b)	A statement that “ <i>Information on grants awarded by the Department of Health and Aged Care during the period 1 July 2023 to 30 June 2024 is available at www.grants.gov.au</i> ”	If applicable, mandatory	Part 3.5	126
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Part 3.4	118
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	Part 3.6	135
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	Not applicable	Not applicable
17AH(2)	Information required by other legislation	Mandatory	Part 4	141, 172, 178, 196, 203, 209 & 212

# Acronyms and Abbreviations

<b>ABN</b>	Australian Business Number
<b>ABS</b>	Australian Bureau of Statistics
<b>ACAT</b>	Aged Care Assessment Teams
<b>ACCHO</b>	Aboriginal Community Controlled Health Organisation
<b>AICIS</b>	Australian Industrial Chemicals Introduction Scheme
<b>AIHW</b>	Australian Institute of Health and Welfare
<b>ANAO</b>	Australian National Audit Office
<b>APS</b>	Australian Public Service
<b>APSC</b>	Australian Public Service Commission
<b>ARC</b>	Audit and Risk Committee
<b>ARSR</b>	Australian Respiratory Surveillance Report
<b>CALD</b>	Culturally and Linguistically Diverse
<b>CCS</b>	Commonwealth Contracting Suite
<b>CDBS</b>	Child Dental Benefits Schedule
<b>CDC</b>	Centre of Disease Control
<b>CDPP</b>	Commonwealth Director of Public Prosecutions
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CGRG</b>	Commonwealth Grant Rules and Guidelines
<b>CHSP</b>	Commonwealth Home Support Programme
<b>CMO</b>	Chief Medical Officer
<b>COO</b>	Chief Operating Officer
<b>CPA</b>	Certified Practising Accountants
<b>CSO</b>	Community Service Obligations
<b>EA</b>	Enterprise Agreement
<b>EAP</b>	Employee Assistance Program
<b>EL</b>	Executive Level
<b>ESD</b>	Ecologically Sustainable Development
<b>FSSC</b>	Financial Statements Sub-Committee
<b>FTE</b>	Full time equivalent
<b>GMOs</b>	Genetically modified organisms
<b>GP(s)</b>	General practitioner(s)
<b>GST</b>	Goods and services tax
<b>H5N1</b>	Highly pathogenic Avian Influenza A
<b>HCPs</b>	Home Care Packages

<b>HIV</b>	Human immunodeficiency virus
<b>HPAI</b>	Highly Pathogenic Avian Influenza
<b>HPV</b>	Human papillomavirus
<b>HR</b>	Human resources
<b>HSP</b>	Hearing Services Program
<b>ICC</b>	International Cricket Council
<b>IFA</b>	Individual Flexibility Arrangement
<b>IHACPA</b>	Independent Health and Aged Care Pricing Authority
<b>IPS</b>	Information Publication Scheme
<b>JCPAA</b>	Joint Committee of Public Accounts and Audit
<b>LGBTIQA+</b>	Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, Asexual
<b>LSDP</b>	Life Saving Drugs Program
<b>MBS</b>	Medicare Benefits Schedule
<b>MMR</b>	Measles-Mumps-Rubella
<b>MPOX</b>	Monkeypox
<b>MRFF</b>	Medical Research Future Fund
<b>NACCHO</b>	National Aboriginal Community Controlled Health Organisation
<b>NAIDOC</b>	National Aborigines' and Islanders' Day Observance Committee
<b>NATSIFAC</b>	National Aboriginal and Torres Strait Islander Flexible Aged Care
<b>NATSISN</b>	National Aboriginal and Torres Strait Islander Staff Network
<b>NBCSP</b>	National Bowel Cancer Screening Program
<b>NCIRS</b>	National Centre for Immunisation Research and Surveillance
<b>NCSP</b>	National Cervical Screening Program
<b>NDSS</b>	National Diabetes Services Scheme
<b>NHRA</b>	National Health Reform Agreement
<b>NHMRC</b>	National Health and Medical Research Council
<b>NHWDS</b>	National Health Workforce Datasets
<b>NIC</b>	National Incident Centre
<b>NIP</b>	National Immunisation Program
<b>NMS</b>	National Medical Stockpile
<b>NST</b>	National Sports Tribunal
<b>NWOW</b>	New Ways of Working
<b>ODC</b>	Office of Drug Control
<b>OECD</b>	Organisation for Economic Corporation and Development
<b>OGTR</b>	Office of the Gene Technology Regulator

<b>PAC</b>	Program Assurance Committee
<b>PASC</b>	Post-Acute-Sequelae of COVID-19
<b>PBAC</b>	Pharmaceutical Benefits Advisory Committee
<b>PBS</b>	Pharmaceutical Benefits Scheme
<b>PGPA</b>	Public Governance, Performance and Accountability
<b>PHI</b>	Private Health Insurance
<b>PHNs</b>	Primary Health Networks
<b>PIP</b>	Practice Incentives Program
<b>PIP QI</b>	Practice Incentives Program's Quality Improvement Incentive
<b>PRSC</b>	Performance Reporting Sub-Committee
<b>SES</b>	Senior Executive Service
<b>SMEs</b>	Small and Medium Enterprises
<b>TGA</b>	Therapeutic Goods Administration
<b>WHS</b>	Work Health and Safety

# Glossary

<b>Avian Influenza</b>	Avian Influenza is a viral disease of birds found across the globe. Avian influenza strains are described as low pathogenicity (LPAI) or high pathogenicity (HPAI). Most LPAI strains of avian influenza virus cause minimal disease in wild birds and poultry. However, some LPAI strains can evolve into HPAI strains when they spread among poultry, and can result in widescale death of poultry and wild birds.
<b>BreastScreen Australia Program</b>	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.
<b>Chronic disease</b>	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.
<b>Closing the Gap</b>	Council of Australian Governments Closing the Gap initiatives, designed to close the gap in health equality between Indigenous and non Indigenous Australians.
<b>Commonwealth Home Support Programme (CHSP)</b>	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.
<b>Communicable disease</b>	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.
<b>COVID-19</b>	Coronavirus disease 2019. An illness caused by the SARS-CoV-2 virus that was first identified in December 2019. Formerly known as 2019-nCoV.
<b>Diabetes</b>	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.
<b>Financial year</b>	The 12 month period from 1 July to 30 June.
<b>General practitioner (GP)</b>	A medical practitioner who provides primary care to patients and their families within the community.
<b>Genetically modified organisms (GMO)</b>	Organisms modified by gene technology.
<b>Gene technology</b>	Gene technology is a technique for the modification of genes or other genetic material.

<b>Head to Health</b>	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.
<b>headspace</b>	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.
<b>Health care</b>	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.
<b>Health outcome</b>	A change in the health of an individual or population due wholly or partly to a preventive or clinical intervention.
<b>Home Care Package (HCP)</b>	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.
<b>Human papillomavirus (HPV)</b>	A virus that causes genital warts which is linked in some cases to the development of more serious cervical cell abnormalities.
<b>Human immunodeficiency virus (HIV)</b>	A virus that damages the body's immune system. The late stage of HIV is called acquired immunodeficiency syndrome (AIDS). See Acquired immunodeficiency syndrome.
<b>Immunisation</b>	Inducing immunity against infection by the use of an antigen to stimulate the body to produce its own antibodies. See vaccination.
<b>Incidence</b>	The number of new cases (of an illness or event, and so on) occurring during a given period. Compare with prevalence.
<b>Indemnity insurance</b>	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.
<b>Influenza (flu)</b>	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.
<b>Jurisdictions</b>	In the Commonwealth of Australia, these include the 6 states, the Commonwealth Government and the 2 territories.
<b>Measles</b>	A highly contagious infection, usually in children, that causes flu like symptoms, fever, a typical rash and sometimes serious secondary problems such as brain damage. Preventable by vaccine.
<b>Medical Research Future Fund (MRFF)</b>	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.
<b>Medicare</b>	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).
<b>Mpox</b>	Mpox (formerly referred to as 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.

<b>National Aboriginal and Torres Strait Islander Health Plan 2021–2031</b>	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.
<b>National Bowel Cancer Screen Program (NBCSP)</b>	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.
<b>National Cervical Screening Program</b>	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.
<b>National Diabetes Services Scheme (NDSS)</b>	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.
<b>National Health Reform Agreement (NHRA)</b>	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.
<b>National Incident Centre</b>	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.
<b>National Preventive Health Strategy 2021–2030 (NHPS)</b>	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.
<b>Organisation for Economic Co operation and Development (OECD)</b>	An organisation of 35 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.
<b>Outcomes</b>	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.
<b>Pandemic</b>	A pandemic is a worldwide spread of a new disease, such as a new influenza virus, or the coronavirus that causes COVID-19.
<b>Pharmaceutical Benefits Advisory Committee (PBAC)</b>	<p>PBAC is an independent expert body appointed by the Australian Government. Members include doctors, health professionals, health economists and consumer representatives.</p> <p>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.</p>
<b>Pharmaceutical Benefits Scheme (PBS)</b>	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.

<b>Portfolio Budget Statements (PB Statements)</b>	Statements prepared by portfolios to explain the Budget appropriations in terms of Outcomes and programs.
<b>Prevalence</b>	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.
<b>Primary care</b>	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.
<b>Primary Health Networks (PHNs)</b>	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.
<b>Program/Programme</b>	A specific strategy, initiative or grouping of activities directed toward the achievement of Government policy or a common strategic objective.
<b>Public health</b>	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.
<b>Silicosis</b>	A preventable lung disease resulting from inhalation of very fine silica dust.
<b>Syphilis</b>	Syphilis is a serious infection caused by the <i>Treponema pallidum</i> bacterium. It has a complex disease progression, and early symptoms are often unnoticed. Left untreated, it can have significant health effects in several organ systems. In pregnant women it can lead to birth complications, congenital syphilis, and miscarriages. Syphilis is treatable with long-acting penicillin injections.
<b>Telehealth</b>	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
<b>Tecovirimat</b>	Tecovirimat is an antiviral medication used to treat severe mpox virus infection, for 14 days when treatment is deemed necessary.
<b>Therapeutic Goods Administration (TGA)</b>	The TGA is Australia's regulatory authority for therapeutic goods such as medicines, medical devices, and diagnostic tests.
<b>Vaccination</b>	The process of administering a vaccine to a person to produce immunity against infection. See immunisation.
<b>Vaping</b>	Recreational use of vapourised nicotine and/or e-cigarettes.
<b>World Health Organization (WHO)</b>	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.
<b>Zoonoses</b>	Zoonosis or zoonotic diseases are infectious diseases that can pass from animals to humans.

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# ADDENDUM TO APPENDIX 1

## Entity resource statement

	Actual available appropriation for 2023–24 \$'000 (A)	Payments made 2023–24 \$'000 (B)	Balance remaining 2023–24 \$'000 (A) - (B)
<b>DEPARTMENTAL</b>			
<b>Annual appropriations - ordinary annual services<sup>1</sup></b>			
Prior year departmental appropriation	94,498	94,377	121
Departmental appropriation	1,345,191	1,141,262	203,929
Departmental capital budget <sup>2</sup>	19,870	16,355	3,515
Receipts retained under PGPA Act - section 74	204,763	204,763	-
<b>Total annual appropriations - ordinary annual services</b>	<b>1,664,322</b>	<b>1,456,757</b>	<b>207,565</b>
<b>Annual appropriations - other services - non-operating<sup>3</sup></b>			
Prior year departmental appropriation	25,655	25,655	0
Equity injections	227,405	160,468	66,937
<b>Total annual appropriations - other services - non-operating</b>	<b>253,060</b>	<b>186,123</b>	<b>66,937</b>
<b>Total departmental annual appropriations</b>	<b>1,917,382</b>	<b>1,642,880</b>	<b>274,502</b>
<b>Special accounts<sup>4</sup></b>			
Opening Balance	117,273	-	
Appropriation receipts <sup>5</sup>	45,534	-	
Non-appropriation receipts to special accounts	226,590	-	
Payments made		261,026	
<b>Total special accounts</b>	<b>389,397</b>	<b>261,026</b>	<b>128,371</b>
<i>Less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	45,534		
<b>TOTAL DEPARTMENTAL RESOURCING</b>	<b>2,261,246</b>	<b>1,903,906</b>	<b>402,873</b>

	Actual available appropriation for 2023–24 \$'000 (A)	Payments made 2023–24 \$'000 (B)	Balance remaining 2023–24 \$'000 (A) - (B)
<b>ADMINISTERED</b>			
<b>Annual appropriations - ordinary annual services<sup>1</sup></b>			
Outcome 1	8,200,830	7,410,879	
Outcome 2	1,878,555	1,612,522	
Outcome 3	6,771,344	5,859,891	
Outcome 4	98,448	53,713	
Receipts retained under PGPA Act - section 74	-	-	
Payments to corporate Commonwealth entities	673,387	673,387	
<b>Total annual appropriations - ordinary annual services</b>	<b>17,622,564</b>	<b>15,610,392</b>	
<b>Annual appropriations - other services - non-operating<sup>3</sup></b>			
Prior year administered appropriation	5,129,055	121,535	
Administered assets and liabilities	43,887	4,249	
Receipts retained under PGPA Act - section 74	-	-	
Payments to corporate Commonwealth entities	36,203	36,203	
<b>Total annual appropriations - other services - non-operating</b>	<b>5,209,145</b>	<b>161,986</b>	
<b>Total administered annual appropriations</b>	<b>22,831,709</b>	<b>15,772,378</b>	
<b>Administered special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>Aged Care (Accommodation Payment Security) Act 2006</i>		-	
<i>Aged Care Act 1997</i>		28,127,091	
<i>Health Insurance Act 1973</i>		-	
<i>National Health Act 1953</i>		2,378,717	
<i>Medical Indemnity Act 2002</i>		66,544	
<i>Private Health Insurance Act 2007</i>		7,071,154	
<i>Dental Benefits Act 2008</i>		325,385	
<i>Public Governance, Performance and Accountability Act 2013-s77</i>		2,931	
<b>Total administered special appropriations</b>		<b>37,971,823</b>	
<b>Special accounts</b>			
Opening Balance	5,732,626		
Appropriation receipts <sup>4</sup>	8,287		
Appropriation receipts - other entities <sup>5</sup>	48,171,044		
Non-appropriation receipts to special accounts	315,198		
Payments made	-	48,264,597	
<b>Total special accounts</b>	<b>54,227,155</b>	<b>48,264,597</b>	<b>5,962,558</b>

	Actual available appropriation for 2023–24	Payments made 2023–24	Balance remaining 2023–24
	\$'000 (A)	\$'000 (B)	\$'000 (A) - (B)
Less administered appropriations drawn from annual/special appropriations and credited to special accounts	8,287		
Less payments to corporate entities from annual/special appropriations	709,590	709,590	
<b>TOTAL ADMINISTERED RESOURCING<sup>6</sup></b>	<b>76,340,987</b>	<b>101,299,208</b>	<b>5,962,558</b>
<b>Total resourcing and payments for the Department of Health and Aged Care</b>	<b>78,602,233</b>	<b>103,203,114</b>	<b>6,365,431</b>

1 *Appropriation Act (No.1) 2023–24, Appropriation Act (No.3) 2023–24 and Appropriation Act (No.5) 2023–24.* 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 *Appropriation Act (No.2) 2023–24 and Appropriation Act (No.4) 2023–24.*

4 Appropriation receipts from the Department of Health and Aged Care's annual appropriations 2023–24 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.